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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Nisshin Seifun Group Inc.:

Opinion

We have audited the consolidated financial statements of Nisshin Seifun Group Inc. and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2021, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuations of goodwill and intangible assets related to the flour milling business in Australia

Key Audit Matter Description

As described in Note 2.u, "Significant Accounting Estimates" to the consolidated financial statements, the Group's goodwill and intangible assets in the consolidated balance sheet as of March 31, 2021, included 34,945 million yen of goodwill and 19,655 million yen of intangible assets resulting from the acquisition of PFG Topco1 Pty Ltd., which is a consolidated subsidiary.

PFG Topco1 Pty Ltd. is a holding company that wholly owns Allied Pinnacle Pty Ltd. ("Allied Pinnacle"), a flour milling company in Australia. The above goodwill was accounted for the flour milling business in Australia where Allied Pinnacle operates. The above intangible assets were accounted for customer-related assets based on Allied Pinnacle's transactional relationship with its primary customers.

These goodwill and customer-related assets are amortized systematically. If any indications of impairment were identified, such as continuous operating losses of the relevant business or a significant deterioration of the business environment, the Group is required to determine whether an impairment loss should be recognized.

The flour milling business in Australia for the year ended March 31, 2021, had suffered from profit declines caused by productivity deteriorations and sluggish sales of added-value products due to the COVID-19 pandemic. In assessing whether there were any indications of impairment, the Group analyzed the discrepancy between business plans as of the acquisition and actual results, and examined whether the value of assets assessed as of the acquisition had significantly decreased based on the results of analysis as well as future performance forecasts.

The above assessment required examinations of forecasts of the market growth rates and revenues of the relevant business in Australia, as well as the feasibility of the measures to improve profitability. In addition, assumptions regarding the impact of COVID-19 and the timing of when the pandemic will end involves significant uncertainties. These estimates require judgments made by management.

Thus, the valuation of goodwill and intangible assets related to the flour milling business in Australia had a significant potential impact on the consolidated financial statements and required assumptions and judgments by management and required advanced judgments in auditing. Therefore, we determined it as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation of goodwill and intangible assets pertaining to the flour milling business in Australia included the following, among others:

(1) Assessment of internal controls

We assessed the effectiveness of internal controls over the judgments on whether an impairment loss of goodwill and intangible assets should be recognized. In assessing the effectiveness, we focused in particular on controls over the process for assessing impairment indicators and the process for preparing business plans that may have impacted the assessment.

(2) Test of whether there were any indications of impairment

- We compared business plans as of the acquisition with actual results and inquired of management and the responsible managers about the causes of the discrepancy.
- We inspected relevant documents on the transactional relationship with primary customers as well as the sales growth rates and gross profit margins of the transactions and inquired of management and the responsible managers regarding these matters.

- We inspected the assessment of impairment indicators prepared by management and performed tracing to the documents of the underlying data.

- We tested the rationality of the market growth rates assumed in the performance forecasts, which was a significant assumption used by management, by comparing it with the recent available external data. We also tested the rationality of the assumptions regarding revenue forecasts by inspecting relevant documents and inquiring of management about these matters, including assumptions on COVID-19's impact on the market and the timing of when the pandemic will end.

- We inquired of Allied Pinnacle's management and examined the progress of the measures to improve Allied Pinnacle's profitability, their impact thus far and whether results could actually be expected in the future.

- We communicated with our network firm in Australia to obtain an understanding of the market and business environment of the flour milling business in Australia including the impact of COVID-19 pandemic in the region and evaluated the consistency of the underlying data tested above.

2. Valuations of goodwill and intangible assets related to the prepared dishes and other prepared foods businesses

Key Audit Matter Description

As described in Note 2.u, "Significant Accounting Estimates" to the consolidated financial statements, the Group' s goodwill and intangible assets in the consolidated balance sheet as of March 31, 2021, included 9,742 million yen of goodwill and 3,976 million yen of intangible assets, resulting from Tokatsu Foods Co., Ltd. ("Tokatsu Foods") becoming a consolidated subsidiary.

Tokatsu Foods is a comprehensive supplier of prepared dishes in Japan, which operates a prepared dishes business primarily focusing on convenience stores, as well as a frozen prepared dishes business primarily focusing on home delivery. The above goodwill was accounted for the prepared dishes and other prepared foods businesses operated by Tokatsu Foods. The above intangible assets were accounted for customer-related assets based on Tokatsu Foods's transactional relationship with its primary customer.

These goodwill and customer-related assets are amortized systematically. If any indications of impairment were identified, such as continuous operating losses of the relevant businesses or a significant deterioration of the business environment, the Group is required to determine whether an impairment loss should be recognized.

In relation to the business performance of Tokatsu Foods for the year ended March 31, 2021, the increase in the number of people working remotely and staying at home due to the COVID-19 pandemic has led to a drastic decline in sales, especially in the urban and tourist areas. In assessing whether there were any indications of impairment, the Group analyzed the discrepancy between business plans as of the acquisition and actual results, and examined whether the value of assets assessed at the time Tokatsu Foods became a consolidated subsidiary has significantly decreased based on the results of analysis as well as future performance forecasts.

The above assessment required examinations of forecasts of the market growth rates and revenues of the relevant businesses, as well as the feasibility of the measures to improve profitability. In addition, assumptions on the impact of COVID-19 and the timing of when the pandemic will end involves significant uncertainties. These estimates require judgments made by management.

Thus, the valuation of goodwill and intangible assets related to the prepared dishes and other prepared foods businesses had a significant potential impact on the consolidated financial statements and required assumptions and judgments by management and required advanced judgments in auditing. Therefore, we determined it as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation of goodwill and intangible assets for the prepared dishes and other prepared foods businesses included the following, among others:

(1) Assessment of internal controls

We assessed the effectiveness of internal controls over the judgments on whether an impairment loss of goodwill and intangible assets should be recognized. In assessing the effectiveness, we focused in particular on controls over the process for assessing impairment indicators and the process for preparing business plans that may have impacted the assessment.

(2) Test of whether there were any indications of impairment

- We compared business plans at the time Tokatsu Foods became a consolidated subsidiary with actual results and inquired of management and the responsible managers about the causes of the discrepancy.

- We inspected relevant documents on the transactional relationship with its primary customer as well as the sales growth rates and gross profit margins of the transactions and inquired of management and the responsible managers regarding these matters.

- We inspected the assessment of impairment indicators prepared by management and performed tracing to the documents of the underlying data.

- We tested the rationality of the market growth rates assumed in the performance forecasts, which was a significant assumption used by management, by comparing it with the recent available external data. We also tested the rationality of the assumptions regarding revenue forecasts by inspecting relevant documents and inquiring of management about these matters, including assumptions on COVID-19's impact on the market and the timing of when the pandemic will end.

- We inquired of Tokatsu Foods's management and examined the progress of the measures to improve Tokatsu Foods's profitability, their impact thus far and whether results could actually be expected in the future.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

June 25, 2021

Nisshin Seifun Group Inc. and Consolidated Subsidiaries
Consolidated Balance Sheet
March 31, 2021

ASSETS	Millions of Yen 2021	Millions of Yen 2020	Thousands of U.S. Dollars (Note 1) 2021
CURRENT ASSETS:			
Cash and cash equivalents (Notes 17 and 18)	¥59,152	¥56,550	$534,297
Receivables (Note 17):			
Trade notes and accounts	85,483	92,236	772,134
Other	3,653	3,492	32,996
Allowance for doubtful accounts	(511)	(524)	(4,616)
Inventories (Note 4)	81,606	79,854	737,115
Other (Note 18)	9,290	7,371	83,913
Total current assets	238,674	238,980	2,155,849
PROPERTY, PLANT AND EQUIPMENT			
Land	45,877	45,791	414,389
Buildings and structures	68,269	69,597	616,647
Machinery and equipment	51,256	48,769	462,975
Construction in progress	15,261	13,682	137,847
Other	6,707	7,360	60,582
Total property, plant and equipment	187,373	185,202	1,692,467
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 18)	126,000	115,407	1,138,109
Investments in and advances to unconsolidated subsidiaries and associated companies	21,168	20,332	191,202
Asset for retirement benefits (Note 6)	301	308	2,719
Deferred tax assets (Note 14)	6,992	9,059	63,156
Goodwill	45,551	42,743	411,444
Intangibles	27,824	25,972	251,323
Right-of-use assets	28,055	23,285	253,410
Other assets	5,602	5,048	50,601
Allowance for doubtful accounts	(128)	(126)	(1,156)
Total investments and other assets	261,366	242,031	2,360,817
TOTAL	¥687,415	¥666,215	$6,209,150

LIABILITIES AND EQUITY	Millions of Yen 2021	Millions of Yen 2020	Thousands of U.S. Dollars (Note 1) 2021
CURRENT LIABILITIES:			
Short-term bank loans (Notes 5 and 17)	¥ 4,308	¥ 13,491	$ 38,912
Current portion of long-term debt (Note 5 and 17)	3,120	6,456	28,182
Payables (Note 17):			
Trade notes and accounts	47,946	53,730	433,077
Income taxes payable	5,022	5,829	45,362
Accrued expenses	22,023	21,991	198,925
Other	26,318	29,559	237,720
Total current liabilities	108,740	131,058	982,206
LONG-TERM LIABILITIES:			
Long-term debt (Notes 5 and 17)	71,402	66,215	644,946
Liability for retirement benefits (Note 6)	22,533	22,443	203,532
Provision for repairs	1,324	1,335	11,959
Long-term deposits received	5,618	5,577	50,745
Deferred tax liabilities (Note 14)	30,562	29,055	276,055
Other	2,458	1,485	22,202
Total long-term liabilities	133,900	126,114	1,209,466
EQUITY (Notes 7, 8 and 9):			
Common stock—authorized, 932,856,000 shares; issued, 304,357,891shares in 2021 and 2020	17,117	17,117	154,611
Capital surplus	12,627	12,638	114,055
Stock acquisition rights	116	137	1,048
Retained earnings	341,241	332,342	3,082,296
Treasury stock—at cost, 6,983,147 shares in 2021 and 7,079,592 shares in 2020	(10,997)	(11,172)	(99,332)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	64,687	56,970	584,292
Deferred loss on derivatives under hedge accounting	222	(53)	2,005
Foreign currency translation adjustments	9,314	(11,689)	84,130
Defined retirement benefit plans	(1,125)	(1,158)	(10,162)
Total	433,204	395,134	3,912,962
Noncontrolling interests	11,569	13,908	104,498
Total equity	444,774	409,042	4,017,469
TOTAL	¥687,415	¥666,215	$6,209,150

