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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, 2022, 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, 2022, 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 Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was 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 the matter.

Valuations of goodwill and other intangible assets (customer-related assets) relating to Australian flour milling business

Key Audit Matter Description

As described in Note 2.u, "Significant Accounting Estimates" to the consolidated financial statements of Nisshin Seifun Group Inc. (the "Company"), the Group's goodwill and other intangible assets in the consolidated balance sheet as of March 31, 2022, included 33,346 million yen of goodwill and 19,557 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, the Group is required to determine whether an impairment loss should be recognized by comparing the sum of the undiscounted future cash flows expected to derive from the asset group including goodwill with its carrying amount.

The flour milling business in Australia for the year ended March 31, 2022, has suffered from profit declines compared with the business plans as of the acquisition date because of sluggish sales of premix and bakery-related raw materials due to strict curfew and increased production and logistics costs due to supply chain disruptions caused by COVID-19.

Based on this situation, the Company determined that there was an indication of impairment in the asset group of the Australian flour milling business, including goodwill, in the year ended March 31, 2022. However, as a result of comparing the undiscounted future cash flows expected to derive from the asset group including goodwill with its carrying amount, the undiscounted future cash flows exceeded the carrying amount. Therefore, the Company determined that recognition of impairment loss was not necessary.

The above undiscounted future cash flows are calculated based on Allied Pinnacle's business plan. The key factors in estimating future cash flows are forecasts of the market growth rates and revenues of the relevant business in Australia, the feasibility of the measures to improve profitability, and the recoverable amounts of the primary assets in the asset group at the end of the remaining amortization period of goodwill. Such estimates are highly uncertain and require judgments by management. In addition, assumptions regarding the impact and the duration of COVID-19 affect these estimates.

Thus, the valuation of goodwill and other intangible assets (customer-related assets) related to Australian flour milling business has a significant potential impact on the consolidated financial statements and involves assumptions and judgments by management, which requires a high level of professional judgment 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 other intangible assets (customer-related assets) pertaining to Australian flour milling business 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 other intangible assets (customer-related assets) should be recognized. Specifically, we focused on controls over the process for estimating the undiscounted future cash flows and evaluating the rationality of the underlying business plan.

(2) Test of the rationality of estimated undiscounted future cash flows

- We compared the business plans as of the acquisition date and an annual budget with actual results. In particular, we inspected monthly reports prepared by Allied Pinnacle and made inquiries of management and the responsible managers to examine the transactional relationship with its primary customers and the causes of the discrepancy from planned sales and gross profit margins for transactions.

- We evaluated the consistency of undiscounted future cash flows with the business plan approved by management.

- We performed the following procedures regarding the business plan used as the basis for the calculation of undiscounted future cash flows:

  —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 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 duration of the pandemic.

  —We understood the progress of the measures to improve Allied Pinnacle's profitability and evaluated the feasibility of such measures by inspecting relevant documents and inquiring of the Company and Allied Pinnacle's management.

- With the assistance of our fair value specialists, we examined the calculation method of the discount rate and the assumption of growth rate used to calculate the recoverable amount of the primary asset in the asset group at the end of the remaining amortization period of goodwill.

- We communicated with a component auditor of Allied Pinnacle 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 its consistency with the underlying data tested above.

Other Information

Other information comprises the information included in the Group's disclosure documents accompanying the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

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

September 29, 2022

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Balance Sheet

March 31, 2022

ASSETS	Millions of Yen 2022	Millions of Yen 2021	Thousands of U.S. Dollars (Note 1) 2022
CURRENT ASSETS:			
Cash and cash equivalents (Note 18)	¥68,728	¥59,152	$561,549
Receivables (Note 18):			
Trade notes, accounts receivable and contract assets	100,594	85,483	821,914
Other	2,770	3,653	22,633
Allowance for doubtful accounts	(542)	(511)	(4,428)
Inventories (Note 4)	96,596	81,606	789,247
Other (Note 19)	12,379	9,290	101,144
Total current assets	280,527	238,674	2,292,075
PROPERTY, PLANT AND EQUIPMENT			
Land	46,334	45,877	378,577
Buildings and structures	68,843	68,269	562,489
Machinery and equipment	53,018	51,256	433,189
Construction in progress	16,149	15,261	131,947
Other	5,981	6,707	48,868
Total property, plant and equipment	190,329	187,373	1,555,103
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 18 and 19)	118,755	126,000	970,308
Investments in and advances to unconsolidated subsidiaries and associated companies (Note 18)	22,834	21,168	186,568
Asset for retirement benefits (Note 6)	316	301	2,582
Deferred tax assets (Note 15)	6,933	6,992	56,647
Goodwill	42,385	45,551	346,311
Intangibles	26,367	27,824	215,434
Right-of-use assets	29,050	28,055	237,356
Other assets	5,698	5,602	46,556
Allowance for doubtful accounts	(125)	(128)	(1,021)
Total investments and other assets	252,216	261,366	2,060,757
TOTAL	¥723,073	¥687,415	$5,907,942

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2022	Millions of Yen 2021	Thousands of U.S. Dollars (Note 1) 2022
CURRENT LIABILITIES:			
Short-term bank loans (Note 5)	¥ 5,363	¥ 4,307	$ 43,819
Current portion of long-term debt (Notes 5 and 18)	3,223	3,120	26,334
Payables:			
Trade notes and accounts	63,655	47,946	520,100
Income taxes payable	5,784	5,022	47,259
Accrued expenses	24,915	22,023	203,571
Other	26,215	26,318	214,192
Total current liabilities	129,158	108,740	1,055,299
LONG-TERM LIABILITIES:			
Long-term debt (Notes 5 and 18)	72,724	71,402	594,199
Liability for retirement benefits (Note 6)	22,845	22,533	186,657
Provision for repairs	1,373	1,324	11,218
Long-term deposits received	5,696	5,618	46,540
Deferred tax liabilities (Note 15)	28,360	30,562	231,718
Other	2,272	2,458	18,564
Total long-term liabilities	133,272	133,900	1,088,912
EQUITY (Notes 7, 8 and 9):			
Common stock—authorized, 932,856,000 shares; issued, 304,357,891shares in 2022 and 2021	17,117	17,117	139,856
Capital surplus	12,622	12,627	103,129
Stock acquisition rights	95	116	776
Retained earnings	347,165	341,241	2,836,547
Treasury stock—at cost, 6,960,907 shares in 2022 and 6,983,147 shares in 2021	(10,960)	(10,997)	(89,550)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	60,585	64,687	495,016
Deferred gain (loss) on derivatives under hedge accounting	445	222	3,636
Foreign currency translation adjustments	23,059	9,314	188,406
Defined retirement benefit plans	(862)	(1,125)	(7,043)
Total	449,268	433,204	3,670,790
Noncontrolling interests	11,373	11,569	92,924
Total equity	460,643	444,774	3,763,731
TOTAL	¥723,073	¥687,415	$5,907,942

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statement of Income

Year Ended March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022
NET SALES	¥679,736	¥679,495	$5,553,852
COST OF SALES	531,660	490,410	4,343,982
Gross profit	148,075	189,084	1,209,862
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 7, 10 and 11)	118,645	161,887	969,401
Operating income	29,430	27,197	240,461
OTHER INCOME (EXPENSES):			
Interest expense	(2,914)	(2,782)	(23,809)
Other—net (Notes 12, 13 and 14)	4,256	5,345	34,774
Other income (expenses)—net	1,342	2,565	10,965
INCOME BEFORE INCOME TAXES	30,773	29,762	251,434
INCOME TAXES (Note 15):			
Current	12,654	10,671	103,391
Deferred	(642)	(863)	(5,246)
Total income taxes	12,011	9,807	98,137
NET INCOME	18,761	19,954	153,289
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	1,251	943	10,221
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 17,509	¥ 19,011	$ 143,059

