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## Semi-annual Consolidated Financial Results (for the Six Months Ended September 30, 2024) [Japanese GAAP]

November 8, 2024

Company name: The Nisshin Oillio Group, Ltd.

Stock exchange listing: Tokyo

Code number: 2602

URL: <https://www.nisshin-oillio.com/english/>

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Scheduled date of filing semi-annual securities report: November 12, 2024

Scheduled date of commencing dividend payments: December 3, 2024

Availability of supplementary briefing material on semi-annual financial results: Yes

Semi-annual financial results briefing session: Yes (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

**1. Semi-annual Consolidated Financial Results for the Six Months Ended September 30, 2024****(1) Consolidated Operating Results**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2024	261,170	2.5	10,344	(10.4)	8,913	(19.9)	7,520	(5.7)
September 30, 2023	254,839	(7.5)	11,545	22.4	11,132	12.5	7,976	2.5

(Note) Comprehensive income: Six months ended September 30, 2024: ¥4,453 million [(68.7)%]

Six months ended September 30, 2023: ¥14,216 million [8.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	232.01	-
September 30, 2023	246.09	-

**(2) Consolidated Financial Position**

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2024	387,916	194,010	47.5
March 31, 2024	393,382	192,562	46.4

(Reference) Equity: As of September 30, 2024: ¥184,094 million

As of March 31, 2024: ¥182,622 million

**2. Dividends**

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	60.00	-	110.00	170.00
Fiscal year ending March 31, 2025	-	90.00			
Fiscal year ending March 31, 2025 (Forecast)			-	90.00	180.00

(Note) Revision to the dividend forecast announced most recently: No

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024, to March 31, 2025)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	535,000	4.2	21,000	0.8	20,000	(0.2)	14,500	(4.3)	447.36

(Note) Revision to the financial results forecast announced most recently: No

▪ Notes:

(1) Significant changes in the scope of consolidation during the six months under review (ended September 30, 2024): No

New: - (Company name)

Exclusion: - (Company name)

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock):

September 30, 2024: 33,716,257 shares

March 31, 2024: 33,716,257 shares

2) Total number of treasury stock at the end of the period:

September 30, 2024: 1,295,535 shares

March 31, 2024: 1,304,040 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Six months ended September 30, 2024: 32,415,206 shares

Six months ended September 30, 2023: 32,412,361 shares

(Note) The Company's shares held by the Trust Account for Stock Delivery to Directors are included in treasury stocks.

- The Semi-annual Consolidated Financial Results are not subject to review by certified public accountants or audit firms.
- Explanation of the appropriate use of earnings forecasts and other notes: The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to a variety of factors. Please refer to "1. Qualitative Information on the Semi-annual Consolidated Financial Results, (3) Explanation of the Forecast Data, including Consolidated Results Forecast" on page 10 for the conditions that form the assumptions for the forecast of financial results and cautions concerning the use of the forecast of financial results.

Financial results briefing and a Q&A session will be held for analysts and institutional investors via webcast on November 14, 2024 (Thu.). (Language used: Japanese)

[Reference]

## Table of Contents

1. Qualitative Information on the Semi-annual Consolidated Financial Results .....	5
(1) Overview of Business Performance .....	5
(2) Overview of Financial Position .....	10
(3) Explanation of the Forecast Data, including Consolidated Results Forecast.....	10
2. Semi-annual Consolidated Financial Statements and Related Notes.....	11
(1) Semi-annual Consolidated Balance Sheets.....	11
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income .....	13
(3) Semi-annual Consolidated Statements of Cash Flows .....	15
(4) Notes to the Semi-annual Consolidated Financial Statements.....	16
Notes on going concern assumption .....	16
Notes on any significant fluctuation in the amount of shareholders' equity .....	16
Changes in accounting policies .....	16
Notes on segment information .....	17
Revenue recognition .....	19
3. Other .....	19
On-Site Inspection by the Fair Trade Commission .....	19

## 1. Qualitative Information on the Semi-annual Consolidated Financial Results

Any forward-looking statement herein is based on management's judgment as of September 30, 2024.

