Disclaimer: This document is a translation of the Japanese original. The Japanese original has been disclosed in Japan in accordance with Japanese accounting standards and the Financial Instruments and Exchange Act. This document does not contain or constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on this document. In the case that there is any discrepancy between the Japanese original and this document, the Japanese original is assumed to be correct.

Summary of Financial Statements for the Year Ended March 31, 2022 [Japanese Standards]

May 13, 2022

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002 URL: https://www.nisshin.com
Representative: Nobuki Kemmoku, Representative Director and President
Contact: Reiko Adachi, General Manager, Public Communications Department (General Administration Division)
Tel.: +81-3-5282-6650

Date to hold the Ordinary General Meeting of Shareholders to approve results: June 28, 2022
Date to start distributing dividends: June 29, 2022
Date to submit the Securities Report: June 28, 2022
Supplementary materials for this summary of financial statements: Yes
Results briefing for financial results: Yes (for analysts and institutional investors)

(Figures shown are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Consolidated Business Results

(The percentages indicate the rates of increase or decrease compared with the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2022	679,736	0.0	29,430	8.2	32,626	9.2	17,509	(7.9)
Fiscal 2021	679,495	(4.6)	27,197	(5.7)	29,886	(4.9)	19,011	(15.2)

(Note) Comprehensive income: Fiscal 2022: ¥28,892 million (down 41.3%)
Fiscal 2021: ¥49,252 million (–%)

	Earnings per share	Fully diluted earnings per share	Return on shareholders' equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal 2022	58.88	58.88	4.0	4.6	4.3
Fiscal 2021	63.95	63.94	4.6	4.4	4.0

(Reference) Equity in earnings of affiliates: Fiscal 2022: ¥2,070 million Fiscal 2021: ¥1,794 million
(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the start of the fiscal year (April 1, 2021). All figures for the fiscal year ended March 31, 2022 reflect the application of this accounting standard.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	723,073	460,643	62.1	1,510.35
March 31, 2021	687,415	444,774	63.0	1,456.37

(Reference) Equity capital: March 31, 2022: ¥449,174 million March 31, 2021: ¥433,089 million
(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the start of the fiscal year (April 1, 2021). All figures for the fiscal year ended March 31, 2022 reflect the application of this accounting standard.

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2022	41,833	(15,517)	(17,850)	68,728
Fiscal 2021	49,506	(17,105)	(31,264)	59,152

2. Dividends

	Dividend per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1Q End	2Q End	3Q End	Year-End	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2021	—	17.00	—	20.00	37.00	11,005	57.9	2.7
Fiscal 2022	—	19.00	—	20.00	39.00	11,603	66.2	2.6
Fiscal 2023 (forecast)	—	19.00	—	20.00	39.00		62.7	

(Note) Breakdown of year-end dividends for the fiscal year ended March 31, 2021
Dividend per share of common stock: ¥18.00 Commemorative dividend: ¥2.00 (dividend commemorating 120th anniversary)

3. Forecast of Consolidated Business Results for the Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(The full-year percentages indicate the rates of increase or decrease compared with the previous fiscal year; the percentages for the first half are comparisons with the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	370,000	13.6	15,000	(3.7)	15,500	(11.0)	9,000	(9.6)	30.26
Full year	760,000	11.8	30,000	1.9	31,000	(5.0)	18,500	5.7	62.21

* Notes

(1) Changes in important subsidiaries during the fiscal year ended March 31, 2022 (changes in specified subsidiaries involving a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and revisions restated

1) Changes in accounting policies associated with the revisions of accounting standards, etc.: Yes
2) Changes in accounting policies other than the above: None
3) Changes in accounting estimates: None
4) Revisions restated: None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding (including treasury shares)	As of March 31, 2022	304,357,891	As of March 31, 2021	304,357,891
2) Number of treasury shares	As of March 31, 2022	6,960,907	As of March 31, 2021	6,983,147
3) Average number of shares outstanding	Fiscal 2022	297,369,226	Fiscal 2021	297,292,370

* This Summary of Financial Statements is not subject to review by certified public accountants or independent account auditors.

* Statement regarding the proper use of financial forecasts and other special remarks

(1) The statements contained in this document are based on various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized. For details of assumptions for financial forecasts and other related matters, please refer to “I. Review of Business Performance (4) Outlook” on page 9 of the Attachment.

(2) Supplementary materials for this report and results briefing materials can be found on the Company’s website.

ATTACHMENT

Contents

I. Review of Business Performance

(1) Business Performance

During the fiscal year ended March 31, 2022, as the world continued to grapple with repeated growth and retreat in infections from COVID-19, economic activity began a gradual return to normalcy despite the impact of changes in lifestyle patterns and consumer sentiment on demand. At the same time, as global inflation surrounding food staples rises, the business environment is being hit hard by a range of factors, chief among them skyrocketing prices for grain and natural resources triggered by the situation in Ukraine, with the yen's devaluation also gaining momentum in the currency markets.

Under these conditions, the Group strove to fulfill its corporate mission of ensuring the stable supply of foods involving wheat flour and the delivery of safe and reliable products in each business area, as well as the safety of the employees who support this mission. Additionally, the Group gave highest priority to achieving a swift recovery in sales and earnings capabilities in order to realize its long-term vision called "NNI 'Compass for the Future'—Toward a New Stage—Maximizing Group-wide Capabilities and Effecting Business Model Change" along with decisive steps for building the foundation for further growth.

As part of this effort, last October we opted to begin construction of a new flour milling plant in the Mizushima district of the City of Kurashiki (Okayama Prefecture, Japan), scheduled to begin operating in May 2025, coupled with the closure of the Okayama Plant and the Sakaide Plant. Along with enhancing cost competitiveness, this measure strengthens the Company's business continuity planning (BCP) readiness for coping with earthquakes and other potential sources of damage, making possible the stable provision of wheat flour as a key staple.

In a further move, we changed the trade name of processed food business subsidiary Nisshin Foods Inc. to Nisshin Seifun Welna Inc. from January 1, 2022. Through brand strategy investment designed to achieve greater exposure and establish and expand name recognition, we aim to become a company with global ambitions through a new brand strategy targeting domestic and overseas audiences.

Additionally, to promote the sustainable cyclical growth targeted in the Company's Long-term Vision, we have endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and clarified the Company's intent to participate in the TCFD Consortium. In conjunction with these moves, in August 2021 we formulated specific medium- to long-term objectives with respect to two of our "CSR Priorities" - "prepare for climate change and water resource issues" and "efficiently handle product and packaging waste" - and are further accelerating efforts to this end.