	Yen		U.S. Dollars
PER SHARE OF COMMON STOCK (Note 17):			
Basic earnings per share	¥58.88	¥63.95	$0.48
Diluted earnings per share	58.88	63.94	0.48
Cash dividends applicable to the year	39.00	37.00	0.32

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income

Year Ended March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022
NET INCOME	¥ 18,761	¥ 19,954	$ 153,289
OTHER COMPREHENSIVE INCOME (Note 21):			
Unrealized gain (loss) on available-for-sale securities	(4,087)	7,660	(33,393)
Deferred gain (loss) on derivatives under hedge accounting	97	225	793
Foreign currency translation adjustments	13,497	21,366	110,279
Defined retirement benefit plans	154	71	1,258
Share of other comprehensive income (loss) in associates	467	(25)	3,816
Total other comprehensive income (loss)	10,130	29,298	82,768
COMPREHENSIVE INCOME	¥ 28,892	¥ 49,252	$ 236,065
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	¥ 27,639	¥ 48,041	$ 225,827
Noncontrolling interests	1,253	1,211	10,238

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statement of Changes in Equity

Year Ended March 31, 2022

	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, 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			0								0		0
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
Cumulative effects of changes in accounting policies					16						16		16
RESTATED BALANCE, APRIL 1, 2021	297,374	17,117	12,627	116	341,258	(10,997)	64,687	222	9,314	(1,125)	433,222	11,569	444,791
Net income attributable to owners of the parent					17,509						17,509		17,509
Cash dividends, ¥39.00 per share					(11,602)						(11,602)		(11,602)
Purchase of treasury stock	(115)					(190)					(190)		(190)
Disposal of treasury stock	137		(6)			227					220		220
Change in the parent's ownership interest due to transactions with noncontrolling interests			261								261		261
Net change in the year				(20)			(4,102)	223	13,745	262	10,108	(196)	9,912
BALANCE, MARCH 31, 2022	297,397	¥ 17,117	¥ 12,622	¥ 95	¥ 347,165	¥ (10,960)	¥ 60,585	¥ 445	¥ 23,059	¥ (862)	¥ 449,268	¥ 11,373	¥ 460,643

	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, 2021	$ 139,856	$ 103,170	$ 948	$ 2,788,144	$ (89,852)	$ 528,532	$ 1,814	$ 76,101	$ (9,192)	$ 3,539,538	$ 94,526	$ 3,634,071
Cumulative effects of changes in accounting policies				131						131		131
RESTATED BALANCE, APRIL 1, 2021	139,856	103,170	948	2,788,283	(89,852)	528,532	1,814	76,101	(9,192)	3,539,685	94,526	3,634,210
Net income attributable to owners of the parent				143,059						143,059		143,059
Cash dividends, $0.32per share				(94,795)						(94,795)		(94,795)
Purchase of treasury stock					(1,552)					(1,552)		(1,552)
Disposal of treasury stock		(49)			1,855					1,798		1,798
Change in the parent's ownership interest due to transactions with noncontrolling interests		8								8		8
Net change in the year			(163)			(33,516)	1,822	112,305	2,141	82,588	(1,601)	80,987
BALANCE, MARCH 31, 2022	$ 139,856	$ 103,129	$ 776	$ 2,836,547	$ (89,550)	$ 495,016	$ 3,636	$ 188,406	$ (7,043)	$ 3,670,790	$ 92,924	$ 3,763,731

See notes to consolidated financial statements.

Nisshin Seifun Group Inc. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows

Year Ended March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022
OPERATING ACTIVITIES:			
Income before income taxes	¥ 30,773	¥ 29,762	$ 251,434
Adjustments for:			
Income taxes—paid	(12,372)	(11,336)	(101,087)
Depreciation and amortization	28,918	27,707	236,277
Interest and dividend income	(3,161)	(2,971)	(25,827)
Interest expenses	2,914	2,782	23,809
Changes in assets and liabilities:			
Decrease (increase) in trade notes, accounts receivable and contract assets	(12,756)	9,798	(104,224)
Decrease (increase) in inventories	(12,155)	2,091	(99,314)
Increase (decrease) in trade notes and accounts payable	14,900	(6,672)	121,742
Other—net	4,772	(1,656)	38,990
Total adjustments	11,060	19,744	90,367
Net cash provided by operating activities	41,833	49,506	341,801
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment and intangible assets	(18,683)	(17,359)	(152,651)
Proceeds from sales of available-for-sale securities	2,272	3,277	18,564
Other—net	894	(3,021)	7,305
Net cash used in investing activities	(15,517)	(17,105)	(126,783)
FINANCING ACTIVITIES:			
Increase in short-term bank loans	1,858	305	15,181
Decrease in short-term bank loans	(2,369)	(14,422)	(19,356)
Proceeds from long-term debt	-	400	-
Proceeds from sales of treasury stock	58	122	474
Purchase of treasury stock	(190)	(133)	(1,552)
Dividends paid	(11,602)	(10,111)	(94,795)
Repayment of lease obligations	(4,148)	(3,874)	(33,892)
Other—net	(1,455)	(3,550)	(11,888)
Net cash used in financing activities	(17,850)	(31,264)	(145,845)
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,576	2,602	78,242
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	1,110	1,466	9,069
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	59,152	56,550	483,307
CASH AND CASH EQUIVALENTS, END OF YEAR	¥68,728	¥59,152	$561,549

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 2021 consolidated financial statements to conform to the classifications used in 2022.

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 ¥122.39 to $1, the approximate rate of exchange at March 31, 2022. 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, 2022, the number of consolidated subsidiaries was 75.

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 2021) unconsolidated subsidiary and eight (eight in 2021) 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.

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 other than equity securities without 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 other than equity securities without market value sold is determined by the moving-average method.
Securities classified as available-for-sale securities without 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. ***Basis of Revenues and Expenses Recognition***— The Group's core businesses are "Flour Milling", "Processed Food" and "Prepared Dishes and Other Prepared Foods".

(1) Flour Milling

In the flour milling business, the Group is engaged in production and sales of flour and bran. Regarding sales of goods or products, performance obligations to deliver goods or products are determined based on the sales contracts with customers. Revenue is recognized at the time of delivery as the customers obtain control of the goods or products and performance obligations are deemed to be satisfied at that time.

(2) Processed Food

In the processed food business, the Group is engaged in production and sales of prepared mix, flour for consumer use, pasta, pasta sauce, frozen food, cake and bread ingredients, biochemical products, drug discovery support business and healthcare foods. Regarding sales of goods or products, performance obligations to deliver goods or products are determined based on the sales contracts with customers. Revenue is recognized at the time of delivery as the customers obtain control of the goods or products and performance obligations are deemed to be satisfied at that time.

(3) Prepared Dishes and Other Prepared Foods
In the prepared dishes and other prepared foods business, the Group is engaged in production and sales of bento boxes, prepared dishes and prepared foods such as cooked noodles. Regarding sales of goods or products, performance obligations to deliver goods or products are determined based on the sales contracts with customers. Revenue is recognized at the time of delivery as the customers obtain control of the goods or products and performance obligations are deemed to be satisfied at that time.

r. ***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.

s. ***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.

t. ***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.

