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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 15, 2024

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
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Date to hold the Ordinary General Meeting of Shareholders to approve results: June 26, 2024
Date to start distributing dividends: June 27, 2024
Date to submit the Securities Report: June 26, 2024
Supplementary materials for these consolidated financial results: 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, 2024 (April 1, 2023 to March 31, 2024)

(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 2024	858,248	7.5	47,791	45.6	49,992	51.3	31,743	—
Fiscal 2023	798,681	17.5	32,831	11.6	33,051	1.3	(10,381)	—

(Note) Comprehensive income: Fiscal 2024: ¥90,678 million (—%)
Fiscal 2023: ¥(12,365) 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 2024	106.74	—	6.9	6.5	5.6
Fiscal 2023	(34.91)	—	(2.4)	4.6	4.1

(Reference) Equity in earnings of affiliates: Fiscal 2024: ¥1,774 million Fiscal 2023: ¥(346) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	826,702	516,381	60.5	1,682.11
March 31, 2023	713,874	438,499	59.4	1,425.24

(Reference) Equity capital: March 31, 2024: ¥500,302 million March 31, 2023: ¥423,833 million

(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 2024	73,194	(30,944)	(19,539)	107,681
Fiscal 2023	23,422	487	(10,625)	82,971

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			
Fiscal 2023	Yen —	Yen 19.00	Yen —	Yen 21.00	Yen 40.00	Millions of yen 11,900	% —	% 2.7
Fiscal 2024	—	21.00	—	24.00	45.00	13,389	42.2	2.9
Fiscal 2025 (forecast)	—	25.00	—	25.00	50.00		45.1	

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(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	420,000	(1.6)	24,000	(5.9)	25,000	(5.7)	16,500	(10.6)	55.48
Full year	850,000	(1.0)	48,000	0.4	50,000	0.0	33,000	4.0	110.95

* Notes

- (1) Changes in important subsidiaries during the fiscal year ended March 31, 2024 (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.: None
 - 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, 2024	304,357,891	As of March 31, 2023	304,357,891
2) Number of treasury shares	As of March 31, 2024	6,931,745	As of March 31, 2023	6,979,939
3) Average number of shares outstanding	Fiscal 2024	297,389,720	Fiscal 2023	297,360,173

* This Consolidated Financial Results 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

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I. Review of Business Performance

(1) Business Performance

During the fiscal year ended March 31, 2024, the Japanese economy continued to mount a gradual recovery. This reflected the resumption of economic activity largely atop an increase in foot traffic and a recovery in demand for inbound travel to Japan since the reclassification of COVID-19 to Class 5 infectious diseases in May 2023. Meanwhile, bright spots continue to return to the business environment surrounding the Nisshin Seifun Group as prices for wheat and other grains, which had risen sharply primarily due to the situation in Ukraine, once again subsided.

Under these conditions, the Group strives to fulfill its corporate mission of ensuring a stable supply of foods involving wheat flour and the delivery of safe and reliable products in each business area. At the same time, in a push to achieve goals set out in “The Nisshin Seifun Group Medium-Term Management Plan 2026,” the Group gave highest priority to efforts to stimulate its ability to grow by restructuring the business portfolio, respond to food inflation, mount a recovery in the Australia flour milling business, pursue environmental policies and enact its digital strategy.

As part of these efforts, in May 2023, we began construction at the Mizushima Plant of flour milling subsidiary Nisshin Flour Milling Inc. ahead of an operational start sometime in May 2025 in a push to stimulate the Group’s ability to grow by restructuring the business portfolio. This move will be accompanied by the scheduled closure of the Okayama and Sakaide plants. Meanwhile, at U.S.-based subsidiary Miller Milling Company, LLC, along with completion in November 2023 of expansion of its Los Angeles Plant, similar expansion work began at the Saginaw Plant, with an operational start set for early 2025. A decision was also made in May 2024 to further expand the 47,000-ton capacity raw wheat silo on the grounds of Nisshin Flour Milling’s Tsurumi Plant. The Group will continue to aggressively invest for future growth going forward.

