August 1, 2025

Consolidated Financial Results (Japanese Accounting Standards) for the Three Months Ended June 30, 2025 (Q1 FY2025) (English Translation)

Company name: KAMEDA SEIKA CO., LTD.
Stock exchange: Tokyo Stock Exchange
Stock code: 2220
URL: www.kamedaseika.co.jp
Representative: Masanori Takagi, President and COO
Contact: Akira Kobayashi, Senior Managing Director & CFO
Tel. +81-25-382-2111
Scheduled date of commencement of dividend payment: -
Supplementary documents for quarterly results: Available
Quarterly results briefing: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1 - June 30, 2025)

(1) Consolidated Results of Operations (Accumulated Total)

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Three Months ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
June 30, 2025	33,873	40.8	1,604	49.3	1,498	-26.7	21,987	—
June 30, 2024	24,066	8.3	1,074	53.5	2,044	38.1	1,191	49.3

(Note) Comprehensive income: ¥ 17,769 million (731.7%) for the three months ended June 30, 2025
¥ 2,136 million (19.9%) for the three months ended June 30, 2024

	Net income Per share (basic)	Net income Per share (diluted)
Three Months ended	¥	¥
June 30, 2025	1,042.87	—
June 30, 2024	56.52	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of June 30, 2025	167,046	95,525	55.4	4,391.08
As of March 31, 2025	123,862	78,908	61.0	3,585.50

(Reference) Shareholder's equity: As of June 30, 2025: ¥ 92,578 million
As of March 31, 2025: ¥ 75,594 million

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	¥	¥	¥	¥	¥
Year ended March 31, 2025	—	15.00	—	42.00	57.00
Year ending March 31, 2026	—				
Year ending March 31, 2026 (forecasts)		15.00	—	43.00	58.00

(Note) Revisions to dividend forecasts published most recently: Not applicable

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Percentage figures for the fiscal year represent the changes from the previous year, while percentage figures for the six months' period represent the changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six months ending September 30, 2025	65,000	33.9	2,100	18.8	1,900	3.4	22,000	—	1,043.48
Year ending March 31, 2026	137,500	33.2	7,000	27.3	7,200	4.1	24,200	972.2	1,147.83

(Note) Revisions to financial forecasts published most recently: Yes

* Notes

(1) Changes of important subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): Yes
Newly included: 2 companies (Company name) TH FOODS, INC., Watch City Properties, LLC.
Excluded: 1 company (Company name) Mary's Gone Crackers, Inc.
For further information : please see attached page 11 "2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes to the Quarterly Consolidated Financial Statements (Changes in Important Subsidiaries during the Period)"

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements: Not applicable

(3) Changes in accounting policies and changes or restatement of accounting estimates

(i)	Changes in accounting policies caused by revision of accounting standards:	Not applicable
(ii)	Changes in accounting policies other than (i):	Not applicable
(iii)	Changes in accounting estimates:	Not applicable
(iv)	Restatement:	Not applicable

(4) Number of shares outstanding (common stock):

(i) Number of shares outstanding at end of period (including treasury stock)
As of June 30, 2025: 22,318,650 shares
As of March 31, 2025: 22,318,650 shares

(ii) Number of treasury stock at end of period
As of June 30, 2025: 1,235,320 shares
As of March 31, 2025: 1,235,320 shares

(iii) Average number of shares outstanding during the term
Three Months ended June 30, 2025: 21,083,330 shares
Three Months ended June 30, 2024: 21,083,410 shares

* This quarterly financial results report is not subject to quarterly review procedures by certified public accountants or the audit corporation.

* Explanations and other special notes concerning the appropriate use of performance forecasts

(Caution concerning statements, etc. regarding the future)

The forward-looking statements such as performance forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable. Actual results may differ materially from the forecast depending on a range of factors. See "1. Summary of Business Results (3) Explanation of Future Estimates, Including Consolidated Forecasts" on page 6 of the Appendix for the conditions assumed in consolidated forecasts and notes on the use of consolidated forecasts.

(How to obtain supplementary materials on financial results)

Download from the Company's website, available from Friday, August 8, 2025.