### (1) Overview of Business Performance

During the first half of the consolidated fiscal year ending March 31, 2025, although there were signs that the global economy slowed due to effects from cumulative monetary tightening measures so far in a number of countries, particularly in the U.S., conditions remained firm as a result of the shift to monetary easing and other factors.

In Japan, despite some stagnation of consumer sentiment caused by rising prices, personal consumption recovered due to improved income and employment conditions, and inbound demand increased due to a weaker yen. As a result, the economy recovered moderately.

Under such circumstances, the Group continues to mobilize its core policy, "Transform ourselves into a corporate group that continuously creates diverse values through customer centricity," in advancing the Value Up+ medium-term management plan (FY2021-FY2024). The Group is accelerating its growth trajectory through its CSV targets that serve as growth drivers within each of the six key priorities. Leveraging the "Natural Power of Plants" as a foundation for value creation, the Group will also pursue sustainable growth while cultivating diverse values that can be shared with society.

The Group has set achieving an ROE level that exceeds the equity cost as its material business goal. ROIC has been used as a business performance metric since FY2022, and the Group has tirelessly worked to enhance its profitability and asset efficiency. Furthermore, the Group has developed a framework ("Achievement Chart") of KPIs and specific initiatives under the four pillars of "growth," "active investment," "sustainability," and "efficiency," and will continue to make progress to achieve its management targets at ROE of 8.0% or higher and ROIC of 5.0% or higher in FY2024.

The financial results for the first six months of the fiscal year ending March 31, 2025, are as follows:

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	YoY (%)
Net sales	254,839	261,170	+6,330	102.5
Operating profit	11,545	10,344	(1,201)	89.6
Ordinary profit	11,132	8,913	(2,219)	80.1
Profit attributable to owners of parent	7,976	7,520	(455)	94.3

## Overview by Segment

### << Oil and Fat >>

In the oil and fat segment, in terms of oil and meal, demand for eating out and tourism increased as inbound demand recovered against the backdrop of yen depreciation and heightened domestic flows of people, resulting in higher sales volumes of products for commercial-use and for food processing. However, the impacts of falling unit sales prices were substantial due to effects from higher olive oil costs and falling raw material prices for soybeans and rapeseed, and sales and profit were down. Because there were factors that supported higher sales and profit in processed oil and fat, the oil and fat segment overall reported an increase in net sales but a decrease in operating profit.

### ◆ Oil and Meal

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	YoY (%)
Net sales	162,110	151,034	(11,076)	93.2
Operating profit	8,839	5,231	(3,608)	59.2

### Procurement environment of raw materials

Although the yen weakened against the dollar compared to the same period of the previous fiscal year, soybean and rapeseed markets fell year-on-year. As a result, procurement costs for these materials declined compared with the same period of the previous fiscal year.

#### Market prices of major raw materials

Regarding soybeans, market prices were held down due to expectations of a bumper crop following steady growth in the U.S. Since the beginning of 2024, prices have been weak as concerns regarding reduced soybean production in Brazil have subsided. The large-scale flooding that occurred in southern Brazil in May pushed prices up to the mid-US\$12 level, but the impact was temporary, and prices fluctuated around the US\$10 level starting in August.

The market price for rapeseed declined compared to the same period of the previous year due to improvement in the global supply and demand. Since April, the growth of Canadian rapeseed progressed steadily, but production in Europe and Australia was expected to decline, and as a result, prices remained at the C\$600 range. Although there were factors sharply pushing down the price of rapeseed including the decline in soybean prices on the Chicago Board of Trade and reports that China had launched an anti-dumping investigation into Canadian rapeseed, the declines were temporary, and the price recovered to C\$600.

