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Supplementary Materials

Fiscal Year Ended March 31, 2022

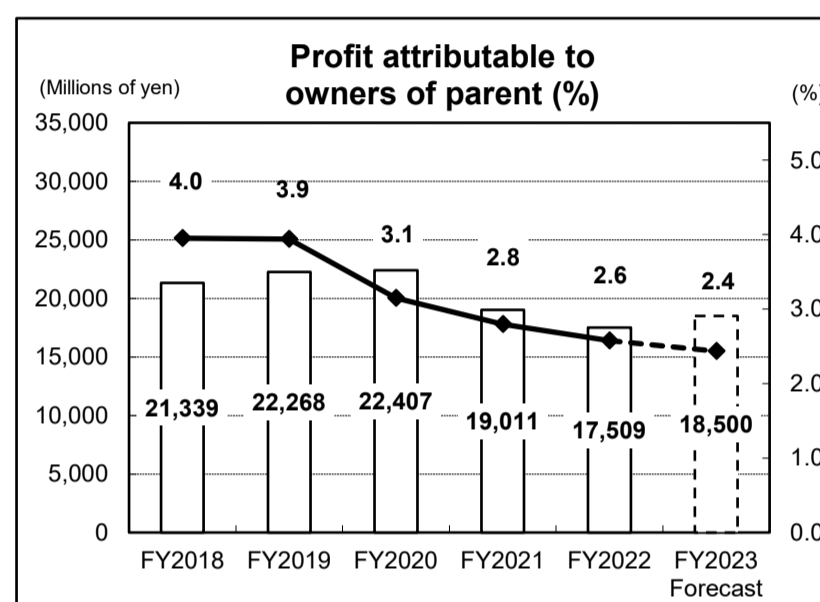
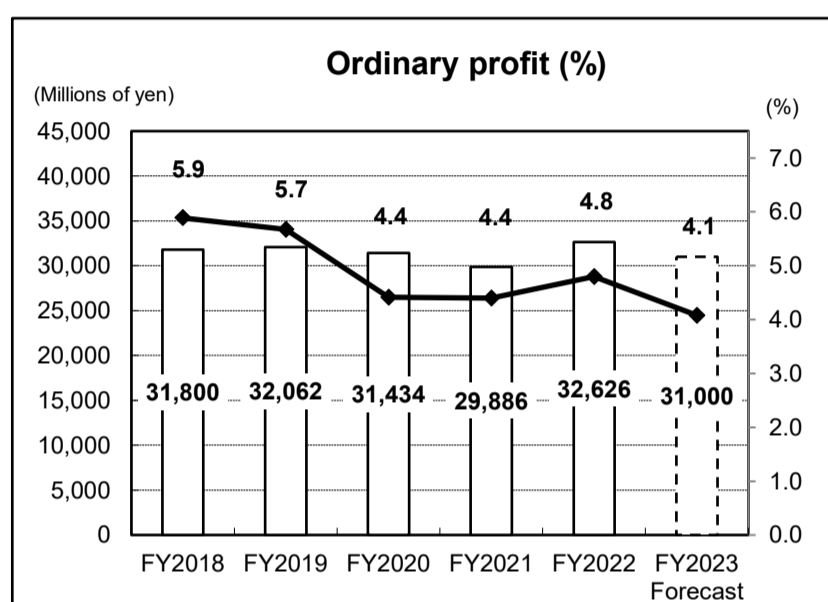
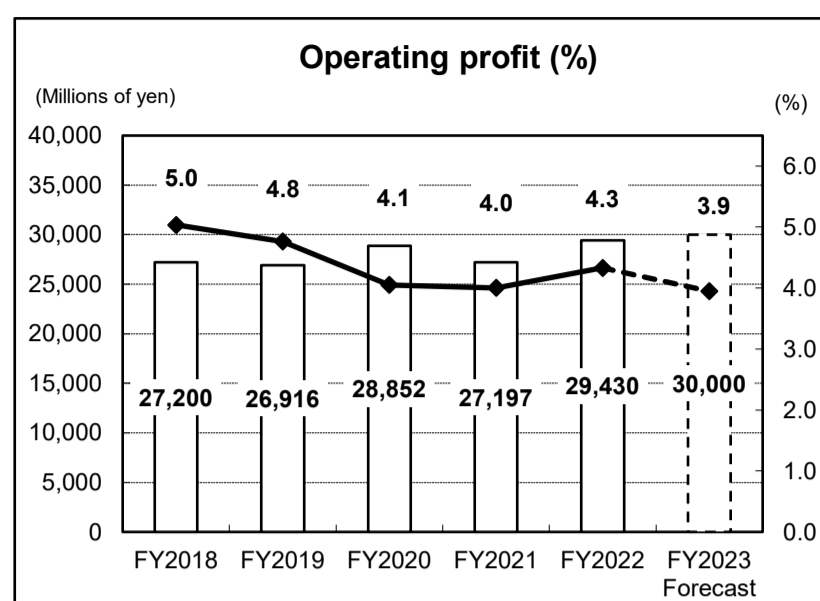
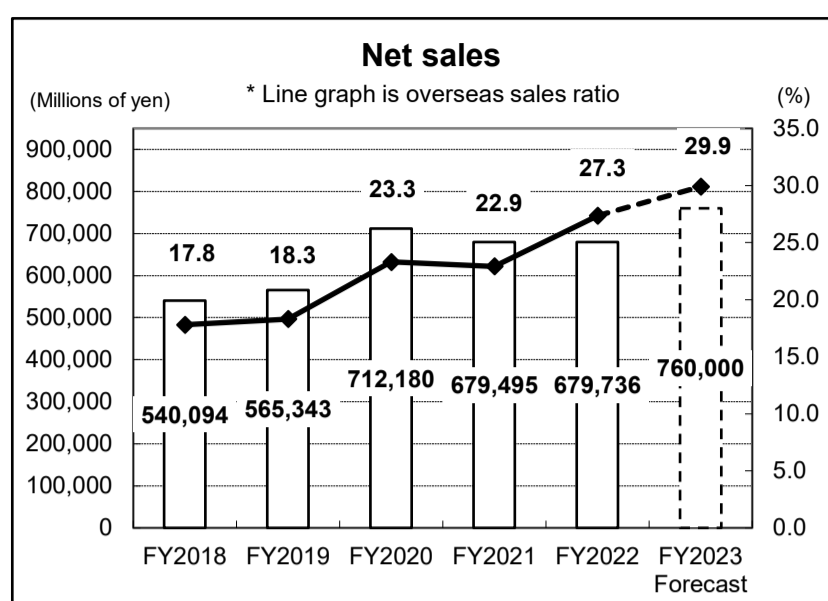
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May 13, 2022