Elsewhere, in October 2023, we established “The Sustainability Committee” to promote initiatives for addressing the Group’s sustainability priorities (materiality) and further enhance structures for reflecting environmental (E), social (S) and governance (G) measures in business strategy. In environmental policies, ahead of efforts to reduce CO2 emissions at the Group’s own sites in the fiscal year ending March 31, 2031 by 50% (versus the fiscal year ended March 31, 2014), Nisshin Flour Milling Inc. entered an Offsite Corporate Power Purchase Agreement (PPA) that saw all power consumed at the Tsurumi Plant, Japan’s largest flour milling plant by scale, effectively switched over to renewable energy from November 2023. This move will lead to a reduction in CO2 of roughly 27,000 tons annually.

With respect to performance, consolidated net sales for the fiscal year ended March 31, 2024, increased 7.5% year on year to ¥858,248 million. Factors driving growth included enactment of price revisions for wheat flour in the flour milling business, beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd., and the enactment of product price revisions in the processed food and prepared dishes and other prepared foods businesses. On the profit side, operating profit increased 45.6% year on year to ¥47,791 million, ordinary profit rose 51.3% to ¥49,992 million and profit attributable to owners of parent came to ¥31,743 million, compared to a loss of ¥10,381 million a year earlier. Together with the enactment of price revisions in each business area that also compensated for delays in shifting higher costs to prices in the previous term, profits rose atop firm sales prices for bran, a byproduct from the flour milling business in Japan, and beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd. in the flour milling business in Japan, a decrease in the amortization of goodwill accompanying an impairment loss reported in the previous year for the Australia flour milling business, and both a performance recovery in the processed food business and robust performance from the prepared dishes and other prepared foods business.

With respect to dividends, in line with a basic policy that sets a consolidated payout ratio of 40% or higher as standard, the Company plans to pay a full-year dividend of ¥45 per share, ¥5 higher than the previous year.

(Year-on-year Comparison)

	(Millions of yen)			
	Fiscal 2023	Fiscal 2024	Difference	Change
Net sales	798,681	858,248	59,567	7.5%
Operating profit	32,831	47,791	14,959	45.6%
Ordinary profit	33,051	49,992	16,941	51.3%
Profit (loss) attributable to owners of parent	(10,381)	31,743	42,124	—

[Business Overview by Segment]

1) Flour Milling Segment

	(Millions of yen)			
	Fiscal 2023	Fiscal 2024	Difference	Change
Net sales	419,782	458,226	38,444	9.2%
Operating profit	17,618	28,570	10,951	62.2%

In the flour milling business in Japan, shipments were higher year on year, mainly reflecting increased foot traffic and a recovery in demand for inbound travel to Japan.

In June 2023 and again in January 2024, we implemented price revisions for commercial wheat flour in response to revised government prices for five classes of imported wheat enacted in April and October 2023. On average, the government's price for imported wheat rose 5.8% in April, but was lowered 11.1% in October 2023.

In the overseas flour milling business, net sales were higher year on year mainly due to product price revisions in Australia and foreign currency translation effects from a U.S.-based subsidiary.

As a result, net sales of the Flour Milling Segment increased 9.2% year on year to ¥458,226 million, driven by price revisions for commercial wheat flour in Japan and beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd. in January 2023. Operating profit climbed 62.2% to ¥28,570 million, reflecting benefits mainly from firm sales prices for bran, a byproduct from the flour milling business in Japan, beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd. and a decrease in amortization of goodwill from the reporting of an impairment loss for the flour milling business in Australia in the previous year.

2) Processed Food Segment

	(Millions of yen)			
	Fiscal 2023	Fiscal 2024	Difference	Change
Net sales	187,988	201,073	13,085	7.0%
Operating profit	6,037	8,356	2,319	38.4%

In the processed food business, net sales were higher year on year, reflecting implementation of product price revisions in response to rising costs for raw materials in Japan.

In the yeast and biotechnology business, net sales were up year on year, mainly reflecting price revisions for yeast enacted in Japan in response to soaring raw material prices and energy costs, coupled with increased sales volume from the yeast business in India.

In the healthcare foods business, net sales were higher year on year, lifted mainly by growth in shipments of raw materials for pharmaceuticals. October 2023 also saw the new launch of a personal

nutrition business (service name: YOURFIT) providing supplements personalized to fit the lifestyle and health status of individual customers.

As a result, net sales of the Processed Food Segment increased 7.0% year on year to ¥201,073 million. Operating profit rose 38.4% to ¥8,356 million, lifted by a recovery in performance.