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, 2022 are as follows:

	Millions of yen	Thousands of U.S. dollars
Goodwill	¥ 33,346	$ 272,457
Other (intangible assets)	19,557	159,792

(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.
Whenever the circumstance indicates the carrying amount of an asset or asset group may not be recoverable, the Group determines whether impairment loss should be recognized. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows.
The Group identified an indication of impairment on assets group relating to Australian flour milling business due to the impact of COVID-19 and compared the carrying amounts to the sum of the undiscounted future cash flows. As a result, the sum of undiscounted future cash flows exceeded the carrying amounts. Therefore, the Group determined that the recognition of impairment loss was not necessary.
The undiscounted future cash flows are based on the valuation results of independent third-party experts and calculated with consideration of market growth, sales forecasts and the impact of COVID-19, etc.

v. *Changes in Accounting Policy*

(Application of "Accounting Standard for Revenue Recognition")

From the beginning of the year ended March 31, 2022, the Group applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020 (the "Statement No. 29")) and relevant implementation guidance. Revenue is recognized at the time of the transfer of promised goods or services to customers in an amount to which the Group expects to be entitled in exchange for those goods or services.

Main changes by the application are as follows:

- Rebates to the customers, which used to be recorded in selling, general and administrative expenses, were changed to be deducted from transaction prices. As a result, net sales for the year ended March 31, 2022 decreased by ¥58,351 million ($476,763 thousand). There were no effects on income before income taxes.
- Domestic consolidated subsidiaries used to recognize revenue mainly at the time of shipment. It was changed to recognize revenue when the goods or products were received by the customers. The effects of the change on the consolidated financial statements for the year ended March 31, 2022 were immaterial.

As permitted by the conditional clause of Paragraph 84 of the Statement No. 29, the cumulative effects of the change if the Standard was applied before the beginning of the year ended March 31, 2022, is added to or deducted from the beginning balance of retained earnings of the year ended March 31, 2022.

However, the new accounting policy was not applied retrospectively to contracts for which almost all revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the year ended March 31, 2022, by applying the method stipulated in Paragraph 86 of the Statement No. 29. In addition, for the alterations of the contracts before the beginning of the year ended March 31, 2022, terms and conditions in the latest version of the contracts were adopted in the calculation of the cumulative impact of retrospective application of the new accounting policy which were added to or deducted from the beginning balance of retained earnings of the year ended March 31, 2022, according to Paragraph 86 Note (1) of the Statement No. 29. As a result, the effects on the beginning balance of retained earnings of the year ended March 31, 2022 were immaterial.

Trade notes and accounts presented in current assets on the consolidated balance sheet as of March 31, 2021 is included in trade notes, accounts receivable and contract assets as of March 31, 2022. Decrease (increase) in trade notes and accounts receivable presented in operating activities on the consolidated statement of cash flows for the year ended March 31, 2021 is included in decrease (increase) in trade notes, accounts receivable and contract assets for the year ended March 31, 2022. Reclassification has not been made to the consolidated financial statements for the year ended March 31, 2021, according to the transitional treatment in Paragraph 89-2 of the Statement No. 29.

According to the transitional treatment in Paragraph 89-3 of the Statement No. 29, notes disclosure on revenue recognition has been omitted for the year ended March 31, 2021.

(Application of "Accounting Standard for Fair Value Measurement")

From the beginning of the year ended March 31,2022 the Group applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019 (the "Statement No. 30")) and relevant accounting standards and implementation guidance. According to the transitional treatment in Paragraph 19 of the Statement No. 30 and Paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Group applied the new accounting standards prospectively. The effects of this change on the consolidated financial statements for the year ended March 31, 2022 were immaterial.

The Group disclosed information on financial instruments categorized by fair value hierarchy in Note 18. "Financial Instruments and Related Disclosure," while the Group omitted disclosure for the year ended March 31, 2021 according to the transitional treatment in Paragraph 7-4 of "Implementation Guidance on Disclosure about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, July 4, 2019).

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, 2022 and 2021 comprised of the following:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	**2022**
Merchandise and finished goods	**¥ 35,825**	¥ 30,881	**$ 292,712**
Work in process	**4,581**	5,483	**37,430**
Raw materials and supplies	**56,188**	45,241	**459,090**
Total	**¥ 96,596**	¥ 81,606	**$ 789,247**

Inventory write-downs of ¥378 million ($3,088 thousand) and ¥394 million based on the lower of cost or market method was deducted from the carrying amounts of inventories at March 31, 2022 and 2021, respectively.

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

Short-term bank loans and long-term debt as of March 31, 2022 and 2021 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	**2022**
Short-term bank loans with average interest rate of 0.7197% at March 31, 2022	**¥ 5,363**	¥ 4,307	**$ 43,819**
Current portion of long-term bank loans with average interest rate of 2.4396% at March 31, 2022	**1,425**	1,239	**11,643**
Current portion of lease obligations	**1,798**	1,881	**14,691**
Total short-term bank loans and current portion of long term debt	**8,586**	7,427	**70,153**
Long-term bank loans at March 31, 2022 with average interest rate of 1.2340%, less current portion, due from 2023 to 2034	**13,785**	14,729	**112,632**
Long-term lease obligations at March 31, 2022, due from 2023 to 2051	**38,939**	36,673	**318,155**
Unsecured 0.20% domestic standard bonds due in 2029	**10,000**	10,000	**81,706**
Unsecured 0.56% domestic standard bonds due in 2039	**10,000**	10,000	**81,706**
Total long-term debt	**72,724**	71,402	**594,199**
Total	**¥ 81,312**	¥ 78,831	**$ 664,368**

* Average interest rates of bank loans represent the weighted-average rates for the outstanding balances at March 31, 2022.

* 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, 2022 were calculated based on inclusive-of-interest method.

The annual maturities of long-term bank loans at March 31, 2022, excluding the current portion, are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2024	**¥ 1,432**	**$ 11,700**
2025	**1,194**	**9,756**
2026	**417**	**3,407**
2027	**374**	**3,056**
2028 and thereafter	**10,366**	**84,696**

The annual maturities of long-term lease obligations at March 31, 2022, excluding the current portion are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2024	**¥ 1,551**	**$ 12,673**
2025	**940**	**7,680**
2026	**457**	**3,734**
2027	**275**	**2,247**
2028 and thereafter	**35,716**	**291,821**

The annual maturities of bonds at March 31, 2022, excluding the current portion, are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2024	¥ -	$ -
2025	-	-
2026	-	-
2027	-	-
2028 and thereafter	20,000	163,412

The Group has entered into certain line-of-credit agreements with major financial institutions amounting to ¥38,204 million ($312,150 thousand) and ¥36,526 million at March 31, 2022 and 2021, respectively.

Bank loans outstanding under these line-of-credit agreements amounted to ¥1,975 million ($16,137 thousand) and nil at March 31, 2022 and 2021, respectively.