Contents of Appendix

1. Summary of Business Results

(1) Summary of Business Results

During the three months ended June 30, 2025, although the employment and income environment continued to be stable, the Japanese economy struggled with increasingly price conscious consumer behavior due to a prolonged rise in prices, resulting in limited growth in consumer spending.

In addition, factors such as instability in the global situation, ongoing high raw material and energy prices, and increases in logistics costs and personnel costs have contributed to a weakening of consumer sentiment. As a result, the future outlook for the economy remains uncertain.

Under these circumstances, management in the Japanese food industry continue to be forced into difficult steering. In particular, the rice cracker industry faces a severe business environment with the continued soaring costs of rice.

In this management environment, the KAMEDA SEIKA Group is making steady progress toward the realization of its Medium-to-Long-Term Growth Strategy 2030.

In our purpose, “Better For You,” we express our contribution to the healthy lifestyles of our customers through enhancing the blessings of rice to further heightened values of excellent flavor, health, and excitement. Furthermore, our vision is to become a Rice Innovation Company that maximizes the potential of rice to create new value and new markets around the world. We aim to achieve sustainable growth and further improve our corporate value through these efforts.

In FY2025, our policy is to thoroughly strengthen our business foundation and take full steps toward globalization in order to achieve our vision, with the Domestic Rice Cracker Business enhancing our cash generating capabilities by focusing on the unique value appeal, the Overseas Business reconstructing its North America strategy centered on making TH FOODS, INC. (“THF”) a wholly owned subsidiary, and the Food Business pursuing various measures aimed at growing the seed-stage businesses.

Net sales for the three months ended June 30, 2025 rose year-on-year for all of the Domestic Rice Cracker Business, Overseas Business, and Food Business, amounting to ¥33,873 million (up 40.8% year-on-year).

Operating income amounted to ¥1,604 million (up 49.3% year-on-year) as the Overseas Business became profitable through the revision of its North American business portfolio centered on the acquisition of THF as a wholly owned subsidiary and the Food Business also remained strong, led by continued favorable performance by Onisi Foods Co., Ltd. while the Domestic Rice Cracker Business fell below the level of the same period of the previous year due to soaring raw material costs. Ordinary income amounted to ¥1,498 million (down 26.7% year-on-year) due to the impact of making THF a consolidated subsidiary (leading to a decline in equity in earnings of affiliates), as well as a reactionary decline following the recording of foreign exchange gains in the same period of the previous year. Net income attributable to owners of the parent amounted to ¥21,987 million (up 1,745.0% year-on-year) due to the recording of ¥20,598 million gain on step acquisitions associated with making THF a consolidated subsidiary.

Results for each segment were as described below.

<Domestic Rice Cracker Business>

In the Domestic Rice Cracker Business, we are advancing a shift to a competitive strategy that appeals for unique value, and aiming to establish a highly profitable business structure that can flexibly adapt to the continuously changing business environment, including soaring costs of rice.

Specifically, in addition to continuing to implement measures to strengthen brands centered on the existing six priority brands, we are also implementing measures to strengthen the standard brands * from the perspective of supporting demand in response to price revisions.

In “KAMEDA Kaki-no-Tane, ” following the previous fiscal year, we renewed the “Umashio” flavor to meet snack demands, and also launched products targeting breakfast demand, as part of measures aimed at creating a brand that can be enjoyed anytime, anywhere, by anyone . For “Happy Turn,” we worked to create contact points that offer customers a happy experience, such as through TV commercials and popup events at Tokyo Station, in an aim to expand demand among adults. We also launched seasonal-limited products under the standard brands, and developed rice crackers that are a functional food product containing the rice-derived plant origin lactic acid bacteria K-1 and added GABA as a product creating new value from rice crackers, thereby enhancing brand and product uniqueness from a customer-oriented perspective. In addition, we conducted activities that are focused on value appeal such as expanding production capacity for our six priority brands and efficiently executing sales promotion expenses.

As a result of these initiatives for the six priority brands, while net sales for "Happy Turn" and the "Mugen" series was lower year-on-year, net sales were higher year-on-year for "KAMEDA Kaki-no-Tane," "KAMEDA Tsumami Dane," "Kotsubukko," and "Waza-no-KodaWari."