With respect to performance, consolidated net sales for the fiscal year ended March 31, 2022, came to ¥679,736 million, essentially unchanged year on year. This result came as lower revenue due to effects from the application of an accounting standard regarding revenue recognition and the termination of outsourced production in the pet food business balanced out several positive developments. These included increased revenue in the flour milling business in Japan from price revisions for wheat flour enacted in step with wheat price revisions, growth in wheat market prices and foreign currency translation effects in the overseas flour milling business, and revenue growth from progress in plant construction in the engineering business. Excluding the impact of application of the accounting standard regarding revenue recognition, sales actually increased 8.6% year on year. In terms of profits, operating profit increased 8.2% year on year to ¥29,430 million, while ordinary profit was up 9.2% to ¥32,626 million. These results were largely reflective of robust performance in the U.S. flour milling business, firm sales prices for bran (a byproduct of the flour milling business in Japan), steady recovery in the prepared dishes and other prepared foods business, and progress on large-scale projects in the engineering business. Profit attributable to owners of parent, meanwhile, declined 7.9% to ¥17,509 million, mainly reflecting an impairment loss accompanying worsening business performance in the New Zealand flour milling business.

With respect to dividends, the Company plans to pay a full-year dividend of ¥39 per share, up ¥2 from the previous fiscal year, in line with its basic policy of maintaining a payout ratio of at least 40% on a consolidated basis.

(Year-on-year Comparison)

(Millions of yen)

	Fiscal 2021	Fiscal 2022	Difference	Change
Net sales	679,495	679,736	241	0.0%
(Ref.) Net sales - Estimated impact of change in accounting standard	–	(58,400)	(58,400)	–
(Ref.) Net sales - Excluding impact of change in accounting standard	679,495	738,136	58,641	8.6%
Operating profit	27,197	29,430	2,233	8.2%
Ordinary profit	29,886	32,626	2,739	9.2%
Profit attributable to owners of parent	19,011	17,509	(1,501)	(7.9)%

[Business Overview by Segment]

1) Flour Milling Segment

(Millions of yen)

	Fiscal 2021	Fiscal 2022	Difference	Change
Net sales	285,798	313,519	27,720	9.7%
(Ref.) Net sales - Estimated impact of change in accounting standard	–	(15,600)	(15,600)	–
(Ref.) Net sales - Excluding impact of change in accounting standard	285,798	329,119	43,320	15.2%
Operating profit	6,317	8,587	2,270	35.9%

In the flour milling business in Japan, as economic activity gradually returned to normal, the market environment nonetheless remained challenging even as market conditions moved toward recovery. In this climate, sales expansion measures led to higher shipments compared to the previous year. Additionally, in June and again in December 2021, we implemented price revisions for commercial-use wheat flour in response to revised government prices for five classes of imported wheat. On average, the government’s price for imported wheat rose 5.5% in April 2021, and by 19.0% in October that same year.

In the overseas flour milling business, sales were higher year on year mainly due to the effects of rising wheat market prices, coupled with foreign currency translation effects.

As a result, net sales of the Flour Milling Segment increased 9.7% year on year to ¥313,519 million, overcoming the sales-reducing effect of the application of an accounting standard regarding revenue recognition. Operating profit climbed 35.9% to ¥8,587 million, benefiting mainly from favorable business performance in the U.S. flour milling business and robust sales prices for bran, a byproduct from the flour milling business in Japan, offsetting worsening business performance in the Australia flour milling business due to supply chain woes caused by the COVID-19 pandemic.

2) Processed Food Segment

(Millions of yen)

	Fiscal 2021	Fiscal 2022	Difference	Change
Net sales	214,710	182,968	(31,741)	(14.8)%
(Ref.) Net sales - Estimated impact of change in accounting standard	–	(30,400)	(30,400)	–
(Ref.) Net sales - Excluding impact of change in accounting standard	214,710	213,368	(1,341)	(0.6)%
Operating profit	15,350	12,411	(2,939)	(19.1)%

In the processed food business, while shipments of household-use products fell short of the tremendous growth reported in the previous year, demand for commercial-use products continued to recover, while shipments of prepared mix held firm overseas. Nevertheless, sales in the processed food business were lower year on year, mainly due to the sales-reducing effect of the application of an accounting standard regarding revenue recognition. Additionally, we revised prices for wheat flour products in July 2021 and again in January 2022, in line with price revisions for commercial wheat flour reflecting price changes for imported wheat enacted by the Japanese government. Further, in step mainly with rising costs for raw ingredients due to high market prices, we enacted price revisions for pasta and pasta sauces in September 2021 and February 2022, with similar revisions for frozen foods also in February.

In the yeast and biotechnology business, sales were higher year on year, mainly reflecting higher shipments of diagnostic reagents and culture media. Furthermore, local subsidiary Oriental Yeast India Pvt. Ltd. is aiming to launch full-scale operations sometime in summer 2022 of a yeast plant in India, where work was previously delayed by the COVID-19 pandemic.

In the healthcare foods business, sales were lower year on year due to lower shipments of raw materials for pharmaceuticals.

As a result, net sales of the Processed Food Segment decreased 14.8% year on year to ¥182,968 million, which also included sales-reducing effects from the application of an accounting standard regarding revenue recognition. Operating profit declined 19.1% to ¥12,411 million, mainly the result of lower shipments of household-use products and higher expenses for sales expansion measures in the processed food business, coupled with brand strategy investments accompanying a trade name change and a decline in shipments of raw materials for pharmaceuticals in the healthcare foods business. These factors overshadowed growth in shipments of prepared mix overseas in the processed food business, as well as higher shipments of diagnostic reagents and culture media in the yeast and biotechnology business.

3) Prepared Dishes and Other Prepared Foods Segment

(Millions of yen)

	Fiscal 2021	Fiscal 2022	Difference	Change
Net sales	142,747	138,384	(4,362)	(3.1)%
(Ref.) Net sales - Estimated impact of change in accounting standard	–	(12,300)	(12,300)	–
(Ref.) Net sales - Excluding impact of change in accounting standard	142,747	150,684	7,937	5.6%
Operating profit	1,278	3,141	1,863	145.8%

In the prepared dishes and other prepared foods business, sales were strong, reflecting steady recovery in sales from the effects of the COVID-19 pandemic last year. In addition, sales of seasonal New Year's dishes were again strong as was the case in the previous year. However, net sales of the Prepared Dishes and Other Prepared Foods Segment decreased 3.1% year on year to ¥138,384 million, mainly due to sales-reducing effects from the application of an accounting standard regarding revenue recognition. Operating profit, meanwhile, was ¥3,141 million, up a substantial 145.8% from the previous year, reflecting benefits from improved production efficiency, in addition to sales growth.