3) Prepared Dishes and Other Prepared Foods Segment

	(Millions of yen)			
	Fiscal 2023	Fiscal 2024	Difference	Change
Net sales	147,487	153,573	6,086	4.1%
Operating profit	3,284	5,396	2,112	64.3%

In the prepared dishes and other prepared foods business, net sales rose 4.1% year on year to ¥153,573 million, atop firm sales mainly from increased foot traffic and a recovery in demand for inbound travel to Japan, coupled primarily with product price revisions enacted in response to soaring raw material prices. Operating profit increased 64.3% to ¥5,396 million, largely atop product price revisions and improved productivity.

4) Others Segment

	(Millions of yen)			
	Fiscal 2023	Fiscal 2024	Difference	Change
Net sales	43,423	45,375	1,951	4.5%
Operating profit	5,746	5,409	(337)	(5.9)%

In the engineering business, net sales were lower year on year.

In the mesh cloths business, net sales rose year on year mainly atop increased shipments of screen printing materials for solar panels.

As a result, net sales of the Others Segment increased 4.5% year on year to ¥45,375 million, with operating profit down 5.9% to ¥5,409 million. The decline in profit came mainly from a decrease in large-scale projects in the engineering business.

(2) Financial Position

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Difference
Current assets	330,069	365,072	35,002
Non-current assets	383,805	461,629	77,824
Total assets	713,874	826,702	112,827
Current liabilities	150,262	163,571	13,308
Non-current liabilities	125,112	146,749	21,637
Total liabilities	275,375	310,321	34,946
Total net assets	438,499	516,381	77,881
Total liabilities and net assets	713,874	826,702	112,827

The status of assets, liabilities and net assets on a consolidated basis at the end of the fiscal year ended March 31, 2024, was as follows.

Current assets increased ¥35,002 million from the previous fiscal year-end to ¥365,072 million, tracking growth in cash and deposits, as well as notes and accounts receivable – trade, and contract assets. Non-current assets increased ¥77,824 million to ¥461,629 million, primarily accompanying an increase in the market valuation of investment securities held. As a result, total assets rose ¥112,827 million from the previous fiscal year-end to ¥826,702 million.

Meanwhile, current liabilities increased ¥13,308 million to ¥163,571 million, mainly accompanying an increase in accrued expenses and other current liabilities. Non-current liabilities increased ¥21,637 million to ¥146,749 million, primarily due to an increase in deferred tax liabilities. As a result, total liabilities increased ¥34,946 million from the previous fiscal year-end to ¥310,321 million. Net assets increased ¥77,881 million to ¥516,381 million, mainly reflecting an increase in retained earnings due to profit attributable to owners of parent for the year, 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, 2024

The status of consolidated cash flows for the fiscal year ended March 31, 2024, was as follows.

(Millions of yen)

	Fiscal 2023	Fiscal 2024	Difference
Net cash provided by (used in) operating activities	23,422	73,194	49,772
Net cash provided by (used in) investing activities	487	(30,944)	(31,431)
Net cash provided by (used in) financing activities	(10,625)	(19,539)	(8,914)
Effect of exchange rate changes on cash and cash equivalents	959	1,999	1,039
Net increase (decrease) in cash and cash equivalents	14,243	24,709	10,465
Cash and cash equivalents at end of period	82,971	107,681	24,709

Net cash provided by (used in) operating activities

An increase in cash and cash equivalents mainly due to profit before income taxes of ¥48,850 million and depreciation and amortization of ¥22,999 million (a non-cash item) exceeded a decrease in cash and cash equivalents from factors such as an increase in notes and accounts receivable – trade, and contract assets, and the payment of income taxes. This led to net cash provided by operating activities of ¥73,194 million, compared to ¥23,422 million a year earlier.

Net cash provided by (used in) investing activities

¥29,191 million used for the purchase of property, plant and equipment and intangible assets was the primary factor that led to net cash used in investing activities of ¥30,944 million, compared to ¥487 million provided a year earlier.

Net cash provided by (used in) financing activities

¥12,496 million used for dividends to distribute profits to shareholders was the primary factor that led to net cash used in financing activities of ¥19,539 million, compared to ¥10,625 million a year earlier.

As a result, consolidated cash and cash equivalents at the end of the fiscal year ended March 31, 2024 were ¥107,681 million.