Nisshin Seifun Group Inc.

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.

1. Consolidated Performance Highlights



[Performance Trends]

(Millions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022	YoY Change	Change (%)	FY2023 Forecast
Net sales *1	540,094	565,343	712,180	679,495	679,736	241	100.0%	760,000
Overseas sales (%)	17.8%	18.3%	23.3%	22.9%	27.3%	30,264	119.4%	227,500
Operating profit *1 (%)	5.0%	4.8%	4.1%	4.0%	4.3%	2,233	108.2%	30,000
Ordinary profit *1 (%)	5.9%	5.7%	4.4%	4.4%	4.8%	2,739	109.2%	31,000
Profit attributable to owners of parent *1 (%)	4.0%	3.9%	3.1%	2.8%	2.6%	(1,501)	92.1%	18,500
Capital expenditures (construction base)	21,484	18,719	21,834	16,405	18,150	1,745	110.6%	22,000
Depreciation and amortization	15,509	14,951	21,235	22,271	23,054	782	103.5%	24,000
Number of employees (consolidated) (Persons)	6,545	6,760	8,962	8,951	8,918	(33)	99.6%	-

(Reference)

Operating profit before amortization of goodwill, others *1	29,440	29,172	37,241	35,394	38,258	2,863	108.1%	39,041
Amortization of goodwill, others *2	2,239	2,256	8,388	8,197	8,828	630	107.7%	9,041

*1 The Company applied the "Accounting Standard for Revenue Recognition" (ASBJ No. 29) from the start of the fiscal year (April 1, 2021).

*2 "Amortization of goodwill, others" refers to amortization of goodwill and intangible assets (customer-related assets, etc.)