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statement of Income

Year Ended March 31, 2021

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	2021
NET SALES	¥679,495	¥712,180	$6,137,612
COST OF SALES	490,410	512,356	4,429,681
Gross profit	189,084	199,824	1,707,922
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 7, 10 and 11)	161,887	170,971	1,462,262
Operating income	27,197	28,852	245,660
OTHER INCOME (EXPENSES):			
Interest expense	(2,782)	(3,163)	(25,129)
Other—net	5,345	7,607	48,279
Other income (expenses)—net	2,565	4,444	23,169
INCOME BEFORE INCOME TAXES	29,762	33,296	268,828
INCOME TAXES (Note 14):			
Current	10,671	11,040	96,387
Deferred	(863)	(1,414)	(7,795)
Total income taxes	9,807	9,625	88,583
NET INCOME	19,954	23,670	180,237
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	943	1,263	8,518
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 19,011	¥ 22,407	$ 171,719

	Yen		U.S. Dollars
PER SHARE OF COMMON STOCK (Note 16):			
Basic earnings per share	¥63.95	¥75.40	$0.58
Diluted earnings per share	63.94	75.35	0.58
Cash dividends applicable to the year	37.00	34.00	0.33

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income

Year Ended March 31, 2021

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	2021
NET INCOME	¥ 19,954	¥ 23,670	$ 180,237
OTHER COMPREHENSIVE INCOME (Note 20):			
Unrealized gain (loss) on available-for-sale securities	7,660	(5,620)	69,190
Deferred gain (loss) on derivatives under hedge accounting	225	327	2,032
Foreign currency translation adjustments	21,366	(16,529)	192,991
Defined retirement benefit plans	71	(417)	641
Share of other comprehensive income (loss) in associates	(25)	(84)	(226)
Total other comprehensive income (loss)	29,298	(22,323)	264,637
COMPREHENSIVE INCOME	¥ 49,252	¥ 1,347	$ 444,874
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	¥ 48,041	¥ 649	$ 433,936
Noncontrolling interests	1,211	698	10,938

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statement of Changes in Equity
Year Ended March 31, 2021

	Thousands	Millions of Yen											
							Accumulated Other Comprehensive Income						
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Treasury Stock	Unrealized Gain (Loss) on Available-for-Sale Securities	Deferred Gain (Loss) on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Noncontrolling Interests	Total Equity
BALANCE, APRIL 1, 2019	297,123	¥ 17,117	¥ 12,882	¥ 167	¥ 319,705	¥ (11,403)	¥ 62,669	¥ (393)	¥ 4,086	¥ (728)	¥ 404,105	¥ 14,743	¥ 418,848
Net income attributable to owners of the parent					22,407						22,407		22,407
Cash dividends, ¥33.00 per share					(9,810)						(9,810)		(9,810)
Purchase of treasury stock	(76)					(190)					(190)		(190)
Disposal of treasury stock	231		(24)			421					397		397
Change in fiscal term of consolidated subsidiaries					39						39		39
Change in the parent's ownership interest due to transactions with noncontrolling interests			(219)								(219)		(219)
Net change in the year				(29)			(5,699)	340	(15,775)	(430)	(21,595)	(834)	(22,429)
BALANCE, MARCH 31, 2020	297,278	17,117	12,638	137	332,342	(11,172)	56,970	(53)	(11,689)	(1,158)	395,134	13,908	409,042
Net income attributable to owners of the parent					19,011						19,011		19,011
Cash dividends, ¥34.00 per share					(10,111)						(10,111)		(10,111)
Purchase of treasury stock	(84)					(133)					(133)		(133)
Disposal of treasury stock	180		(11)			307					296		296
Change in the parent's ownership interest due to transactions with noncontrolling interests			260								260		260
Net change in the year				(21)			7,717	275	21,003	33	29,007	(2,339)	26,668
BALANCE, MARCH 31, 2021	297,374	¥ 17,117	¥ 12,627	¥ 116	¥ 341,241	¥ (10,997)	¥ 64,687	¥ 222	¥ 9,314	¥ (1,125)	¥ 433,204	¥ 11,569	¥ 444,774

	Thousands of U.S. Dollars (Note 1)											
						Accumulated Other Comprehensive Income						
	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Treasury Stock	Unrealized Gain(Loss) on Available-for-Sale Securities	Deferred Gain(Loss) on Derivatives Under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans	Total	Noncontrolling Interests	Total Equity
BALANCE, MARCH 31, 2020	$ 154,611	$ 114,154	$ 1,237	$ 3,001,915	$ (100,912)	$ 514,588	$ (479)	$ (105,582)	$ (10,460)	$ 3,569,090	$ 125,626	$ 3,694,716
Net income attributable to owners of the parent				171,719						171,719		171,719
Cash dividends, $0.31per share				(91,329)						(91,329)		(91,329)
Purchase of treasury stock					(1,201)					(1,201)		(1,201)
Disposal of treasury stock		(99)			2,773					2,674		2,674
Change in the parent's ownership interest due to transactions with noncontrolling interests		0								0		0
Net change in the year			(190)			69,705	2,484	189,712	298	262,009	(21,127)	240,882
BALANCE, MARCH 31, 2021	$ 154,611	$ 114,055	$ 1,048	$ 3,082,296	$ (99,332)	$ 584,292	$ 2,005	$ 84,130	$ (10,162)	$ 3,912,962	$ 104,498	$ 4,017,469

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries
Consolidated Statement of Cash Flows
Year Ended March 31, 2021

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2021	2020	2021
OPERATING ACTIVITIES:			
Income before income taxes	¥ 29,762	¥ 33,296	$ 268,828
Adjustments for:			
Income taxes—paid	(11,336)	(10,412)	(102,394)
Depreciation and amortization	27,707	26,907	250,266
Interest and dividend income	(2,971)	(3,363)	(26,836)
Interest expenses	2,782	3,163	25,129
Changes in assets and liabilities:			
Decrease in trade notes and accounts receivable	9,798	3,883	88,501
Decrease in inventories	2,091	6,339	18,887
Decrease in trade notes and accounts payable	(6,672)	(16,989)	(60,266)
Increase in liability for retirement benefits	63	1,162	569
Decrease (increase) in asset for retirement benefits	7	(31)	63
Other—net	(1,726)	(5,537)	(15,590)
Total adjustments	19,744	5,124	178,340
Net cash provided by operating activities	49,506	38,420	447,168
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment and intangible assets	(17,359)	(21,919)	(156,797)
Acquisitions of available-for-sale securities	(920)	(2,325)	(8,310)
Proceeds from sales of available-for-sale securities	3,277	2,408	29,600
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(275)	(77,189)	(2,484)
Other—net	(1,826)	2,182	(16,494)
Net cash used in investing activities	(17,105)	(96,844)	(154,503)
FINANCING ACTIVITIES:			
Increase in short-term bank loans	305	35,719	2,755
Decrease in short-term bank loans	(14,422)	(43,290)	(130,268)
Proceeds from long-term debt	400	10,000	3,613
Proceeds from issuance of bonds	-	19,888	-
Proceeds from sales of treasury stock	122	250	1,102
Purchase of treasury stock	(133)	(190)	(1,201)
Dividends paid	(10,111)	(9,810)	(91,329)
Purchase of shares of subsidiaries that does not result in change in scope of consolidation	(0)	(275)	(0)
Repayment of lease obligations	(3,874)	(3,549)	(34,992)
Other—net	(3,550)	(404)	(32,066)
Net cash provided by (used in) financing activities	(31,264)	8,337	(282,395)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,602	(51,537)	23,503

FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	1,466	(1,451)	13,242
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM ACCOUNTING TERM ALTERATIONS OF SUBSIDIARIES	-	713	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	56,550	107,374	510,794
CASH AND CASH EQUIVALENTS, END OF YEAR	¥59,152	¥56,550	$534,297

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2020 consolidated financial statements to conform to the classifications used in 2021.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Nisshin Seifun Group Inc. (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥110.71 to $1, the approximate rate of exchange at March 31, 2021. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Japanese yen figures less than a million yen are rounded down to the nearest million yen, except for per share information.

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation— The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries (the “Group”). As of March 31, 2021, the number of consolidated subsidiaries was 73.

The assets and liabilities of the subsidiaries are recorded based on the fair value at the time the Company acquires control of the respective subsidiaries, where all significant intercompany balances and transactions have been eliminated on consolidation.

With regard to Shin Nisshin Seifun Foods (Qingdao) Co., Ltd. and two other companies among the consolidated subsidiaries, which have accounting periods different from the consolidated accounting period, the tentative financial statements as of the consolidated fiscal year-end are used.

Investments in one (one in 2020) unconsolidated subsidiaries and eight (nine in 2020) associated companies are accounted for by the equity method.

Investments in the remaining unconsolidated subsidiaries and associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

b. *Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements*—Under Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force ("PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements," the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America (Financial Accounting Standards Board Accounting Standards Codification) tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign associate elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

c. *Translation of Foreign Currency Accounts* — Current and non-current receivables and payables denominated in foreign currencies are retranslated at prevailing rates at that date, and the resulting exchange differences are recognized in profit or loss in the period.

   For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's overseas subsidiaries are translated into Japanese yen using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period.

   Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributable to non-controlling interests as appropriate).

d. *Business Combinations*—Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. The acquirer recognizes any bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.

