

July 31, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 <under J-GAAP>

Company name: **Toyo Suisan Kaisha, Ltd.**
 Listing: Prime Market of the Tokyo Stock Exchange
 Securities code: 2875
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 Scheduled date of start of dividend payment: –
 Preparation of results presentation materials: Yes
 Holding of results briefing meeting: None

(Amounts less than one million yen have been omitted.)

1. Consolidated Operating Results for the First Three Months of FY2025 (from April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Jun. 30, 2024	126,697	14.0	20,267	53.7	22,917	50.0	17,633	60.0
Jun. 30, 2023	111,181	7.8	13,190	23.0	15,277	34.8	11,023	27.5

Note: Comprehensive income Three months ended June 30, 2024: 29,980 million yen [17.4%]
 Three months ended June 30, 2023: 25,537 million yen [7.3%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
Jun. 30, 2024	172.66	–
Jun. 30, 2023	107.94	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Jun. 30, 2024	598,883	493,203	80.3
As of Mar. 31, 2024	570,994	474,534	81.0

Reference: Equity
 As of June 30, 2024: 480,924 million yen
 As of March 31, 2024: 462,316 million yen

2. Dividends

	Full Year Dividends				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	For the year
	Yen	Yen	Yen	Yen	Yen
FY2024	–	60.00	–	110.00	170.00
FY2025	–	–	–	–	–
FY2025 (Forecast)	–	80.00	–	90.00	170.00

Note: Revisions to the dividends forecasts most recently announced: None

3. Consolidated Results Forecasts for FY2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	247,500	5.4	34,500	15.7	37,500	11.5	27,800	10.6	272.21
Full year	510,000	4.3	72,000	8.0	78,000	4.2	59,000	6.0	577.71

Note: Revisions to the results forecasts most recently announced: None

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of specific accounting procedures for preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - a. Changes in accounting policies due to amendments to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement: None

(4) Number of shares issued (common stock)

a. Number of shares issued at end of period (including treasury shares)

As of June 30, 2024	110,881,044 shares
As of March 31, 2024	110,881,044 shares

b. Number of treasury shares at end of period

As of June 30, 2024	8,754,177 shares
As of March 31, 2024	8,754,177 shares

c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	102,126,867 shares
Three months ended June 30, 2023	102,127,159 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Explanation related to the appropriate use of the results forecasts and other items warranting special mention

(Caution regarding forward-looking statements)

Forward-looking statements in this document, including the results forecasts, etc., are based on the information available as of the date of the release of this document and the preconditions that the Company deemed to be reasonable; they are not meant to be a commitment by the Company, and a variety of factors in the future may cause actual results to differ materially from these forecasts. Please refer to Section: “(3) Explanation of forward-looking information, including consolidated results forecasts” of “1. Qualitative Information on Quarterly Consolidated Financial Results for the Three Months Ended June 30, 2024” on page 3 of the attachments for the preconditions for the results forecasts and items to exercise caution in the use of these results forecasts.

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1. Qualitative Information on Quarterly Consolidated Financial Results for the Three Months Ended June 30, 2024

(1) Explanation of the consolidated operating results

During the three months ended June 30, 2024, the conditions in the Japanese economy gradually recovered, although stagnation has been seen in recent weeks. Looking ahead, although moderate recovery in the economy is expected to continue, in part due to the effect of various policies under an improving employment and income environment, it is necessary to closely monitor the impact of rising prices and fluctuations in financial and capital markets, etc.

Under these circumstances, the Toyo Suisan Group (hereafter, the “Group”) has remained committed to its mission “to contribute to society through foods” and “to provide safe and secure foods and services to customers” under the corporate slogan of “Smiles for All.” The Group continued to implement further cost reductions and promoted aggressive sales activities in its efforts to face an increasingly competitive sales environment.

As a result, net sales were ¥126,697 million (up 14.0% year on year), operating profit was ¥20,267 million (up 53.7% year on year), ordinary profit was ¥22,917 million (up 50.0% year on year), and profit attributable to owners of parent was ¥17,633 million (up 60.0% year on year) for the period under review.

The foreign exchange rate as of the end of the period was ¥161.03 to the U.S. dollar (¥144.99 to the U.S. dollar as of the end of the corresponding period of the previous fiscal year).

The operating results by segment are as follows.

In the Seafood Segment, sales increased mainly due to the strong sales for products for use in *Onigiri* (rice balls) destined for convenience stores as well as an increase in the sales volume of products provided as gifts for hometown tax payments. As a result, segment sales were ¥8,068 million (up 6.8% year on year) and segment profit was ¥259 million (up 94.3% year on year), supported mainly by a rise in sales due to the increased sales volume and also by some products that achieved a reduction in purchasing costs due to their stabilized raw material prices.