[Balance Sheet Trends]

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	vs. as of March 31, 2021
Current assets	260,751	268,170	238,980	238,674	280,527	41,852
Property, plant and equipment, and intangible assets	163,352	166,780	277,204	288,804	288,132	(672)
Investments and other assets	167,408	159,802	150,030	159,935	154,414	(5,521)
Total assets	591,512	594,754	666,215	687,415	723,073	35,658
Current liabilities	114,189	114,806	131,058	108,740	129,158	20,417
Non-current liabilities	63,528	61,098	126,114	133,900	133,272	(627)
Equity capital	399,278	403,937	394,995	433,089	449,174	16,085
Equity ratio (%)	67.5%	67.9%	59.3%	63.0%	62.1%	(0.9)%
Subscription rights to shares	189	167	137	116	95	(20)
Non-controlling interests	14,327	14,743	13,908	11,569	11,373	(196)
Total liabilities and net assets	591,512	594,754	666,215	687,415	723,073	35,658

[Shareholders' Equity and Dividends]

	FY2018	FY2019	FY2020	FY2021	FY2022	YoY Change	FY2023 Forecast
Net assets per share (Yen)*1	1,344.68	1,359.49	1,328.71	1,456.37	1,510.35	53.98	-
Earnings per share (Yen)*1	71.47	74.98	75.40	63.95	58.88	(5.07)	62.21
Fully diluted earnings per share (Yen)*1	71.40	74.90	75.35	63.94	58.88	(5.06)	-
Dividend per share (Yen)	29.00	32.00	34.00	37.00	39.00	2.00	39.00
Total dividends (Millions of yen)	8,617	9,510	10,110	11,005	11,603	597	-
Payout ratio (%)	40.6%	42.7%	45.1%	57.9%	66.2%	8.3%	62.7%

*1 From the year ended March 31, 2018, when calculating earnings per share and 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 (listed under shareholders' equity) excluded from calculation of the number of shares of common stock.

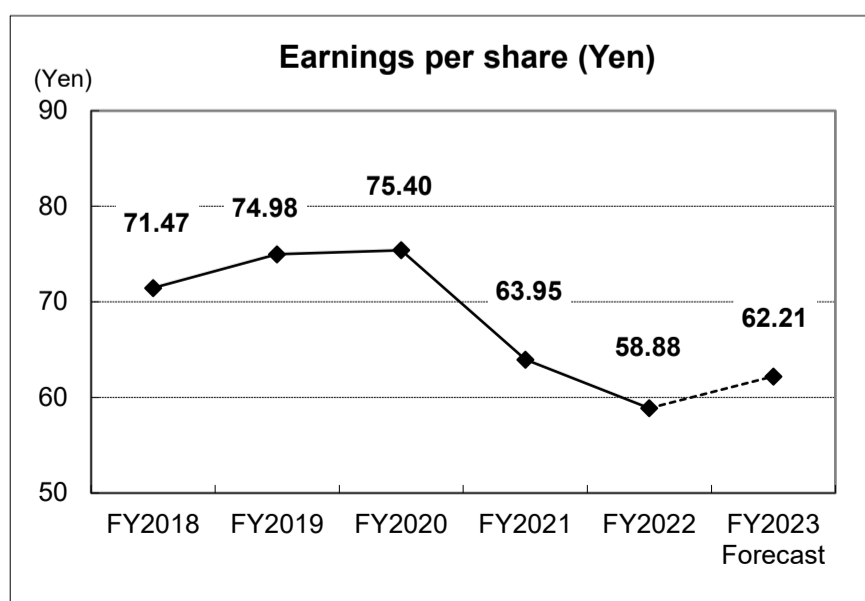
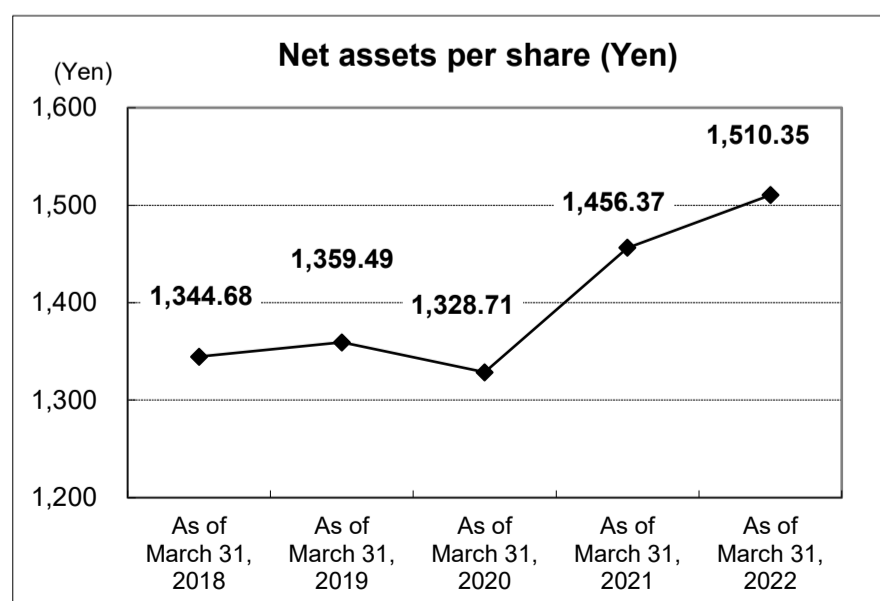
[Share Data (Nisshin Seifun Group Inc.)]

