

Summary of Consolidated Financial Results

For the Fiscal Year Ended March 31, 2022 (Japanese Accounting Standards)

April 28, 2022

Company name: Fuji Nihon Seito Corporation Listing: Standard Market of Tokyo Stock Exchange
 Stock code: 2114 <https://www.fnsugar.co.jp>
 Company Representative: Seiji Sakurada, President and Chief Executive Officer
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Planned date for annual general meeting of shareholders: June 21, 2022
 Planned date to start dividend payment: June 6, 2022
 Planned date for submission of financial report: June 21, 2022
 Preparation of supplementary material for financial statements: None
 Briefing session for financial statements: None

(Rounded down to millions of Japanese yen)

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

(1) Consolidated Results of Operations (Percentages are shown as year-on-year changes)

	Net sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	20,096	5.8	1,604	11.7	1,917	8.3	1,614	34.7
March 31, 2021	18,992	0.2	1,436	(3.7)	1,771	7.7	1,198	0.1

Note: Comprehensive income

The year ended March 31, 2022: 1,741 million yen (3.2%)

The year ended March 31, 2021: 1,688 million yen (65.1%)

	Net Profit per Share	Diluted Net Profit per Share	Return on Equity	Ordinary Profit Ratio to Total Assets	Operating Profit Ratio to Net Sales
Year ended	Yen		%	%	%
March 31, 2022	60.11	—	8.5	8.0	8.0
March 31, 2021	44.63	—	6.8	7.9	7.6

(Reference) Equity in net income of affiliates: For the year ended March 31, 2022: 124 million yen
 For the year ended March 31, 2021: 118 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of	Million yen	Million yen	%	Yen
March 31, 2022	24,745	19,712	79.8	735.73
March 31, 2021	23,475	18,246	78.2	684.04

(Reference) Shareholders' Equity: As of March 31, 2022: 19,755 million yen
 As of March 31, 2021: 18,367 million yen

(3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents as of the year-end
Year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	555	(476)	(275)	3,801
March 31, 2021	1,837	(478)	(345)	3,967

2. Cash Dividends

	Cash Dividend per Share					Total Cash Dividends (annual)	Payout Ratio (consolidated)	Ratio of Dividends to Net Assets (consolidated)
	1Q	2Q	3Q	4Q	Annual			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	—	0.00	—	11.00	11.00	295	24.6	1.7
March 31, 2022	—	0.00	—	13.00	13.00	349	21.6	1.8
Year ending March 31, 2023 (forecast)	—	0.00	—	14.00	14.00		32.7	

Note: Breakdown of dividend for the fiscal year ended March 31, 2022:

Ordinary dividend 11.00 yen, 20th anniversary commemorative dividend 2.00 yen

3. Consolidated Business Forecasts for the Fiscal Year 2023 (from April 1, 2022 to March 31, 2023)

(Percentages are shown as year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owner of parent		Net Profit per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Year ending March 31, 2023	21,100	5.0	1,350	(15.9)	1,550	(19.2)	1,150	(28.8)	42.83

Note: Revision of the business forecasts announced most recently: None

※ Notes

(1) Significant changes in subsidiaries during the period

(Changes in specified subsidiaries resulting in changes of scope of consolidation): None

(2) Changes in accounting policy and accounting estimates and restatement

(i) Changes in accounting policy due to any revision of accounting standards: Yes

(ii) Changes in accounting policy other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of outstanding shares (common shares)

Unit: 1 share

(i) Number of outstanding shares at the end of period (including Treasury Shares)	As of March 31, 2022	29,748,200	As of March 31, 2021	29,748,200
(ii) Number of treasury shares at the end of period	As of March 31, 2022	2,896,344	As of March 31, 2021	2,896,189
(iii) Average number of shares during the period	As of March 31, 2022	26,851,857	As of March 31, 2021	26,852,143

(Reference) Overview of Financial Results on a Non-consolidated Basis

1. Financial Results on a Non-consolidated Basis for the Fiscal Year 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated Results of Operations

(Percentages are shown as year-on-year changes)

	Net sales		Operating Profit		Ordinary Profit		Profit for the year	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	13,263	4.3	962	(17.7)	1,634	8.8	1,473	46.6
March 31, 2021	12,716	0.5	1,170	(4.5)	1,502	1.8	1,004	(8.1)

	Net Profit per Share		Diluted Net Profit per Share	
Year ended	Yen		Yen	
March 31, 2022	54.87		—	
March 31, 2021	37.42		—	

(2) Financial Position on a Non-consolidated Basis

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of	Million yen	Million yen	%	Yen
March 31, 2022	20,725	17,981	86.8	669.66
March 31, 2021	19,926	16,777	84.2	624.81

(Reference) Shareholders' Equity: As of March 31, 2022: 17,981 million yen

As of March 31, 2021: 16,777 million yen

※ Summary of Consolidated Financial Results is exempt from the audit review before this disclosure.