Group companies that manufacture and sell products for department stores and souvenirs worked to develop new channels to capture growing inbound demand. As a result of these efforts, overall net sales in the Domestic Rice Cracker Business totaled ¥17,649 million (up 4.1% year-on-year).

In terms of operating income, in addition to various measures such as concentrating on the six priority brands in KAMEDA SEIKA's Rice Cracker Business, improving the product mix (sales composition ratio) through support for flagship rice cracker brands, efficiently executing sales promotional expenses and improving production efficiency, we also pursued efforts to implement price revisions in response to rising raw material prices. Group companies that manufacture and sell products for department stores and souvenirs are also working to improve profitability by revising prices and improving production efficiency. On the other hand, because the price revision in response to soaring raw material prices is scheduled for the second quarter, operating income for the Domestic Rice Cracker Business as a whole totaled ¥996 million (down 9.2% year-on-year).

*Standard brands: "KAMEDA Magari Senbei," "Potapota Yaki," "Kameda Usuyaki," "Soft Salad," "Teshioya," and "Katabutsu"

<Overseas Business>

In the Overseas Business, we worked to strengthen growth potential and profitability through the restructuring of our North America strategy and sustainable growth in the Asian region. In North America, the scale of business expanded significantly due to the sale of all shares of Mary's Gone Crackers, Inc. and a change in the business portfolio to make THF a consolidated subsidiary, resulting in a substantial increase in revenue. In Asia, although revenue in Cambodia declined due to a decrease in sales volume at export destinations, an increase in revenue was secured in China thanks to strong sales due to an increase in the handling of new products launched in the previous fiscal year. As a result, overall net sales in the Overseas Business amounted to ¥12,150 million (up 237.1% year-on-year).

Operating income in North America improved significantly, partly due to the effect of restructuring the strategy. Meanwhile, in Asia, although profits were secured in China following a revenue increase, profits decreased in the region affected by profit decline in Cambodia due to a decrease in export volume as well as in Thailand due to decline in exports for Australia. As a result, the Overseas Business as a whole recorded an operating income of ¥346 million (compared to an operating loss of ¥166 million in the previous fiscal year).

<Food Business>

In the Food Business, through collaboration between KAMEDA SEIKA and Group companies, we are working to grow our business in order to derive the benefits of our growth investments. Sales of long-life preserved foods rose significantly year-on-year, due to both a high level of individual demand resulting from heightened awareness of stockpiling and advance purchase demand ahead of a price revision scheduled for July. In response to growing demand in the business, a new plant was completed in May and preparations are underway for its operation in the second half of the year. For rice flour bread, we are focusing on expanding sales channels for "Okome Shokupan " following the full-scale operation of the new plant in November 2024. Moreover, we have continued to work to expand sales channels for plant origin lactic acid bacteria by promoting its functionality, and collaboration with Kerry Group plc. for full-scale entry into the European and American markets is progressing steadily. In addition, we have revised the plant-based food concept from meat alternatives to protein ingredients, and we are continuing efforts to expand sales channels for new products and develop a B to B market. As a result, overall net sales in the Food Business amounted to ¥2,186 million (up 26.8% year-on-year).

Operating income was ¥141 million (up 281.6% year-on-year), as long-life preserved foods and plant origin lactic acid bacteria offset the upfront investment phase of plant-based foods and rice flour bread.

Supplementary Information (Unit: ¥ million)

	Three Months ended June 30, 2024	Three Months ended June 30, 2025	YoY	
			Change (amount)	Change (%)
Net sales	24,066	33,873	9,807	40.8
Domestic Rice Cracker Business	16,955	17,649	694	4.1
Overseas Business *1	3,603	12,150	8,546	237.1
Food Business *2	1,724	2,186	461	26.8
Other (Freights transport etc.) *3	1,782	1,887	104	5.9
Operating income	1,074	1,604	529	49.3
Operating income margin	4.5%	4.7%		
Domestic Rice Cracker Business	1,097	996	-100	-9.2
Overseas Business *1	-166	346	512	—
Food Business *2	37	141	104	281.6
Other (Freights transport etc.) *3	105	119	13	13.0

*1. Overseas business includes domestic import and export transactions in addition to those of overseas subsidiaries.