Differences between the investment costs and the fair values of net assets of subsidiaries have been amortized by the straight-line method over a period of mainly 10 years. Gain arising from a bargain purchase is recognized as income on the acquisition date.

For the fiscal year ended March 31, 2020, PFG Topcol Pty Ltd. and its subsidiaries (Allied Pinnacle Pty Ltd. and 19 other companies) are newly included in the scope of consolidation due to the acquisition of PFG Topcol Pty Ltd. Additionally, Tokatsu Foods Co., Ltd., which had been an affiliate accounted for by the equity method, and its three subsidiaries are included in the scope of consolidation due to the acquisition of additional shares of Tokatsu Foods Co., Ltd.

e. *Cash and Cash Equivalents*— Cash and cash equivalents comprises securities, time deposits, and certificates of deposit with a maturity of three months or less at the time of purchase. They are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

f. *Allowance for Doubtful Accounts*— The Company and its consolidated domestic subsidiaries recognize allowance for doubtful debts against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Consolidated foreign subsidiaries recognize allowance for doubtful debts against trade receivables based on estimated irrecoverable amounts.

g. *Provision for repairs*— Certain consolidated subsidiaries recognize provisions for the periodic repair of plant facilities based on management's best estimates.

h. *Inventories*—Inventories are stated at the lower of cost or net realizable value. For finished goods, the cost of flour and bran is determined by the retail cost method and cost of other products is principally determined by the periodic average method. Costs of raw materials is determined based on a first-in-first-out basis.

i. *Investments*— Debt and equity securities other than those of subsidiaries and affiliates are classified into two categories: held-to-maturity or available-for-sale securities.

Held-to-maturity securities, which are expected to be held to maturity with the positive intention and ability to hold to maturity, are reported at amortized cost. Securities classified as available-for-sale securities with fair market value are reported at fair value with unrealized gains and losses, net of the applicable taxes, reported in a separate component of net assets. Cost of available-for-sale securities with fair market value sold is determined by the moving-average method.
Securities classified as available-for-sale securities without fair market value are stated at cost determined by the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

j. *Property, Plant and Equipment*— Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.
The Company and its domestic consolidated subsidiaries depreciate property, plant and equipment (other than buildings acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016, which are depreciated using the straight-line method) using the declining balance method. Property, plant and equipment of its consolidated foreign subsidiaries are depreciated using straight-line method over their estimated useful lives.

k. *Long-Lived Assets*— The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

l. *Retirement and Pension Plans*— To provide for employees' and retired pension recipients' retirement benefits, the Group records the estimated amount of projected benefit obligation after deducting plan assets at the balance sheet date as asset for retirement benefits and liability for retirement benefits.

The benefit formula method is used to attribute expected benefits to the period through the end of the year in calculating projected benefit obligation.

Prior service cost is amortized by the straight-line method over a period equal to the average remaining years of service of the participants of the plans (mainly 15 years).

Actuarial gain or loss is amortized primarily by the straight-line method over a period equal to the average remaining years of service of the participants of the plans (mainly 15 years) from the year following the year in which the gain or loss is recognized.

m. *Stock Options*— Compensation expense for employee stock options (which were granted on and after May 1, 2006,) are recognized based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services. In the balance sheet, the stock option is presented as stock acquisition rights as a separate component of equity until exercised.

n. *Stock-based Remuneration Plan (the "Plan")*—

(1) Outline of transactions

Under the Plan, the Company shares vested in the Eligible Directors, etc. are acquired by a trust established by the Company (the "Trust") using the money that the Company and the major subsidiaries contribute, and are vested in the Eligible Directors, etc. through the Trust. The Company's shares calculated by a specific calculation method and cash for tax purpose, which are determined based on the stock remuneration base amount set out according to the positions and other factors of the Eligible Directors, etc., are vested in and granted to the Eligible Directors, etc. each year.

(2) Accounting method for transactions of delivering the Company's own stock through trusts

In accordance with PITF No. 30, "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts," upon transfer of treasury stock to the employee stockownership trust (the "Trust") by the entity, any difference between the book value and fair value of the treasury stock is recorded in capital surplus. At year-end, the Company records (1) the Company stock held by the Trust as treasury stock in equity, (2) all other assets and liabilities of the Trust on a line-by-line basis, and (3) a liability/asset for the net of (i) any gain or loss on delivery of the stock by the Trust to the employee shareholding association, (ii) dividends received from the entity for the stock held by the Trust, and (iii) any expenses relating to the Trust.

o. *Leases*— All finance lease transactions are capitalized to recognize leased assets and lease obligations in the balance sheet and depreciated by the straight-line method over the lease period, with no residual value.

p. *Right-of-use assets*— Right-of-use assets are depreciated by the straight-line method with no residual value.

q. *Income Taxes*— The provision for income taxes is computed based on the profit before tax included in the consolidated statement of income. The asset and liability method is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Deferred income taxes are measured by applying currently enacted tax laws to the temporary differences.

r. *Derivatives and Hedging Activities*— The Group uses forward exchange contracts and currency option contracts as a mean of minimizing exposure arising from foreign currency fluctuations. Certain consolidated foreign subsidiaries use commodity futures and options on wheat solely for the purpose of mitigating future risks arising from fluctuations in commodity prices. The Group does not enter into derivatives transactions for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows: derivatives are carried at fair value with any changes in unrealized gains or losses charged or credited to profit or loss; however, for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions. In addition, if forward exchange contracts qualify for hedge accounting, the related hedged items such as foreign currency receivables and payables are translated at the corresponding contracted rates.

Since the significant conditions of the hedging instruments and the related hedged items are the same and it can be considered that the fluctuations in the market would be completely eliminated during the period of hedging, the hedging activity is evaluated as highly effective.

s. Per Share Information—Basic earnings per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted earnings per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted earnings per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Net assets per share are computed by dividing the net assets excluding stock acquisition rights and noncontrolling interests by the number of shares of common stock outstanding at the year end.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

t. Changes in Accounting Policy
(Application of IFRS 16 "Leases")

From the beginning of the year ended March 31,2020, subsidiaries of the Group subject to application of IFRS have applied IFRS 16 ("Leases"), an accounting method in which lessees are required to recognize right-of-use assets and lease obligations. Accordingly, an approach was adopted in which any cumulative impact of retrospectively applying this standard, regarded as a transitional measure, is recognized at the date of initial application.
The effects of this change on the consolidated financial statements for the year ended March 31, 2020 were immaterial.

u. Significant Accounting Estimates
Valuation of Goodwill and other intangible assets

The acquisition cost of companies or businesses acquired through business combination is allocated to the relevant assets or liabilities, and in cases where such acquisition cost exceeds the net amount allocated to assets or liabilities, such excess amount is recorded as goodwill under assets. Goodwill and intangible assets other than goodwill are amortized systematically, over the

period during which they remain effective, where the unamortized balance is subject to impairment judgement. If the book values of goodwill and intangible assets other than goodwill are determined to be unrecoverable, such book value shall be reduced to the recoverable amount.
Impairment measures could become necessary in the event that the recoverable value falls below the book value due to changes in the future corporate environment, among other factors.

1. Valuation of goodwill and other intangible assets (customer related assets) relating to Australian flour milling business

(1)Amount recorded in the consolidated financial statements for the year ended March 31, 2021 are as follows:

	Millions of yen	Thousands of U.S. dollars
Goodwill	¥ 34,945	$ 315,644
Other (intangible assets)	19,655	177,536

(2)Information on identified items regarding significant accounting estimates
Goodwill and other intangible assets (customer related assets) identified when the Group acquired 100% share of PFG Topcol Pty Limited, the holding company of Australian flour milling company Allied Pinnacle Pty Limited on April 1, 2019, are amortized over the period during which they remain effective and the unamortized balance is recorded in the consolidated balance sheets.

The Group reviews for any indication of impairment such as deterioration in business environment exists by performing a comparative analysis of business plan at the time of the acquisition, actual results and future forecasts focusing on expected excess earnings power in the future at the time of the acquisition. As a result of careful consideration of market growth and sales forecasts of wheat flour, prepared mix and bakery good-related ingredients in Australia in the future, the Group decided there is no indication of impairment regarding the goodwill and other intangible assets relating to Australian flour milling business.

2. Valuation of goodwill and other intangible assets (customer related assets) relating to the prepared dishes and other prepared foods business

(1)Amount recorded in the consolidated financial statements for the year ended March 31, 2021 are as follows:

	Millions of yen	Thousands of U.S. dollars
Goodwill	¥ 9,742	$ 87,996
Other (intangible assets)	3,976	35,914

(2)Information on identified items regarding significant accounting estimates
Goodwill and other intangible assets (customer related assets) identified when the Group additionally acquired 51% of the common stock of Tokatsu Foods Co., Ltd. ("Tokatsu Foods"), a comprehensive supplier of prepared dishes and the Company's affiliate, and became a consolidated subsidiary of the Group on July 4, 2019, are amortized over the period during which they remain effective and unamortized balance is recorded in the consolidated balance sheets.

The Group reviews for any indication of impairment such as deterioration in business environment exists by performing a comparative analysis of business plan at the time of the acquisition, actual results and future forecasts focusing on expected excess earnings power in the future at the time of the acquisition. As a result of careful consideration of market growth and sales forecasts of the prepared dishes and other prepared foods business in the future, the Group decided there is no indication of impairment regarding the goodwill and other intangible assets relating to Tokatsu Foods.

v. *New Accounting Pronouncements*

Accounting Standard for Revenue Recognition, etc.

(1)On March 30, 2018, the ASBJ issued ASBJ Statement No. 29 (the "Statement"), "Accounting Standard for Revenue Recognition" and ASBJ Guidance No. 30, "Implementation Guidance on Accounting Standard for Revenue Recognition". The core principle of the standard and guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should recognize revenue in accordance with that core principle by applying the following steps:

Step 1：Identify the contract(s) with a customer
Step 2：Identify the performance obligations in the contract
Step 3：Determine the transaction price
Step 4：Allocate the transaction price to the performance obligations in the contract
Step 5：Recognize revenue when (or as) the entity satisfies a performance obligation

The Company expects to apply the accounting standard and guidance from the beginning of the year ending March 31, 2022.