#### Exchange rates

The dollar-yen market saw the yen weaken against the U.S. dollar as the outlook for interest rate reductions in the U.S. was pushed back due to strong employment and economic results, and there was awareness of the gap in interest rates between Japan and the U.S. In late April, when the yen depreciated to the 160-yen level against the dollar, the government and Bank of Japan intervened in the market by buying yen, resulting in a temporary adjustment, but in early July the yen fell against the dollar to the 161-yen level for the first time in 37 and a half years. The yen later appreciated against the dollar due to yen purchases by the Bank of Japan and an interest rate cut by the U.S. FOMC, but the value of the dollar was higher against the yen than in the same period of the previous fiscal year.

## Sales of oil and fat

In commercial-use products, the Group continuously made efforts to improve the quality of solutions offered through collaborative-sales-to-identify-needs marketing, such as improving the quality of end products, reducing costs, and boosting productivity. Active proposals were made to expand sales of value-added products, such as customer-solution-type frying oil, which reduces the acid value and coloration of the frying oil, and functional oils and fats which enhance the quality of menu items including cooked-rice-solution oil and functional-solution oil for noodle products. In terms of sales, there was a temporary slowdown in delivery due to effects from extreme heat, flooding, and other factors in July and later, but sales volume increased due to the recovery of demand for dining out and tourism resulting from the recovery of inbound demand against the backdrop of the weak yen and more active domestic travel. However, although we made efforts to maintain and set appropriate sales prices amidst the downward trend in raw material prices, net sales declined due to lower unit sales prices of general-purpose products.

In the food processing sector, the sales volume of oils and fats for food processing increased due to recovery trends in some industries as a result of effects from inbound demand and other factors. On the other hand, we made efforts to adjust sales prices, but unit sales prices decreased year on year, and as a result, net sales declined.

For household-use products, in addition to *Nisshin Healthy Off*, which curtails oil absorption during deep-frying, we launched *Nisshin Healthy Clear*, an oil that reduces the oxidation of cooking oil and prolongs the flavor, in an effort to increase the value of edible oils and to form a new price equilibrium point. While the price of raw materials remained high for olive oil and other oils, continuous efforts were made to revise sales prices for these products and boost recognition of value-added products such as “pour-and-enjoy fresh edible oil” and “flavored oil” into the market. Despite these efforts, unit sales prices for major products decreased due to lower raw material prices for soybeans and rapeseed. Also, sales volume dropped due to defensive spending patterns among consumers against a backdrop of price hikes, and as a result, net sales decreased.

In terms of profit, in addition to effects from a decrease of gross profit per unit for general-purpose products and rising costs for olive oil, higher logistics costs resulted in a decrease in operating profit overall in the domestic oils and fats business.

## Meal sales

As for soybean meal, crushing volume was down slightly from the same period of the previous fiscal year and sales were conducted with an emphasis on price, and as a result, sales volume declined slightly. In addition, the yen was weak against the dollar, but unit sales prices decreased due to sharply lower market prices for soybean meal, leading to a decrease in net sales.

As for rapeseed meal, the crushing volume increased from the same period of the previous fiscal year, and as a result of efforts to expand sales while maintaining appropriate prices, sales volume increased, but unit sales prices fell due to effects from lower prices for soybean meal and other factors, leading to a decrease in net sales.

## ◆ Processed Oil and Fat

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	YoY (%)
Net sales	49,306	61,199	+11,892	124.1
Operating profit	2,195	2,959	+764	134.8

As for overseas processed oil and fat, sales to Europe and to domestic customers by Intercontinental Specialty

Fats Sdn. Bhd. in Malaysia were strong, and as a result, sales volume increased compared to the same period of the previous fiscal year. In addition, unit sales prices increased in response to rising market prices for palm oil, leading to an increase in net sales. In terms of profit, operating profit increased due to higher gross profit per unit.