Furthermore, in April this year, the decision was made to establish in July 2022 an intermediate holding company to oversee the Prepared Dishes and Other Prepared Foods Segment. The aim of this move is to conduct agile strategic decision-making optimal for the segment as a whole, while further enhancing management. Going forward, together with effective utilization of the management resources of subsidiaries under its purview, along with participation in and support for management, administration and strategic proposals for each company, the intermediate holding company will spearhead the development of a competitive business structure marked by more intensive risk management and governance.

4) Others Segment

(Millions of yen)

	Fiscal 2021	Fiscal 2022	Difference	Change
Net sales	36,240	44,864	8,624	23.8%
(Ref.) Net sales - Estimated impact of change in accounting standard	–	(100)	(100)	–
(Ref.) Net sales - Excluding impact of change in accounting standard	36,240	44,964	8,724	24.1%
Operating profit	4,240	5,160	919	21.7%

In the engineering business, sales were significantly higher year on year, reflecting progress on large-scale projects in mainstay plant engineering operations.

In the mesh cloths business, sales rose year on year atop increased shipments of screen printing materials for solar panels, mesh cloths for hydrogen production equipment, and plastic molding products mainly for automotive components.

In the pet food business, our involvement in the outsourced production of pet food concluded on March 31, 2021.

As a result, net sales of the Others Segment increased 23.8% year on year to ¥44,864 million, and operating profit increased 21.7% to ¥5,160 million.

(2) Financial Position

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022	Difference
Current assets	238,674	280,527	41,852
Non-current assets	448,740	442,546	(6,193)
Total assets	687,415	723,073	35,658
Current liabilities	108,740	129,158	20,417
Non-current liabilities	133,900	133,272	(627)
Total liabilities	242,640	262,430	19,790
Total net assets	444,774	460,643	15,868
Total liabilities and net assets	687,415	723,073	35,658

The status of assets, liabilities and net assets on a consolidated basis at the end of the fiscal year ended March 31, 2022, was as follows.

Current assets increased ¥41,852 million from the previous fiscal year-end to ¥280,527 million, tracking increases in notes and accounts receivable – trade, and contract assets and inventories. Non-current assets decreased ¥6,193 million to ¥442,546 million, primarily due to reductions in valuation differences for investment securities. As a result, total assets increased ¥35,658 million from the previous fiscal year-end to ¥723,073 million.

Meanwhile, current liabilities increased ¥20,417 million to ¥129,158 million, mainly reflecting an increase in notes and accounts payable - trade. Non-current liabilities decreased ¥627 million to ¥133,272 million, primarily tracking a reduction in deferred tax liabilities. As a result, total liabilities increased ¥19,790 million from the previous fiscal year-end to ¥262,430 million. Net assets increased ¥15,868 million to ¥460,643 million, including an increase due to profit attributable to owners of parent for the period, a decrease due to the payment of dividends, and an increase in accumulated other comprehensive income.

(3) Cash Flows

1) Overview of the Fiscal Year Ended March 31, 2022

The status of consolidated cash flows for the fiscal year ended March 31, 2022, was as follows.

(Millions of yen)

	Fiscal 2021	Fiscal 2022	Difference
Net cash provided by (used in) operating activities	49,506	41,833	(7,672)
Net cash provided by (used in) investing activities	(17,105)	(15,517)	1,588
Free cash flow	32,400	26,316	(6,084)
Net cash provided by (used in) financing activities	(31,264)	(17,850)	13,414
Effect of exchange rate changes on cash and cash equivalents	1,466	1,110	(356)
Net increase (decrease) in cash and cash equivalents	2,602	9,576	6,974
Cash and cash equivalents at end of period	59,152	68,728	9,576

Net cash provided by (used in) operating activities

An increase in cash and cash equivalents mainly due to profit before income taxes of ¥30,773 million and depreciation and amortization of ¥23,054 million exceeded a decrease in cash and cash equivalents from factors such as an increase in notes and accounts receivable – trade and contract assets, as well as the payment of income taxes. This led to net cash provided by operating activities of ¥41,833 million, compared to ¥49,506 million a year earlier.

Net cash provided by (used in) investing activities

¥18,683 million was used for the purchase of property, plant, and equipment and intangible assets, mainly as investments related to rationalization and labor-saving efforts. Consequently, net cash used in investing activities was ¥15,517 million, compared to ¥17,105 million a year earlier.

Subtracting net cash used in investing activities from net cash provided by operating activities, free cash flow came to an inflow of ¥26,316 million, compared to an inflow of ¥32,400 million a year ago.

Net cash provided by (used in) financing activities

¥2,369 million was used for the repayment of short-term loans payable, coupled with ¥11,602 million used for dividends to distribute profits to shareholders. This led to net cash used in financing activities of ¥17,850 million, compared to ¥31,264 million a year earlier.

As a result, consolidated cash and cash equivalents at the end of the fiscal year ended March 31, 2022 were ¥68,728 million.

2) Cash-flow Indicators

The main cash flow indicators for the Nisshin Seifun Group are as follows:

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Equity ratio (%)	67.9	59.3	63.0	62.1
Market value–based equity ratio (%)	126.9	80.4	80.0	70.2
Ratio of interest-bearing debt to operating cash flow (years)	0.4	1.4	0.8	1.0
Interest coverage ratio (times)	154.9	12.1	17.8	14.3

Notes:

Equity ratio = Equity capital / Total assets

Market value-based equity ratio = Market capitalization / Total assets

Ratio of interest-bearing debt to operating cash flow = Interest-bearing debt / Operating cash flow

Interest coverage ratio = Operating cash flow / Interest expense

1. All of the above cash-flow indicators are calculated on a consolidated basis.
2. Market capitalization is calculated by multiplying the closing share price on the final trading day of the fiscal year by the total number of outstanding shares (excluding treasury shares) as of the corresponding fiscal year-end.
3. Operating cash flow equals net cash provided by operating activities as stated in the consolidated statements of cash flows. Interest-bearing debt refers to bonds and debt as stated in the consolidated balance sheets. Interest expense is equal to interest payments as stated in the consolidated statements of cash flows.