As permitted by the conditional clause of Paragraph 84 of the Statement, the cumulative effects of the change if the new standard was applied before the beginning of the year ending March 31, 2022, is included in the beginning balance of retained earnings of the year ending March 31, 2022.
The effects of this change on the beginning balance of retained earnings for the year ending March 31, 2022 are immaterial.

(2) The ASBJ issued "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019), "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 4, 2019), "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, July 4, 2019) and "Implementation Guidance on Disclosure about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020)

The ASBJ promoted an initiative to enhance comparability of the requirements between accounting principles generally accepted in Japan and international accounting standards, primarily in the areas of guidance on the fair values of financial instruments and their disclosures, and issued Accounting Standard for Fair Value Measurement, Accounting Standard for Measurement of Inventories, Accounting Standard for Financial Instruments, and

Implementation Guidance on Accounting Standard for Fair Value Measurement considering the circumstance where the IASB and the FASB have prescribed detailed guidance that are analogous to each other (Fair Value Measurement (IFRS No. 13, issued by IASB) and Fair Value Measurement (Accounting Standard Codification Topic 820, issued by FASB)).
The ASBJ's fundamental policies adopted for developing the Accounting Standard for Fair Value Measurement, Accounting Standard for Measurement of Inventories, Accounting Standard for Financial Instruments, and Implementation Guidance on Accounting Standard for Fair Value Measurement are, in principle, to implement all the requirements of IFRS No. 13 from the viewpoint of enhancing the comparability of the financial statements of domestic and overseas companies by prescribing unified measurement methods, and also to prescribe exceptional treatments for individual matters so that comparability would not be impaired while the accounting practices that have conventionally been adopted in Japan are taken into account.

The Company expects to apply the accounting standard and guidance from the beginning of the year ending March 31, 2022.

The effects of this change on the consolidated financial statements are immaterial.

w. Application of "Accounting Standard for Disclosure of Accounting Estimates"

"Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020) was applied for the year ended March 31, 2021 and the significant accounting estimates used in preparation of the consolidated financial statements were disclosed in the notes to the consolidated financial statements. Information for the year ended March 31, 2020 was not disclosed as permitted by the conditional clause of Paragraph 11 of the Statement No. 31.

x. Reclassification

Gain on step acquisitions of ¥7,272 million presented in the consolidated statement of income for the year ended March 31, 2020 is included in "other-net" for the year ended March 31, 2021.

3. ADDITIONAL INFORMATION

Accounting estimates relating to the spread of the novel coronavirus (COVID-19)

Due to the impact of COVID-19, demand has been changing as the situations of customers and market environments of countries and regions around the world have been changing. Based on the information available, the Company is developing estimates for accounting purposes that include those for impairment of long-lived assets, goodwill and intangible assets and the recoverability of deferred tax assets. These estimates are based on assumptions that project a gradual turn toward recovery over time despite changes in demand for each product in each country and region caused by a repeated pattern of growth and retreat of COVID-19.

4. INVENTORIES

Inventories at March 31, 2021 and 2020 comprised of the following:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	**2021**
Merchandise and finished goods	**¥ 30,881**	¥ 29,024	**$ 278,936**
Work in process	**5,483**	4,441	**49,526**
Raw materials and supplies	**45,241**	46,387	**408,644**
Total	**¥ 81,606**	¥ 79,854	**$ 737,115**

Inventory write-downs of ¥394 million ($3,559 thousand) and ¥399 million based on the lower of cost or market method was deducted from the carrying amounts of inventories at March 31, 2021 and 2020, respectively.

5. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans and long-term debt as of March 31, 2021 and 2020 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	**2021**
Short-term bank loans with average interest rate of 0.5271% at March 31, 2021	**¥ 4,307**	¥ 13,490	**$ 38,903**
Current portion of long-term bank loans with average interest rate of 2.5025% at March 31, 2021	**1,239**	4,587	**11,191**
Current portion of lease obligations	**1,881**	1,869	**16,990**
Total short-term bank loans and current portion of long term debt	**7,427**	19,946	**67,085**
Long-term bank loans at March 31, 2021 with average interest rate of 1.3069%, less current portion, due from 2022 to 2034	**14,729**	15,226	**133,041**
Long-term lease obligations at March 31, 2021, due from 2022 to 2051	**36,673**	30,989	**331,253**
Unsecured 0.20% domestic standard bonds due in 2029	**10,000**	10,000	**90,326**
Unsecured 0.56% domestic standard bonds due in 2039	**10,000**	10,000	**90,326**
Total long-term debt	**71,402**	66,215	**644,946**
Total	**¥ 78,831**	¥ 86,164	**$ 712,049**

* Average interest rates of bank loans represent the weighted-average rates for the outstanding balances at March 31, 2021.

* Disclosure of average interest rates of lease obligations has been omitted because the amounts of lease obligations recorded on consolidated balance sheet at March 31, 2021 were calculated based on inclusive-of-interest method.

The annual maturities of long-term bank loans at March 31, 2021, excluding the current portion, are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2023	¥ 1,296	$ 11,706
2024	1,302	11,760
2025	1,086	9,809
2026	379	3,423
2027 and thereafter	10,664	96,324

The annual maturities of long-term lease obligations at March 31, 2021, excluding the current portion are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2023	¥ 1,483	$ 13,395
2024	1,226	11,074
2025	757	6,838
2026	401	3,622
2027 and thereafter	32,806	296,324

The annual maturities of bonds at March 31, 2021, excluding the current portion, are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2023	¥ -	$ -
2024	-	-
2025	-	-
2026	-	-
2027 and thereafter	20,000	180,652

The Group has entered into certain line-of-credit agreements with major financial institutions amounting to ¥36,526 million ($329,925 thousand) and ¥38,442 million at March 31, 2021 and 2020, respectively.

Bank loans outstanding under these line-of-credit agreements amounted to nil and ¥5,665 million at March 31, 2021 and 2020, respectively.

Contracted fees for these line-of-credit agreements amounted to ¥ 49 million ($443 thousand) and ¥28 million for the years ended March 31, 2021 and 2020, respectively. These amounts are included in other-net in the consolidated statement of income.

6. RETIREMENT AND PENSION PLANS

The Group has unfunded lump-sum retirement plans and defined contribution pension plans to provide for employees' retirement benefits. The Company and certain consolidated subsidiaries also have funded defined benefit corporate pension plans limited for retired pension recipients. Certain consolidated subsidiaries enroll multiemployer defined benefit corporate pension plans. Certain consolidated subsidiaries apply the simplified method in computing projected benefit obligation. Besides these retirement benefits, certain employees may be entitled to additional special retirement benefits based on the conditions under which termination occurs.

Defined benefit plans

(a) The changes in projected benefit obligation during the years ended March 31, 2021 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	**2021**
Balance at beginning of year	**¥ 25,903**	¥ 25,426	**$ 233,972**
Service cost	**1,326**	1,337	**11,977**
Interest cost	**183**	178	**1,653**
Actuarial loss	**124**	740	**1,120**
Retirement benefits paid	**(2,140)**	(2,053)	**(19,330)**
Increase due to new consolidations	**-**	48	**-**
Increase or decrease due to change of fiscal year end	**-**	52	**-**
Transfer from accrued expenses	**-**	296	**-**
Decrease due to business transfer	**-**	(138)	**-**
Other	**39**	14	**352**
Balance at end of year	**¥ 25,438**	¥ 25,903	**$ 229,771**

(b) The changes in plan assets during the years ended March 31, 2021 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	**2021**
Balance at beginning of year	**¥ 3,768**	¥ 4,534	**$ 34,035**
Expected return on plan assets	**104**	36	**939**
Actuarial loss	**(36)**	(23)	**(325)**
Retirement benefits paid	**(690)**	(838)	**(6,232)**
Contributions from the employer	**59**	59	**533**
Balance at end of year	**¥ 3,205**	¥ 3,768	**$ 28,950**

* Fair value of plan assets for the years ended March 31, 2021 and 2020 pertains to defined benefit corporate pension plans limited for retired pension recipients.

(c) Reconciliation between the balances of projected benefit obligation and plan assets and net defined benefit liability and net defined benefit asset recorded on the consolidated balance sheets as of March 31, 2021 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	**2021**
Funded projected benefit obligation	**¥ 2,861**	¥ 3,522	**$ 25,842**
Plan assets at fair value	**(3,205)**	(3,768)	**(28,950)**
	(344)	(246)	**(3,107)**

Unfunded projected benefit obligation	22,576	22,381	203,920
Net liability and asset recorded on the consolidated balance sheet	22,232	22,135	200,813
Net defined benefit liability	22,533	22,443	203,532
Net defined benefit asset	(301)	(308)	(2,719)
Net liability recorded on the consolidated balance sheet	¥ 22,232	¥ 22,135	$ 200,813

(d) The components of retirement benefit costs for the years ended March 31, 2021 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Service cost	¥ 1,326	¥ 1,337	$ 11,977
Interest cost	183	178	1,653
Expected return on plan assets	(104)	(36)	(939)
Amortization of actuarial loss	365	370	3,297
Amortization of prior service cost	(102)	(209)	(921)
Net retirement benefit costs	¥ 1,668	¥ 1,640	$ 15,066

* Retirement benefit costs incurred by consolidated subsidiaries that applied the simplified method were recorded as service cost.

(e) The components of remeasurements of defined benefit plans (before income tax effect) in other comprehensive income for the years ended March 31, 2021 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Prior service cost	¥ (102)	¥ (209)	$ (921)
Actuarial (gain) loss	204	(393)	1,843
Total	¥ (102)	¥ (602)	$ (921)

(f) The components of remeasurements of defined benefit plans (before income tax effect) in accumulated other comprehensive income as of March 31, 2021 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Unrecognized prior service cost	¥ (523)	¥ (626)	$ (4,724)
Unrecognized actuarial loss	2,140	2,345	19,330
Total	¥ 1,616	¥ 1,718	$ 14,597

(g) Plan assets

(1) The components of plan assets are summarized as follows:

	2021	2020
General account	51%	51%
Bonds	40	41
Cash and deposits	9	8
Total	100%	100%

(2) Expected long-term rate of return

The expected long-term rate of return on plan assets is determined by considering current and expected distribution of plan assets and long-term rate of return derived from various components of the plan assets.