*2. Food business is mainly comprised of long-life preserved foods, plant origin lactic acid bacteria, rice flour bread and plant-based food.

*3. “Other” consists mainly of the subsidiary’s logistic business.

(2) Summary of Financial Position

(Assets)

Current assets stood at ¥47,382 million at the end of the first quarter, an increase of ¥14,106 million from the end of the previous fiscal year. This was mainly due to increases of ¥6,837 million in “Cash and deposits,” ¥2,527 million in “Notes, accounts receivable-trade and contract assets,” ¥2,008 million in “Raw materials and supplies” and ¥1,610 million in “Other.” Fixed assets stood at ¥119,664 million, an increase of ¥29,076 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥37,741 million in “Goodwill” under intangible assets, ¥1,835 million in “Machinery, equipment and vehicles” and ¥4,156 million in “Other” under property, plant and equipment, which were partly offset by decreases of ¥14,729 million in “Investment securities” under investments and other assets.

As a result, total assets stood at ¥167,046 million, an increase of ¥43,183 million from the end of the previous fiscal year

(Liabilities)

Current liabilities stood at ¥52,187 million at the end of the first quarter, an increase of ¥27,106 million from the end of the previous fiscal year. This was mainly due to increases of ¥24,837 million in “Short-term loans payable,” ¥774 million in “Provision for bonuses” and ¥2,115 million in “Other,” which were partly offset by decreases of ¥453 million in “Income taxes payable” and ¥123 million in “Provision for directors’ bonuses.” Long-term liabilities stood at ¥19,333 million, a decrease of ¥539 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥630 million in “Long-term loans payable.”

As a result, total liabilities stood at ¥71,520 million, an increase of ¥26,566 million from the end of the previous fiscal year.

(Net assets)

Total net assets stood at ¥95,525 million at the end of the first quarter, an increase of ¥16,617 million from the end of the previous fiscal year. This was mainly due to an increase of ¥21,101 million in “Retained earnings” resulting from “Net income attributable to owners of the parent” of ¥21,987 million and “Dividends from surplus” of ¥885 million, and decreases of ¥4,126 million in “Foreign currency translation adjustments” and ¥367 million in “Non-controlling interests.”

As a result, the equity ratio was 55.4%, down from 61.0% at the end of the previous fiscal year.

(3) Explanation of Future Estimates, including Consolidated Forecasts

The Group's earnings forecast for the six months ending September 30, 2025 will be revised as follows.

During the three months ended June 30, 2025, the Domestic Rice Cracker Business benefited from efforts to improve profitability and the purchase demand prior to price revisions and demand for long-life preserved foods in the Food Business was strong. As a result, net sales and each level of profit for the six months ending September 30, 2025 are expected to exceed forecasts, thus we have revised our earnings forecast for the period.

The full-year forecast remains unchanged from the previous forecast announced on June 27, 2025, taking into account factors such as the uncertain outlook for trends in the costs of rice and the response to additional tariffs in the U.S.A.

Revised forecasts of consolidated financial results for the Six Months ending September 30, 2025

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
	¥ million	¥ million	¥ million	¥ million	¥
Previous forecast (A)	64,500	1,500	1,400	20,800	986.56
Revised forecast (B)	65,000	2,100	1,900	22,000	1,043.48
Change (B-A)	500	600	500	1,200	—
Change (%)	0.8	40.0	35.7	5.8	—
(Reference) Results for the six months ended September 30, 2024	48,560	1,768	1,837	794	37.67

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(¥ million)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	10,098	16,935
Notes, accounts receivable-trade and contract assets	14,459	16,986
Merchandise and finished goods	3,620	4,594
Work in process	865	1,032
Raw materials and supplies	3,300	5,308
Other	947	2,557
Allowance for doubtful accounts	-16	-33
Total current assets	33,275	47,382
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	18,810	19,357
Machinery, equipment and vehicles, net	19,501	21,337
Other, net	15,721	19,878
Total property, plant and equipment	54,034	60,573
Intangible assets		
Goodwill	1,911	39,653
Customer assets	712	675
Trademark assets	631	595
Technology assets	391	369
Other	1,392	1,455
Total intangible assets	5,039	42,749
Investments and other assets		
Investment securities	18,096	3,367
Other	13,450	12,975
Allowance for doubtful accounts	-34	-1
Total investments and other assets	31,513	16,341
Total fixed assets	90,587	119,664
Total assets	123,862	167,046