※ Explanation on appropriate use of business forecasts, and other special notes:

(Caution regarding forward-looking statements)

Business forecasts and other forward-looking statements contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational and are not intended to guarantee the achievements by the Company. Actual results may differ significantly from such forecasts due to various factors. For assumptions used for business forecasts and notes in using such forecasts, please refer to “(4) Qualitative information regarding consolidated business forecasts” in “1. The Results for the Fiscal Year 2021” on page 3 of the Appendix.

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1. The Results for the Fiscal Year 2021

(1) Qualitative information regarding consolidated operating results for the fiscal year 2021

In the fiscal year 2021, the Japanese economy was going severe circumstances, in which we had a slump in domestic consumption because the emergency declaration and the stricter COVID-19 measures were intermittently applied on a long-term basis for preventing the spread of the disease. Though more and more people have a booster shot for COVID-19 and there are various measures being employed, it doesn't lead to the dramatic improvement of the economic environment and the outlook is still unclear and uncertain.

The sugar refining industry has continued to be tough sales environment in general under the further decrease in consumption as usual due to the spread of COVID-19.

Under these economic environments, our Group made a lot of efforts to control the quality strictly, to maintain stable supply in the Sugar Business and continued to focus on providing high-value added sales proposal to our customers in the Functional Materials Business for enhancing customer satisfaction.

As a result, our consolidated net sales increased by 5.8% year on year to 20,096 million yen. Operating profit increased by 11.7% year on year to 1,604 million yen. Ordinary profit increased by 8.3% year on year to 1,917 million yen. Net profit attributable to owners of parent increased by 34.7% year on year to 1,614 million yen.

Operating results of each segment are as follows:

① Sugar Business

In the Sugar Business, the overseas raw sugar market opened with 14.71 cents (per pound) at the New York Futures Market at the beginning of the current term. It priced 20.00 cents level in the summer after the prospect that the amount of sugarcane production would decrease due to bad weather such as frost in Brazil, which is the world's largest producer of raw sugar. Then the rise in price was stop after the prospect that raw sugar production would be good in the Northern Hemisphere such as Thailand and India. However, speculative funds moved out from the overseas raw sugar market due to the economic stagnation in the world caused by COVID-19, so that the price shifted in a small range. It priced 17.00 cents level after the New Year, and it closed with 19.49 cents at the end of the current term because the market price of crude oil and wheat rose rapidly due to the impact of Russia's Military Attack on Ukraine.

On the other hand, the Tokyo Spot Market opened with 192 to 193 yen per kilogram (published in Nihon Keizai Newspaper) at the beginning of the current term, however, the price rose by 6 yen in August 2021 and by more 6 yen in January 2022, and it ended with 204 to 205 yen at the end of the current term.

As regards the sales volume, we achieved higher sales than the same period of last year, because the domestic consumption was recovering by degrees, especially the consumption in beverage and confectionery was good, despite the impact of COVID-19. However, the operating profit was less than the previous same period, though we increased sales volume and raised our sales prices as mentioned before, under the situation that the steeply rising of raw sugar price outpaced an increase in domestic sales prices.

As a result of the above, the Sugar Business reported net sales of 10,874 million yen (up of 3.5% against the same period of last year) and operating profit of 1,206 million yen (down of 23.6% against the same period of last year).

② Functional Materials Business

In the Functional Materials Business, the sales volume of functional dietary fiber "Inulin" increased from the same period of last year by newly being chosen as health foods materials in functional foods by domestic big users and so on. Especially we had large demands of "inulin" as low carb materials in chocolate products because the low carb foods became more popular. Also, it was key to have achieved more sales volume that the positive effects on protein masking were accepted by users and that large demands in the plant protein products such as plant milk were generated by increasing interest in SDGs.

Regarding floral preservatives "Keep Flower", the demand for professional-use products were decreased due to the spread of COVID-19. However, we made an effort to expand the demand for consumer-use products by sales promotion activities such as TV commercial, so that net sales increased from the same period of last year.