2) Cash-flow Indicators

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

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Equity ratio (%)	63.0	62.1	59.4	60.5
Market value-based equity ratio (%)	80.0	70.2	64.6	75.5
Ratio of interest-bearing debt to operating cash flow (years)	0.8	1.0	2.0	0.6
Interest coverage ratio (times)	17.8	14.3	6.6	19.3

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, 2025

To achieve the objectives of “The Nisshin Seifun Group Medium-term Management Plan 2026,” for the fiscal year ending March 31, 2025, we are giving highest priority to stimulating the Group’s ability to grow by restructuring the business portfolio, promoting measures to spur a performance recovery in the Australia flour milling business and the yeast business in India, realizing tangible results from our R&D strategy, and showcasing benefits from automation and labor-saving measures.

With respect to the outlook for the fiscal year ending March 31, 2025, we are projecting consolidated net sales to decline 1.0% to ¥850,000 million, with higher revenue from the processed food business set to largely cover a decline in revenue from the effect of price revisions for commercial wheat flour in the flour milling business in Japan due to downward price changes for imported wheat enacted by the Japanese government, as well as impacts from the wheat market in the overseas flour milling business. Operating profit is projected to increase 0.4% to ¥48,000 million, despite higher costs, notably for power and labor, in each business. Growth is expected mainly from higher income driven by shipment growth in the processed food business, coupled with income growth from measures to spur recovery in business performance in the Australia flour milling business and the yeast business in India. Ordinary profit is expected to be unchanged year on year at ¥50,000 million, while profit attributable to owners of parent is expected to be 4.0% higher at ¥33,000 million.

Beginning from the fiscal year ending March 31, 2025, the Group is planning to sell more than ¥15,000 million in cross-shareholdings over the duration (three years) of its medium-term management plan. With respect to dividends, excluding from profit attributable to owners of parent any gains or losses due to non-recurring extraordinary factors, the Company has a basic policy that sets a consolidated payout ratio of 40% or higher as standard for the payment of dividends. This approach will ensure the continued payment of a stable dividend from a long-term stance. Based on this policy, for the coming term, the Company plans to pay a full-year dividend of ¥50 per share, ¥5 higher than the previous fiscal year. The Company will proactively examine future dividend increases after proper consideration of the timing of such changes.

As for numerical targets for the fiscal year ending March 31, 2027, the final year of “Medium-term Management Plan 2026,” the Company is aiming for net sales of ¥900,000 million, operating profit of ¥48,000 million, and earnings per share (EPS) of ¥110. The Company will examine whether to revise these targets depending on progress in business performance in the coming fiscal year, with plans to announce any changes with second-quarter financial results for the fiscal year ending March 31, 2025.

2) Cash Flow Outlook for the Next Fiscal Year

Regarding cash flow in the fiscal year ending March 31, 2025, an increase in capital from profit attributable to owners of parent of ¥33,000 million will be used primarily for growth and sustainable investment for the future, ordinary investment in maintenance and upkeep, and the return of profits to shareholders through the payment of appropriate dividends.

(5) Basic Policy on Profit Distribution and Dividends for Fiscal 2024 and Fiscal 2025

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.

For the fiscal year ended March 31, 2024, we plan to pay a full-year dividend of ¥45 per share, up ¥5 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 ¥24 per share. As a result, dividends paid will have increased for eleven 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.

In accordance with the policies outlined in “Medium-term Management Plan 2026,” the Company will appropriately allocate operating cash flows gained over the five-year duration of the plan to growth investments for the future and the return of profit to shareholders. Increases in dividends are actively considered typically with timing in mind, with any surplus investment funds potentially earmarked for allocation to additional return of profit to shareholders.

With respect to dividends, excluding from profit attributable to owners of parent any gains or losses due to non-recurring extraordinary factors, the Company has a basic policy that sets a consolidated payout ratio of 40% or higher as standard for the payment of dividends. This approach will ensure the continued payment of a stable dividend from a long-term stance. Accordingly, the Company plans to pay a full-year dividend of ¥50 per share for the fiscal year ending March 31, 2025, ¥5 higher than the previous year.

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

At this time, the policy of the Nisshin Seifun Group is to produce consolidated financial statements based on financial reporting standards in Japan, with an eye to ensuring comparability between business terms and between companies in the consolidated financial statements.

With regard to international financial reporting standards (IFRS), the Group’s policy is to respond as most appropriate upon consideration of relevant circumstances on the domestic and international fronts.