	As of March 31, 2018	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022
Shares issued and outstanding at end of period (Thousand shares)	297,013	297,204	297,359	297,456	297,478
Share price at end of period (Yen)	2,109	2,540	1,802	1,850	1,706
Total market value of shares (Millions of yen)	626,400	754,899	535,841	550,293	507,497

[Statements of Cash Flows]

(Millions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022	YoY Change
Net cash provided by (used in) operating activities	42,869	39,873	38,420	49,506	41,833	(7,672)
Net cash provided by (used in) investing activities	(18,067)	(19,184)	(96,844)	(17,105)	(15,517)	1,588
Net cash provided by (used in) financing activities	(18,593)	(10,567)	8,337	(31,264)	(17,850)	13,414
Effect of exchange rate change on cash and cash equivalents	1,415	(202)	(1,451)	1,466	1,110	(356)
Cash and cash equivalents at beginning of period	90,837	98,461	107,374	56,550	59,152	2,602
Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries	-	(1,006)	713	-	-	-
Cash and cash equivalents at end of period	98,461	107,374	56,550	59,152	68,728	9,576



II. Consolidated Statements of Income

1. Consolidated Statements of Income

(Millions of yen)

	FY2021	FY2022	YoY Change	FY2023 Forecast	YoY Change
Net sales	679,495	679,736	241	760,000	80,263
Cost of sales	490,410	531,660	41,250		
Gross profit	189,084	148,075	(41,009)		
Selling, general and administrative expenses	161,887	118,645	(43,242)		
Selling expenses	87,146	40,060	(47,086)		
Personnel expenses	36,294	37,551	1,257		
Non-personnel expenses	38,447	41,033	2,586		
Operating profit	27,197	29,430	2,233	30,000	569
Non-operating income	5,797	6,558	760		
Interest income	159	157	(2)		
Dividend income	2,811	3,003	191		
Share of profit of entities accounted for using equity method	1,794	2,070	275		
Rent income	317	300	(16)		
Other	713	1,025	312		
Non-operating expenses	3,107	3,362	254		
Interest expenses	2,782	2,914	131		
Other	324	447	123		
Ordinary profit	29,886	32,626	2,739	31,000	(1,626)
Extraordinary income	1,849	1,645	(203)		
Gain on sales of non-current assets	427	—	(427)		
Gain on sales of investment securities	1,421	1,645	223		
Extraordinary losses	1,974	3,499	1,525		
Loss on retirement of non-current assets	608	722	114		
Impairment loss	977	2,439	1,462		(FY22) New Zealand flour milling business, other
Business restructuring expenses	388	—	(388)		
Expenses related to change of the trade name	—	336	336		(FY22) Nisshin Seifun Welna Inc.
Profit before income taxes	29,762	30,773	1,011		
Income taxes - current	10,671	12,654	1,982		
Income taxes - deferred	(863)	(642)	221		
Total income taxes	9,807	12,011	2,203		
Profit	19,954	18,761	(1,192)		
Profit attributable to non-controlling interests	943	1,251	308		
Profit attributable to owners of parent	19,011	17,509	(1,501)	18,500	990