Regarding UNITEC FOODS Co. Ltd., a consolidated subsidiary, the sales volume increased from the same period of last year because the sales of gelatin used in products for convenience store was recovering from the low demand

caused by the damage of COVID-19. However, net sales decreased from the same period of last year due to the increase in selling expenses such as promotion cost to attend exhibitions and so on.

As a result of the above, the Functional Materials Business reported net sales of 8,290 million yen (up of 8.3% against the same period of last year) and operating profit of 722 million yen (up of 100.3% against the same period of last year).

③ Real Estate Business

In the Real Estate Business, net sales of 573 million yen (down of 1.3% against the same period of last year) and operating profit of 534 million yen (up of 16.5% against the same period of last year). As a result, it has continued to contribute to stable earnings.

④ Other Food Business

In the Other Food Business such as bakery business in Thailand, net sales of 357 million yen (up of 44.7% against the same period of last year) and operating profit of 16 million yen (operating losses in the same period of last year was 25 million yen).

(2) Qualitative information regarding consolidated financial position

Total assets as of March 31, 2022 increased by 5.4% compared to the end of the previous fiscal year to 24,745 million yen. The changes of financial position of the fiscal year 2021 are as follows:

① Assets

Current assets increased by 8.6% compared to the end of previous fiscal year to 11,443 million yen. This was mainly due to an increase of inventories and so on.

Non-current assets increased by 2.8% compared to the end of the previous fiscal year to 13,301 million yen. This was mainly due to an increase of investment securities and so on.

② Liabilities

Current liabilities decreased by 5.7% compared to the end of the previous fiscal year to 3,425 million yen. This was mainly due to a decrease of income taxes payable and so on.

Non-current liabilities increased by 0.7% compared to the end of the previous fiscal year to 1,607 million yen. This was mainly due to an increase of deferred tax liabilities and so on.

③ Net assets

Net assets increased by 8.0% compared to the end of the previous fiscal year to 19,712 million yen. This was mainly due to an increase of retained earnings and so on.

(3) Qualitative information regarding consolidated cash flows

Cash and cash equivalents (hereinafter called "Funds") as of March 31, 2022 decreased by 166 million yen from the end of the previous fiscal year to 3,801 million yen.

Changes in cash flow for the fiscal year 2021 and the reasons are as follows.

① Cash flow from operating activities

The funds acquired from operating activities in the fiscal year 2021 amounted to 555 million yen (down of 69.8% against the same period of last year). This mainly reflected profit before income taxes and so on.

② Cash flow from investing activities

The funds used in investing activities in the fiscal year 2021 amounted to 476 million yen (down of 0.5% against the same period of last year). This mainly reflected purchase of property, plant, and equipment, and so on.

③ Cash flow from financing activities

The funds used in financing activities in fiscal year 2021 amounted to 275 million yen (down of 20.2% against the same period of last year). This mainly reflected dividends paid, repayments of long-term loans payable, and so on.

(Reference) Changes in cash-flow-related indices

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Equity ratio (%)	72.6	73.6	78.9	78.2	79.8
Market-Price-based equity ratio (%)	77.6	69.8	62.6	64.3	54.7
Cash flow / interest bearing liabilities ratio (years)	1.4	1.6	2.2	0.9	2.8
Interest coverage ratio (times)	55.2	46.7	36.1	109.8	41.6

(Notes) Equity ratio: Shareholder's equity / Total assets

Market-price-based equity ratio: Value of shares / Total assets

Cash flow / interest bearing liabilities ratio: Interest-bearing debt / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest payment

※ 1. Data on a consolidated basis are used for computations.

2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year with the number of outstanding shares (excluding treasury stock) as of that date.

3. For the cash flow from operating activities, the "cash flow from operating activities" shown in the consolidated statements of cash flows is used. Also, interest payment means the amount of interest paid on the consolidated cash flow statements.

(4) Qualitative information regarding consolidated business forecasts

In the next fiscal year, it is concerned that Russia's Military Attack on Ukraine and fluctuating exchange rate cause resource prices to soar still more as well as that the impact of COVID-19 has been lingering.

Our Group make it a top priority to maintain the stable and constant supply of our products and keep the quality controlled strictly. We will also focus on promoting overseas business, especially consolidated subsidiaries in Thailand.