III. Consolidated Financial Statements and Related Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	82,971	109,470
Notes and accounts receivable - trade, and contract assets	107,887	114,536
Inventories	128,786	124,878
Other	11,065	16,729
Allowance for doubtful accounts	(641)	(541)
Total current assets	330,069	365,072
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,134	72,092
Machinery, equipment and vehicles, net	60,212	66,504
Land	52,618	53,393
Construction in progress	10,842	20,158
Right-of-use assets	17,060	18,471
Other, net	5,625	5,196
Total property, plant and equipment	217,494	235,815
Intangible assets		
Goodwill	7,496	6,212
Other	16,180	15,350
Total intangible assets	23,677	21,563
Investments and other assets		
Investment securities	124,653	185,445
Net defined benefit asset	340	307
Deferred tax assets	11,964	12,539
Other	5,875	6,167
Allowance for doubtful accounts	(200)	(208)
Total investments and other assets	142,633	204,250
Total non-current assets	383,805	461,629
Total assets	713,874	826,702

(Millions of yen)

	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 (As of March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	74,565	76,198
Short-term loans payable	14,356	15,101
Income taxes payable	8,941	7,890
Accrued expenses	23,247	27,036
Other	29,150	37,344
Total current liabilities	150,262	163,571
Non-current liabilities		
Bonds	20,000	20,000
Long-term loans payable	13,378	12,014
Lease obligations	37,311	39,929
Deferred tax liabilities	22,097	42,671
Provision for repairs	1,562	1,278
Net defined benefit liability	23,422	23,532
Long-term deposits received	5,646	5,642
Other	1,694	1,680
Total non-current liabilities	125,112	146,749
Total liabilities	275,375	310,321
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	12,728	12,752
Retained earnings	325,181	344,428
Treasury shares	(10,989)	(10,914)
Total shareholders' equity	344,037	363,383
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52,044	93,519
Deferred gains or losses on hedges	(13)	164
Foreign currency translation adjustment	28,352	43,632
Remeasurements of defined benefit plans	(588)	(398)
Total accumulated other comprehensive income	79,795	136,918
Subscription rights to shares	44	—
Non-controlling interests	14,621	16,078
Total net assets	438,499	516,381
Total liabilities and net assets	713,874	826,702

(2) Consolidated Statements of Income and Comprehensive Income

[Consolidated Statements of Income]

(Millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Net sales	798,681	858,248
Cost of sales	638,062	674,115
Gross profit	160,618	184,132
Selling, general and administrative expenses	127,786	136,341
Operating profit	32,831	47,791
Non-operating income		
Interest income	260	563
Dividend income	3,201	2,711
Share of profit of entities accounted for using equity method	—	1,774
Rent income	295	294
Foreign exchange gains	163	730
Other	669	1,034
Total non-operating income	4,591	7,109
Non-operating expenses		
Interest expenses	3,546	3,770
Share of loss of entities accounted for using equity method	346	—
Other	479	1,137
Total non-operating expenses	4,371	4,907
Ordinary profit	33,051	49,992
Extraordinary income		
Gain on sale of non-current assets	—	281
Gain on sale of investment securities	24,393	436
Total extraordinary income	24,393	718
Extraordinary losses		
Loss on retirement of non-current assets	609	605
Impairment losses	Note 1 55,704	Note 1 1,254
Expenses related to change of the corporate name	251	—
Total extraordinary losses	56,565	1,860
Profit before income taxes	879	48,850
Income taxes - current	18,748	13,697
Income taxes - deferred	(8,404)	2,285
Total income taxes	10,343	15,982
Profit (loss)	(9,463)	32,868
Profit attributable to non-controlling interests	917	1,125
Profit (loss) attributable to owners of parent	(10,381)	31,743

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Profit (loss)	(9,463)	32,868
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,585)	41,322
Deferred gains or losses on hedges	(306)	180
Foreign currency translation adjustment	5,441	15,707
Remeasurements of defined benefit plans	268	214
Share of other comprehensive income of entities accounted for using equity method	281	386
Total other comprehensive income (loss)	(2,901)	57,810
Comprehensive income	(12,365)	90,678
(Breakdown)		
Comprehensive income attributable to owners of parent	(13,813)	88,865
Comprehensive income attributable to non-controlling interests	1,447	1,812

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2023 (April 1, 2022 to March 31, 2023)