In the processed oil and fat sector in Japan, although market conditions remained challenging, net sales increased due to an increase in sales volume resulting from an expansion of new sales destinations as a result of aggressive proposals, higher demand for alternative fats in conjunction with soaring prices for cacao butter, and other factors. In terms of profit, initiatives for sales at appropriate prices resulted in higher operating profit.

**<< Processed Food and Materials >>**

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	YoY (%)
Net sales	32,864	37,347	+4,482	113.6
Operating profit	121	1,483	+1,361	—

In the processed food and materials segment, net sales and operating profit increased due to sales of chocolate products and functional materials and foods at appropriate sales prices.

In chocolate products, Daito Cacao Co., Ltd., had higher sales volume compared to the same period of the previous fiscal year, and also, progress was made in setting appropriate sales prices against costs amid rising raw material prices, leading to increases in net sales and operating profit. T.&C. Manufacturing Co., Pte. Ltd., of Singapore reported lower sales to existing customers compared to the same period of the previous fiscal year due to sluggish demand for premixed products, but higher sales prices resulted in higher net sales and operating profit. PT Indoagri Daitocacao of Indonesia had flat sales volume compared to the same period of the previous fiscal year, but reported higher net sales and operating profit due to higher sales prices. Overall, the chocolate category saw net sales and operating profit increase, mainly due to the performance of Daito Cacao Co., Ltd.

In functional materials and foods, the Company continued to market functionality under the concept of “shifting to a body-fat-burning constitution,” launched MCT products in collaboration with processed food manufacturers, rolled out low-volume, high-energy food products for use in healthcare facilities, and raised awareness of the use of MCT oil to enhance the energy content of staple foods. However, net sales decreased due to decreases in unit sales prices in response to lower costs for MCT and other factors. On the other hand, operating profit increased due to sales at appropriate prices.

**<< Fine Chemical >>**

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	YoY (%)
Net sales	9,301	10,372	+1,070	111.5
Operating profit	622	903	+281	145.3

In the fine chemical segment, sales of cosmetic raw materials were strong in both the domestic and overseas markets, primarily in the makeup market. As a result, net sales and operating profit increased.

As for fine chemical products, customer development continued as we launched new products for cosmetics and provided solution proposals through technical support globally. Also, not only makeup products but also skincare products are growing, resulting in strong sales of our products in the Japanese and Chinese markets. Industrial Química Lasem, S.A.U. (IQL) of Spain also continued to experience a recovery in lubricating oils and



performed well alongside its leading cosmetic ingredients and other products. As a result, net sales and operating profit increased.

**Reference: Net sales (non-consolidated)**

(Million yen)

		Six months ended September 30, 2023	Six months ended September 30, 2024	Change	YoY (%)
Oil and Fat	Oil and Meal	146,474	135,224	(11,250)	92.3
	Commercial-use and food processing	63,468	57,910	(5,558)	91.2
	Household-use	37,124	34,064	(3,060)	91.8
	Meal	45,881	43,249	(2,631)	94.3
	Processed Oil and Fat	7,129	7,536	+407	105.7
	Subtotal	153,604	142,760	(10,843)	92.9
Processed Food and Materials		10,879	10,423	(456)	95.8
Fine Chemical		3,301	3,986	+684	120.7
Other		191	215	+24	112.7
Total		167,976	157,385	(10,590)	93.7

## (2) Overview of Financial Position

### 1) Assets, liabilities and net assets

Total assets on September 30, 2024, stood at ¥387,916 million, down by ¥5,465 million from the previous fiscal year-end. The main reasons for this decrease were decreases of ¥2,312 million in cash and deposits, ¥10,630 million in trade receivables, and ¥4,333 million in investment securities. This decrease in total assets was partially offset by increases of ¥4,479 million in inventories, ¥3,848 million in other current assets, and ¥3,702 million in property, plant, and equipment.