(h) Principal assumptions used for the actuarial calculation for the years ended March 31, 2021 and 2020 are set forth as follows:

		2021	2020
Discount rate	Principally	0.9%	0.9%
Expected long-term rate of return on plan assets	Principally	1.0%	1.0%

Defined contribution plans

The required contribution amount to defined contribution plans by the Group for the years ended March 31, 2021 and 2020 amounted to ¥1,603 million ($14,479 thousand) and ¥1,563 million, respectively.

7. STOCK OPTION PLANS

Gain on cancel of unexercised stock options for the years ended March 31, 2021 and 2020 amounted to ¥8 million ($72 thousand) and ¥2 million, respectively.

At March 31, 2021, the Company and consolidated subsidiaries had the following stock option plans:

	2013 Plan	2014 Plan	2015 Plan	2016 Plan
Grantees	14 directors and 10 executive officers of the Company and 35 directors of consolidated subsidiaries	14 directors and 10 executive officers of the Company and 34 directors of consolidated subsidiaries	14 directors and 10 executive officers of the Company and 35 directors of consolidated subsidiaries	14 directors and 11 executive officers of the Company and 36 directors of consolidated subsidiaries
Type of stock	Common stock	Common stock	Common stock	Common stock
Number of shares granted	373,890 shares *1	337,700 shares *2	326,000 shares	339,000 shares
Grant date	August 20, 2013	August 19, 2014	August 19, 2015	August 15, 2016
Conditions for vesting	Not stated	Not stated	Not stated	Not stated
Service period	Not specified	Not specified	Not specified	Not specified
Exercisable period	August 21, 2015-August 3, 2020	August 20, 2016-August 2, 2021	August 20, 2017-August 1, 2022	August 16, 2018-August 1, 2023

	2013 Plan *1	2014 Plan *2	2015 Plan	2016 Plan
Non-Vested (number of shares)				
Outstanding at beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Canceled during the year	-	-	-	-
Vested during the year	-	-	-	-
Outstanding at end of the year	-	-	-	-
Vested (number of shares)				
Outstanding at beginning of the year	12,100	107,800	217,000	298,000
Vested during the year	-	-	-	-
Exercised during the year	6,050	56,100	7,000	15,000
Canceled during the year	6,050	5,500	10,000	22,000
Outstanding at end of the year	-	46,200	200,000	261,000
Exercise price (Yen)	¥1,012	¥1,159	¥1,748	¥1,753
Exercise price (U.S. dollars)	$9.14	$10.47	$15.79	$15.83
Weighted-average market price upon exercise (Yen)	¥1,651	¥1,736	¥1,726	¥1,820
Weighted-average market price upon exercise (U.S. dollars)	$14.91	$15.68	$15.59	$16.44
Fair value as of grant date (Yen)	¥101	¥122	¥266	¥220
Fair value as of grant date (U.S. dollars)	$0.91	$1.10	$2.40	$1.99

*1 The Company carried out a stock split by the ratio of 1.1 shares per share on October 1, 2013 and on October 1, 2014. Number of shares and prices in the above tables are restated to reflect the stock split.

*2 The Company carried out a stock split by the ratio of 1.1 shares per share on October 1, 2014. Number of shares and prices in the above tables are restated to reflect the stock split.

8. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. Additionally, for companies that meet certain criteria including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Committee, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation.

The Company meets all the above criteria and, accordingly, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

9. SUPPLEMENTAL INFORMATION FOR CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(a) Type and number of outstanding shares

	Thousands of shares			
	Year ended March 31, 2021			
Types of shares	Balance at Beginning of Year	Increase in Shares during the Year	Decrease in Shares during the Year	Balance at Year End
Issued stock: Common stock	**304,357**	**-**	**-**	**304,357**
Treasury stock: Common stock	**7,079**	**84**	**180**	**6,983**

1. Treasury stock increased due to (a) share vesting trust (83 thousand shares) and (b) a repurchase of odd-lot shares of less than one unit (1 thousand shares).
2. Treasury stock decreased due to (a) a disposal of odd-lot shares of less than one unit (0 thousand shares), (b) share vesting trust (96 thousand shares) and (c) exercise of stock options (84 thousand shares).
3. The number of treasury shares of common stock as of March 31, 2021 includes 25 thousand shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

	Thousands of shares			
	Year ended March 31, 2020			
Types of shares	Balance at Beginning of Year	Increase in Shares during the Year	Decrease in Shares during the Year	Balance at Year End
Issued stock: Common stock	304,357	-	-	304,357
Treasury stock: Common stock	7,234	76	231	7,079

1. Treasury stock increased due to (a) share vesting trust (75 thousand shares) and (b) a repurchase of odd-lot shares of less than one unit (1 thousand shares).
2. Treasury stock decreased due to (a) a disposal of odd-lot shares of less than one unit (0 thousand shares), (b) share vesting trust (59 thousand shares) and (c) exercise of stock options (172 thousand shares).
3. The number of treasury shares of common stock as of March 31, 2020 includes 38 thousand shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

(b) Stock acquisition rights

		Balance at March 31, 2021	
Category	Details of Options	Millions of yen	Thousands of U.S. dollars
Supplying company	Stock acquisition rights as stock options	**¥ 116**	**$ 1,048**
(Parent Company)	Total	**¥ 116**	**$ 1,048**

		Balance at March 31, 2020
Category	Details of Options	Millions of yen
Supplying company	Stock acquisition rights as stock options	¥ 137
(Parent Company)	Total	¥ 137

(c) Dividends

(1) Dividends paid to shareholders

Year ended March 31, 2021

Date of Approval	Resolution Approved by	Type of Shares	Amount		Amount per Share		Cut-off Date	Effective Date
			(Millions of yen)	(Thousands of U.S. dollars)	(Yen)	(U.S. dollars)		
May 14, 2020	**Board of directors**	**Common stock**	**¥5,055**	**$ 45,660**	**¥17**	**$ 0.15**	**March 31, 2020**	**June 26, 2020**
October 27, 2020	**Board of directors**	**Common stock**	**¥5,056**	**$ 45,669**	**¥17**	**$ 0.15**	**September 30, 2020**	**December 4, 2020**

* Total dividends paid include ¥2 million ($18 thousand) of the dividends to the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

Year ended March 31, 2020

Date of Approval	Resolution Approved by	Type of Shares	Amount	Amount per Share	Cut-off Date	Effective Date
			(Millions of yen)	(Yen)		
June 26, 2019	Shareholders	Common stock	¥4,755	¥16	March 31, 2019	June 27, 2019
October 29, 2019	Board of directors	Common stock	¥5,054	¥17	September 30, 2019	December 6, 2019

* Total dividends paid include ¥1 million of the dividends to the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

(2) Dividends with a cut-off date during the fiscal year but an effective date subsequent to the fiscal year

Year ended March 31, 2021

Date of Approval	Resolution Approved by	Type of Shares	Source of Dividends	Amount		Amount per Share		Cut-off Date	Effective Date
				(Millions of yen)	(Thousands of U.S. dollars)	(Yen)	(U.S. dollars)		
June 25, 2021	**Shareholders**	**Common stock**	**Retained earnings**	**¥ 5,949**	**$ 53,735**	**¥ 20**	**$ 0.18**	**March 31, 2021**	**June 28, 2021**

* Total dividends paid include ¥0 million ($0 thousand) of the dividends to the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

Year ended March 31, 2020

Date of Approval	Resolution Approved by	Type of Shares	Source of Dividends	Amount	Amount per Share	Cut-off Date	Effective Date
				(Millions of yen)	(Yen)		
May 14, 2020	Board of directors	Common stock	Retained earnings	¥ 5,055	¥ 17	March 31, 2020	June 26, 2020

* Total dividends paid include ¥0 million of the dividends to the Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

10. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the years ended March 31, 2021 and 2020 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Freight	¥ 50,728	¥ 51,263	$ 458,206
Sales promotion and sales incentives	36,417	41,209	328,940
Employees' salaries	18,933	18,858	171,014
Employees' bonuses and benefits	12,104	12,513	109,331
Retirement benefits	1,473	1,371	13,305
Other	42,232	45,757	381,465
Total	¥161,887	¥170,971	$ 1,462,262

11. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses included in selling, general and administrative expenses and manufacturing costs were ¥6,593 million ($59,552 thousand) and ¥6,538 million for the years ended March 31, 2021 and 2020, respectively.

12. BUSINESS RESTRUCTURING EXPENSES

"Business restructuring expenses" of ¥388 million ($3,505 thousand) for the year ended March 31, 2021 consist primarily of expenses related to the end of production of the pet food business.
"Business restructuring expenses" of ¥1,028 million for the year ended March 31, 2020 consist primarily of expenses related to the closure of the Minnesota-based New Prague Plant in the U.S. flour milling business, and expenses related to transfer of the pet food business. Business restructuring expenses for the years ended March 31, 2021 and 2020 are included in other-net in the consolidated statement of income.

13. IMPAIRMENT LOSS

The Group recognized impairment loss on the following assets for the year ended March 31, 2021:

Location	Use (Business segment)	Item
Kanagawa	Business assets (Other)	Buildings and structures

The Group classifies assets based on minimum units that generate cash flows essentially independent from the cash flows of other assets or group of assets.

Regarding the plant and laboratory buildings of the pet food business, which the Group decided to dismantle, the book value is reduced to the recoverable amount and impairment loss of ¥977 million ($8,825 thousand) is recognized in other-net in the consolidated statement of income. The impairment loss consists of buildings and structures and dismantlement costs. The net selling price of buildings and structures were measured as nil as the Group decided to dismantle these assets.