(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	12,622	347,165	(10,960)	365,946
Changes of items during the period					
Dividends from surplus			(11,603)		(11,603)
Loss attributable to owners of parent			(10,381)		(10,381)
Purchase of treasury shares				(190)	(190)
Disposal of treasury shares		1		161	162
Change in ownership interest of parent due to transactions with non-controlling interests		104			104
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	105	(21,984)	(29)	(21,908)
Balance at the end of current period	17,117	12,728	325,181	(10,989)	344,037

	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	60,585	445	23,059	(862)	83,227	95	11,373	460,643
Changes of items during the period								
Dividends from surplus								(11,603)
Loss attributable to owners of parent								(10,381)
Purchase of treasury shares								(190)
Disposal of treasury shares								162
Change in ownership interest of parent due to transactions with non-controlling interests								104
Net changes of items other than shareholders' equity	(8,540)	(459)	5,293	274	(3,432)	(51)	3,248	(234)
Total changes of items during the period	(8,540)	(459)	5,293	274	(3,432)	(51)	3,248	(22,143)
Balance at the end of current period	52,044	(13)	28,352	(588)	79,795	44	14,621	438,499

Fiscal 2024 (April 1, 2023 to March 31, 2024)

(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	12,728	325,181	(10,989)	344,037
Changes of items during the period					
Dividends from surplus			(12,496)		(12,496)
Profit attributable to owners of parent			31,743		31,743
Purchase of treasury shares				(120)	(120)
Disposal of treasury shares		7		195	202
Change in ownership interest of parent due to transactions with non-controlling interests		16			16
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	24	19,246	74	19,345
Balance at the end of current period	17,117	12,752	344,428	(10,914)	363,383

	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	52,044	(13)	28,352	(588)	79,795	44	14,621	438,499
Changes of items during the period								
Dividends from surplus								(12,496)
Profit attributable to owners of parent								31,743
Purchase of treasury shares								(120)
Disposal of treasury shares								202
Change in ownership interest of parent due to transactions with non-controlling interests								16
Net changes of items other than shareholders' equity	41,474	178	15,280	190	57,122	(44)	1,456	58,535
Total changes of items during the period	41,474	178	15,280	190	57,122	(44)	1,456	77,881
Balance at the end of current period	93,519	164	43,632	(398)	136,918	—	16,078	516,381

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	879	48,850
Depreciation and amortization	22,805	22,999
Impairment losses	55,704	1,254
Amortization of goodwill	3,908	1,291
Interest and dividend income	(3,461)	(3,274)
Interest expenses	3,546	3,770
Share of (profit) loss of entities accounted for using equity method	346	(1,774)
Loss (gain) on sale of investment securities	(24,393)	(436)
Decrease (increase) in notes and accounts receivable – trade, and contract assets	(2,811)	(3,175)
Decrease (increase) in inventories	(27,935)	9,054
Increase (decrease) in trade payables	8,285	364
Increase (decrease) in accounts payable - other, and accrued expenses	(3,003)	7,902
Other, net	2,783	6,574
Subtotal	36,653	93,400
Interest and dividends income received	4,238	3,296
Interest expenses paid	(3,532)	(3,796)
Income taxes paid	(13,937)	(19,705)
Net cash provided by (used in) operating activities	23,422	73,194
Cash flows from investing activities		
Payments into time deposits	(439)	(2,535)
Proceeds from withdrawal of time deposits	2,113	777
Purchase of property, plant, and equipment and intangible assets	(18,657)	(29,191)
Proceeds from sale of investment securities	29,086	1,451
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(11,480)	(930)
Other, net	(135)	(515)
Net cash provided by (used in) investing activities	487	(30,944)
Cash flows from financing activities		
Increase in short-term loans payable	7,210	1,668
Decrease in short-term loans payable	(1,578)	(3,770)
Purchase of treasury shares	(190)	(120)
Cash dividends paid	(11,603)	(12,496)
Repayments of lease obligations	(4,484)	(4,518)
Other, net	19	(301)
Net cash provided by (used in) financing activities	(10,625)	(19,539)
Effect of exchange rate changes on cash and cash equivalents	959	1,999
Net increase (decrease) in cash and cash equivalents	14,243	24,709
Cash and cash equivalents at beginning of period	68,728	82,971
Cash and cash equivalents at end of period	82,971	107,681

(5) Notes on Consolidated Financial Statements

[Going Concern Considerations]

There are no applicable matters to be reported.

