

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



October 31, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: Fujicco Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2908
 URL: <https://www.fujicco.co.jp/english/>
 Representative: Masakazu Fukui, President and CEO
 Inquiries: Teruaki Onishi, Senior Executive Officer E-mail: kikaku2908@fujicco.co.jp
 Scheduled date to file semi-annual securities report: November 7, 2024
 Scheduled date to commence dividend payments: December 6, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	28,055	2.1	257	(61.0)	449	(46.3)	378	(34.7)
September 30, 2023	27,466	4.4	660	23.7	838	18.8	579	6.9

Note: Comprehensive income For the six months ended September 30, 2024: ¥188 million [(80.7)%]
 For the six months ended September 30, 2023: ¥978 million [88.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	13.29	—
September 30, 2023	20.36	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	80,292	68,559	85.4
March 31, 2024	80,476	69,023	85.8

Reference: Equity
 As of September 30, 2024: ¥68,559 million
 As of March 31, 2024: ¥69,023 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	23.00	—	23.00	46.00
Fiscal year ending March 31, 2025	—	23.00			
Fiscal year ending March 31, 2025 (Forecast)			—	23.00	46.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecast for the fiscal year ending March 31, 2025 (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
Full year	58,500	5.0	2,000	30.7	2,250	19.6	1,550	39.6	54.45

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	30,050,759 shares
As of March 31, 2024	30,050,759 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2024	1,582,650 shares
As of March 31, 2024	1,584,274 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	28,466,993 shares
Six months ended September 30, 2023	28,464,801 shares

Note: The number of treasury shares at the end of the period includes the number of the shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) established in conjunction with the introduction of a Japanese employee stock ownership plan (J-ESOP). In addition, the average number of shares outstanding of the Company during the period held by Custody Bank of Japan, Ltd. (Trust Account E) established in conjunction with the introduction of a Japanese employee stock ownership plan (J-ESOP) was included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares outstanding during the period.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts and other special matters

[Disclaimer regarding forward-looking statements and other information]

The forward-looking statements including earnings forecast contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. These statements do not represent a promise or commitment by the Company to achieve those forecasts. Actual operating results may differ significantly due to various factors. For the conditions underlying financial results forecast and instructions regarding its use, please refer to “Explanation of Forward-looking Information including the Consolidated Financial Results Forecast” on page 3 of the Attachments of the Consolidated Financial Results for the Six Months Ended September 30, 2024.

Table of Contents - Attachments

1. Qualitative Information on Semi-annual Financial Results	2
(1) Operating Results	2
(2) Financial Position	3
(3) Forward-looking Information Including the Consolidated Financial Results Forecast	4
2. Semi-annual Consolidated Financial Statements and Principal Notes	5
(1) Semi-annual Consolidated Balance Sheets	5
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income	7
(3) Semi-annual Consolidated Statements of Cash Flows	9
(4) Notes to Semi-annual Consolidated Financial Statements	10
<i>Going concern assumption</i>	10
<i>Significant changes in shareholders' equity</i>	10
<i>Changes in accounting policies</i>	10
<i>Segment information</i>	10
3. Supplemental Information	11
(1) Status of Sales	11

1. Qualitative Information on Semi-annual Financial Results

(1) Operating Results

For the six months ended September 30, 2024, while the Japanese economy was expected to recover moderately given some signs that both employment and income were picking up, its outlook remained uncertain as the improvement in consumer sentiment came to a standstill.

The food industry was forced to operate in harsh business conditions as consumers have grown more reluctant to spend in the face of continued price hikes.

In this environment, based on its management plan, the Fujicco Group made a range of efforts, such as revitalizing its bean products, of which market has been shrinking, and further strengthening its *kombu* (kelp) products.

In terms of sales, net sales came in at ¥ 28,055 million (up 2.1% year on year), underpinned by the growth of *kombu*, bean, dessert, and yogurt products.