(4) Outlook

1) Outlook for the Fiscal Year Ending March 31, 2023

The pandemic of COVID-19 and the situation unfolding in Ukraine has shrouded social and economic conditions, both domestically and globally, in extreme uncertainty. Under these circumstances, the entire Group is working together to continue adapting to this changing business environment and to achieving the objectives outlined in the Group’s long-term vision, “NNI ‘Compass for the Future’,” in a staunch commitment to its social mission of ensuring the stable supply of food staples and social contribution through the creation of added value.

While the Group also moved to respond to higher costs for raw materials and others during the fiscal year under review, the cost of raw materials and other items is likely to rise dramatically in the fiscal year ending March 31, 2023, tracking sharp price jumps in the grain and natural resources markets triggered by the situation in Ukraine, along with the yen’s depreciation. We view adapting to this significant growth particularly in the cost of raw materials as the Group’s highest priority in the current term, with all businesses taking decisive action to respond.

With respect to the outlook for the fiscal year ending March 31, 2023, we are projecting consolidated net sales to rise 11.8% to ¥760,000 million, reflecting price revisions enacted in all businesses in line with rising costs for raw materials, coupled with the effects of higher wheat market prices and foreign currency translation in the overseas flour milling business. Operating profit is projected to increase 1.9% to ¥30,000 million, reflecting uncertainty surrounding cost inflation despite steps in each business to shift cost increases to prices, as well as an anticipated decline in profit from the engineering business. Ordinary profit is expected to decline 5.0% year on year to ¥31,000 million, largely from a decrease in the share of profit (loss) of entities accounted for using equity method. Profit attributable to owners of parent, meanwhile, is expected to increase 5.7% to ¥18,500 million, reflecting the absence of extraordinary losses posted in the previous fiscal year as well as a smaller corporate tax burden.

Under the new president scheduled for appointment at this year’s Ordinary General Meeting of Shareholders, in addition to responding to cost inflation, in light of the impairment loss posted in the New Zealand flour milling business in the March 2022 term, the Group will revisit its business plans for the Australia flour milling business, based on close examination of market changes in the Oceania region. Furthermore, the Group is set to announce a new medium-term management plan sometime in late October 2022, drafted in accordance with direction from the new president, our response to cost inflation and with conditions in the Australia flour milling business in mind.

With respect to shares held for cross-shareholding purposes, the Group has minimized such shares following an examination of shareholding rationale, and will continue to take steps in this direction going forward.

2) Cash Flow Outlook for the Next Fiscal Year

Regarding cash flow in the fiscal year ending March 31, 2023, an increase in capital from profit attributable to owners of parent of ¥18,500 million will be used primarily for strategic investments and the return of profits to shareholders through the payment of dividends. Consequently, cash and cash equivalents as of March 31, 2023 are expected to be largely unchanged compared to levels as of the end of the fiscal year ended March 31, 2022.

(5) Basic Policy on Profit Distribution and Dividends for Fiscal 2022 and Fiscal 2023

The Company aims to meet the expectations of shareholders to distribute profits, taking into consideration the current and future profitability of its business and financial position, by undertaking the payment of dividends based on a targeted payout ratio of at least 40% on a consolidated basis.

As a further return of profits to shareholders, the Company intends to pay a full-year dividend of ¥39 per share, representing an increase of ¥2 from the previous fiscal year. Accordingly, the Company will submit a proposal to the Ordinary General Meeting of Shareholders to distribute its surplus to pay a year-end dividend of ¥20 per share. As a result, dividends paid will have increased for nine consecutive terms since the fiscal year ended March 31, 2014, the fiscal year in which total dividends paid were increased by stock split without adjustment to the dividend per share.

We will focus on enhancing the stable distribution of profits from a long-term perspective to shareholders who share with us “the values created down through the generations since the establishment of the Company.” For the fiscal year ending March 31, 2023, given the persistence of an adverse business environment, we plan to set the full-year dividend at ¥39 per share, the same amount as in the fiscal year under review.

Furthermore, the Company has established a system of providing special privileges to shareholders who own 500 shares or more of the Company’s stock as at March 31.

II. Basic Policy Regarding Selection of Accounting Standards

Regarding the voluntary adoption of international financial reporting standards (IFRS), in light of a variety of available information, the Nisshin Seifun Group’s policy at this time is to continue to investigate eventual adoption, with close consideration of the potential impact of the global comparability and application of financial data.

III. Consolidated Financial Statements and Related Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2021 (As of March 31, 2021)	Fiscal 2022 (As of March 31, 2022)
Assets		
Current assets		
Cash and deposits	61,282	69,607
Notes and accounts receivable – trade	85,483	–
Notes and accounts receivable – trade, and contract assets	–	100,594
Securities	452	1,103
Inventories	81,606	96,596
Other	10,361	13,167
Allowance for doubtful accounts	(511)	(542)
Total current assets	238,674	280,527
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	68,269	68,843
Machinery, equipment and vehicles, net	51,256	53,018
Land	45,877	46,334
Construction in progress	15,261	16,149
Right-of-use assets	28,055	29,050
Other, net	6,707	5,981
Total property, plant and equipment	215,428	219,379
Intangible assets		
Goodwill	45,551	42,385
Other	27,824	26,367
Total intangible assets	73,376	68,752
Investments and other assets		
Investment securities	147,168	141,590
Net defined benefit asset	301	316
Deferred tax assets	6,992	6,933
Other	5,602	5,698
Allowance for doubtful accounts	(128)	(125)
Total investments and other assets	159,935	154,414
Total non-current assets	448,740	442,546
Total assets	687,415	723,073

(Millions of yen)

	Fiscal 2021 (As of March 31, 2021)	Fiscal 2022 (As of March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	47,946	63,655
Short-term loans payable	5,547	6,789
Income taxes payable	5,022	5,784
Accrued expenses	21,869	24,727
Other	28,353	28,201
Total current liabilities	108,740	129,158
Non-current liabilities		
Bonds	20,000	20,000
Long-term loans payable	14,729	13,785
Lease obligations	36,673	38,939
Deferred tax liabilities	30,562	28,360
Provision for repairs	1,324	1,373
Net defined benefit liability	22,533	22,845
Long-term deposits received	5,618	5,696
Other	2,458	2,272
Total non-current liabilities	133,900	133,272
Total liabilities	242,640	262,430
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	12,627	12,622
Retained earnings	341,241	347,165
Treasury shares	(10,997)	(10,960)
Total shareholders' equity	359,990	365,946
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	64,687	60,585
Deferred gains or losses on hedges	222	445
Foreign currency translation adjustment	9,314	23,059
Remeasurements of defined benefit plans	(1,125)	(862)
Total accumulated other comprehensive income	73,098	83,227
Subscription rights to shares	116	95
Non-controlling interests	11,569	11,373
Total net assets	444,774	460,643
Total liabilities and net assets	687,415	723,073