The Group recognized impairment loss on the following assets for the year ended March 31, 2020:

Location	Use (Business segment)	Item
United States	- (Flour Milling)	Goodwill
	Business assets (Flour Milling)	Buildings and structures; machinery, and equipment; others
Yamanashi, and others	Business assets (Other)	Buildings and structures; machinery and equipment
Kanagawa	Business assets (Other)	Buildings and structures; machinery and equipment; others

The Group classifies assets based on minimum units that generate cash flows essentially independent from the cash flows of other assets or group of assets.

Regarding goodwill for the U.S. flour milling business in the Flour Milling Segment, following comprehensive consideration of factors surrounding a downturn in business performance due to intensifying sales competition, the Company conducted an impairment test in accordance with US-GAAP. Therefore, the book value of this business was written down to its fair value, resulting in an impairment loss of ¥3,003 million. The impairment loss consists of ¥3,003 million for goodwill. A discount rate of 8.5% was used for the calculation of fair value.
Furthermore, following the decision to close the Minnesota-based New Prague Plant in the U.S. flour milling business, the book value of assets from this plant was written down to the amounts deemed recoverable, resulting in an impairment loss of ¥866 million. The impairment loss consists of ¥358 million for buildings and structures, ¥159 million for machinery and equipment, and ¥347 million for others.
The recoverable amount for the above group of assets was measured based on the net selling price at disposition.

Regarding manufacturing equipment for mesh cloth used in screen printing by NBC Meshtec Inc. in Other segments, the book value of the assets were written down to the amounts deemed recoverable since the book value exceeded future cash flows anticipated from this equipment due to changes in the market environment, resulting in an impairment loss of ¥912 million. The impairment loss consists of ¥636 million for buildings and structures, and ¥276 million for machinery and equipment.
The recoverable amount for the above group of assets was measured based on the discounted cash flows from the continued use of the assets (discount rate of 15.1%).
Additionally, regarding the pet food manufacturing equipment of Nisshin Petfood Inc., the book value of assets were written down to the amounts expected to be recoverable by the date of business closure since a decision was made to exit from the manufacturing business at the end of March 2021, resulting in an impairment loss of ¥442 million. The impairment loss consists of ¥99 million for buildings and structures, ¥323 million for machinery and equipment, and ¥19 million for others.
The recoverable amount for the above group of assets was measured based on discounted cash flows from the continued use of the assets (discount rate of 9.6%).

14. INCOME TAXES

Income taxes applicable to the Group consist of corporate tax, inhabitants' taxes and enterprise taxes which, in the aggregate, resulted in a statutory tax rate of approximately 30.6% for the years ended March 31, 2021 and 2020.

The tax effects of significant temporary differences and tax loss carry forwards which resulted in deferred tax assets and liabilities as of March 31, 2021 and 2020 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Deferred tax assets:			
Net defined benefit liability	¥ 6,678	¥ 6,582	$ 60,320
Investment securities	2,972	2,964	26,845
Loss on impairment of long-lived assets	2,346	2,157	21,190
Provision for bonuses	1,701	1,636	15,364
Adjustments for lease transactions	1,516	633	13,693
Intangible assets	1,122	1,327	10,135
Accrued sales incentives	963	1,186	8,698
Unrealized gain on fixed assets	861	881	7,777
Loss carryforward	541	795	4,887
Depreciation	527	452	4,760
Inventories	482	544	4,354
Provision for repairs	404	407	3,649
Accrued enterprise taxes	399	421	3,604
Other	3,027	2,625	27,342
Gross deferred tax assets	23,545	22,616	212,673
Valuation allowance	(4,617)	(4,737)	(41,704)
Deferred tax assets, net	¥ 18,928	¥ 17,878	$ 170,969

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	¥ (28,175)	¥ (24,766)	$ (254,494)
Intangible assets	(7,248)	(6,508)	(65,468)
Underdepreciation	(2,086)	(1,528)	(18,842)
Reserve for reduction entry of fixed assets	(1,778)	(1,827)	(16,060)
Retained earnings of subsidiaries and associates	(1,461)	(1,391)	(13,197)
Securities returned from employee retirement benefit trust	(961)	(964)	(8,680)
Other	(786)	(888)	(7,100)
Gross deferred tax liabilities	(42,498)	(37,874)	(383,868)
Deferred tax liabilities, net	¥ (23,570)	¥ (19,995)	$ (212,899)

Disclosure of the reconciliation between the statutory and effective tax rates for the year ended March 31, 2021 and 2020 is as follows:

	Year ended March 31 2021	Year ended March 31 2020
Statutory tax rate	30.6%	30.6%
Non-taxable dividend income and others	(0.7)	(0.7)
Non-deductible expenses	0.5	0.7
Tax credits	(1.6)	(1.2)
Equity in earnings of unconsolidated subsidiaries	(1.8)	(1.6)
Amortization of goodwill	5.5	4.5
Per capita inhabitant tax	0.6	0.6
Tax rate difference in foreign subsidiaries	(0.5)	0.4
Retained earnings of subsidiaries and associates	0.2	1.0
Gain on step acquisition	-	(6.7)
Business transfer related	-	1.2
Other	0.2	0.1
Effective tax rate	33.0%	28.9%

15. LEASES

The Group primarily leases information system equipment and software.

The future minimum lease commitments under noncancellable operating leases subsequent to March 31, 2021 and 2020 are summarized as follows:

(As Lessee)

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Due within one year	¥ 376	¥ 456	$ 3,396
Due after one year	2,627	2,930	23,729
Total	¥ 3,003	¥ 3,386	$ 27,125

(As Lessor)

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Due within one year	¥ 204	¥ 204	$ 1,843
Due after one year	3,755	3,960	33,917
Total	¥ 3,960	¥ 4,165	$ 35,769

(Lease transactions under IFRS)

(1) Right-of-use assets mainly consists of the right of use of land, buildings and structures.

(2) Depreciation method for right-of-use assets is consistent to those described in Note 2, “Summary of Significant Accounting policies.”

16. PER SHARE INFORMATION

	2021	2020	2021
Earnings per share:			
Basic *1	¥ 63.95	¥ 75.40	$ 0.58
Diluted	63.94	75.35	0.58
Net assets per share *2	¥ 1,456.37	¥ 1,328.71	$ 13.15

*1 When calculating basic and diluted earnings per share, treasury shares of the Company held in trust, for the purpose of its stock-based remuneration plan, by The master Trust Bank of Japan, Ltd are excluded from the calculation of the average number of common stock during the year. For the years ended March 31, 2021 and 2020, the average number of shares of common stock for the Company shares held in the aforementioned trust were 51,369 shares and 46,962 shares, respectively.
*2 When calculating net assets per share, treasury shares of the Company held in trust, for the purpose of its stock-based remuneration plan, by The master Trust Bank of Japan, Ltd are excluded from the calculation of the average number of common stock during the year. As of March 31, 2021 and 2020, 25,000 Company shares and 38,400 Company shares were held in the aforementioned trust, respectively.

The bases for calculating basic and diluted earnings per share are as follows:

	2021	2020
Profit attributable to owners of parent available for distribution to common shareholders	¥ 19,011 million ($171,719 thousand)	¥ 22,407 million
Weighted average number of shares for basic net income	297,292,370 shares	297,187,439 shares
Increase in shares of common stock		
Stock acquisition rights	28,921 shares	184,041 shares
Number of shares for diluted net income	297,321,291 shares	297,371,480 shares
Summary of potentially issuable shares that do not have a dilutive effect on net income per share	Stock acquisition rights Resolution date of General Shareholders' Meeting June 25, 2015 (Stock acquisition rights 68) (Stock acquisition rights 132) Resolution date of General Shareholders' Meeting June 28, 2016 (Stock acquisition rights 91) (Stock acquisition rights 170)	

The bases for calculating net assets per share are as follows:

	2021	2020	2021
Total net assets	¥ 444,774 million	¥ 409,042 million	$ 4,017,469 thousand
Amounts deducted from total net assets			
Stock acquisition rights	116 million	137 million	1,048 thousand
Noncontrolling interests	11,569 million	13,908 million	104,498 thousand
Net assets attributable to shares of common stock	433,089 million	394,995 million	3,911,923 thousand
Number of shares of common stock used in the calculation of net assets per share	297,374,744 shares	297,278,299 shares	

17. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

(a) Overview
(1) Investment policy of financial instruments
The Group mainly operates funds for future strategic investments and manages temporary surpluses by secured time deposits and securities. The Group does not operate these funds for trading or speculative purposes. The Group obtains financing through bank borrowings for short-term financial requirements and bank loans, bond issuance and capital increases for long-term financial requirements, considering market conditions and other factors.

Investment securities are held when holding equity securities improves the mid-to long-term corporate value and is regarded as reasonable from the viewpoint of facilitation and enhancement of business partnership and joint venture, and building and enhancement of long-term and stable business relationship.

Derivative transactions are only utilized to hedge the following risks, and it is a policy not to enter into derivative transactions for trading or speculative purposes.

(2) Types of financial instruments and related risk and risk management
Cash and deposits are mainly time deposits and securities are mainly debt securities. These are exposed to credit risk and market fluctuation risk. The Group minimizes and diversifies these risks according to internal rules that state certain specified limits.

Receivables-Trade notes and accounts are exposed to credit risk. The Group monitors and reviews creditability of customers on a periodic basis. Credit exposure is controlled by counterparty limits.

Equity investments in companies are for the purpose of business relationship or capital alliances and exposed to market fluctuation risk. Thus, policies have been established to regularly determine actual market value, and with respect to each of the cross-shareholding stocks retained, to review the rationales of cross-shareholding at the meeting of Board of Directors on an annual basis, their trading situations, revenue and financial conditions, shareholder returns, creditworthiness, and other factors, and making risks and benefits analysis and capital costs associated with cross-shareholding.

Payables-Trade notes and accounts are mostly due within one year. Short-term bank loans are principally used to procure working capital. They are exposed to liquidity risk, however, the Group manages the risk by preparing cash management plans.