(¥ million)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,862	4,798
Electronic-recording liabilities	2,895	2,912
Short-term loans payable	6,401	31,239
Income taxes payable	828	375
Provision for bonuses	1,704	2,478
Provision for directors' bonuses	148	25
Asset retirement obligations	78	80
Other	8,159	10,275
Total current liabilities	25,081	52,187
Long-term liabilities		
Long-term loans payable	15,417	14,787
Retirement benefit liability	613	632
Asset retirement obligations	303	301
Other	3,538	3,612
Total long-term liabilities	19,873	19,333
Total liabilities	44,954	71,520
Net assets		
Shareholders' equity		
Capital stock	1,946	1,946
Capital surplus	719	719
Retained earnings	64,498	85,599
Treasury stock	-1,903	-1,903
Total shareholders' equity	65,260	86,362
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,001	1,044
Deferred gains (losses) on hedges	-0	6
Foreign currency translation adjustment	6,657	2,530
Remeasurements of defined benefit plans	2,674	2,634
Total accumulated other comprehensive income	10,333	6,216
Non-controlling interests	3,314	2,946
Total net assets	78,908	95,525
Total liabilities and net assets	123,862	167,046

(2) Quarterly Consolidated Statement of income and Comprehensive Income

(Quarterly Consolidated Income Statement)

(Cumulative First Quarter)

(¥ million)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	24,066	33,873
Cost of sales	17,373	24,199
Gross profit	6,692	9,673
Selling, general and administrative expenses	5,618	8,069
Operating income	1,074	1,604
Non-operating income		
Interest income	29	59
Dividend income	30	36
Equity in earnings of affiliates	262	—
Foreign exchange gains	629	—
Other	51	56
Total non-operating income	1,003	152
Non-operating expenses		
Interest expenses	26	61
Equity in losses of affiliates	—	11
Foreign exchange losses	—	147
Other	6	37
Total non-operating expenses	33	258
Ordinary income	2,044	1,498
Extraordinary income		
Gain on step acquisitions	—	20,598
Gain on sale of shares of subsidiaries and associates	—	※ 403
Total extraordinary income	—	21,002
Extraordinary losses		
Loss on disposal of noncurrent assets	39	19
Total extraordinary losses	39	19
Income before income taxes	2,004	22,481
Income taxes-current	736	520
Income taxes-deferred	-32	-106
Total income taxes	703	414
Quarterly net income	1,300	22,067
Net income attributable to non-controlling interests	109	80
Net income attributable to owners of the parent	1,191	21,987

(Quarterly Consolidated Comprehensive Income Statement)

(Cumulative First Quarter)

(¥ million)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Quarterly net income	1,300	22,067
Other comprehensive income		
Valuation difference on available-for-sale securities	-4	43
Deferred gains (losses) on hedges	—	6
Foreign currency translation adjustment	-0	-477
Adjustment for retirement benefits	-58	-40
Share of other comprehensive income of associates accounted for using equity method	899	-3,830
Other comprehensive income	835	-4,298
Comprehensive income	2,136	17,769
(Breakdown)		
Quarterly comprehensive income attributable to owners of parent	1,873	17,869
Quarterly comprehensive income attributable to non-controlling interests	263	-100

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes to the Assumption of a Going Concern)

Not applicable.

(Notes Concerning Significant Changes in the Amount of Shareholder Equity)

Not applicable.

(Changes in Important Subsidiaries during the Period)

1. Material change in the scope of consolidation

As the Group acquired additional shares of TH FOODS, INC., which was an equity method affiliate, during the first quarter, TH FOODS, INC. and Watch City Properties, LLC. are included in the scope of consolidation.

Mary's Gone Crackers, INC. is excluded from the scope of consolidation as the Group sold all shares in Mary's Gone Crackers, INC., which was a consolidated subsidiary.

2. Material change in the scope of equity method

As the Group acquired additional shares of TH FOODS, INC. and included it in the scope of consolidation, it is excluded from the scope of equity method affiliate.