(2) Consolidated Statements of Income and Comprehensive Income

[Consolidated Statements of Income]

(Millions of yen)

	Fiscal 2021 (April 1, 2020 to March 31, 2021)	Fiscal 2022 (April 1, 2021 to March 31, 2022)
Net sales	679,495	679,736
Cost of sales	490,410	531,660
Gross profit	189,084	148,075
Selling, general and administrative expenses	161,887	118,645
Operating profit	27,197	29,430
Non-operating income		
Interest income	159	157
Dividend income	2,811	3,003
Share of profit of entities accounted for using equity method	1,794	2,070
Rent income	317	300
Other	713	1,025
Total non-operating income	5,797	6,558
Non-operating expenses		
Interest expenses	2,782	2,914
Other	324	447
Total non-operating expenses	3,107	3,362
Ordinary profit	29,886	32,626
Extraordinary income		
Gain on sales of non-current assets	427	–
Gain on sales of investment securities	1,421	1,645
Total extraordinary income	1,849	1,645
Extraordinary losses		
Loss on retirement of non-current assets	608	722
Impairment loss	(note 1) 977	(note 1) 2,439
Business restructuring expenses	(note 2) 388	–
Expenses related to change of the trade name	–	(note 3) 336
Total extraordinary losses	1,974	3,499
Profit before income taxes	29,762	30,773
Income taxes – current	10,671	12,654
Income taxes – deferred	(863)	(642)
Total income taxes	9,807	12,011
Profit	19,954	18,761
Profit attributable to non-controlling interests	943	1,251
Profit attributable to owners of parent	19,011	17,509

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal 2021 (April 1, 2020 to March 31, 2021)	Fiscal 2022 (April 1, 2021 to March 31, 2022)
Profit	19,954	18,761
Other comprehensive income		
Valuation difference on available-for-sale securities	7,660	(4,087)
Deferred gains or losses on hedges	225	97
Foreign currency translation adjustment	21,366	13,497
Remeasurements of defined benefit plans	71	154
Share of other comprehensive income of entities accounted for using equity method	(25)	467
Total other comprehensive income	29,298	10,130
Comprehensive income	49,252	28,892
(Breakdown)		
Comprehensive income attributable to owners of parent	48,041	27,639
Comprehensive income attributable to non-controlling interests	1,211	1,253

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	17,117	12,638	332,342	(11,172)	350,926
Changes of items during the period					
Dividends from surplus			(10,111)		(10,111)
Profit attributable to owners of parent			19,011		19,011
Purchase of treasury shares				(133)	(133)
Disposal of treasury shares		(11)		307	296
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	(11)	8,899	174	9,063
Balance at the end of current period	17,117	12,627	341,241	(10,997)	359,990

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	56,970	(53)	(11,689)	(1,158)	44,069	137	13,908	409,042
Changes of items during the period								
Dividends from surplus								(10,111)
Profit attributable to owners of parent								19,011
Purchase of treasury shares								(133)
Disposal of treasury shares								296
Change in ownership interest of parent due to transactions with non-controlling interests								0
Net changes of items other than shareholders' equity	7,717	275	21,003	33	29,029	(21)	(2,339)	26,668
Total changes of items during the period	7,717	275	21,003	33	29,029	(21)	(2,339)	35,732
Balance at the end of current period	64,687	222	9,314	(1,125)	73,098	116	11,569	444,774

Fiscal 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	17,117	12,627	341,241	(10,997)	359,990
Cumulative effects of changes in accounting policies			16		16
Restated balance	17,117	12,627	341,258	(10,997)	360,006
Changes of items during the period					
Dividends from surplus			(11,602)		(11,602)
Profit attributable to owners of parent			17,509		17,509
Purchase of treasury shares				(190)	(190)
Disposal of treasury shares		(6)		227	220
Change in ownership interest of parent due to transactions with non-controlling interests		1			1
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	(4)	5,907	36	5,939
Balance at the end of current period	17,117	12,622	347,165	(10,960)	365,946

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	64,687	222	9,314	(1,125)	73,098	116	11,569	444,774
Cumulative effects of changes in accounting policies								16
Restated balance	64,687	222	9,314	(1,125)	73,098	116	11,569	444,791
Changes of items during the period								
Dividends from surplus								(11,602)
Profit attributable to owners of parent								17,509
Purchase of treasury shares								(190)
Disposal of treasury shares								220
Change in ownership interest of parent due to transactions with non-controlling interests								1
Net changes of items other than shareholders' equity	(4,102)	223	13,745	262	10,129	(20)	(196)	9,912
Total changes of items during the period	(4,102)	223	13,745	262	10,129	(20)	(196)	15,851
Balance at the end of current period	60,585	445	23,059	(862)	83,227	95	11,373	460,643