Liabilities stood at ¥193,906 million, down by ¥6,913 million from the previous fiscal year-end. The main reasons for the decrease were decreases of ¥5,183 million in trade payables, ¥5,000 million in current portion of bonds payable, ¥736 million in income taxes payable, and ¥553 million in long-term borrowings. This decrease in liabilities was partially offset by an increase of ¥5,502 million in short-term borrowings.

Net assets stood at ¥194,010 million, an increase of ¥1,447 million from the previous fiscal year-end. The main factor in the increase was an increase of ¥4,354 million in retained earnings. This increase in net assets was partially offset by a decrease of ¥2,907 million in accumulated other comprehensive income.

### 2) Status of cash flows

Cash and cash equivalents as of September 30, 2024, stood at ¥16,342 million, a decrease of ¥140 million from the previous fiscal year-end.

#### << Cash Flows from Operating Activities >>

Operating activities provided net cash of ¥7,955 million (¥27,203 million provided in the same period of the previous fiscal year). The main factors increasing cash were profit before income taxes of ¥11,455 million, depreciation of ¥5,092 million, and a decrease in trade receivables of ¥11,517 million. The main factors decreasing cash were a decrease in trade payables of ¥5,187 million, an increase in inventories of ¥3,386 million, gain on sale of investment securities of ¥2,663, and income taxes paid of ¥4,595 million.

#### << Cash Flows from Investing Activities >>

Investing activities used net cash of ¥3,966 million (¥6,773 million used in the same period of the previous fiscal year). The main factor increasing cash was proceeds from sale of investment securities of ¥3,630 million. There was also a decrease in cash due to purchase of investment securities of ¥629 million and purchase of property, plant, and equipment of ¥8,863 million.

#### << Cash Flows from Financing Activities >>

Financing activities used net cash of ¥4,424 million (¥16,025 million used in the same period of the previous fiscal year). The main factor decreasing cash was dividends paid of ¥3,568 million.

## (3) Explanation of the Forecast Data, including Consolidated Results Forecast

With regard to the consolidated results, there is no change in the figures of full-year consolidated earnings forecasts for FY2024 (fiscal year ending March 31, 2025), originally announced on May 10, 2024.

If we determine that changes in circumstances require us to revise the Group's earnings forecasts, we will disclose such revisions promptly.

## 2. Semi-annual Consolidated Financial Statements and Related Notes

### (1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	20,434	18,121
Notes and accounts receivable - trade	101,927	91,296
Inventories	97,615	102,094
Other	12,885	16,734
Allowance for doubtful accounts	(108)	(55)
Total current assets	232,753	228,191
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,224	30,919
Machinery, equipment and vehicles, net	34,092	36,850
Land	27,492	27,493
Other, net	15,523	13,771
Total property, plant and equipment	105,332	109,034
Intangible assets		
Goodwill	186	161
Other	2,480	2,339
Total intangible assets	2,667	2,501
Investments and other assets		
Investment securities	39,812	35,478
Retirement benefit asset	8,399	8,240
Other	4,378	4,441
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	52,564	48,134
Total non-current assets	160,564	159,670
Deferred assets		
Bond issuance costs	64	55
Total deferred assets	64	55
Total assets	393,382	387,916

(Million yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	47,783	42,600
Short-term borrowings	15,313	20,816
Current portion of bonds payable	10,000	5,000
Income taxes payable	4,515	3,779
Provisions	81	32
Other	32,674	34,223
Total current liabilities	110,369	106,452
Non-current liabilities		
Bonds payable	15,000	15,000
Long-term borrowings	56,632	56,079
Provisions	538	537
Retirement benefit liability	2,152	2,197
Other	16,127	13,640
Total non-current liabilities	90,451	87,454
Total liabilities	200,820	193,906
<b>Net assets</b>		
Shareholders' equity		
Share capital	16,332	16,332
Capital surplus	21,663	21,663
Retained earnings	128,650	133,004
Treasury shares	(4,068)	(4,043)
Total shareholders' equity	162,576	166,956
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,069	8,380
Deferred gains or losses on hedges	746	(2,129)
Foreign currency translation adjustment	7,271	10,049
Remeasurements of defined benefit plans	957	837
Total accumulated other comprehensive income	20,045	17,137
Non-controlling interests	9,940	9,915
Total net assets	192,562	194,010
<b>Total liabilities and net assets</b>	<b>393,382</b>	<b>387,916</b>