On the profit front, we sought to improve profits under a policy of increasing sales volume through aggressively investing in advertising. However, the effect of sales growth on profit was limited as our financial burden increased due primarily to discounts and sales incentives. In addition, the Group's profitability declined for a number of reasons, such as rising materials and labor costs, soaring logistics costs, sluggish sales of delicatessen products delivered daily and online shop sales. As a result, operating profit came in at ¥257 million (down 61.0% year on year), ordinary profit at ¥449 million (down 46.3% year on year), and profit attributable to owners of parent at ¥378 million (down 34.7% year on year).

Sales by product category were as follows.

For delicatessen products, sales decreased year on year. As consumers increasingly cut back on their spending, sales of delicatessen products delivered daily and Chinese prepared foods were sluggish. Among packaged delicatessen foods, sales of *Obanzai Kobachi* increased year on year as we implemented a multifaceted marketing & sales approach at the store front in tie-up with TV commercials. However, overall sales of packaged delicatessen foods decreased year on year as products such as seasonings were weak.

Among *kombu* products, *Fujicconi*, the mainstay product in this category, drove sales. From April to June, we aired TV commercials demonstrating the best way of eating *Fujicconi* with plain rice to encourage consumers to try the product. From July to August, we also presented recipes developed jointly with Delish Kitchen to increase the frequency of its use. From the latter half of September, we aired TV commercials aimed at “making everyone smile with *kombu*” to promote its use by existing users and encourage new-generation users to try the product.

Sales of bean products increased year on year. To increase the frequency *Omamesan Mamekobachi* is put on the table, we aired TV commercials from the latter half of May to June to emphasize the convenience that the product can be served without being cooked. From July to August, we showcased the product in a wide space and held food tasting events in stores to raise the consumer awareness of the product. In July, we held a promotional campaign to increase the content of both the series of steamed and water boiled beans by 20%, commemorating the 20th anniversary of the launch of the series of steamed beans.

For yogurt products, sales of *Caspian Sea Yogurt Plain*, the mainstay product in this category, remained strong. In addition, to encourage consumers to purchase the product, we held a campaign to attach almond croquant to *Caspian Sea Yogurt Non-fat* and *kinako*, or soybean flour, to *Marugoto SOY Caspian Sea Yogurt*. Sales of *Zendamakin no Chikara*, a supplement product, remained weak as its relaunch was delayed.

For dessert products, sales of the *Fruits Therapy* series remained strong. In August, to deepen communication with its users, we held fan meetings in eastern and western Japan for the first time. In September, we launched *Fruits Therapy Unshu Mikan*, a product available only during fall and winter; the product has contributed to sales since then.

(2) Financial Position

Total assets as of September 30, 2024 decreased ¥184 million from the end of the previous fiscal year to ¥80,292 million.

Current assets increased ¥102 million from the end of the previous fiscal year to ¥34,285 million. The main reason for a decrease in accounts receivable – trade and an increase in cash and deposits is a timing difference in cash inflow because the end of the previous fiscal year (March 31, 2024) was a bank holiday.

Non-current assets decreased ¥286 million from the end of the previous fiscal year to ¥46,006 million. This is attributable mainly to the progress of depreciation of property, plant and equipment, and a decline in the fair value of investment securities.

Current liabilities increased ¥252 million from the end of the previous fiscal year to ¥9,682 million. This is attributable mainly to an increase in accounts payable – trade due to seasonality of raw material purchases.

Non-current liabilities remained almost unchanged from the end of the previous fiscal year at ¥2,049 million.

Net assets decreased ¥463 million from the end of the previous fiscal year to ¥68,559 million. This is attributable mainly to a decrease in retained earnings as a result of dividend payment and a decrease in valuation difference on available-for-sale securities.

As a result, the equity-to-asset ratio declined to 85.4 % from 85.8% at the end of the previous fiscal year.

Cash flows

Cash and cash equivalents as of September 30, 2024 increased ¥588 million from the end of the previous fiscal year to ¥11,929 million.

Cash flows from operating activities

During the six months ended September 30, 2024, net cash provided by operating activities amounted to ¥2,928 million (compared with ¥1,133 million for the same period a year ago). This is attributable mainly to the recording of ¥540 million in profit before income taxes and ¥1,723 million in depreciation, as well as a decrease of ¥514 million in trade receivables.