Principal Consolidated Subsidiaries

(Millions of yen)

Company name	Net sales	Ordinary profit	Profit	Net assets	Total assets
Nisshin Flour Milling Inc.	166,112	7,978	5,686	87,616	192,887
Nisshin Seifun Welna Inc.*	88,546	5,891	4,293	30,563	61,064

*Formerly Nisshin Foods Inc. Trade name changed on January 1, 2022.

2. Net Sales and Operating Profit by Segment

[FY2022 Performance]

[Net Sales by Segment]

(Millions of yen)

	FY2021	(Composition ratio)	FY2022	(Composition ratio)	Difference from previous year	YoY Change
Flour Milling	285,798	42%	313,519	46%	27,720	109.7%
Processed Food	214,710	32%	182,968	27%	(31,741)	85.2%
Prepared Dishes and Other Prepared Foods	142,747	21%	138,384	20%	(4,362)	96.9%
Others	36,240	5%	44,864	7%	8,624	123.8%
Total	679,495	100%	679,736	100%	241	100.0%

Overseas Sales (included in sales data above)

(Millions of yen)

Currency Exchange Rates

(Yen)

	FY2021	FY2022	Difference from previous year	Impact of currency exchange rate fluctuations	YoY Change		FY2021	FY2022
Flour Milling	134,913	163,598	28,685	11,560	121.3%	USD	105.9	111.7
Processed Food	16,008	16,901	893	723	105.6%	CAD	79.4	89.0
Prepared Dishes and Other Prepared Foods	-	-	-	-	-	AUD	74.9	82.6
Others	4,705	5,391	685	181	114.6%	NZD	70.2	77.8
Total	155,626	185,890	30,264	12,466	119.4%	THB	3.4	3.4

(Analysis of Net Sales Difference from Previous Year)

(Billions of yen)

			FY2022 (Difference from previous year)
Flour Milling	+27.7	· Domestic wheat flour shipments (up 0.3% YoY)	+0.5
		· Flour price revisions, others accompanying revised wheat prices	+6.9
		· Bran prices	+1.6
		· Overseas sales, others	+34.3
		· Effect of application of new accounting standard (revenue recognition)	(15.6)
Processed Food	(31.7)	· Processed Food sales *	(2.4)
		Household-use flour sales	(0.2)
		Prepared mix product sales	+0.1
		Pasta-related sales	(0.2)
		Frozen food sales	(0.3)
		Overseas processed food sales	+3.1
		Other	(4.9)
		· Oriental Yeast sales *	+3.5
		· Nisshin Pharma sales *	(2.4)
		· Effect of application of new accounting standard (revenue recognition)	(30.4)
Prepared Dishes and Other Prepared Foods	(4.4)	· Prepared dishes and other prepared foods sales *	+7.9
		· Effect of application of new accounting standard (revenue recognition)	(12.3)
Others	+8.6	· Nisshin Petfood sales	(7.6)
		· NBC Meshtec sales	+1.2
		· Facility construction sales, others (Nisshin Engineering, others) *	+15.1
		· Effect of application of new accounting standard (revenue recognition)	(0.1)
Total	+0.2		

* Excluding effect of application of new accounting standard (revenue recognition)

[FY2022 Performance]

[Operating Profit by Segment]

(Millions of yen)

	FY2021	(Composition ratio)	FY2022	(Composition ratio)	Difference from previous year	YoY Change
Flour Milling	6,317	23%	8,587	29%	2,270	135.9%
Processed Food	15,350	56%	12,411	42%	(2,939)	80.9%
Prepared Dishes and Other Prepared Foods	1,278	5%	3,141	11%	1,863	245.8%
Others	4,240	16%	5,160	18%	919	121.7%
Adjustments	9	0%	129	0%	119	-
Total	27,197	100%	29,430	100%	2,233	108.2%

Amortization of goodwill, others (Deducted from [Operating Profit by Segment] above)