**(2) Semi-annual Consolidated Statements of Income and Comprehensive Income**

## Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	254,839	261,170
Cost of sales	217,442	223,383
Gross profit	37,397	37,787
Selling, general and administrative expenses	25,851	27,442
Operating profit	11,545	10,344
Non-operating income		
Interest income	77	153
Dividend income	235	250
Foreign exchange gains	93	-
Other	264	217
Total non-operating income	671	621
Non-operating expenses		
Interest expenses	496	641
Share of loss of entities accounted for using equity method	449	265
Foreign exchange losses	-	950
Loss on disposal of inventories	52	65
Other	85	129
Total non-operating expenses	1,084	2,053
Ordinary profit	11,132	8,913
Extraordinary income		
Gain on sale of non-current assets	872	-
Gain on sale of investment securities	-	2,663
Total extraordinary income	872	2,663
Extraordinary losses		
Loss on retirement of non-current assets	101	121
Total extraordinary losses	101	121
Profit before income taxes	11,903	11,455
Income taxes	3,827	3,587
Profit	8,076	7,868
Profit attributable to non-controlling interests	100	347
Profit attributable to owners of parent	7,976	7,520

## Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	8,076	7,868
Other comprehensive income		
Valuation difference on available-for-sale securities	1,886	(2,846)
Deferred gains or losses on hedges	1,167	(3,045)
Foreign currency translation adjustment	2,661	2,217
Remeasurements of defined benefit plans, net of tax	125	(120)
Share of other comprehensive income of entities accounted for using equity method	298	381
Total other comprehensive income	6,139	(3,414)
Comprehensive income	14,216	4,453
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,592	4,440
Comprehensive income attributable to non- controlling interests	623	13

**(3) Semi-annual Consolidated Statements of Cash Flows**

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,903	11,455
Depreciation	4,691	5,092
Amortization of goodwill	19	21
Interest and dividend income	(312)	(403)
Interest expenses	496	641
Share of loss (profit) of entities accounted for using equity method	449	265
Loss (gain) on sale and retirement of non-current assets	(770)	121
Loss (gain) on sale of investment securities	-	(2,663)
Decrease (increase) in trade receivables	(789)	11,517
Decrease (increase) in inventories	6,973	(3,386)
Increase (decrease) in trade payables	6,094	(5,187)
Decrease (increase) in retirement benefit asset	(9)	158
Increase (decrease) in retirement benefit liability	31	44
Other, net	1,589	(4,917)
Subtotal	30,368	12,760
Interest and dividends received	304	389
Interest paid	(502)	(598)
Income taxes paid	(2,966)	(4,595)
Net cash provided by (used in) operating activities	27,203	7,955
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(7,406)	(8,863)
Proceeds from sale of property, plant and equipment	1,285	13
Purchase of investment securities	(20)	(629)
Proceeds from sale of investment securities	-	3,630
Other, net	(631)	1,881
Net cash provided by (used in) investing activities	(6,773)	(3,966)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(13,254)	5,063
Repayments of long-term borrowings	(28)	(513)
Redemption of bonds	-	(5,000)
Dividends paid	(2,432)	(3,568)
Proceeds from sale of treasury shares	2	9
Purchase of treasury shares	(1)	(3)
Dividends paid to non-controlling interests	(29)	(40)
Other, net	(282)	(372)
Net cash provided by (used in) financing activities	(16,025)	(4,424)
Effect of exchange rate change on cash and cash equivalents	654	295
Net increase (decrease) in cash and cash equivalents	5,059	(140)
Cash and cash equivalents at beginning of period	10,899	16,483
Cash and cash equivalents at end of period	15,958	16,342

#### **(4) Notes to the Semi-annual Consolidated Financial Statements**

##### **Notes on going concern assumption**

There is no item to report.