Contracted fees for these line-of-credit agreements amounted to ¥ 50 million ($409 thousand) and ¥49 million for the years ended March 31, 2022 and 2021, 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, 2022 and 2021 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
Balance at beginning of year	¥ 25,438	¥ 25,903	$ 207,844
Service cost	1,353	1,326	11,055
Interest cost	183	183	1,495
Actuarial loss	103	124	842
Retirement benefits paid	(1,890)	(2,140)	(15,442)
Other	20	39	163
Balance at end of year	¥ 25,209	¥ 25,438	$ 205,973

(b) The changes in plan assets during the years ended March 31, 2022 and 2021 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
Balance at beginning of year	¥ 3,205	¥ 3,768	$ 26,187
Expected return on plan assets	38	104	310
Actuarial loss	(15)	(36)	(123)
Retirement benefits paid	(600)	(690)	(4,902)
Contributions from the employer	52	59	425
Balance at end of year	¥ 2,680	¥ 3,205	$ 21,897

* Fair value of plan assets for the years ended March 31, 2022 and 2021 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, 2022 and 2021 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2021
Funded projected benefit obligation	¥ 2,281	¥ 2,861	$ 18,637
Plan assets at fair value	(2,680)	(3,205)	(21,897)
	(399)	(344)	(3,260)
Unfunded projected benefit obligation	22,928	22,576	187,336
Net liability and asset recorded on the consolidated balance sheet	22,528	22,232	184,067
Net defined benefit liability	22,845	22,533	186,657
Net defined benefit asset	(316)	(301)	(2,582)
Net liability recorded on the consolidated balance sheet	¥ 22,528	¥ 22,232	$ 184,067

(d) The components of retirement benefit costs for the years ended March 31, 2022 and 2021 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
Service cost	¥ 1,353	¥ 1,326	$ 11,055
Interest cost	183	183	1,495
Expected return on plan assets	(38)	(104)	(310)
Amortization of actuarial loss	436	365	3,562
Amortization of prior service cost	(98)	(102)	(801)
Net retirement benefit costs	¥ 1,837	¥ 1,668	$ 15,009

* 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, 2022 and 2021 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
Prior service cost	¥ (98)	¥ (102)	$ (801)
Actuarial gain (loss)	318	204	2,598
Total	¥ 219	¥ 102	$ 1,789

(f) The components of remeasurements of defined benefit plans (before income tax effect) in accumulated other comprehensive income as of March 31, 2022 and 2021 are as follows:

	Millions of yen				Thousands of U.S. dollars	
	2022		2021		2022	
Unrecognized prior service cost	¥	(424)	¥	(523)	$	(3,464)
Unrecognized actuarial loss		1,822		2,140		14,887
Total	¥	1,398	¥	1,616	$	11,423

(g) Plan assets

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

	2022	2021
General account	53%	51%
Bonds	37	40
Cash and deposits	10	9
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, 2022 and 2021 are set forth as follows:

		2022	2021
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, 2022 and 2021 amounted to ¥1,693 million ($13,833 thousand) and ¥1,603 million, respectively.

7. STOCK OPTION PLANS

Gain on cancel of unexercised stock options for the years ended March 31, 2022 and 2021 amounted to ¥14 million ($114 thousand) and ¥8 million, respectively.

At March 31, 2022, the Company and consolidated subsidiaries had the following stock option plans:

	2014 Plan	2015 Plan	2016 Plan
Grantees	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
Number of shares granted	337,700 shares *1	326,000 shares	339,000 shares
Grant date	August 19, 2014	August 19, 2015	August 15, 2016
Conditions for vesting	Not stated	Not stated	Not stated
Service period	Not specified	Not specified	Not specified
Exercisable period	August 20, 2016-August 2, 2021	August 20, 2017-August 1, 2022	August 16, 2018-August 1, 2023

	2014 Plan *1	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	46,200	200,000	261,000
Vested during the year	-	-	-
Exercised during the year	33,000	7,000	1,000
Canceled during the year	13,200	19,000	35,000
Outstanding at end of the year	-	174,000	225,000
Exercise price (Yen)	¥1,159	¥1,748	¥1,753
Exercise price (U.S. dollars)	$9.47	$14.28	$14.32
Weighted-average market price upon exercise (Yen)	¥1,716	¥1,827	¥1,861
Weighted-average market price upon exercise (U.S. dollars)	$14.02	$14.93	$15.21
Fair value as of grant date (Yen)	¥122	¥266	¥220
Fair value as of grant date (U.S. dollars)	$1.00	$2.17	$1.80

*1 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, 2022			
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	**6,983**	**115**	**137**	**6,960**

1. Treasury stock increased due to (a) share vesting trust (114 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 (41 thousand shares).
3. The number of treasury shares of common stock as of March 31, 2022 includes 42 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, 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.

(b) Stock acquisition rights

		Balance at March 31, 2022	
Category	Details of Options	Millions of yen	Thousands of U.S. dollars
Supplying company	Stock acquisition rights as stock options	**¥ 95**	**$ 776**
(Parent Company)	Total	**¥ 95**	**$ 776**

		Balance at March 31, 2021
Category	Details of Options	Millions of yen
Supplying company	Stock acquisition rights as stock options	¥ 116
(Parent Company)	Total	¥ 116

(c) Dividends

(1) Dividends paid to shareholders

Year ended March 31, 2022

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)		
June 25, 2021	**Board of directors**	**Common stock**	**¥5,949**	**$ 48,607**	**¥20**	**$ 0.16**	**March 31, 2021**	**June 28, 2021**
October 28, 2021	**Board of directors**	**Common stock**	**¥5,652**	**$ 46,180**	**¥19**	**$ 0.16**	**September 30, 2021**	**December 3, 2021**

* Total dividends paid include ¥2 million ($16 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, 2021

Date of Approval	Resolution Approved by	Type of Shares	Amount	Amount per Share	Cut-off Date	Effective Date
			(Millions of yen)	(Yen)		
May 14, 2020	Board of directors	Common stock	¥5,055	¥17	March 31, 2020	June 26, 2020
October 27, 2020	Board of directors	Common stock	¥5,056	¥17	September 30, 2020	December 4, 2020

* Total dividends paid include ¥2 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, 2022

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 28, 2022	**Shareholders**	**Common stock**	**Retained earnings**	**¥ 5,950**	**$ 48,615**	**¥ 20**	**$ 0.16**	**March 31, 2022**	**June 29, 2022**

* 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, 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)	(Yen)		
June 25, 2021	Shareholders	Common stock	Retained earnings	¥ 5,949	¥ 20	March 31, 2021	June 28, 2021

* 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, 2022 and 2021 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	**2022**
Freight	**¥ 39,373**	¥ 50,728	**$ 321,701**
Employees' salaries	**19,622**	18,933	**160,324**
Employees' bonuses and benefits	**12,622**	12,104	**103,129**
Retirement benefits	**1,581**	1,473	**12,918**
Other	**45,447**	78,649	**371,329**
Total	**¥118,645**	¥161,887	**$ 969,401**

11. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses included in selling, general and administrative expenses and manufacturing costs were ¥7,018 million ($57,341 thousand) and ¥6,593 million for the years ended March 31, 2022 and 2021, respectively.

12. BUSINESS RESTRUCTURING EXPENSES

"Business restructuring expenses" of ¥388 million for the year ended March 31, 2021 consist primarily of expenses related to the end of production of the pet food business.

13. EXPENSES RELATED TO COMPANY NAME CHANGE

Expenses related to company name change of ¥336 million ($2,745 thousand) for the year ended March 31, 2022 consist primarily of revision and disposal expenses of packaging material relating to the company name change of the subsidiary in processed food business from "Nissin foods Inc." to "Nisshin Seifun Welna Inc."

14. IMPAIRMENT LOSS

The Group recognized impairment loss on the following assets for the year ended March 31, 2022:

Location	Use (Business segment)	Item
New Zealand	Business assets (Flour Milling)	Buildings and structures, Machinery and equipment and other

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 business assets in the plant and other facilities of the flour milling business in New Zealand, following comprehensive consideration of factors surrounding a downturn in business performance due to the lockdown caused by COVID 19, the Group conducted an impairment test in accordance with International Financial Reporting Standards. Therefore, the book value of the assets was written down to the amounts deemed recoverable, resulting in impairment loss of ¥2,300 million ($18,792 thousand). The impairment loss consists of ¥679 million ($5,548 thousand) for buildings and structures, ¥1,005 million ($8,211 thousand) for machinery and equipment and ¥615 million ($5,025 thousand) for other assets.
The recoverable amount for the above assets group was measured based on the

discounted cash flows from the continued use of the assets (discount rate of 9.7%). Impairment losses other than listed above are omitted as the amounts are immaterial.