	FY2021	FY2022	Difference from previous year
Flour Milling	6,565	7,195	630
Processed Food	64	64	-
Prepared Dishes and Other Prepared Foods	1,568	1,568	-
Others	-	-	-
Total	8,197	8,828	630

Overseas Operating Profit (included in [Operating Profit by Segment] above)

	FY2021	FY2022	Difference from previous year	Impact of currency exchange rate fluctuations	YoY Change
Flour Milling	(107)	790	897	(66)	-
Processed Food	2,951	2,584	(366)	209	87.6%
Prepared Dishes and Other Prepared Foods	-	-	-	-	-
Others	115	501	385	19	432.3%
Total	2,959	3,875	915	162	130.9%

(Analysis of Operating Profit Difference from Previous Year)

(Billions of yen)

FY2022
(Difference from previous year)

Flour Milling	+2.2	· Domestic wheat flour shipment volume	+0.1
		· Sales expansion costs	(0.1)
		· Bran prices	+1.5
		· Cost related	(0.2)
		· Overseas subsidiaries, others	+0.9
Processed Food	(2.9)	· Shipment volume	+0.2
		· Sales expansion costs	(1.4)
		· Cost related	(1.3)
		· Overseas subsidiaries, others (incl. Oriental Yeast, Nisshin Pharma exports)	(0.4)
Prepared Dishes and Other Prepared Foods	+1.9	· Increase in sales, others	+1.9
Others	+0.9	· Sales	+3.1
		· Cost related, others	(2.2)
Adjustments	+0.1	· Intersegment transaction eliminations	+0.1
Total	+2.2		

[Performance Forecast]

[Net Sales by Segment]

(Millions of yen)

	FY2022	(Composition ratio)	FY2023 Forecast	(Composition ratio)	Difference from previous year	YoY Change
Flour Milling	313,519	46%	385,000	51%	71,480	122.8%
Processed Food	182,968	27%	195,000	26%	12,031	106.6%
Prepared Dishes and Other Prepared Foods	138,384	20%	140,000	18%	1,615	101.2%
Others	44,864	7%	40,000	5%	(4,864)	89.2%
Total	679,736	100%	760,000	100%	80,263	111.8%

Overseas Sales (included in sales data above)

(Millions of yen)

Currency Exchange Rates

(Yen)

	FY2022	FY2023 Forecast	Difference from previous year	Impact of currency exchange rate fluctuations	YoY Change	FY2022	FY2023 (Projection)
Flour Milling	163,598	199,700	36,101	21,770	122.1%	USD	111.7
Processed Food	16,901	21,500	4,598	2,176	127.2%	CAD	89.0
Prepared Dishes and Other Prepared Foods	-	-	-	-	-	AUD	82.6
Others	5,391	6,300	908	318	116.9%	NZD	77.8
Total	185,890	227,500	41,609	24,264	122.4%	THB	3.4
						INR	1.5

(Analysis of Net Sales Difference from Previous Year)

(Billions of yen)

FY2023 Forecast
(Difference from previous year)

Flour Milling	+71.5	<ul style="list-style-type: none"> · Domestic wheat flour shipments (down 0.5% YoY) · Flour price revisions, others accompanying revised wheat prices · Bran prices · Overseas sales 	(0.8)
Processed Food	+12.0	<ul style="list-style-type: none"> · Domestic processed food sales · Overseas processed food sales · Oriental Yeast sales · Nisshin Pharma sales 	+5.6
Prepared Dishes and Other Prepared Foods	+1.6	<ul style="list-style-type: none"> · Prepared dishes and other prepared foods sales 	+1.6
Others	(4.8)	<ul style="list-style-type: none"> · NBC Meshtec sales · Facility construction sales, others (Nisshin Engineering, others) 	+1.5
Total	+80.3		(6.3)

[Performance Forecast]

[Operating Profit by Segment]

(Millions of yen)

	FY2022	(Composition ratio)	FY2023 Forecast	(Composition ratio)	Difference from previous year	YoY Change
Flour Milling	8,587	29%	9,200	31%	612	107.1%
Processed Food	12,411	42%	12,300	41%	(111)	99.1%
Prepared Dishes and Other Prepared Foods	3,141	11%	3,300	11%	158	105.0%
Others	5,160	18%	5,100	17%	(60)	98.8%
Adjustments	129	0%	100	0%	(29)	-
Total	29,430	100%	30,000	100%	569	101.9%