##### **Notes on any significant fluctuation in the amount of shareholders' equity**

There is no item to report.

##### **Changes in accounting policies**

[Application of the Accounting Standard for Current Income Taxes and other standards]

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; referred to as the "2022 Revised Accounting Standard") and other standards from the start of the first half of the consolidated fiscal year under review.

Regarding revisions to the classification in which income taxes should be recorded (taxation of other comprehensive income), the Company follows the transitional treatment specified in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment specified in the proviso to paragraph 65-2(2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; referred to as the "2022 Revised Implementation Guidance").

Also, for revisions relating to reviews of the accounting treatment for consolidated financial statements when gains and losses on sale of shares in subsidiaries and the like resulting from transactions between consolidated companies are deferred for tax purposes, the Company has applied the 2022 Revised Implementation Guidance from the start of the first half of the consolidated fiscal year under review.

These changes in accounting policies have no impact on the semi-annual consolidated financial statements and the consolidated financial statements.



## Notes on segment information

### 1. Overview of Reporting Segments

The Company has established operating divisions by product; each division conducts business activities by formulating comprehensive domestic and overseas strategies for the products it handles. Therefore, the Company's business consists of product segments based on the operating divisions, with three reporting segments: "Oil and Fat," "Processed Food and Materials," and "Fine Chemical."

Main products for each reporting segment can be found in the chart below:

Business Category		Main products
Oil and Fat	Oil and meal	Household-use (edible oils), edible oils for commercial use, oils and fats for food processing, oil meals
	Processed oil and fat	Processed palm oil products, oils and fats for chocolate, margarines, shortenings
Processed Food and Materials		Chocolate-related products, household-use (salad dressing), wellness foods (MCT high-energy food, elderly/nursing care food), MCT, lecithin, tocopherol, edible soybeans, soy protein
Fine Chemical		Raw materials for cosmetics and toiletries, chemical products, plant-based industrial oils, detergents, antibacterial agents, surfactants
Other		Information systems, sales promotions, sports facility operations, P&C insurance agency, real estate leasing

### 2. Information Regarding Amounts of Net Sales and Profit and Loss by Reporting Segment

Six months ended September 30, 2023 (April 1, 2023, to September 30, 2023)

(Million yen)

	Reporting segment						Other (Note 1)	Total	Adjustments (Note 2)	Amount in the semi-annual consolidated statements of income (Note 3)
	Oil and Fat			Processed Food and Materials	Fine Chemical	Total				
	Oil and meal	Processed oil and fat	Subtotal							
Net sales										
Sales to external customers	162,110	49,306	211,417	32,864	9,301	253,583	1,255	254,839	—	254,839
Intersegment sales and transfers	973	4,295	5,269	95	813	6,177	966	7,144	(7,144)	—
Total	163,084	53,601	216,686	32,959	10,115	259,761	2,222	261,984	(7,144)	254,839
Segment profit (loss)	8,839	2,195	11,035	121	622	11,779	233	12,012	(466)	11,545

Notes:

1. The Other category is for business segments that are not included in reporting segments, such as information systems.
2. Adjustment for segment profit of - ¥466 million includes unallocated expenses. These expenses mainly comprise general and administrative expenses that cannot be attributed to reporting segments.
3. Segment profit is adjusted against the operating profit recorded in the semi-annual consolidated statements of income.