Cash flows from investing activities

During the six months ended September 30, 2024, net cash used in investing activities amounted to ¥1,683 million (compared with ¥1,280 million used for the same period a year ago) due primarily to the acquisition of property, plant and equipment and intangible assets.

Cash flows from financing activities

During the six months ended September 30, 2024, net cash used in financing activities amounted to ¥656 million (compared with ¥654 million used for the same period a year ago) due primarily to the dividend payment.

(3) Forward-looking Information Including the Consolidated Financial Results Forecast

The business environment surrounding the Group remains challenging, and on October 23, 2024, we announced the “Notice of Revision to Earnings Forecast” revising our earnings forecast for the first six months of the fiscal year ending March 31, 2025. We have been revising product prices since September, and the sales status of products subject to the price revision in the third quarter onwards is key to achieving the performance target. We are determined to recover profits by taking appropriate measures for each product every month including December, which is the peak demand period. Therefore, we have made no changes to the full-year consolidated financial result forecast for the fiscal year ending March 31, 2025, which was disclosed upon the announcement of the consolidated financial results for the fiscal year ended March 31, 2024.

For details, please refer to the “Notice of Revision to Earnings Forecast” announced on October 23, 2024.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	11,340	11,929
Accounts receivable - trade	10,265	9,750
Merchandise and finished goods	1,306	1,455
Work in process	267	308
Raw materials and supplies	10,647	10,302
Other	357	542
Allowance for doubtful accounts	(2)	(2)
Total current assets	34,183	34,285
Non-current assets		
Property, plant and equipment		
Buildings and structures	42,068	42,269
Accumulated depreciation	(26,659)	(27,211)
Buildings and structures, net	15,408	15,058
Machinery, equipment and vehicles	33,007	33,456
Accumulated depreciation	(23,458)	(24,118)
Machinery, equipment and vehicles, net	9,549	9,338
Tools, furniture and fixtures	2,339	2,383
Accumulated depreciation	(1,705)	(1,764)
Tools, furniture and fixtures, net	634	618
Land	11,804	11,804
Construction in progress	111	377
Total property, plant and equipment	37,508	37,197
Intangible assets	773	759
Investments and other assets		
Investment securities	4,411	4,183
Deferred tax assets	379	628
Long-term time deposits	1,000	1,000
Other	2,225	2,242
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	8,011	8,049
Total non-current assets	46,292	46,006
Total assets	80,476	80,292

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	3,783	4,507
Accounts payable - other	3,891	3,586
Income taxes payable	315	369
Accrued consumption taxes	50	197
Provision for bonuses	555	434
Deposits received	168	77
Other	665	510
Total current liabilities	9,430	9,682
Non-current liabilities		
Retirement benefit liability	1,088	1,125
Provision for share awards for employees	155	151
Other	777	772
Total non-current liabilities	2,022	2,049
Total liabilities	11,452	11,732
Net assets		
Shareholders' equity		
Share capital	6,566	6,566
Capital surplus	1,006	1,006
Retained earnings	62,744	62,466
Treasury shares	(3,051)	(3,048)
Total shareholders' equity	67,265	66,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,731	1,566
Remeasurements of defined benefit plans	26	2
Total accumulated other comprehensive income	1,758	1,568
Total net assets	69,023	68,559
Total liabilities and net assets	80,476	80,292

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income
Six Months Ended September 30

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	27,466	28,055
Cost of sales	19,215	19,885
Gross profit	8,250	8,169
Selling, general and administrative expenses	7,589	7,912
Operating profit	660	257
Non-operating income		
Interest income	0	2
Dividend income	115	138
Rental income	28	30
Electricity sale income	37	32
Other	29	17
Total non-operating income	210	221
Non-operating expenses		
Interest expenses	0	0
Rental expenses	16	7
Electricity sale expenses	16	19
Other	0	3
Total non-operating expenses	33	29
Ordinary profit	838	449
Extraordinary income		
Gain on sale of non-current assets	0	–
National subsidy income	22	107
Total extraordinary income	23	107
Extraordinary losses		
Loss on disposal of non-current assets	12	16
Total extraordinary losses	12	16
Profit before income taxes	849	540
Income taxes - current	457	328
Income taxes - deferred	(187)	(166)
Total income taxes	269	162
Profit	579	378
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	579	378