Amortization of goodwill, others (Deducted from [Operating Profit by Segment] above)

	FY2022	FY2023 Forecast	Difference from previous year
Flour Milling	7,195	7,408	213
Processed Food	64	64	-
Prepared Dishes and Other Prepared Foods	1,568	1,568	-
Others	-	-	-
Total	8,828	9,041	213

Overseas Operating Profit (included in [Operating Profit by Segment] above)

	FY2022	FY2023 Forecast	Difference from previous year	Impact of currency exchange rate fluctuations	YoY Change
Flour Milling	790	1,700	909	238	215.1%
Processed Food	2,584	2,700	115	262	104.5%
Prepared Dishes and Other Prepared Foods	-	-	-	-	-
Others	501	400	(101)	27	79.8%
Total	3,875	4,800	924	527	123.9%

(Analysis of Operating Profit Difference from Previous Year)

(Billions of yen)

FY2023 Forecast
(Difference from previous year)

Flour Milling	+0.6	· Domestic wheat flour shipment volume	(0.1)
		· Sales expansion costs	+0.2
		· Bran prices	+0.2
		· Cost related	(0.6)
		· Overseas operating profit	+0.9
Processed Food	(0.1)	· Shipment volume	(0.6)
		· Sales expansion costs	+0.4
		· Cost related	+0.0
		· Overseas subsidiaries, others (incl. Oriental Yeast, Nisshin Pharma exports)	+0.1
Prepared Dishes and Other Prepared Foods	+0.2	· Sales	+0.3
		· Cost related, others	(0.1)
Others	(0.1)	· Sales	(0.4)
		· Cost related, others	+0.3
Adjustments	(0.0)	· Intersegment transaction eliminations	(0.0)
Total	+0.6		

III. Consolidated Balance Sheets

[Assets]

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022	vs. as of March 31, 2021	Details of YoY difference (Billions of yen)
Total assets	687,415	723,073	35,658	
Current assets	238,674	280,527	41,852	
Cash and deposits	61,282	69,607	8,324	
Notes and accounts receivable – trade	85,483	—	(85,483)	
Notes and accounts receivable – trade, and contract assets	—	100,594	100,594	
Securities	452	1,103	650	
Inventories	81,606	96,596	14,989	
Other	10,361	13,167	2,805	
Allowance for doubtful accounts	(511)	(542)	(30)	
Non-current assets	448,740	442,546	(6,193)	
Property, plant and equipment	215,428	219,379	3,951	
Buildings and structures, net	68,269	68,843	573	
Machinery, equipment and vehicles, net	51,256	53,018	1,762	
Land	45,877	46,334	457	
Construction in progress	15,261	16,149	888	
Right-of-use assets	28,055	29,050	995	
Other, net	6,707	5,981	(725)	
Intangible assets	73,376	68,752	(4,623)	
Goodwill	45,551	42,385	(3,166)	
Other	27,824	26,367	(1,457)	
Investments and other assets	159,935	154,414	(5,521)	
Investment securities	147,168	141,590	(5,577)	Decrease due to sale and changes in market value
Net defined benefit asset	301	316	15	
Deferred tax assets	6,992	6,933	(58)	
Other	5,602	5,698	96	
Allowance for doubtful accounts	(128)	(125)	3	

[Liabilities and Net Assets]