In the Overseas Instant Noodles Segment, sales in the U.S. market saw a reactionary boost from a decline in sales caused by inventory adjustments by some customers in the three months ended June 30, 2023, along with strong sales in the current three months from special sales, etc. of the *Ramen* series, one of our signature products, and steady sales of our *Instant Lunch* series. In Mexico, sales of cup-type noodles, our signature products, were steady following the price revisions implemented in April, and sales of bag-type noodles performed well as a result of efforts to expand sales. As a result, segment sales were ¥60,389 million (up 27.2% year on year). Segment profit was ¥14,801 million (up 61.0% year on year) mainly due to a decrease in raw material costs and an increase in sales despite increases in transportation costs and personnel expenses, among others.

In the Domestic Instant Noodles Segment, price revisions that we had been implementing over two consecutive years were completed in June and sales remained firm, partly due to the penetration of the revised prices. In cup-type noodles, sales increased because *Akai Kitsune Udon* and *Midori no Tanuki Ten Soba*, our signature products, saw steady sales, and the sales of the *Menzukuri* series performed well following the deployment of a new TV commercial that has been running since March, also helped by a campaign with an increased amount of noodle conducted in June. In bag-type noodles, the *Maruchan Seimen* series earned positive reception for the excellent cost performance of its five-meal package, and this category continued to perform well. As a result, segment sales were ¥22,255 million (up 1.2% year on year) and segment profit was ¥2,120 million (up 95.1% year on year) mainly due to the effect of price revisions until May, despite an increase in personnel expenses.

The Frozen and Refrigerated Foods Segment remained firm due to proactive efforts to expand sales of our signature products and new product launches. In fresh noodles, we launched seasonal limited-edition products for our signature product *Maruchan Yakisoba (Three-Meal Package)* consisting of two in spring and then two more for summer, all based on the theme of flavors that match in-season vegetables to stir up sales activity for the series. In other products, sales of cold noodles performed well partly due to the hot weather, and the *Tsuruyaka* series, which meets the demand for quick and easy cooking, showed significant growth. In frozen foods, there was a sales growth not only in frozen noodles, but also in products for commercial use grew due to expanding demand related to industrial catering, restaurants and leisure, and demand for products for the deli food business also expanded. As a result, segment sales were ¥15,257 million

(up 6.5% year on year). Segment profit was ¥2,127 million (up 8.5% year on year) mainly due to sales expansion despite increases in raw material costs and manufacturing expenses.

In the Processed Foods Segment, the effect of the price revisions implemented in April last year ran its course, and as a result of the penetration of the revised prices, sales grew as the volume of products handled recovered. Sales of aseptically packaged cooked rice products and retort packaged cooked rice products both increased favorably, as demand for cooked rice products remained high. Sales of freeze-dried products increased, recovering from the decline due to price revisions last year and the impacts of factors including the shortage of liquid eggs. As a result, segment sales were ¥5,049 million (up 12.4% year on year). Segment profit was ¥186 million (compared with a segment loss of ¥21 million in the corresponding period of the previous fiscal year) due to sales expansion despite an increase in personnel expenses.

In the Cold-Storage Segment, although there was weakness in cargo movement for imports, centered on raw materials, due to the impact of rising prices, the weak yen, etc., sales increased mainly due to an increase in the related delivery and other operations as a result of solid results in the handling of manufactured products, centered on ice cream, etc. in Japan. As a result, segment sales were ¥6,145 million (up 3.1% year on year). Segment profit was ¥602 million (down 7.1% year on year) owing to increases in depreciation due to equipment renewal, and personnel expenses and transportation costs due to rising prices.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥9,530 million (up 1.6% year on year) and segment profit was ¥331 million (up 46.6% year on year).

(2) Explanation of the consolidated financial position

At the end of the first quarter of the fiscal year ending March 31, 2025, total assets increased by ¥27,888 million from the previous fiscal year-end to ¥598,883 million, and net assets increased by ¥18,669 million to ¥493,203 million. The main factors contributing to these results are as follows:

The main contributing factor for assets was an increase in cash and deposits, despite a decrease in securities. The main contributing factor for liabilities was an increase in other under current liabilities. The main contributing factors for net assets were increases in retained earnings and foreign currency translation adjustment.

As a result of these factors, the equity ratio was 80.3%.