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 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.

15. 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, 2022 and 2021.

The tax effects of significant temporary differences and tax loss carry forwards which resulted in deferred tax assets and liabilities as of March 31, 2022 and 2021 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	**2022**
Deferred tax assets:			
Net defined benefit liability	**¥ 6,771**	¥ 6,678	**$ 55,323**
Investment securities	**4,014**	2,972	**32,797**
Impairment loss on long-lived assets	**2,760**	2,346	**22,551**
Provision for bonuses	**1,799**	1,701	**14,699**
Adjustments for lease transactions	**1,786**	1,516	**14,593**
Intangible assets	**1,125**	1,122	**9,192**
Accrued sales incentives	**941**	963	**7,689**
Unrealized gain on fixed assets	**813**	861	**6,643**
Depreciation	**569**	527	**4,649**
Accrued enterprise taxes	**530**	399	**4,330**
Inventories	**434**	482	**3,546**
Provision for repairs	**419**	404	**3,423**
Loss carryforward	**210**	541	**1,716**
Other	**3,276**	3,027	**26,767**
Gross deferred tax assets	**24,809**	23,545	**202,704**
Valuation allowance	**(6,187)**	(4,617)	**(50,552)**
Deferred tax assets, net	**¥ 19,265**	¥ 18,928	**$ 157,407**

	Millions of yen		Thousands of U.S. dollars
	2022	2021	**2022**
Deferred tax liabilities:			
Unrealized gain on available-for-sale securities	**¥ (26,334)**	¥ (28,175)	**$ (215,165)**
Intangible assets	**(7,087)**	(7,248)	**(57,905)**
Underdepreciation	**(2,484)**	(2,086)	**(20,296)**
Reserve for reduction entry of fixed assets	**(1,732)**	(1,778)	**(14,151)**
Retained earnings of subsidiaries and associates	**(1,544)**	(1,461)	**(12,615)**
Securities returned from employee retirement benefit trust	**(961)**	(961)	**(7,852)**
Other	**(548)**	(786)	**(4,477)**
Gross deferred tax liabilities	**(40,692)**	(42,498)	**(332,478)**
Deferred tax liabilities, net	**¥ (21,426)**	¥ (23,570)	**$ (175,063)**

Disclosure of the reconciliation between the statutory and effective tax rates for the year ended March 31, 2022 and 2021 is as follows:

	Year ended March 31 2022	Year ended March 31 2021
Statutory tax rate	30.6%	30.6%
Non-taxable dividend income and others	(1.2)	(0.7)
Non-deductible expenses	1.7	0.5
Tax credits	(1.6)	(1.6)
Equity in earnings of unconsolidated subsidiaries	(2.1)	(1.8)
Amortization of goodwill	5.4	5.5
Per capita inhabitant tax	0.6	0.6
Adjustments for book value of equity securities	2.9	-
Impairment loss	2.1	-
Other	0.6	(0.1)
Effective tax rate	39.0%	33.0%

16. LEASES

The Group primarily leases information system equipment and software.

The future minimum lease commitments under noncancellable operating leases subsequent to March 31, 2022 and 2021 are summarized as follows:

(As Lessee)

	Millions of yen		Thousands of U.S. dollars
	2022	2021	**2022**
Due within one year	**¥ 523**	¥ 376	**$ 4,273**
Due after one year	**2,796**	2,627	**22,845**
Total	**¥ 3,319**	¥ 3,003	**$ 27,118**

(As Lessor)

	Millions of yen		Thousands of U.S. dollars
	2022	2021	**2022**
Due within one year	**¥ 204**	¥ 204	**$ 1,667**
Due after one year	**3,550**	3,755	**29,006**
Total	**¥ 3,755**	¥ 3,960	**$ 30,681**

(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."

17. PER SHARE INFORMATION

	2022	2021	2022
Earnings per share:			
Basic *1	¥ 58.88	¥ 63.95	$ 0.48
Diluted	58.88	63.94	0.48
Net assets per share *2	¥ 1,510.35	¥ 1,456.37	$ 12.34

*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, 2022 and 2021, the average number of shares of common stock for the Company shares held in the aforementioned trust were 59,638 shares and 51,369 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, 2022 and 2021, 42,900 Company shares and 25,000 Company shares were held in the aforementioned trust, respectively.

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

	2022	2021
Profit attributable to owners of parent available for distribution to common shareholders	¥ 17,509 million ($143,059 thousand)	¥ 19,011 million
Weighted average number of shares for basic net income	297,369,226 shares	297,292,370 shares
Increase in shares of common stock		
Stock acquisition rights	4,117 shares	28,921 shares
Number of shares for diluted net income	297,373,343 shares	297,321,291 shares
Summary of potentially issuable shares that do not have a dilutive effect on net income per share	Resolution date of General Shareholders' Meeting June 28, 2016 (Stock acquisition rights 81)	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:

	2022	2021	2022
Total net assets	¥ 460,643 million	¥ 444,774 million	$ 3,763,731 thousand
Amounts deducted from total net assets			
Stock acquisition rights	95 million	116 million	776 thousand
Noncontrolling interests	11,373 million	11,569 million	92,924 thousand
Net assets attributable to shares of common stock	449,174 million	433,089 million	3,670,022 thousand
Number of shares of common stock used in the calculation of net assets per share	297,396,984 shares	297,374,744 shares	

18. 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 the calculation of fair values of financial instruments 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 Derivatives, 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, 2022 and 2021, fair value and differences are as follows.

	2022					
	Millions of yen			Thousands of U.S. dollars		
	Carrying Amount	Fair Value	Unrealized Gains (Losses)	Carrying Value	Fair Value	Unrealized Gains (Losses)
Debt and marketable equity securities: (*2)						
Available-for-sale securities	¥115,169	¥115,185	¥ 16	$ 941,000	$ 941,131	$ 131
Investments in subsidiaries and associated companies	3,208	1,158	(2,050)	26,211	9,462	(16,750)
Total assets	¥118,378	¥116,343	¥ (2,034)	$ 967,220	$ 950,592	$ (16,619)
Bonds	20,000	19,009	(990)	163,412	155,315	(8,089)
Long-term bank loans	15,210	14,608	(601)	124,275	119,356	(4,911)
Total liabilities	¥ 35,210	¥ 33,618	¥ (1,592)	$ 287,687	$ 274,679	$ (13,008)
Derivative transactions: (*3)						
Hedge accounting not applied	2,611	2,611	-	21,333	21,333	-
Hedge accounting applied	364	364	-	2,974	2,974	-
Total derivative transactions	¥ 2,976	¥ 2,976	¥ -	$ 24,316	$ 24,316	$ -

(*1) Cash and cash equivalents, Receivables-trade notes, accounts receivable and contract assets, Payables-trade notes and accounts, and Short-term loans payable were omitted as the carrying values approximate fair value because of their short maturities.

(*2) Unlisted equity securities of ¥24,316 million ($198,676 thousand) are equity securities without market values and not included in the above table.