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2021 (April 1, 2020 to March 31, 2021)	Fiscal 2022 (April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	29,762	30,773
Depreciation and amortization	22,271	23,054
Impairment loss	977	2,439
Amortization of goodwill	5,436	5,864
Interest and dividend income	(2,971)	(3,161)
Interest expenses	2,782	2,914
Share of (profit) loss of entities accounted for using equity method	(1,794)	(2,070)
Loss (gain) on sales of investment securities	(1,421)	(1,645)
Decrease (increase) in notes and accounts receivable – trade	9,798	–
Decrease (increase) in notes and accounts receivable – trade, and contract assets	–	(12,756)
Decrease (increase) in inventories	2,091	(12,155)
Increase (decrease) in notes and accounts payable – trade	(6,672)	14,900
Other, net	(368)	4,992
Subtotal	59,891	53,150
Interest and dividends income received	3,735	3,974
Interest expenses paid	(2,784)	(2,918)
Income taxes paid	(11,336)	(12,372)
Net cash provided by (used in) operating activities	49,506	41,833
Cash flows from investing activities		
Payments into time deposits	(2,202)	(4,248)
Proceeds from withdrawal of time deposits	–	5,063
Purchase of securities	(881)	(418)
Proceeds from sales of securities	1,343	316
Purchase of property, plant, and equipment and intangible assets	(17,359)	(18,683)
Proceeds from sales of investment securities	1,934	1,956
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(275)	–
Other, net	336	497
Net cash provided by (used in) investing activities	(17,105)	(15,517)
Cash flows from financing activities		
Increase in short-term loans payable	305	1,858
Decrease in short-term loans payable	(14,422)	(2,369)
Proceeds from long-term loans payable	400	–
Proceeds from sales of treasury shares	122	58
Purchase of treasury shares	(133)	(190)
Cash dividends paid	(10,111)	(11,602)
Dividends paid to non-controlling interests	(3,550)	(1,455)
Repayments of lease obligations	(3,874)	(4,148)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(31,264)	(17,850)
Effect of exchange rate changes on cash and cash equivalents	1,466	1,110
Net increase (decrease) in cash and cash equivalents	2,602	9,576
Cash and cash equivalents at beginning of period	56,550	59,152
Cash and cash equivalents at end of period	59,152	68,728

(5) Notes on Consolidated Financial Statements

[Going Concern Considerations]

There are no applicable matters to be reported.

[Changes in Accounting Policies]

[Application of accounting standard regarding revenue recognition]

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereafter "accounting standard regarding revenue recognition") from the start of the fiscal year (April 1, 2021). Accordingly, when control of any promised goods or services is transferred to a client, the monetary sum expected to be received in exchange for said goods or services is recognized as revenue.

Principal changes in line with application of the accounting standard regarding revenue recognition are detailed below.

The methodology for rebates and other compensation paid to clients, which previously treated as selling, general and administrative expenses, has changed to one in which such payments are now deducted from the transaction value. As a result, net sales for the fiscal year ended March 31, 2022, declined ¥58,351 million. There was no effect on profit before income taxes.

Consolidated subsidiaries in Japan previously recognized revenue upon shipment. However, this has changed to a methodology whereby revenue is recognized upon the delivery of merchandise or finished goods to the client. This change had a negligible impact on the consolidated financial statements for the fiscal year ended March 31, 2022.

For application of the accounting standard regarding revenue recognition, in accordance with transitional procedures outlined in item 84 of the accounting standard, any accumulated effects from the prior retroactive application of new accounting policies are added or deducted from retained earnings at the start of the fiscal year ended March 31, 2022, with the new accounting policies applied from the beginning of the same year. However, with application of the methodology outlined in item 86 of the accounting standard regarding revenue recognition, there is no retroactive application of new accounting policies for contracts in which substantially all revenue was recognized in line with prior handling of such revenue before the start of the fiscal year ended March 31, 2022. Similarly, with application of the methodology outlined in item 86 (1), for contract changes prior to the start of the fiscal year ended March 31, 2022, based on contract terms reflective of all contract changes, accounting treatment is conducted and any accumulated monetary effect is added or deducted from retained earnings at the start of the fiscal year ended March 31, 2022. This resulted in a negligible impact on retained earnings at the start of the fiscal year ended March 31, 2022.

Due to application of the accounting standard regarding revenue recognition, "Notes and accounts receivable – trade" disclosed under "Current assets" in the consolidated balance sheets for the previous fiscal year is now included and disclosed under "Notes and accounts receivable - trade, and contract assets" from the fiscal year ended March 31, 2022. Furthermore, "Decrease (increase) in notes and accounts receivable - trade," disclosed under "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year is now included and disclosed under "Decrease (increase) in notes and accounts receivable – trade, and contract assets" from the fiscal year ended March 31, 2022. In line with the transitional procedures outlined in item 89-2 of the accounting standard regarding revenue recognition, there has been no restatement of figures for the previous fiscal year due to the new disclosure methodology.

[Application of accounting standard regarding measurement of fair value]

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereafter, "accounting standard regarding measurement of fair value") from the start of the fiscal year ended March 31, 2022. In line with transitional procedures outlined in item 19 of the accounting standard regarding measurement of fair value and item 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company will apply the new accounting policies outlined in the accounting standard regarding measurement of fair value for the foreseeable future. This resulted in a negligible impact on the consolidated financial statements for the fiscal year ended March 31, 2022.

[Changes in Disclosure]

[Consolidated Statements of Cash Flows]

Due to a lack of monetary importance, “Increase (decrease) in net defined benefit liability” and “Decrease (increase) in net defined benefit asset,” listed as independent line items under “Cash flows from operating activities” in the previous fiscal year, were included within “Other, net” under “Cash flows from operating activities” for the fiscal year ended March 31, 2022. Figures for the previous fiscal year have been restated in the consolidated financial statements to reflect this change in disclosure.

As a result, “Increase (decrease) in net defined benefit liability” of ¥63 million, “Decrease (increase) in net defined benefit asset” of ¥7 million and a loss for “Other, net” of ¥439 million listed under “Cash flows from operating activities” in the Consolidated Statements of Cash Flows for the previous fiscal year have been reclassified as a loss of ¥368 million posted as “Other, net.”

Due to a lack of monetary importance, “Purchase of investment securities,” listed as an independent line item under “Cash flows from investing activities” in the previous fiscal year, was included within “Other, net” under “Cash flows from investing activities” for the fiscal year ended March 31, 2022. Figures for the previous fiscal year have been restated in the consolidated financial statements to reflect this change in disclosure.

As a result, “Purchase of investment securities” of ¥39 million and “Other, net” of ¥376 million listed under “Cash flows from investing activities” in the Consolidated Statements of Cash Flows for the previous fiscal year have been reclassified as ¥336 million posted as “Other, net.”

Due to a lack of monetary importance, “Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation,” listed as an independent line item under “Cash flows from financing activities” in the previous fiscal year, was included within “Other, net” under “Cash flows from financing activities” for the fiscal year ended March 31, 2022. Figures for the previous fiscal year have been restated in the consolidated financial statements to reflect this change in disclosure.

As a result, “Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation” of ¥0 million listed under “Cash flows from financing activities” in the Consolidated Statements of Cash Flows for the previous fiscal year has been reclassified as a loss of ¥0 million posted as “Other, net.”

[Consolidated Statements of Income]

1. Impairment losses

Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

Impairment losses were posted for the asset groups below during the fiscal year ended March 31, 2021.