(3) Explanation of forward-looking information, including consolidated results forecasts

The Company has not changed its consolidated results forecasts for the first six months and the full term of the fiscal year ending March 31, 2025, as announced on May 10, 2024, as the results for the first quarter were within the expected range. If there are any changes in the future, the relevant information will be duly disclosed.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of end FY2024 (March 31, 2024)	As of end 1Q FY2025 (June 30, 2024)
Assets		
Current assets		
Cash and deposits	189,706	242,233
Notes and accounts receivable - trade, and contract assets	65,030	66,161
Securities	65,000	36,000
Merchandise and finished goods	18,106	17,573
Work in process	482	504
Raw materials and supplies	18,428	18,649
Other	6,588	5,811
Allowance for doubtful accounts	(798)	(806)
Total current assets	362,544	386,127
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,254	71,209
Machinery, equipment and vehicles, net	43,987	48,523
Land	35,435	35,693
Leased assets, net	1,448	1,376
Construction in progress	13,611	13,324
Other, net	1,125	1,110
Total property, plant and equipment	166,863	171,239
Intangible assets		
Other	2,648	3,050
Total intangible assets	2,648	3,050
Investments and other assets		
Investment securities	36,605	36,182
Deferred tax assets	1,323	1,136
Retirement benefit asset	55	54
Other	954	1,093
Total investments and other assets	38,938	38,466
Total non-current assets	208,450	212,756
Total assets	570,994	598,883

(Millions of yen)

	As of end FY2024 (March 31, 2024)	As of end 1Q FY2025 (June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	32,443	34,776
Short-term borrowings	390	396
Lease liabilities	288	281
Accrued expenses	26,788	23,698
Income taxes payable	5,547	4,582
Provision for bonuses for directors (and other officers)	262	58
Asset retirement obligations	9	4
Other	4,114	14,955
Total current liabilities	69,846	78,753
Non-current liabilities		
Lease liabilities	2,885	2,815
Deferred tax liabilities	5,689	5,983
Provision for retirement benefits for directors (and other officers)	325	331
Retirement benefit liability	15,864	15,776
Asset retirement obligations	195	196
Other	1,653	1,823
Total non-current liabilities	26,614	26,926
Total liabilities	96,460	105,679
Net assets		
Shareholders' equity		
Share capital	18,969	18,969
Capital surplus	22,941	22,941
Retained earnings	369,556	375,950
Treasury shares	(8,239)	(8,239)
Total shareholders' equity	403,228	409,622
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,025	14,035
Deferred gains or losses on hedges	46	59
Foreign currency translation adjustment	44,033	56,168
Remeasurements of defined benefit plans	982	1,039
Total accumulated other comprehensive income	59,088	71,302
Non-controlling interests	12,217	12,279
Total net assets	474,534	493,203
Total liabilities and net assets	570,994	598,883

(2) Quarterly consolidated statements of income and comprehensive income
Quarterly consolidated statements of income (Cumulative)

(Millions of yen)

	1Q FY2024 (from April 1, 2023 to June 30, 2023)	1Q FY2025 (from April 1, 2024 to June 30, 2024)
Net sales	111,181	126,697
Cost of sales	81,466	88,007
Gross profit	29,715	38,689
Selling, general and administrative expenses	16,524	18,421
Operating profit	13,190	20,267
Non-operating income		
Interest income	1,356	2,019
Dividend income	306	353
Share of profit of entities accounted for using equity method	18	62
Miscellaneous income	499	314
Total non-operating income	2,181	2,750
Non-operating expenses		
Interest expenses	53	51
Miscellaneous losses	40	49
Total non-operating expenses	94	100
Ordinary profit	15,277	22,917
Extraordinary income		
Gain on sale of non-current assets	1	6
Gain on sale of investment securities	0	512
Subsidy income	13	8
Total extraordinary income	14	527
Extraordinary losses		
Loss on sale and retirement of non-current assets	15	38
Other	1	0
Total extraordinary losses	17	38
Profit before income taxes	15,275	23,405
Income taxes - current	3,582	5,343
Income taxes - deferred	616	327
Total income taxes	4,199	5,670
Profit	11,076	17,735
Profit attributable to non-controlling interests	52	102
Profit attributable to owners of parent	11,023	17,633

Quarterly consolidated statements of comprehensive income (Cumulative)

(Millions of yen)