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

	2021		
	Millions of yen		
	Carrying Amount	Fair Value	Unrealized Gains (Losses)
Debt and marketable equity securities: (*2)			
Available-for-sale securities	¥121,833	¥121,833	¥ -
Investments in subsidiaries and associated companies	2,873	1,350	(1,522)
Total assets	¥124,707	¥123,184	¥ (1,522)
Bonds	20,000	19,373	(626)
Long-term bank loans	15,969	15,639	(330)
Total liabilities	¥ 35,969	¥ 35,012	¥ (957)
Derivative transactions: (*3)			
Hedge accounting not applied	11	11	-
Hedge accounting applied	222	222	-
Total derivative transactions	¥ 234	¥ 234	¥ -

(*1)Cash and cash equivalents, Receivables-trade notes, accounts receivable and contract assets, Payables-trade notes and accounts, and Short-term loans payable were omitted as the carrying values approximate fair value because of their short maturities.

(*2) Unlisted equity securities of ¥22,913 million whose fair value is unobservable are not included in the

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

(c) The redemption schedule for financial instruments and securities with maturities as of March 31, 2022 and 2021 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	2022
	Due in One Year or Less	Due in One Year or Less	Due in One Year or Less
Cash and deposits	¥ 69,607	¥ 61,282	$ 568,731
Receivables-Trade notes and accounts	96,280	85,483	786,666
Debt securities:			
Available-for-sale securities	1,104	453	9,020
Total	¥ 166,992	¥ 147,218	$1,364,425

(d) Financial instruments categorized by fair value hierarchy
The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1:	Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.
Level 3:	Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is categorized at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(1) The financial assets and liabilities measured at the fair values in the consolidated balance sheet:

	2022			
	Millions of yen			
	Level 1	Level 2	Level 3	Total
Debt and marketable equity securities:				
Available-for-sale securities:				
Equity securities	¥ 114,049	¥ -	¥ -	¥ 114,049
Government bonds	1,103	-	-	1,103
Derivative transactions:				
Currency related	17	333	-	350
Commodity related	2,625	-	-	2,625
Total assets	¥ 117,796	¥ 333	¥ -	¥ 118,130

	2022			
	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Debt and marketable equity securities:				
Available-for-sale securities:				
Equity securities	$ 931,849	$ -	$ -	$ 931,849
Government bonds	9,012	-	-	9,012
Derivative transactions:				
Currency related	139	2,721	-	2,860
Commodity related	21,448	-	-	21,448
Total assets	$ 962,464	$ 2,721	$ -	$ 965,193

(2) The financial assets and liabilities not measured at the fair values in the consolidated balance sheet

	2022			
	Millions of yen			
	Level 1	Level 2	Level 3	Total
Debt and marketable equity securities:				
Available-for-sale securities:				
Equity securities	¥ -	¥ 32	¥ -	¥ 32
Investments in subsidiaries and associated companies:				
Equity securities of associated companies	1,158	-	-	1,158
Total assets	¥ 1,158	¥ 32	¥ -	¥ 1,190
Bonds	-	19,009	-	19,009
Long-term bank loans	-	14,608	-	14,608
Total liabilities	¥ -	¥ 33,618	¥ -	¥ 33,618

	2022			
	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Debt and marketable equity securities:				
Available-for-sale securities:				
Equity securities	$ -	$ 261	$ -	$ 261
Investments in subsidiaries and associated companies:				
Equity securities of associated companies	9,462	-	-	9,462
Total assets	$ 9,462	$ 261	$ -	$ 9,723
Bonds	-	155,315	-	155,315
Long-term bank loans	-	119,356	-	119,356
Total liabilities	$ -	$ 274,679	$ -	$ 274,679

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities:

Debt and marketable equity securities

The fair values of listed equity securities and government bonds are measured at the quoted market prices and categorized as Level 1 since they are traded in active markets. Share type golf membership are measured at the quoted market prices in dealers' markets and categorized as Level 2.

Derivative transactions

The fair values of derivative transactions traded on the exchanges are measured at the quoted market prices and categorized as Level 1 since they are traded in active markets. For other derivative transactions, the fair values are measured at the offered price by financial institutions and categorized as Level 2.

Bonds and Long-term loans payable
The fair values of bonds and long-term loans payable are 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, and categorized as Level 2.

19. INVESTMENTS IN DEBT AND EQUITY SECURITIES

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

	2022					
	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	¥112,906	¥ 25,825	¥ 87,080	$ 922,510	$ 211,006	$711,496
Bonds:						
Government and municipal bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	112,906	25,825	87,080	922,510	211,006	711,496
Securities whose carrying value does not exceed their acquisition cost:						
Equity securities	1,159	1,238	(78)	9,470	10,115	(637)
Bonds:						
Government and municipal bonds	1,103	1,103	(0)	9,012	9,012	(0)
Corporate bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	2,263	2,342	(78)	18,490	19,136	(637)
Total	¥115,169	¥ 28,167	¥ 87,001	$ 941,000	$ 230,141	$710,851

	2021		
	Millions of yen		
	Carrying Amount	Acquisition Cost	Unrealized Gains (Losses)
Securities whose carrying value exceeds their acquisition cost:			
Equity securities	¥119,473	¥ 26,213	¥ 93,259
Bonds:			
Government and municipal bonds	-	-	-
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	119,473	26,213	93,259
Securities whose carrying value does not exceed their acquisition cost:			
Equity securities	1,907	2,232	(324)
Bonds:			
Government and municipal bonds	452	452	-
Corporate bonds	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	2,360	2,685	(324)
Total	¥121,833	¥ 28,899	¥ 92,934

As of March 31, 2022, and 2021, the Company had ¥367 million ($ 2,999 thousand) and ¥247 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, 2022 and 2021 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	**2022**
Equity			
Proceeds from sales	**¥ 1,938**	¥ 1,934	**$ 15,835**
Aggregate gains on sales	**1,645**	1,421	**13,441**
Aggregate losses on sales	**-**	(0)	**-**

20. DERIVATIVES

Derivative transactions for which hedge accounting is not applied at March 31, 2022 and 2021 are as follows:

	2022							
	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	¥ 942	¥ -	¥ 17	¥ 17	$ 7,697	$ -	$ 139	$ 139
Forward exchange contracts:								
Sell:								
U.S. dollars	¥ 268	¥ -	¥ (12)	¥ (12)	$ 2,190	$ -	$ (98)	$ (98)
Euro	74	-	(4)	(4)	605	-	(33)	(33)
Buy:								
U.S. dollars	1,443	-	(14)	(14)	11,790	-	(114)	(114)
Euro	37	-	(0)	(0)	302	-	(0)	(0)
Japanese yen	2	-	(0)	(0)	16	-	(0)	(0)
British Pound	27	-	0	0	221	-	0	0
Total	¥ 2,796	¥ -	¥ (13)	¥ (13)	$ 22,845	$ -	$ (106)	$ (106)
Commodity futures:								
Sell:								
Wheat	¥12,922	¥ -	¥ (408)	¥ (408)	$ 105,581	$ -	$ (3,334)	$ (3,334)
Buy:								
Wheat	12,644	147	3,033	3,033	103,309	1,201	24,781	24,781
Total	¥25,566	¥ 147	¥ 2,625	¥ 2,625	$ 208,890	$ 1,201	$ 21,448	$21,448

	2021			
	Millions of yen			
	Contract Amount and Others	Due after One Year	Fair Value	Unrealized Gain (Loss)
Currency futures:				
Buy:				
Canadian dollars	¥ 600	¥ -	¥ 5	¥ 5
Forward exchange contracts:				
Sell:				
U.S. dollars	¥ 220	¥ -	¥ (10)	¥ (10)
Euro	55	-	(1)	(1)
Buy:				
U.S. dollars	774	-	28	28
Euro	59	-	0	0
Japanese yen	1	-	(0)	(0)
British Pound	6	-	0	0
Total	¥ 1,717	¥ -	¥ 23	¥ 23
Commodity futures:				
Sell:				
Wheat	¥ 6,719	¥ -	¥ 120	¥ 120
Buy:				
Wheat	4,377	316	(132)	(132)
Total	¥11,097	¥ 316	¥ (11)	¥(11)