Location	Application	Type
City of Kawasaki (Kanagawa Pref.)	Business assets (Others)	Buildings and structures

The Nisshin Seifun Group categorizes assets based on the smallest unit that largely generates cash flows independently from the cash flows of other assets and asset groups.

With the decision to dismantle and remove the production plant and R&D buildings of the pet food business, the Company reduced the book value of these assets to their recoverable value. This resulted in the subsequent posting of an impairment loss of ¥977 million under extraordinary losses. The breakdown of the impairment loss consists of buildings and structures and expenses for their dismantlement. In light of the decision to remove the buildings and structures, the net sale value of these assets is assessed as zero.

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Impairment losses were posted for the asset groups below during the fiscal year ended March 31, 2022.

Location	Application	Type
New Zealand	Business assets (Flour Milling)	Buildings and structures; machinery, equipment and vehicles; others

The Nisshin Seifun Group categorizes assets based on the smallest unit that largely generates cash flows independently from the cash flows of other assets and asset groups.

Regarding business assets for the plant in New Zealand in the Flour Milling Segment, following comprehensive consideration of factors surrounding a downturn in business performance due to a nationwide lockdown and other issues related to the COVID-19 pandemic, the Company conducted an impairment test based on international financial reporting standards (IFRS). This resulted in a reduction in the book value of this plant to its recoverable value, and the subsequent posting of an impairment loss of ¥2,300 million under extraordinary losses. The breakdown of the impairment loss is ¥679 million in buildings and structures, ¥1,005 million in machinery, equipment and vehicles, and ¥615 million in others. The recoverable value is measured based on use value. A discount rate of 9.7% was used in the calculation of use value.

Due to a lack of material importance, impairment losses other than the above have been omitted.

2. Business restructuring expenses

Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

Business restructuring expenses consist primarily of expenses accompanying the termination of production in the pet food business.

3. Expenses related to change of the trade name

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

These are expences incurred for the revision and disposal of packaging in line with a change of the trade name of processed food business subsidiary Nisshin Foods Inc. to Nisshin Seifun Welna Inc. on January 1, 2022.

[Segment Information, etc.]

[Segment information]

1. Outline of reportable segment

The Nisshin Seifun Group's reportable segments and the other businesses are components of the Group, for which discrete financial information is available and the operating results are regularly reviewed by the Company's Board of Directors to make decisions about resources to be allocated to and assess the performance of the segments.

The Company, as the holding company of the Group, plans and determines group strategies for, allocates resources to and assesses the performance of each of its businesses, which are classified by type of products and services in Flour Milling, Processed Food, Prepared Dishes and Other Prepared Foods and Others.

Accordingly, the Group designates the Flour Milling, Processed Food and Prepared Dishes and Other Prepared Foods segments as its reportable segments. Major products of the reportable segments are as follows.

Flour Milling:	Wheat flour, bran and wheat flour-related products
Processed Food:	Prepared mix, wheat flour for household-use, pasta, pasta sauce, frozen food, cake and bread ingredients, biochemical products, drug discovery research support business, healthcare foods
Prepared Dishes and Other Prepared Foods:	Boxed lunches, prepared dishes, prepared noodles and other prepared foods

2. Calculation methods of net sales, profit (loss), assets and other items for each reportable segment

The accounting methods used for reportable segments are largely the same as those adopted for use in the preparation of the consolidated financial statements. Segment profit figures are the same as operating profit figures. Intersegment sales and transfers are based on market prices.

As detailed in the "Notes on Consolidated Financial Statements," the Company has applied an accounting standard regarding revenue recognition from the start of the fiscal year (April 1, 2021), which has changed its accounting treatment methodology with respect to revenue recognition. Consequently, the same changes have been made to the Company's methodology for measuring profit and loss in reportable segments.

3. Information about net sales, profit (loss), assets and other items for each reportable segment

Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated financial statements (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	285,798	214,710	142,747	643,255	36,240	679,495	–	679,495
Intersegment sales and transfers	15,752	1,642	5,304	22,699	3,039	25,738	(25,738)	–
Total	301,551	216,352	148,051	665,954	39,279	705,234	(25,738)	679,495
Segment profit	6,317	15,350	1,278	22,946	4,240	27,187	9	27,197
Segment assets	303,269	159,260	56,608	519,138	67,097	586,236	101,179	687,415
Other items								
Depreciation and amortization	11,762	5,198	4,170	21,131	1,389	22,520	(249)	22,271
Investment for affiliates accounted for by the equity method	3,456	159	–	3,615	17,407	21,023	–	21,023
Increase in property, plant and equipment and intangible assets	8,510	5,064	2,008	15,583	1,056	16,639	(202)	16,437

Notes:

1. Business segment of "Others" is excluded from reportable segment, which includes pet food, engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations.
   The adjustment in segment assets of ¥101,179 million includes intersegment asset eliminations (-¥113,550 million) and the Group's assets (¥214,729 million): mainly, the Company's investment securities.
3. Segment profit has been adjusted for the operating profit appearing in the consolidated statements of income.

Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated financial statements (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	313,519	182,968	138,384	634,872	44,864	679,736	–	679,736
Intersegment sales and transfers	16,367	1,626	5,205	23,199	3,044	26,243	(26,243)	–
Total	329,886	184,595	143,589	658,071	47,908	705,980	(26,243)	679,736
Segment profit	8,587	12,411	3,141	24,141	5,160	29,301	129	29,430
Segment assets	324,243	158,795	61,044	544,084	71,808	615,892	107,180	723,073
Other items								
Depreciation and amortization	12,606	5,232	4,128	21,967	1,336	23,303	(248)	23,054
Investment for affiliates accounted for by the equity method	3,820	159	–	3,979	18,738	22,717	–	22,717
Increase in property, plant and equipment and intangible assets	8,660	5,959	2,269	16,889	1,443	18,332	(125)	18,207

Notes:

1. Business segment of "Others" is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations.
   The adjustment in segment assets of ¥107,180 million includes intersegment asset eliminations (-¥89,071 million) and the Group's assets (¥196,252 million): mainly, the Company's investment securities.
3. Segment profit has been adjusted for the operating profit appearing in the consolidated statements of income.