	1Q FY2024 (from April 1, 2023 to June 30, 2023)	1Q FY2025 (from April 1, 2024 to June 30, 2024)
Profit	11,076	17,735
Other comprehensive income		
Valuation difference on available-for-sale securities	1,731	32
Deferred gains or losses on hedges	112	12
Foreign currency translation adjustment	12,505	12,135
Remeasurements of defined benefit plans, net of tax	70	58
Share of other comprehensive income of entities accounted for using equity method	40	5
Total other comprehensive income	14,461	12,244
Comprehensive income	25,537	29,980
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,405	29,847
Comprehensive income attributable to non-controlling interests	131	132

(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumptions)

Not applicable

(Notes in the event of substantial changes in shareholders' equity)

Not applicable

(Notes on changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance on Accounting Standard of 2022"). There is no impact on the quarterly consolidated financial statements as a result of this change in accounting policies.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Guidance on Accounting Standard of 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025. The change in accounting policies has been applied retrospectively. Therefore, the retrospective application was reflected in the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year. There is no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year as a result of this change in accounting policies.

(Notes on quarterly consolidated statements of cash flows)

The quarterly consolidated statements of cash flows for the three months ended June 30, 2024 have not been prepared. Depreciation (including amortization related to intangible assets excluding goodwill) for the three months ended June 30 is as follows.

	(Millions of yen)	
	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Depreciation	4,071	4,114

(Notes on segment information, etc.)

[Segment information]

I. Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1. Information relating to net sales, profit and loss, and information on disaggregation of revenue by each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on quarterly consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Japan	7,503	—	21,989	14,326	4,492	5,963	54,275	9,337	63,613	—	63,613
The Americas	—	47,468	—	—	—	—	47,468	—	47,468	—	47,468
Other regions	53	—	—	—	—	—	53	46	100	—	100
Net sales (Note 4)	7,556	47,468	21,989	14,326	4,492	5,963	101,797	9,384	111,181	—	111,181
Net sales to outside customers	7,556	47,468	21,989	14,326	4,492	5,963	101,797	9,384	111,181	—	111,181
Intersegment sales or transfers	421	—	23	2	0	270	718	9	727	(727)	—
Total	7,978	47,468	22,013	14,328	4,492	6,233	102,515	9,394	111,909	(727)	111,181
Segment profit (loss)	133	9,195	1,086	1,959	(21)	648	13,003	225	13,229	(38)	13,190

Notes: 1. The Other Business Segment is one which is not among the reportable segments and refers to a business which is mainly involved in the packed lunch/deli food business.

2. The negative ¥38 million in segment profit or loss adjustments includes companywide expenses of negative ¥320 million which have not been allocated to each reportable segment, a ¥60 million adjustment to inventories, and other adjustments of ¥221 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for the offset elimination of knowhow fees from overseas subsidiaries.

3. Segment profit or loss is adjusted at the operating profit level on the quarterly consolidated financial statements.

4. Net sales are revenue mainly recognized from contracts with customers, and the amount of revenue recognized from other sources is not significant.

2. Information relating to impairment losses on non-current assets or goodwill for each reportable segment

Not applicable

II. Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information relating to net sales, profit and loss, and information on disaggregation of revenue by each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on quarterly consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Japan	7,925	–	22,255	15,257	5,049	6,145	56,633	9,487	66,121	–	66,121
The Americas	–	60,389	–	–	–	–	60,389	–	60,389	–	60,389
Other regions	143	–	–	–	–	–	143	42	185	–	185
Net sales (Note 4)	8,068	60,389	22,255	15,257	5,049	6,145	117,166	9,530	126,697	–	126,697
Net sales to outside customers	8,068	60,389	22,255	15,257	5,049	6,145	117,166	9,530	126,697	–	126,697
Intersegment sales or transfers	318	–	14	2	0	297	633	6	639	(639)	–
Total	8,386	60,389	22,270	15,259	5,050	6,443	117,800	9,536	127,336	(639)	126,697
Segment profit	259	14,801	2,120	2,127	186	602	20,099	331	20,430	(162)	20,267

Notes: 1. The Other Business Segment is one which is not among the reportable segments and refers to a business which is mainly involved in the packed lunch/deli food business.

2. The negative ¥162 million in segment profit adjustments includes companywide expenses of negative ¥232 million which have not been allocated to each reportable segment, a ¥54 million adjustment to inventories, and other adjustments of ¥15 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for the offset elimination of non-operating transactions.

3. Segment profit is adjusted at the operating profit level on the quarterly consolidated financial statements.

4. Net sales are revenue mainly recognized from contracts with customers, and the amount of revenue recognized from other sources is not significant.

2. Information relating to impairment losses on non-current assets or goodwill for each reportable segment

Not applicable