In the Sugar Business, severe sales environment continues and leads to the declined sugar consumption, in which sweetened preparations, isomerized sugar, and other sweeteners are taking the place of sugar and the aging society is advancing rapidly with a falling birthrate. However, our Group is going to challenge against these difficult environments and try to purchase raw materials more steadily and stably to achieve the further cost reduction. We also continue to enhance the satisfaction of customer by providing more attractive proposal, controlling the quality more strictly, and supplying our products more stably.

In the Functional Material Business, regarding functional dietary fiber "Inulin", we are going to make further investigations into functional effects on human health and positive effects on food texture. And also we are going to make a lot of efforts to expand sales and to acquire new customers by providing more attractive proposal to existing users and potential customers.

Regarding UNITEC FOODS Co. Ltd., a consolidated subsidiary, our Group are going to make challenge ourselves to upgrade plant-based meat and expand sales by taking advantages of various knowledge on polysaccharide thickeners.

In the Real Estate Business, we are going to focus on ensuring stable profit by continuous maintenance and operation for the Company properties.

As a result, the full-year consolidated sales forecasts for the fiscal year ending March 31, 2023 are follows:

Consolidated net sales of 21,100 million yen (up of 5.0% year on year), operating profit of 1,350 million yen (down of 15.9% year on year), ordinary profit of 1,550 million yen (down of 19.2% year on year), and profit attributable to owners of parent of 1,150 million yen (down of 28.8% year on year).

(5) Fundamental policy for profit allocation and dividends for the fiscal year 2021 and 2022

Under these severe environments, the Company makes a lot of efforts to enhance corporate value through more efficient management, to generate good business results stably, and to make our management structure steady and well-organized. Also, we focus on meeting shareholders' expectations by continuing stable profit allocation and enhancing stakeholders' value through capitalization strategies such as purchase of treasury shares.

The Company plans to pay cash dividend of 13.00 yen per share for fiscal year 2021. It has been twenty years since Fuji Seito Corporation and Nihon Seito Corporation merged to Fuji Nihon Seito Corporation. So, we plan to pay ordinary dividend of 11.00 yen and 20th anniversary commemorative dividend of 2.00 yen with all our feelings of gratitude for shareholders' supports.

For fiscal year 2022, we plan to pay cash dividend of 14.00 yen per share. It will be composed of ordinary dividend of 11.00 yen and alternative extra dividend of 3.00 yen for shareholder incentives, as we announced in the letter "Notice regarding the abolition of shareholder incentives" on January 31, 2022. For further details, please refer to the information "Notice regarding plan on alternative extra dividend resulting from abolition of shareholder incentives" announced on April 28, 2022.

Regarding retained earnings, we will use them for plant investments, and research and development investments, and for setting up new business of developed products, which contributes to strengthened competitiveness on markets and expands our business on a medium/long term basis.

2. Basic Policy regarding Selection of Accounting Standards

The Company Group chose to adopt the Japanese Accounting Standards for the consolidated financial statements taking into consideration that of ensuring comparability with the prior fiscal years and among corporations successively. Depending on circumstance changes, the Group would continue to response to revision of the Japanese Accounting Standards and study arbitrary application of the IFRS both in Japan and overseas.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Thousand yen)

	FY 2020 (As of March 31, 2021)	FY 2021 (As of March 31, 2022)
Assets		
Current assets		
Cash, cash equivalent and deposits	3,667,721	3,501,513
Notes and accounts receivable-trade	2,800,434	—
Notes and accounts receivable – trade, and contract assets	—	2,790,977
Marketable securities	300,000	300,000
Merchandise and finished goods	1,851,750	2,142,844
Work in process	99,488	198,353
Raw materials and supplies	638,827	1,180,097
Other current assets	1,177,944	1,331,510
Allowance for doubtful accounts	(1,304)	(2,153)
Total current assets	10,534,862	11,443,143
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net)	340,353	355,268
Machinery, equipment, and vehicles(net)	201,776	242,427
Land	2,527,435	2,527,435
Construction in progress	15,582	100,210
Other non-current assets (net)	109,598	98,548
Total property, plant, and equipment	3,194,747	3,323,890
Intangible assets		
Goodwill	2,716	—
Other intangible assets	69,800	81,773
Total intangible assets	72,516	81,773
Investments and other assets		
Investment securities	7,406,626	7,692,552
Long-term loans receivable	1,840	1,913
Long-term loans receivable from subsidiaries	1,792,800	1,847,300
Retirement benefit asset	36,672	54,691
Others	454,660	312,990
Allowance for doubtful accounts	(19,078)	(13,185)
Total investments and other assets	9,673,521	9,896,262
Total non-current assets	12,940,785	13,301,926
Total assets	23,475,647	24,745,069