[Per Share Information]

(Yen)

	Fiscal 2021 (April 1, 2020 to March 31, 2021)	Fiscal 2022 (April 1, 2021 to March 31, 2022)
Net assets per share	1,456.37	1,510.35
Earnings per share	63.95	58.88
Fully diluted earnings per share	63.94	58.88

Notes

1. The basis of calculation for net assets per share

	Fiscal 2021 (As of March 31, 2021)	Fiscal 2022 (As of March 31, 2022)
Total net assets, as stated on the consolidated balance sheets (millions of yen)	444,774	460,643
Net assets associated with common stock (millions of yen)	433,089	449,174
Major components of the difference (millions of yen):		
Subscription rights to shares	116	95
Non-controlling interests	11,569	11,373
Number of shares of common stock issued and outstanding (shares)	304,357,891	304,357,891
Number of treasury shares of common stock (shares)	6,983,147	6,960,907
Number of shares of common stock used in the calculation of net assets per share (shares)	297,374,744	297,396,984

2. The basis of calculation for earnings per share and fully diluted earnings per share

	Fiscal 2021 (April 1, 2020 to March 31, 2021)	Fiscal 2022 (April 1, 2021 to March 31, 2022)
Profit attributable to owners of parent, as stated on the consolidated statements of income (millions of yen)	19,011	17,509
Amount not attributable to owners of common stock (millions of yen)	—	—
Profit attributable to owners of parent associated with common stock (millions of yen)	19,011	17,509
Average number of shares of common stock during the fiscal year (shares)	297,292,370	297,369,226
Adjustment to profit attributable to owners of parent (millions of yen)	—	—
Main components of increase in number of shares of common stock used in calculation of fully diluted earnings per share (shares):		
Subscription rights to shares	28,921	4,117
Details of shares not included in calculation of fully diluted earnings per share due to non-dilutive effect	• Subscription rights to shares Date of resolution at the General Meeting of Shareholders: June 25, 2015 (68 subscription rights to shares) (132 subscription rights to shares) Date of resolution at the General Meeting of Shareholders: June 28, 2016 (91 subscription rights to shares) (170 subscription rights to shares)	• Subscription rights to shares Date of resolution at the General Meeting of Shareholders: June 28, 2016 (81 subscription rights to shares)

Note:

When calculating net assets per share, Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan are included in the treasury shares excluded from the number of shares of common stock issued and outstanding at the end of the fiscal year. As of March 31, 2021, 25,000 Company shares were held in the aforementioned trust. As of March 31, 2022, 42,900 Company shares were held in the aforementioned trust.

Furthermore, when calculating earnings per share and fully diluted earnings per share, Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan are included in the treasury shares excluded when calculating the average number of shares of common stock during the fiscal year. For the fiscal year ended March 31, 2021, the average number of shares of common stock for Company shares held in the aforementioned trust was 51,369 shares. For the fiscal year ended March 31, 2022, that figure was 59,638 shares.

[Material Subsequent Events]

(Corporate separation)

At a meeting of the Board of Directors on April 26, 2022, the Company opted to establish through corporate separation an intermediate holding company that will assume ownership of several firms currently owned by the Company responsible for the Group’s prepared dishes and other prepared foods business - Tokatsu Foods Co., Ltd., Joyous Foods Co., Ltd., and Initio Foods Inc.

1. Purpose of the Corporate Separation

The Company has positioned the prepared dishes and other prepared foods business as a growth field, and is moving to cultivate it into one of the Group’s core operations. Following the conversion of Tokatsu Foods Co., Ltd. into a subsidiary in July 2019, together with Joyous Foods Co., Ltd. and Initio Foods Inc., the Company has taken steps to expand the Group’s prepared dishes and other prepared foods and frozen foods businesses, taking advantage of the Group’s basic research technologies and product development capabilities enabled by the presence of these three companies under its command.

Currently, all three companies pursue business activities independently. However, given a competitive environment that is expected to become more adverse, we believe that the ability to conduct agile strategic decision-making and even more robust management, with optimizing the Group’s entire prepared dishes and other prepared foods business in mind, will be essential. For these reasons, the decision was made to establish an intermediate holding company charged with overseeing the Group’s prepared dishes and other prepared foods business.

Going forward, along with pursuing effective utilization of the management resources of the three companies under its purview, as well as participation in and support for management, administration and strategic proposals for each company, the intermediate holding company will spearhead the development of a competitive business structure marked by more intensive risk management and governance, with the aim of further enhancing corporate value.

2. Overview of the Corporate Separation

(1) Corporate separation timeline

Date of decision on new establishment separation plan by Board of Directors	April 26, 2022
Date of separation (effective date)	July 1, 2022 (scheduled)

(Note) This corporate separation meets the terms and conditions for a simple separation based on regulations stipulated by Article 805 of Japan’s Companies Act. As such, the separation will occur without approval by the General Meeting of Shareholders. The timeline for the corporate separation is subject to change pending necessary procedures or other reasons.

(2) Method of corporate separation

The Company is designated as the entity that will separate, with the new firm designated as a successor company independent of the Company via simple new establishment separation. The newly established company is scheduled to become a 100% subsidiary of the Company.

(3) Details of share allocation

Upon corporate separation, the newly established company will issue 1,000 shares of common stock, all of which will be allotted to the Company.

(4) Changes in capital due corporate separation

There are no changes in capital of the Company associated with this corporate separation.

(5) Rights and responsibilities assumed by the newly established company

Based on the new establishment separation plan, as of the effective date of the corporate separation, the newly established company will assume all shares currently held by the Company of Tokatsu Foods Co., Ltd., Joyous Foods Co., Ltd. and Initio Foods Inc. The newly established company will also assume rights and responsibilities related to support and administrative operations for the business activities of other subsidiaries involved in the prepared dishes and other prepared foods business.

3. Summary of companies involved in corporate separation

	Separating entity	Newly established company
(1) Name	Nisshin Seifun Group Inc.	Nisshin Seifun Delica Frontier Inc.
(2) Address	1-25, Kanda-Nishiki-cho, Chiyoda-ku, Tokyo, JAPAN	1-25, Kanda-Nishiki-cho, Chiyoda-ku, Tokyo, JAPAN
(3) Business lines	Holding company overseeing the Nisshin Seifun Group	Support and administration operations for business activities of subsidiaries involved in the prepared dishes and other prepared foods business
(4) Capital	¥17,117 million	¥100 million

4. Summary of separated business

Support and administration operations for business activities of subsidiaries involved in the prepared dishes and other prepared foods business

5. Summary of accounting treatment implemented

Scheduled treatment is as transactions under common control pursuant to “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).