(Notes to the Quarterly Consolidated Income Statement)

* Gain on sale of shares of subsidiaries and associates

The gain on sale of shares of subsidiaries and associates recorded in the three months ended June 30, 2025 arose from the transfer of all shares of Mary's Gone Crackers, Inc. held by the Company.

The share transfer price is provisional, as the share transfer agreement includes a price adjustment clause. Since a price adjustment is expected, the final transfer price is subject to change.

(Notes to the Quarterly Consolidated Cash Flow Statement)

The Quarterly Consolidated Cash Flow Statement for the three months ended June 30, 2025 was not prepared. Depreciation and amortization (including amortization related to intangible assets other than goodwill) and amortization of goodwill for the three months ended June 30, 2024 and 2025 were as follows:

(¥ million)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation and amortization	1,569	1,982
Amortization of goodwill	44	521

(Notes to Segment Information)

Ⅰ Three months ended June 30, 2024(April 1, 2024 – June 30, 2024)

1. Information regarding the amount of net sales, income and loss by reportable segment

(¥ million)

	Reportable segment				Other (Note) 1	Total	Adjustment (Note) 2	The amount stated in quarterly consolidated income statement (Note) 3
	Domestic Rice Cracker	Overseas	Food	Total				
Net sales								
Revenue from contracts with customers	16,955	3,603	1,724	22,283	1,782	24,066	—	24,066
Other income	—	—	—	—	—	—	—	—
Net sales to outside customers	16,955	3,603	1,724	22,283	1,782	24,066	—	24,066
Internal sales or transfers between segments	2	430	0	433	1,395	1,828	-1,828	—
Total	16,957	4,034	1,724	22,716	3,178	25,894	-1,828	24,066
Segment income (loss)	1,097	-166	37	968	99	1,068	5	1,074

(Note) 1. “Other” includes subsidiary’s logistic business.

2. ¥5 million of adjustment of segment income (loss) is ¥5 million of elimination of intersegment transactions.

3. Segment income (loss) is adjusted with operating income reported on quarterly consolidated income statement.

2. Information on goodwill and impairment loss on noncurrent assets for each reportable segment

(Material Impairment loss on Fixed Assets)

Not applicable.

(Material Change in the Amount of Goodwill)

Not applicable.

(Material Profit from Negative Goodwill)

Not applicable.

Ⅱ Three months ended June 30, 2025(April 1, 2025 – June 30, 2025)

1. Information regarding the amount of net sales, gain and loss by reportable segment

(¥ million)

	Reportable segment				Other (Note) 1	Total	Adjustment (Note) 2	The amount stated in quarterly consolidated income statement (Note) 3
	Domestic Rice Cracker	Overseas	Food	Total				
Net sales								
Revenue from contracts with customers	17,649	12,150	2,186	31,986	1,887	33,873	—	33,873
Other income	—	—	—	—	—	—	—	—
Net sales to outside customers	17,649	12,150	2,186	31,986	1,887	33,873	—	33,873
Internal sales or transfers between segments	1	424	12	437	1,447	1,885	-1,885	—
Total	17,650	12,574	2,198	32,423	3,334	35,758	-1,885	33,873
Segment income (loss)	996	346	141	1,484	107	1,591	12	1,604

(Note) 1. “Other” includes subsidiary’s logistic business.

2. ¥12 million of adjustment of segment income (loss) is ¥12 million of elimination of intersegment transactions.

3. Segment income (loss) is adjusted with operating income reported on quarterly consolidated income statement.

2. Information on goodwill and impairment loss on noncurrent assets for each reportable segment

(Material Impairment loss on Fixed Assets)

Not applicable.

(Material Change in the Amount of Goodwill)

As a result of the additional acquisition of shares in TH FOODS, INC. and its inclusion in the scope of consolidation with a deemed acquisition date of April 1, 2025, goodwill of ¥37,815 million has arisen in the 'Overseas Business' segment. The amount of goodwill is provisional, as the allocation of the acquisition cost has not yet been finalized as of the end of the first quarter.

(Material Profit from Negative Goodwill)

Not applicable.

(Business Combinations, etc.)