[Changes in Disclosure]

[Consolidated Statements of Income]

Due to its increased monetary importance, “Foreign exchange gains,” included within “Other” under “Non-operating income” in the previous fiscal year, is independently listed for the fiscal year ended March 31, 2024. Figures for the previous fiscal year have been restated in the consolidated financial statements to reflect this change in disclosure.

As a result, “Other” of ¥833 million listed under “Non-operating income” in the Consolidated Statements of Income for the previous fiscal year has been restated as “Foreign exchange gains” of ¥163 million and “Other” of ¥669 million.

[Consolidated Statements of Cash Flows]

Due to its increased monetary importance, “Increase (decrease) in accounts payable - other, and accrued expenses” included within “Other, net” under “Cash flows from operating activities” in the previous fiscal year, is independently listed for the fiscal year ended March 31, 2024. Figures for the previous fiscal year have been restated in the consolidated financial statements to reflect this change in disclosure.

As a result, “Other, net” of ¥(219) million listed under “Cash flows from operating activities” in the Consolidated Statements of Cash Flows for the previous fiscal year has been restated as “Increase (decrease) in accounts payable - other, and accrued expenses” of ¥(3,003) million and ¥2,783 million posted as “Other, net.”

[Consolidated Statements of Income]

1. Impairment losses

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

Impairment losses were posted for the asset groups below during the fiscal year ended March 31, 2023.

Location	Application	Type
Australia	— (Flour Milling)	Goodwill
	Business assets (Flour Milling)	Other (intangible assets), property, plant and equipment

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.

In the Flour Milling Segment, non-current assets pertaining to the Australia flour milling business experienced a decline in profitability largely attributable to changes in demand due to the COVID-19 pandemic, coupled with the impact of rising costs driven by the situation in Ukraine. Since there is no longer any prospect of a recovery of investment, the Company has reduced the book value of the assets to their recoverable amount, and has recognized an impairment loss of ¥55,704 million under extraordinary losses. The breakdown of the impairment loss is ¥31,303 million in goodwill, ¥7,818 million in other (intangible assets), and ¥16,581 million in property, plant and equipment.

The recoverable value is measured based on use value. A discount rate of 11.9% was used in the calculation of use value.

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

Impairment losses were posted for the asset groups below during the fiscal year ended March 31, 2024.

Location	Application	Type
Niiza, Saitama Pref.	Business assets (Processed Food)	Buildings, machinery and equipment, etc.

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.

In the Processed Food Segment, following the decision in August 2023 to execute the closure, demolition and removal of the Saitama Plant of Oriental Yeast Co., Ltd., the Company has reduced the book value of the applicable assets to their recoverable amount, and has recognized an impairment loss of ¥1,254 million under extraordinary losses. The breakdown of the impairment loss is ¥749 million in buildings, machinery and equipment, etc., and demolition costs of ¥504 million. Since the removal decision has been made, the net sale value of buildings, machinery and equipment, etc. is considered zero.

[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.

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

Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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	419,782	187,988	147,487	755,258	43,423	798,681	—	798,681
Intersegment sales and transfers	19,240	1,731	4,651	25,623	2,935	28,558	(28,558)	—
Total	439,022	189,720	152,138	780,881	46,358	827,240	(28,558)	798,681
Segment profit	17,618	6,037	3,284	26,940	5,746	32,687	144	32,831
Segment assets	316,356	161,195	69,743	547,294	73,215	620,510	93,364	713,874
Other items								
Depreciation and amortization	11,980	5,655	3,982	21,618	1,440	23,059	(253)	22,805
Investment for affiliates accounted for by the equity method	4,328	158	—	4,486	17,322	21,809	—	21,809
Increase in property, plant and equipment and intangible assets	8,513	7,854	2,656	19,024	1,024	20,048	(161)	19,887

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 ¥93,364 million includes intersegment asset eliminations (¥114,913 million) and the Group's assets (¥208,278 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, 2024 (April 1, 2023 to March 31, 2024)

(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	458,226	201,073	153,573	812,873	45,375	858,248	—	858,248
Intersegment sales and transfers	19,367	1,796	4,257	25,422	3,437	28,860	(28,860)	—
Total	477,594	202,870	157,831	838,296	48,813	887,109	(28,860)	858,248
Segment profit	28,570	8,356	5,396	42,324	5,409	47,733	57	47,791
Segment assets	356,560	170,455	82,732	609,747	71,332	681,080	145,622	826,702
Other items								
Depreciation and amortization	11,853	5,948	4,050	21,852	1,407	23,259	(259)	22,999
Investment for affiliates accounted for by the equity method	4,980	158	—	5,139	18,680	23,819	—	23,819
Increase in property, plant and equipment and intangible assets	20,611	5,589	2,829	29,030	2,192	31,222	(210)	31,011