Long-term bank loans and bonds are principally used to procure funds necessary for business investments and others, and have fixed interest rates.

(3) Supplemental information on fair value of financial instruments
As well as the values based on market prices, fair value of financial instruments includes values, which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract amount and others regarding derivative transactions described in Note 20 the contract amount itself does not indicate market risk related to derivative transactions.

(b) Fair value of financial instruments

Carrying value on the consolidated balance sheets as of March 31, 2021 and 2020, fair value and differences are as follows. The financial instruments whose fair value is extremely difficult to determine are not included below.

	2021					
	Millions of yen			Thousands of U.S. dollars		
	Carrying Amount	Fair Value	Unrealized Gains (Losses)	Carrying Value	Fair Value	Unrealized Gains (Losses)
Cash and deposits	¥ 61,282	¥ 61,282	¥ -	$ 553,536	$ 553,536	$ -
Receivables-Trade notes and accounts	85,483	85,483	-	772,134	772,134	-
Debt and marketable equity securities:						
Available-for-sale securities	121,833	121,833	-	1,100,470	1,100,470	-
Total assets	¥268,599	¥268,599	¥ -	$2,426,149	$2,426,149	$ -
Payables-Trade notes and accounts	47,946	47,946	-	433,077	433,077	
Short-term bank loans	4,307	4,307	-	38,903	38,903	
Bonds	20,000	19,373	(626)	180,652	174,989	(5,654)
Long-term bank loans	15,969	15,639	(330)	144,242	141,261	(2,981)
Total liabilities	¥ 88,223	¥ 87,266	¥ (957)	$ 796,884	$ 788,240	$ (8,644)
Derivative transactions: (*)						
Hedge accounting not applied	11	11	-	99	99	-
Hedge accounting applied	222	222	-	2,005	2,005	-
Total derivative transactions	¥ 234	¥ 234	¥ -	$ 2,114	$ 2,114	$ -

	2020		
	Millions of yen		
	Carrying Amount	Fair Value	Unrealized Gains (Losses)
Cash and deposits	¥49,710	¥49,710	¥ -
Receivables-Trade notes and accounts	92,236	92,236	-
Debt and marketable equity securities:			
Available-for-sale securities	118,304	118,304	-
Total assets	¥260,251	¥260,251	¥ -
Payables-Trade notes and accounts	53,730	53,730	-
Shor-term bank loans	13,490	13,490	-
Bonds	20,000	19,690	(309)
Long-term bank loans	19,814	19,669	(144)
Total liabilities	¥107,035	¥106,581	¥ (453)
Derivative transactions: (*)			
Hedge accounting not applied	133	133	-
Hedge accounting applied	(98)	(98)	-
Total derivative transactions	¥ 35	¥ 35	¥ -

(*) Net assets and liabilities arising from derivative transactions are presented on a net basis with liabilities shown in parenthesis.

Note 1: Valuation method for financial instruments and information of investment securities are as follows:

Assets:
Cash and deposits and Receivables-Trade notes and accounts
The carrying value is deemed as the fair value since these are scheduled to be settled in a short period of time.
Available-for-sale securities
Fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or the price provided by the correspondent financial institutions.

Liabilities:
Payables-Trade notes and accounts, and Short-term loans payable
The carrying value is deemed as the fair value since these are scheduled to be settled in a short period of time.

Bonds and Long-term loans payable
The market values of bonds and long-term loans payable and measured at the present value of future cash flows discounted by a rate that is set by using appropriate indices, such as JGB yields, and adding a credit spread.

Derivative transactions:
Please refer to Note 20

Note 2: Unlisted equity securities of ¥22,913 million ($206,964 thousand) and ¥22,086 million whose fair values are unobservable as of March 31, 2021 and 2020, respectively, are not included in the above tables.

(c) The redemption schedule for financial instruments and securities with maturities as of March 31, 2021 and 2020 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	**2021**
	Due in One Year or Less	Due in One Year or Less	Due in One Year or Less
Cash and deposits	**¥ 61,282**	¥ 49,710	**$ 553,536**
Receivables-Trade notes and accounts	**85,483**	92,236	**772,134**
Debt securities:			
Available-for-sale securities	**453**	7,531	**4,092**
Total	**¥ 147,218**	¥ 149,478	**$1,329,762**

18. INVESTMENTS IN DEBT AND EQUITY SECURITIES

(a) Information regarding available-for-sale securities with fair market value

	2021					
	Millions of yen			Thousands of U.S. dollars		
	Carrying Amount	Acquisition Cost	Unrealized Gains (Losses)	Carrying Amount	Acquisition Cost	Unrealized Gains (Losses)
Securities whose carrying value exceeds their acquisition cost:						
Equity securities	¥119,473	¥ 26,213	¥ 93,259	$ 1,079,153	$ 236,772	$842,372
Bonds:						
Government and municipal bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	119,473	26,213	93,259	1,079,153	236,772	842,372
Securities whose carrying value does not exceed their acquisition cost:						
Equity securities	1,907	2,232	(324)	17,225	20,161	(2,927)
Bonds:						
Government and municipal bonds	452	452	-	4,083	4,083	-
Corporate bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	2,360	2,685	(324)	21,317	24,253	(2,927)
Total	¥121,833	¥ 28,899	¥ 92,934	$ 1,100,470	$ 261,033	$839,436

	2020		
	Millions of yen		
	Carrying Amount	Acquisition Cost	Unrealized Gains (Losses)
Securities whose carrying value exceeds their acquisition cost:			
Equity securities	¥109,498	¥ 27,177	¥ 82,320
Bonds:			
Government and municipal bonds	7,157	7,156	1
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	116,656	34,334	82,322
Securities whose carrying value does not exceed their acquisition cost:			
Equity securities	1,281	1,733	(451)
Bonds:			
Government and municipal bonds	366	366	(0)
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	1,648	2,099	(451)
Total	¥118,304	¥ 36,433	¥ 81,870

As of March 31, 2021 and 2020, the Company had ¥247 million ($ 2,231 thousand) and ¥683 million of short-term investments included in other current assets, respectively.

(b) Sale of securities classified as available-for-sale securities

Information regarding the sale of securities classified as available-for-sale securities for the years ended March 31, 2021 and 2020 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Equity			
Proceeds from sales	¥ 1,934	¥ 291	$ 17,469
Aggregate gains on sales	1,421	212	12,835
Aggregate losses on sales	(0)	-	(0)

19. DERIVATIVES

Derivative transactions for which hedge accounting is not applied at March 31, 2021 and 2020 are as follows:

	2021							
	Millions of yen				Thousands of U.S. dollars			
	Contract Amount and Others	Due after One Year	Fair Value	Unrealized Gain (Loss)	Contract Amount and Others	Due after One Year	Fair Value	Unrealized Gain (Loss)
Currency futures:								
Buy:								
Canadian dollars	¥ 600	¥ -	¥ 5	¥ 5	$ 5,420	$ -	$ 45	$ 45
Forward exchange contracts:								
Sell:								
U.S. dollars	¥ 220	¥ -	¥ (10)	¥ (10)	$ 1,987	$ -	$ (90)	$ (90)
Euro	55	-	(1)	(1)	497	-	(9)	(9)
Buy:								
U.S. dollars	774	-	28	28	6,991	-	253	253
Euro	59	-	0	0	533	-	0	0
Japanese yen	1	-	(0)	(0)	9	-	(0)	(0)
British Pound	6	-	0	0	54	-	0	0
Total	¥ 1,717	¥ -	¥ 23	¥ 23	$ 15,509	$ -	$ 208	$ 208
Commodity futures:								
Sell:								
Wheat	¥ 6,719	¥ -	¥ 120	¥ 120	$ 60,690	$ -	$ 1,084	$ 1,084
Buy:								
Wheat	4,377	316	(132)	(132)	39,536	2,854	(1,192)	(1,192)
Total	¥ 11,097	¥ 316	¥ (11)	¥ (11)	$100,235	$ 2,854	$ (99)	$ (99)

	2020			
	Millions of yen			
	Contract Amount and Others	Due after One Year	Fair Value	Unrealized Gain (Loss)
Currency futures:				
Buy:				
Canadian dollars	¥ 991	¥ -	¥ (49)	¥ (49)
Forward exchange contracts:				
Sell:				
U.S. dollars	¥ 198	¥ -	¥ 0	¥ 0
Euro	26	-	0	0
Buy:				
U.S. dollars	762	-	47	47
Euro	51	-	1	1
Japanese yen	2	-	0	0
British Pound	11	-	(0)	(0)
Total	¥ 2,044	¥ -	¥ 0	¥ 0
Commodity futures:				
Sell:				
Wheat	¥ 4,076	¥ 6	¥ (86)	¥ (86)
Buy:				
Wheat	4,585	134	219	219
Total	¥ 8,661	¥ 141	¥ 133	¥ 133

* Fair value of derivative transactions is stated based on the quoted market price and the price presented by the counterparty financial institutions.