Six months ended September 30, 2024 (April 1, 2024, to September 30, 2024)

(Million yen)

	Reporting segment						Other (Note 1)	Total	Adjustments (Note 2)	Amount in the semi-annual consolidated statements of income (Note 3)
	Oil and Fat			Processed Food and Materials	Fine Chemical	Total				
	Oil and meal	Processed oil and fat	Subtotal							
Net sales										
Sales to external customers	151,034	61,199	212,234	37,347	10,372	259,954	1,216	261,170	—	261,170
Intersegment sales and transfers	1,210	5,541	6,752	64	576	7,392	1,113	8,506	(8,506)	—
Total	152,245	66,740	218,986	37,411	10,949	267,346	2,330	269,677	(8,506)	261,170
Segment profit (loss)	5,231	2,959	8,191	1,483	903	10,578	246	10,825	(480)	10,344

Notes:

1. The Other category is for business segments that are not included in reporting segments, such as information systems.
2. Adjustment for segment profit of - ¥480 million includes unallocated expenses. These expenses mainly comprise general and administrative expenses that cannot be attributed to reporting segments.
3. Segment profit is adjusted against the operating profit recorded in the semi-annual consolidated statements of income.

### 3. Regional Information

Six months ended September 30, 2023 (April 1, 2023, to September 30, 2023)

(Million yen)

	Japan	Asia	Other	Total
Net sales	202,699	27,661	24,478	254,839
Ratio to net sales	79.5%	10.9%	9.6%	100.0%

Note: Sales are classified into countries or regions based on customers' locations.

Six months ended September 30, 2024 (April 1, 2024, to September 30, 2024)

(Million yen)

	Japan	Asia	Other	Total
Net sales	195,138	34,909	31,122	261,170
Ratio to net sales	74.7%	13.4%	11.9%	100.0%

Note: Sales are classified into countries or regions based on customers' locations.

## Revenue recognition

Information breaking down revenue arising from contracts with customers

Six months ended September 30, 2023 (April 1, 2023, to September 30, 2023)

(Million yen)

	Reporting segment						Other (Note)	Total
	Oil and Fat			Processed Food and Materials	Fine Chemical	Total		
	Oil and meal	Processed oil and fat	Subtotal					
Japan	160,226	6,539	166,765	29,397	5,280	201,443	1,090	202,534
Asia	1,847	20,762	22,610	3,458	1,592	27,661	—	27,661
Other	36	22,004	22,040	8	2,429	24,478	—	24,478
Revenue arising from contracts with customers	162,110	49,306	211,417	32,864	9,301	253,583	1,090	254,674
Other revenue	—	—	—	—	—	—	165	165
Sales to external customers	162,110	49,306	211,417	32,864	9,301	253,583	1,255	254,839

Note: The Other category is for business segments that are not included in reporting segments, such as information systems.

Six months ended September 30, 2024 (April 1, 2024, to September 30, 2024)

(Million yen)

	Reporting segment						Other (Note)	Total
	Oil and Fat			Processed Food and Materials	Fine Chemical	Total		
	Oil and meal	Processed oil and fat	Subtotal					
Japan	149,028	6,836	155,865	32,802	5,254	193,921	1,023	194,945
Asia	1,971	26,050	28,021	4,539	2,348	34,909	—	34,909
Other	34	28,311	28,346	5	2,770	31,122	—	31,122
Revenue arising from contracts with customers	151,034	61,199	212,234	37,347	10,372	259,954	1,023	260,977
Other revenue	—	—	—	—	—	—	192	192
Sales to external customers	151,034	61,199	212,234	37,347	10,372	259,954	1,216	261,170

Note: The Other category is for business segments that are not included in reporting segments, such as information systems.

### 3. Other

#### On-Site Inspection by the Fair Trade Commission

On March 13, 2024, the Company was subjected to an on-site inspection by the Japan Fair Trade Commission for alleged violation of the Antimonopoly Act in connection with the sales of sesame oils. The Company is in earnest cooperation with this investigation.