* 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, 2022 and 2021 are as follows:

		2022					
		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	¥ 1,854	¥ -	¥ (2)	$ 15,148	$ -	$ (16)
Buy:							
U.S. dollars	Anticipated foreign currency transactions	3,910	-	251	31,947	-	2,051
Thai baht		1,417	-	103	11,578	-	842
Euro		625	-	18	5,107	-	147
Australian dollars		2,727	-	(6)	22,281	-	(49)
Allocation method							
Forward exchange contracts:							
Sell:							
U.S. dollars	Accounts receivables	¥ 284	¥ -	¥ -	$ 2,320	$ -	$ -
Buy:							
U.S. dollars	Accounts payables	78	-	-	637	-	-
Euro		31	-	-	253	-	-
		¥ 10,930	¥ -	¥ 364	$ 89,305	$ -	$ 2,974

		2021		
		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	¥ 1,459	¥ -	¥ 22
Buy:				
U.S. dollars	Anticipated foreign currency transactions	3,512	-	142
Thai baht		1,394	-	44
Euro		525	-	9
Australian dollars		254	-	3
Allocation method				
Forward exchange contracts:				
Sell:				
U.S. dollars	Accounts receivables	¥ 909	¥ -	¥ -
Buy:				
U.S. dollars	Accounts payables	86	-	-
Euro		23	-	-
		¥ 8,168	¥ -	¥ 222

21. OTHER COMPREHENSIVE INCOME

Reclassification adjustments and income tax effects attributable to other comprehensive income for the years ended March 31, 2022 and 2021 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2021	**2022**
Unrealized gain (loss) on available-for-sale securities:			
Gains (losses) arising during the year	**¥ (4,294)**	¥ 12,465	**$ (35,085)**
Reclassification adjustments	**(1,632)**	(1,396)	**(13,334)**
Before income tax effects	**(5,926)**	11,068	**(48,419)**
Income tax effects	**1,839**	(3,408)	**15,026**
Total	**(4,087)**	7,660	**(33,393)**
Deferred gain (loss) on derivatives under hedge accounting:			
Gains (losses) arising during the year	**161**	312	**1,315**
Reclassification adjustments	**(19)**	8	**(155)**
Before income tax effects	**141**	321	**1,152**
Income tax effects	**(44)**	(95)	**(360)**
Total	**97**	225	**793**
Foreign currency translation adjustments:			
Adjustments arising during the year	**13,497**	21,366	**110,279**
Defined retirement benefit plans:			
Adjustments arising during the year	**(118)**	(160)	**(964)**
Reclassification adjustments	**338**	262	**2,762**
Before income tax effects	**219**	102	**1,789**
Income tax effects	**(64)**	(30)	**(523)**
Total	**154**	71	**1,258**
Share of other comprehensive income (loss) in associates:			
Adjustments arising during the year	**467**	(25)	**3,816**
Total other comprehensive income (loss)	**¥ 10,130**	¥ 29,298	**$ 82,768**

22. REVENUE RECOGNITION

(a) Disaggregation of revenue

Revenues from contracts with customers on a disaggregated basis for the year ended March 31, 2022 were as follows:

	Millions of yen					
	2022					
	Reportable segment					
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Subtotal	Other	Total
Japan	¥ 149,921	¥ 166,067	¥ 138,384	¥ 454,372	¥ 39,473	¥ 493,845
Overseas	163,598	16,901	-	180,499	5,391	185,890
Sales to external customers	313,519	182,968	138,384	634,872	44,864	679,736

	Thousands of U.S. dollars					
	2022					
	Reportable segment					
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Subtotal	Other	Total
Japan	$ 1,224,945	$1,356,867	$ 1,130,681	$ 3,712,493	$ 322,518	$ 4,035,011
Overseas	1,336,694	138,091	-	1,474,786	44,048	1,518,833
Sales to external customers	2,561,639	1,494,959	1,130,681	5,187,287	366,566	5,553,852

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

(b) Basic information to understand revenues from contracts with customers is disclosed in Note 2. q. Basis of Revenues and Expenses Recognition.

(c) Contract balances

Contract assets and liabilities as of March 31, 2022 are as follows:

	2022	
	Millions of yen	Thousands of U.S. dollars
Accounts receivable	¥ 90,999	$ 743,517
Trade notes	5,280	43,141
Contract assets	4,314	35,248
Contract liability	2,113	17,264

23. SUBSEQUENT EVENTS

Appropriation of Retained Earnings

The following appropriation of retained earnings on March 31, 2022, was approved at the Company's shareholders' meeting held on June 28, 2022:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥20 ($0.16) per share	¥5,950	$48,615

Company split

At a meeting of the Board of Directors held on April 26, 2022, the Company resolved to establish an intermediate holding company by company split and transfer all shares held by the Company in Tokatsu Foods Co., Ltd. ("Tokatsu Foods"), Joyous Foods Co., Ltd. ("Joyous Foods"), and Initio Foods Inc. ("Initio Foods"), subsidiaries in prepared dishes and other prepared foods business.

(a)Purpose of the company split
The Company has identified growth opportunities in the prepared dishes and other prepared foods business, and is taking steps to groom it as one of the Group's core operations. Following the consolidation of Tokatsu Foods in July 2019, the Company consolidated Joyous Foods and Initio Foods to expand the prepared dishes and other prepared foods business and frozen foods businesses, leveraging the Group's research expertise and product development capabilities.

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

Going forward, the intermediate holding company promotes effective utilization of operating resources among three companies and engages in business administration and strategy planning. Also, by developing competitive operating structure with strong risk control and governance, the Company expects to enhance the corporate value.

(b)Outline of the company split
(1)Schedule of the company split

Date of resolution by Board of Directors	April 26, 2022
Scheduled date of the company split	July 1, 2022

* This company split is qualified for the simplified method in Paragraph 805 of the Companies Act and executed without resolution of shareholders' meeting. The schedule can be modified as needed for several reasons.

(2) Method of the company split
Simplified incorporation-type company split, where the Company as a split company and the newly established company as a successor company which is wholly owned subsidiary of the Company.

(3)Allotment of shares
The newly established company issues 1,000 shares and allot all to the Company. The number of shares were decided to be reasonable considering appropriate control of the newly established company.

(4) Effect on capital by the company split
There is no effect on capital amount by the company split.

(5) Rights and obligations the newly established company assumes
Based on the company split plan, the newly established company acquires whole shares of Tokatsu Foods, Joyous Foods and Initio Foods and assumes rights and obligations relating to management and support of other subsidiaries in the prepared dishes and other prepared foods business.

(c)Details of the parties in the company split

	Split company	Newly established company
Name	Nisshin Seifun Group Inc.	Nisshin Seifun Delica Frontier Inc.
Address	1-25, Kanda-Nishiki-cho, Chiyoda-ku, Tokyo, JAPAN	1-25, Kanda-Nishiki-cho, Chiyoda-ku, Tokyo, JAPAN
Principal activity	Holding company of the Group	Management and support of subsidiaries in the prepared dishes and other prepared foods business
Capital	¥17,117 million ($139,856 thousand)	¥100 million ($817 thousand)

(d)Details of business split
Management and support of subsidiaries in the prepared dishes and other prepared foods business

(e)Accounting policy applied
Accounting policy for transactions under common control is applied according to "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

Business combination through acquisition

On June 23, 2022, the Board of directors of Nisshin Flour Milling Inc. ("Nisshin Flour Milling"), a consolidated subsidiary of the Company, resolved to acquire 85% of the common stock of Kumamoto Flour Milling co., Ltd. ("Kumamoto Flour Milling") from Nagasaka Corporation subject to approval by appropriate authorities and signed the stock transfer agreement. As a result of the acquisition, Kumamoto Flour Milling and its subsidiaries are expected to become consolidated subsidiaries of the Company.