Semi-annual Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	579	378
Other comprehensive income		
Valuation difference on available-for-sale securities	395	(165)
Remeasurements of defined benefit plans, net of tax	3	(24)
Total other comprehensive income	398	(189)
Comprehensive income	978	188
Comprehensive income attributable to:		
Owners of parent	978	188
Non-controlling interests	—	—

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	849	540
Depreciation	1,701	1,723
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	(3)	(120)
Increase (decrease) in retirement benefit liability	15	1
Interest and dividend income	(115)	(140)
Interest expenses	0	0
Loss (gain) on disposal of non-current assets	11	16
Decrease (increase) in trade receivables	(1,757)	514
Decrease (increase) in inventories	(283)	156
Increase (decrease) in trade payables	396	715
Increase (decrease) in accounts payable - other	191	(188)
Increase (decrease) in accrued consumption taxes	107	215
Increase (decrease) in deposits received	86	(91)
Other, net	(205)	(279)
Subtotal	994	3,063
Interest and dividends received	115	140
Interest paid	(0)	(0)
Income taxes refund (paid)	23	(275)
Net cash provided by (used in) operating activities	1,133	2,928
Cash flows from investing activities		
Purchase of property, plant and equipment	(967)	(1,540)
Proceeds from sale of property, plant and equipment	0	4
Purchase of intangible assets	(244)	(91)
Purchase of investment securities	(34)	(9)
Proceeds from sale of investment securities	0	—
Other, net	(35)	(46)
Net cash provided by (used in) investing activities	(1,280)	(1,683)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Dividends paid	(654)	(656)
Net cash provided by (used in) financing activities	(654)	(656)
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	(802)	588
Cash and cash equivalents at beginning of period	13,275	11,340
Cash and cash equivalents at end of period	12,472	11,929

(4) Notes to Semi-annual Consolidated Financial Statements

Going concern assumption

For the six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

Not applicable.

Significant changes in shareholders' equity

For the six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

Not applicable.

Changes in accounting policies

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter the "Revised Accounting Standard 2022"), etc. from the beginning of the six months ended September 30, 2024.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed 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; hereinafter referred to as the "Revised Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements for the six months ended September 30, 2024.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries, etc. resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Guidance 2022 has been applied from the beginning of the six months ended September 30, 2024. This change in accounting policies is applied retrospectively, and the consolidated financial statements for the six months ended September 30, 2024 and the consolidated financial statements for the previous fiscal year are those after such retrospective application. This change in accounting policies has no impact on the consolidated financial statements for the six months ended September 30, 2024 and the consolidated financial statements for the previous fiscal year.

Segment information

As the Group operates in a single segment that exclusively manufactures and sells similar or related processed foods, as judged by the similarity of product type, characteristics, manufacturing methods, and sales markets, the segment information is immaterial and therefore omitted.

3. Supplementary Information

(1) Status of Sales

(Millions of yen)

Product category	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)		Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)		YoY change	(Reference) Previous fiscal year (From April 1, 2023 to March 31, 2024)	
	Amount	Component ratio	Amount	Component ratio		Amount	Percentage of total
Delicatessen products	9,672	35.2%	9,447	33.7%	(224)	19,060	34.2%
Kombu products	7,549	27.5%	7,803	27.8%	253	15,712	28.2%
Bean products	4,365	15.9%	4,590	16.4%	224	9,949	17.9%
Yogurt products	3,313	12.1%	3,427	12.2%	113	6,471	11.6%
Dessert products	1,597	5.8%	1,781	6.3%	184	2,654	4.8%
Other products	966	3.5%	1,004	3.6%	37	1,867	3.3%
Total	27,466	100.0%	28,055	100.0%	589	55,715	100.0%

Note: “YoY change” represents the difference between the amount for the six months ended September 30, 2023 and 2024.