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022	vs. as of March 31, 2021	Details of YoY difference (Billions of yen)
Total liabilities	242,640	262,430	19,790	
Current liabilities	108,740	129,158	20,417	
Notes and accounts payable – trade	47,946	63,655	15,709	
Short-term loans payable	5,547	6,789	1,241	
Income taxes payable	5,022	5,784	761	
Accrued expenses	21,869	24,727	2,857	
Other	28,353	28,201	(151)	
Non-current liabilities	133,900	133,272	(627)	
Bonds	20,000	20,000	–	
Long-term loans payable	14,729	13,785	(944)	
Lease obligations	36,673	38,939	2,265	
Deferred tax liabilities	30,562	28,360	(2,201)	
Provision for repairs	1,324	1,373	49	
Net defined benefit liability	22,533	22,845	312	
Long-term deposits received	5,618	5,696	77	
Other	2,458	2,272	(186)	
Total net assets	444,774	460,643	15,868	
Shareholders' equity	359,990	365,946	5,955	
Capital stock	17,117	17,117	–	
Capital surplus	12,627	12,622	(4)	
Retained earnings	341,241	347,165	5,923	Profit 17.5, dividends (11.6)
Treasury shares	(10,997)	(10,960)	36	
Accumulated other comprehensive income	73,098	83,227	10,129	
Valuation difference on available-for-sale securities	64,687	60,585	(4,102)	Decrease due to sale and changes in market value
Deferred gains or losses on hedges	222	445	223	
Foreign currency translation adjustment	9,314	23,059	13,745	Increase due to weaker yen in currency exchange
Remeasurements of defined benefit plans	(1,125)	(862)	262	
Subscription rights to shares	116	95	(20)	
Non-controlling interests	11,569	11,373	(196)	
Total liabilities and net assets	687,415	723,073	35,658	

IV. Consolidated Statements of Cash Flows

(Millions of yen)

	FY2021	FY2022	YoY Change
Cash flows from operating activities			
Profit before income taxes	29,762	30,773	1,011
Depreciation and amortization	22,271	23,054	782
Impairment loss	977	2,439	1,462
Amortization of goodwill	5,436	5,864	427
Interest and dividend income	(2,971)	(3,161)	(189)
Interest expenses	2,782	2,914	131
Share of (profit) loss of entities accounted for using equity method	(1,794)	(2,070)	(275)
Loss (gain) on sales of investment securities	(1,421)	(1,645)	(223)
Decrease (increase) in notes and accounts receivable – trade	9,798	–	(9,798)
Decrease (increase) in notes and accounts receivable – trade, and contract assets	–	(12,756)	(12,756)
Decrease (increase) in inventories	2,091	(12,155)	(14,246)
Increase (decrease) in notes and accounts payable – trade	(6,672)	14,900	21,572
Other, net	(368)	4,992	5,361
Subtotal	59,891	53,150	(6,741)
Interest and dividend income received	3,735	3,974	238
Interest expenses paid	(2,784)	(2,918)	(133)
Income taxes paid	(11,336)	(12,372)	(1,035)
Net cash provided by (used in) operating activities	49,506	41,833	(7,672)
Cash flows from investing activities			
Payments into time deposits	(2,202)	(4,248)	(2,045)
Proceeds from withdrawal of time deposits	–	5,063	5,063
Purchase of securities	(881)	(418)	462
Proceeds from sales of securities	1,343	316	(1,026)
Purchase of property, plant, and equipment and intangible assets	(17,359)	(18,683)	(1,323)
Proceeds from sales of investment securities	1,934	1,956	21
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(275)	–	275
Other, net	336	497	160
Net cash provided by (used in) investing activities	(17,105)	(15,517)	1,588
Cash flows from financing activities			
Increase in short-term loans payable	305	1,858	1,552
Decrease in short-term loans payable	(14,422)	(2,369)	12,053
Proceeds from long-term loans payable	400	–	(400)
Proceeds from sales of treasury shares	122	58	(63)
Purchase of treasury shares	(133)	(190)	(57)
Cash dividends paid	(10,111)	(11,602)	(1,490)
Dividends paid to non-controlling interests	(3,550)	(1,455)	2,094
Repayments of lease obligations	(3,874)	(4,148)	(273)
Other, net	(0)	(0)	(0)
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 beginning of period	56,550	59,152	2,602
Cash and cash equivalents at end of period	59,152	68,728	9,576

V. Consolidated ROE

	FY2018	FY2019	FY2020	FY2021	FY2022	vs. FY2021
ROE (%)	5.4%	5.5%	5.6%	4.6%	4.0%	(0.6)%
Net income to net sales ratio (%)	4.0%	3.9%	3.1%	2.8%	2.6%	(0.2)%
Average total asset turnover (Times)	0.9	1.0	1.1	1.0	1.0	—
Leverage	1.4	1.5	1.6	1.6	1.6	—