(a) Outline of the business combination
(1) Name and principal activity of acquired company
Name: Kumamoto Flour Milling co., Ltd.
Principal activity: Flour milling business, processed food business, warehousing business, real estate business and other

(2)Rationale for the business combination

Manufacture and sales of wheat flour is the core business of the Group since the foundation and essential operation of the Group. Nisshin Flour Milling acts an important role of Japan's food infrastructure and responsible for stable supply of staple food. In contrast, domestic business environment for wheat flour is rapidly changing and getting more competitive. In addition to the decrease in demand of wheat flour due to population decline, aging population and declining birthrate as already known, global competition is escalating along with the effect of international trade agreement and reduction in tariff.

Under these circumstances, the Group must achieve cost competitiveness over global competitors and adapt smoothly to the rapid environmental changes in order to sustain flour milling business and contribute to society.

Kumamoto Flour Milling was established in 1947 and has won high recognition and customer trust especially in Kyushu area. With its capability of technology, development and brand, Kumamoto Flour Milling is engaged not only in wheat flour business but also in buckwheat, rice flour business and related business.

In 2011, Nisshin Flour Milling entered into business alliance with Kumamoto Flour Milling and collaborated on supply of wheat flour and rice flour. At Kumamoto earthquake in 2016, both companies built a close relationship through alternative supply of products and restoration support of damaged production equipment.

With the careful consideration of business, know-how, human resources, assets and other aspects of Kumamoto Flour Milling, the Company determined that the acquisition would contribute to further expansion of business competitiveness since it enables to complement each other, enhance cost competitiveness by synergistic effect and adapt smoothly to environmental changes.

The Group pursue continued growth, stability of business operations and improvement of corporate value by building strong relationship between Nisshin Flour Milling and Kumamoto Flour Milling. Also, the Group fulfills the responsibility for supply of wheat flour and contribute to the further development of customers.

(3) Date of business combination
To be determined

(4) Legal form of business combination
Cash acquisition

(5) Entity name of business acquired:
Kumamoto Flour Milling co., Ltd.

(6) Proportion of voting rights acquired
85%

(7) The objective of acquisition is to obtain 85% of voting rights.

(b) Breakdown of acquisition cost and type of compensation
Not disclosed according to the agreement

(c) Expenses relating to the acquisition
To be determined

(d) Goodwill arising from the acquisition and the related amortization policy
To be determined

(e) Amount and principal breakdown of assets and liabilities assumed on date of business combination
To be determined

24. 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

As disclosed in Note 2. v. Changes in Accounting Policy, the Group applied Accounting Standard for Revenue Recognition and other related guidance from the beginning of the year ended March 31, 2022. The change was applied to the measurement of segment income (loss) as well.

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, 2022

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

Thousands of U.S. dollars, 2022

	Reportable segment: Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Subtotal	Other	Total	Adjustments	Consolidated
Net Sales:								
Sales to external customers	$ 2,561,639	$ 1,494,959	$ 1,130,681	$5,187,287	$ 366,566	$ 5,553,852	$ -	$ 5,553,852
Intersegment sales and transfers	133,728	13,285	42,528	189,550	24,871	214,421	(214,421)	-
Total	2,695,367	1,508,252	1,173,209	5,376,836	391,437	5,768,282	(214,421)	5,553,852
Segment income	$ 70,161	$ 101,405	$ 25,664	$ 197,247	$ 42,160	$ 239,407	$ 1,054	$ 240,461
Segment assets	$2,649,261	$ 1,297,451	$ 498,766	$4,445,494	$ 586,715	$ 5,032,209	$ 875,725	$ 5,907,942
Other items:								
Depreciation and amortization	$ 102,999	$ 42,749	$ 33,728	$ 179,484	$ 10,916	$ 190,400	$ (2,026)	$ 188,365
Investment in affiliates using equity method	31,212	1,299	-	32,511	153,101	185,612	-	185,612
Increase in property, plant and equipment, intangible assets, and right-of-use assets	70,757	48,689	18,539	137,993	11,790	149,783	(1,021)	148,762

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

1. The “Other” incorporates operations not included in reportable segments, including engineering, mesh cloths, handling and storage for the year ended March 31,2022 and pet food, engineering, mesh cloths, handling and storage for the year ended March 31,2021.

2. Adjustments of segment income refer to elimination of intersegment transactions. Adjustments of segment assets amounted to ¥107,180 million ($875,725 thousand) and ¥101,179 million as of March 31, 2022 and 2021, respectively, include offsetting of intersegment assets of ¥(89,071) million ($(727,764) thousand) and ¥(113,550) million, respectively and corporate assets of ¥196,252 million ($1,603,497 thousand) and ¥214,729 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

2022			
Millions of yen			
Japan	**U.S.**	**Other**	**Total**
¥ 493,845	**¥ 86,145**	**¥ 99,745**	**¥ 679,736**

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

2022			
Thousands of U.S. dollars			
Japan	**U.S.**	**Other**	**Total**
$ 4,035,011	**$ 703,857**	**$ 814,977**	**$ 5,553,852**

(2) Property, plant and equipment, and right-of-use assets

2022				
Millions of yen				
Japan	U.S.	Oceania	Other	Total
¥ 126,064	**¥ 23,647**	**¥ 44,567**	**¥ 25,100**	**¥ 219,379**

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

2022				
Thousands of U.S. dollars				
Japan	U.S.	Oceania	Other	Total
$ 1,030,019	**$ 193,210**	**$ 364,139**	**$ 205,082**	**$ 1,792,459**

5. Information about major customers

	2022		
	Name of the related segment	Millions of yen	Thousands of U.S. dollars
FamilyMart Co.,Ltd.	**Prepared Dishes and Other Prepared Foods**	**¥ 98,473**	**$ 804,584**

	2021	
	Name of the related segment	Millions of yen
FamilyMart Co.,Ltd.	Prepared Dishes and Other Prepared Foods	¥ 102,941

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

	2022			
	Millions of yen			
	Flour Milling	Processed Food	Other	Total
Impairment loss on long-lived assets	**¥ 2,300**	**¥ 139**	**¥ -**	**¥ 2,439**

	2021			
	Millions of yen			
	Flour Milling	Processed Food	Other	Total
Impairment loss on long-lived assets	¥ -	¥ -	¥ 977	¥ 977

	2022			
	Thousands of U.S. dollars			
	Flour Milling	Processed Food	Other	Total
Impairment loss on long-lived assets	**$ 18,792**	**$ 1,136**	**$ -**	**$ 19,928**

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

	2022			
	Millions of yen			
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total
Amortization	**¥ 4,619**	**¥ 64**	**¥ 1,180**	**¥ 5,864**
Unamortized balance	**33,722**	**101**	**8,561**	**42,385**

	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

	2022			
	Thousands of U.S. dollars			
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total
Amortization	**$ 37,740**	**$ 523**	**$ 9,641**	**$ 47,912**
Unamortized balance	**275,529**	**825**	**69,949**	**346,311**