Derivative transactions for which hedge accounting is applied at March 31, 2021 and 2020 are as follows:

	2021						
		Millions of yen			Thousands of U.S. dollars		
	Hedged Item	Contract Amount and Others	Due after One Year	Fair Value	Contract Amount and Others	Due after One Year	Fair Value
Benchmark method							
Forward exchange contracts:							
Sell:							
U.S. dollars	Anticipated foreign currency transactions	¥ 1,459	¥ -	¥ 22	$ 13,179	$ -	$ 199
Buy:							
U.S. dollars	Anticipated foreign currency transactions	3,512	-	142	31,723	-	1,283
Thai baht		1,394	-	44	12,591	-	397
Euro		525	-	9	4,742	-	81
Australian dollars		254	-	3	2,294	-	27
Allocation method							
Forward exchange contracts:							
Sell:							
U.S. dollars	Accounts receivables	¥ 909	¥ -	¥ -	$ 8,211	$ -	$ -
Buy:							
U.S. dollars	Accounts payables	86	-	-	777	-	-
Euro		23	-	-	208	-	-
		¥ 8,168	¥ -	¥ 222	$ 73,778	$ -	$ 2,005

	2020			
		Millions of yen		
	Hedged Item	Contract Amount and Others	Due after One Year	Fair Value
Benchmark method				
Forward exchange contracts:				
Sell:				
U.S. dollars	Anticipated foreign currency transactions	¥ 1,796	¥ -	¥ (39)
Buy:				
U.S. dollars	Anticipated foreign currency transactions	4,496	-	55
Thai baht		2,294	-	(114)
Euro		513	-	(1)
Australian dollars		878	-	1
Allocation method				
Forward exchange contracts:				
Sell:				
U.S. dollars	Accounts receivables	¥ 336	¥ -	¥ -
Buy:				
U.S. dollars	Accounts payables	12	-	-
		¥ 10,327	¥ -	¥ (98)

20. OTHER COMPREHENSIVE INCOME

Reclassification adjustments and income tax effects attributable to other comprehensive income for the years ended March 31, 2021 and 2020 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2020	2021
Unrealized gain (loss) on available-for-sale securities:			
Gains (losses) arising during the year	¥ 12,465	¥ (7,826)	$ 112,591
Reclassification adjustments	(1,396)	(202)	(12,610)
Before income tax effects	11,068	(8,029)	99,973
Income tax effects	(3,408)	2,408	(30,783)
Total	7,660	(5,620)	69,190
Deferred gain (loss) on derivatives under hedge accounting:			
Gains (losses) arising during the year	312	525	2,818
Reclassification adjustments	8	(52)	72
Before income tax effects	321	472	2,899
Income tax effects	(95)	(145)	(858)
Total	225	327	2,032
Foreign currency translation adjustments:			
Adjustments arising during the year	21,366	(16,529)	192,991
Defined retirement benefit plans:			
Adjustments arising during the year	(160)	(764)	(1,445)
Reclassification adjustments	262	161	2,367
Before income tax effects	102	(602)	921
Income tax effects	(30)	185	(271)
Total	71	(417)	641
Share of other comprehensive income (loss) in associates:			
Adjustments arising during the year	(25)	(84)	(226)
Total other comprehensive income (loss)	¥ 29,298	¥ (22,323)	$ 264,637

21. SUBSEQUENT EVENTS

Appropriation of Retained Earnings

The following appropriation of retained earnings on March 31, 2021, was approved at the Company's shareholders' meeting held on June 25, 2021:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥20 ($0.18) per share	¥5,949	$53,735

22. SEGMENT INFORMATION

1. Overview of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular consideration by the Company's Board of Directors are being given in order to decide how resources should be allocated among the Group and evaluate operating results. The Company, as a holding company, develops and determines group strategy, allocates management resources, and evaluates operations by businesses segments of "Flour Milling," "Processed Food", "Prepared Dishes and Other Prepared Foods" and other business which are classified by products and services. Therefore, the Group's reportable segment comprises of "Flour Milling", "Processed Food" and "Prepared Dishes and Other Prepared Foods".

Primary products for each business segment are summarized as follows:

Flour Milling	Flour, bran
Processed Food	Prepared mix, flour for consumer use, pasta, pasta sauce, frozen food, daily dish, cake and bread ingredients, biochemical products, life science business, healthcare foods
Prepared Dishes and Other Prepared Foods	Bento boxes, prepared dishes and prepared foods such as cooked noodles

2. Method of calculating net sales, income, assets and other items by reportable segment

Accounting policies of the reportable segments are consistent to those described in Note 2. "Summary of Significant Accounting Policies." Income by reportable segment is based on operating income. Intersegment transactions are based on prevailing market price.

3. Net sales, income, assets and other items by reportable segment

	Millions of yen							
	2021							
	Reportable segment							
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Subtotal	Other	Total	Adjustments	Consolidated
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 income	¥ 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 in affiliates using equity method	3,456	159	-	3,615	17,407	21,023	-	21,023
Increase in property, plant and equipment, intangible assets, and right-of-use assets	8,510	5,064	2,008	15,583	1,056	16,639	(202)	16,437

	Thousands of U.S. dollars							
	2021							
	Reportable segment							
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Subtotal	Other	Total	Adjustments	Consolidated
Net Sales:								
Sales to external customers	$2,581,501	$ 1,939,391	$ 1,289,378	$5,810,270	$ 327,342	$ 6,137,612	$ -	$ 6,137,612
Intersegment sales and transfers	142,282	14,832	47,909	205,031	27,450	232,481	(232,481)	-
Total	2,723,792	1,954,223	1,337,287	6,015,301	354,792	6,370,102	(232,481)	6,137,612
Segment income	$ 57,059	$ 138,651	$ 11,544	$ 207,262	$ 38,298	$ 245,570	$ 81	$ 245,660
Segment assets	$2,739,310	$ 1,438,533	$ 511,318	$4,689,170	$ 606,061	$ 5,295,240	$ 913,910	$ 6,209,150
Other items:								
Depreciation and amortization	$ 106,242	$ 46,951	$ 37,666	$ 190,868	$ 12,546	$ 203,414	$ (2,249)	$ 201,165
Investment in affiliates using equity method	31,217	1,436	-	32,653	157,231	189,893	-	189,893
Increase in property, plant and equipment, intangible assets, and right-of-use assets	76,867	45,741	18,137	140,755	9,538	150,294	(1,825)	148,469

	Millions of yen							
	2020							
	Reportable segment							
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Subtotal	Other	Total	Adjustments	Consolidated
Net Sales:								
Sales to external customers	¥ 306,745	¥ 217,959	¥ 129,967	¥ 654,673	¥ 57,507	¥ 712,180	¥ -	¥ 712,180
Intersegment sales and transfers	16,507	1,465	4,991	22,963	2,406	25,369	(25,369)	-
Total	323,252	219,424	134,959	677,637	59,913	737,550	(25,369)	712,180
Segment income	¥ 9,326	¥ 12,895	¥ 1,736	¥ 23,958	¥ 4,698	¥ 28,657	¥ 194	¥ 28,852
Segment assets	¥ 294,565	¥ 159,399	¥ 60,065	¥ 514,031	¥ 73,642	¥ 587,674	¥ 78,540	¥ 666,215
Other items:								
Depreciation and amortization	¥ 11,780	¥ 5,005	¥ 3,142	¥ 19,928	¥ 1,546	¥ 21,475	¥ (239)	¥ 21,235
Investment in affiliates using equity method	3,370	159	-	3,530	16,649	20,179	-	20,179
Increase in property, plant and equipment, intangible assets, and right-of-use assets	7,629	9,094	3,474	20,198	1,731	21,930	(87)	21,843

1. The “Other” incorporates operations not included in reportable segments, including pet food, engineering, mesh cloths, handling and storage.

2. Adjustments of segment income refer to elimination of intersegment transactions. Adjustments of segment assets amounted to ¥101,179 million ($913,910 thousand) and ¥78,540 million as of March 31, 2021 and 2020, respectively, include offsetting of intersegment assets of ¥(113,550) million ($(1,025,653) thousand) and ¥(118,562) million, respectively and corporate assets of ¥214,729 million ($1,939,563 thousand) and ¥197,103 million, respectively. Corporate assets consisted primarily of the Company's surplus funds (cash and deposits and securities) and investment securities.
3. Segment income is adjusted to operating income on the consolidated statements of income.

4. Geographic information

(1) Sales

2021		
Millions of yen		
Japan	Other	Total
¥ 523,869	¥ 155,626	¥ 679,495

2020		
Millions of yen		
Japan	Other	Total
¥ 545,992	¥ 166,188	¥ 712,180

2021		
Thousands of U.S. dollars		
Japan	Other	Total
$ 4,731,903	$ 1,405,709	$ 6,137,612

Property, plant and equipment, and right-of-use assets

2021				
Millions of yen				
Japan	U.S.	Oceania	Other	Total
¥ 128,799	¥ 22,047	¥ 41,641	¥ 22,939	¥ 215,428

2020				
Millions of yen				
Japan	U.S.	Oceania	Other	Total
¥ 131,549	¥ 22,679	¥ 32,603	¥ 21,654	¥ 208,487

2021				
Thousands of U.S. dollars				
Japan	U.S.	Oceania	Other	Total
$ 1,163,391	$ 199,142	$ 376,127	$ 207,199	$ 1,945,877

5. Information about major customers

	2021		
	Name of the related segment	Millions of yen	Thousands of U.S. dollars
FamilyMart Co.,Ltd.	**Prepared Dishes and Other Prepared Foods**	**¥ 102,941**	**$ 929,826**

	2020	
	Name of the related segment	Millions of yen
FamilyMart Co.,Ltd.	Prepared Dishes and Other Prepared Foods	¥ 93,867

6. Information about loss on impairment of long-lived assets by reportable segment

	2021		
	Millions of yen		
	Flour Milling	Other	Total
Loss on impairment of long-lived assets	**¥ -**	**¥ 977**	**¥ 977**

	2020		
	Millions of yen		
	Flour Milling	Other	Total
Loss on impairment of long-lived assets	¥ 3,869	¥ 1,354	¥ 5,224

	2021		
	Thousands of U.S. dollars		
	Flour Milling	Other	Total
Loss on impairment of long-lived assets	**$ -**	**$ 8,825**	**$ 8,825**

7. Information about amortization and unamortized balance of goodwill by reportable segment

	2021			
	Millions of yen			
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total
Amortization	**¥ 4,191**	**¥ 64**	**¥ 1,180**	**¥ 5,436**
Unamortized balance	**35,644**	**165**	**9,742**	**45,551**

	2020			
	Millions of yen			
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total
Amortization	¥ 4,580	¥ 64	¥ 1,028	¥ 5,672
Unamortized balance	31,591	229	10,923	42,743

	2021			
	Thousands of U.S. dollars			
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total
Amortization	**$ 37,856**	**$ 578**	**$ 10,658**	**$ 49,101**
Unamortized balance	**321,958**	**1,490**	**87,996**	**411,444**