Business Combination through Acquisition

1. Overview of the Business Combination

(1) Name and Business Description of the Acquired Company

Name of the acquired company:	TH FOODS, INC.
Business description:	Manufacturing and sales of snacks

(2) Main Reasons for the Business Combination

The KAMEDA SEIKA Group has positioned the U.S.A. as the most important region for overseas expansion in our “Medium-to-Long-Term Growth Strategy 2030.” The gluten-free food market is expanding in this region, and further business opportunities are expected in the rice-based snack sector, including rice crackers.

Founded in 1984, SESMARK FOODS, INC. (currently TH FOODS, INC.) has served as the starting point of the Group’s overseas expansion. Since 1989, we have made gradual investments in collaboration with Mitsubishi Corporation and TH FOODS, INC. has been manufacturing and selling thin rice crackers for over 30 years using our rice snack production technologies.

Following discussions among shareholders, we have agreed that in order to promote TH FOODS, INC.’s further growth, the Company should make it a consolidated subsidiary. We will support the company’s development of new products and improvements in productivity by offering even more of our expertise and rice snack production technologies.

Through these efforts, the Group will expand rice snack offerings in the U.S.A. market and strive to become a ‘Rice Innovation Company’ that creates new value and new markets globally by maximizing the potential of rice, in line with our ‘Better For You’ purpose stated in the growth strategy.

(3) Date of the Business Combination

April 1, 2025 (Deemed Acquisition date)

(4) Legal Form of the Business Combination

Acquisition of shares with cash consideration and share buyback by TH FOODS, INC.

(5) Name of the Company after the Combination

No change.

(6) Voting Rights Acquired

Our voting rights before combination	50.0%
Acquired voting right at combination	50.0%
Our voting rights after combination	100.0%

TH FOODS, INC. became a wholly owned subsidiary through our acquisition of shares held by Mitsubishi Corporation and Mitsubishi Corporation (Americas), as well as through TH FOODS, INC.’s acquisition and subsequent cancellation of its own shares held by Mitsubishi Corporation.

(7) Basis for Determining the Acquiring Company

The Company was determined to be the acquiring entity as we acquired 100.0% of the voting rights of TH FOODS, INC. through a cash transaction.

2. Period of the Operating Results of the Acquired Company included in the Quarterly Consolidated Statement of Income for the Period under Review

From April 1, 2025 to June 30, 2025

3. Acquisition Cost of the Acquired Company and Breakdown by Type of Consideration

The fair value of the common shares of TH FOODS, INC. held immediately before the business combination	¥31,552 million
Consideration for the additional acquisition	31,552
Total acquisition cost	63,104

This additional acquisition cost includes the consideration paid by TH FOODS, INC. for the acquisition of its own shares.

4. Amount of Major Acquisition-Related Costs

Advisory cost, etc.: ¥38 million

5. Difference Between the Acquisition Cost of the Acquired Company and the Total Acquisition Cost for Each Transaction that Led to the Acquisition

Gain on step acquisitions: ¥20,598 million

6. Amount of Goodwill, Cause of Occurrence, Amortization Method, and Amortization Period

(1) Amount of goodwill

¥37,815 million

The amount of goodwill recognized is a provisional amount, as the allocation of the acquisition cost had not been completed as of the end of the first quarter of the current consolidated fiscal year.

(2) Cause of occurrence

It arose from the future excess earnings potential expected from future business expansion.

(3) Amortization method and amortization period

Amortization over a 20-year period on a straight-line basis

7. Assets Acquired and Liabilities Assumed and Their Major Components on the Combination Date

Current assets	21,603 million
Fixed assets	7,996
Total assets	29,599
Current liabilities	3,019
Long-term liabilities	1,290
Total liabilities	4,309

8. Allocation of Acquisition Cost

Because the identification of identifiable assets and liabilities as of the date of the business combination has not been completed and the allocation of acquisition costs has not been completed at the end of the first quarter of the current consolidated fiscal year, provisional accounting treatment was applied based on reasonable information available at that time.

9. The Estimated Amount and Calculation Method of the Effect of the Business Combination on the Consolidated Statement of Income for the Current Consolidated Fiscal Year assuming the Business Combination Had Been Completed on the Beginning date of the Current Consolidated Fiscal Year

There is no impact because the acquisition date is the beginning of the current consolidated fiscal year.