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 ¥145,622 million includes intersegment asset eliminations (¥124,951 million) and the Group’s assets (¥270,573 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 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Net assets per share	1,425.24	1,682.11
Earnings (loss) per share	(34.91)	106.74

Notes

- “Fully diluted earnings per share” is not reported for the fiscal year ended March 31, 2023 due to the net loss per share and the absence of any shares experiencing dilution effects.
“Fully diluted earnings per share” is not reported for the fiscal year ended March 31, 2024 due to the absence of any shares experiencing dilution effects.
- The basis of calculation for net assets per share

	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 (As of March 31, 2024)
Total net assets, as stated on the consolidated balance sheets (millions of yen)	438,499	516,381
Net assets associated with common stock (millions of yen)	423,833	500,302
Major components of the difference (millions of yen):		
Subscription rights to shares	44	—
Non-controlling interests	14,621	16,078
Number of shares of common stock issued and outstanding (shares)	304,357,891	304,357,891
Number of treasury shares of common stock (shares)	6,979,939	6,931,745
Number of shares of common stock used in the calculation of net assets per share (shares)	297,377,952	297,426,146

- The basis of calculation for earnings (loss) per share

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Profit (loss) attributable to owners of parent, as stated on the consolidated statements of income (millions of yen)	(10,381)	31,743
Amount not attributable to owners of common stock (millions of yen)	—	—
Profit (loss) attributable to owners of parent associated with common stock (millions of yen)	(10,381)	31,743
Average number of shares of common stock during the fiscal year (shares)	297,360,173	297,389,720
Adjustment to profit attributable to owners of parent (millions of yen)	—	—
Details of shares not included in calculation of fully diluted earnings per share due to non-dilutive effect	<ul style="list-style-type: none"> Subscription rights to shares Date of resolution at the General Meeting of Shareholders: June 28, 2016 (74 subscription rights to shares) (127 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, 2023, 64,000 Company shares were held in the aforementioned trust. As of March 31, 2024, 32,600 Company shares were held in the aforementioned trust.

Furthermore, when calculating earnings (loss) 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, 2023, the average number of shares of common stock for Company shares held in the aforementioned trust was 79,708 shares. For the fiscal year ended March 31, 2024, that figure was 64,762 shares.

[Material Subsequent Events]

(Significant capital investment)

At a meeting of the Board of Directors on May 15, 2024, the Company resolved to carry out expansion of the raw wheat silo at the Tsurumi Plant of consolidated subsidiary Nisshin Flour Milling Inc.

1. Purpose of the capital investment

Guaranteeing the safety and stability of food sources in Japan has become a concern in recent years amid extreme changes in the food environment due to the impact of circumstances internationally—a situation that is further heightening the importance of Nisshin Flour Milling’s mission of ensuring a stable supply of foods involving wheat flour. In this climate, augmenting storage capacity for raw wheat is essential for further strengthening the infrastructure for sustainable and stable supply that Nisshin Flour Milling has developed. Nisshin Flour Milling’s flagship facility, the Tsurumi Plant, Japan’s largest coastal flour milling plant, ships wheat flour to the large consumer market consisting of the Tokyo Metropolitan Area and the Kanto and Tohoku regions. The facility has both its own exclusive pier capable of receiving large grain-bearing vessels and a silo for raw wheat.

Along with eyeing greater labor savings and efficiency through technologies cultivated by Nisshin Flour Milling’s to date, the new expansion of the raw wheat silo will further harden the supply structure against natural disasters. Together, these improvements will promote the securement and storage of raw wheat in ways more responsive to demand than ever before, as well as supply stability.

2. Details of the capital investment

- (1) Location: City of Kawasaki, Kawasaki District, Kanagawa Pref.
- (2) Facility description: Raw wheat silo
- (3) Expansion capacity: 47,000 tons
- (4) Investment: Approx. ¥10,000 million

3. Facility adoption timeline

- (1) Scheduled construction start: May 2025
- (2) Scheduled construction end: 2028