(Thousand yen)

	FY 2020 (As of March 31, 2021)	FY 2021 (As of March 31, 2022)
Liabilities		
Current liabilities		
Accounts payable - trade	1,116,918	1,326,292
Short-term loans payable	1,281,260	1,289,600
Income taxes payable	322,732	48,607
Accrued consumption taxes	31,399	7,595
Provision for bonuses	116,878	127,160
Other current liabilities	763,746	625,777
Total current liabilities	3,632,935	3,425,032
Non-current liabilities		
Long-term loans payable	329,342	276,640
Deferred tax liabilities	732,412	836,530
Asset retirement obligations	76,885	77,843
Other non-current liabilities	457,345	416,071
Total non-current liabilities	1,595,986	1,607,085
Total liabilities	5,228,921	5,032,117
Net assets		
Shareholders' equity		
Share capital	1,524,460	1,524,460
Capital surplus	2,049,343	2,097,151
Retained earnings	13,460,462	14,773,714
Treasury shares	(717,257)	(717,366)
Total shareholders' equity	16,317,009	17,677,959
Accumulated other comprehensive income		
Valuation difference on available-for-sales securities	2,055,391	2,081,389
Foreign currency translation adjustment	21,656	25,898
Remeasurements of defined benefit plans	(26,088)	(29,577)
Total accumulated other comprehensive income	2,050,959	2,077,710
Non-controlling interests	(121,242)	(42,718)
Total net assets	18,246,726	19,712,952
Total liabilities and net assets	23,475,647	24,745,069

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Thousand yen)

	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
Net sales	18,992,703	20,096,053
Cost of sales	13,866,647	15,259,775
Gross profit	5,126,056	4,836,277
Selling, general and administrative expenses	3,689,645	3,231,677
Operating profit	1,436,411	1,604,599
Non-operating income		
Interest income	31,271	29,048
Dividend income	81,097	96,852
Foreign exchange gains	83,226	43,664
Share of profit of entities accounted for using equity method	118,025	124,436
Other non-operating income	39,502	36,613
Total non-operating income	353,122	330,615
Non-operating expenses		
Interest expenses	15,665	15,608
Other non-operating expenses	2,192	1,623
Total non-operating expenses	17,857	17,231
Ordinary profit	1,771,675	1,917,983
Extraordinary income		
Gain on sale of non-current assets	-	0
Gain on sale of investment securities	-	5,818
Gain on forgiveness of debts	-	95,116
Total extraordinary income	-	100,935
Extraordinary losses		
Loss on retirement of non-current assets	14,924	24
Loss on sale of non-current assets	59	1
Impairment losses	24,914	-
Dismantlement expenses	91,500	27,760
Loss on sale of investment securities	-	757
Total extraordinary losses	131,398	28,543
Profit before income taxes	1,640,277	1,990,375
Income taxes-current	510,522	181,706
Income taxes-deferred	△64,749	90,153
Total income taxes	445,773	271,860
Profit for the year	1,194,504	1,718,515
Profit (Loss) attributable to non-controlling interests	△3,850	104,392
Profit attributable to owners of parent	1,198,355	1,614,123

Consolidated statements of comprehensive income

	(Thousand yen)	
	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
Profit for the year	1,194,504	1,718,515
Other comprehensive income		
Valuation difference on available-for-sale securities	529,599	25,998
Foreign currency translation adjustment	△ 89,903	596
Remeasurements of defined benefit plans	54,077	△ 3,488
Total other comprehensive income for the year	493,773	23,106
Comprehensive income for the year	1,688,277	1,741,621
Comprehensive income attributable to:		
Owners of parent	1,699,085	1,632,132
Non-controlling interests	△ 10,807	109,488

(3) Consolidated Statements of Changes in Equity

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

(Thousand Yen)

	Shareholders' equity				
	Share Capital	Capital Surplus	Retained earnings	Treasury shares	Total share holders' equity
Balance at the beginning of period	1,524,460	2,049,343	12,557,481	(717,161)	15,414,123
Cumulative effects on changes of accounting policies			—		—
Restated balance	1,524,460	2,049,343	12,557,481	(717,161)	15,414,123
Changes					
Dividends from surplus			(295,373)		(295,373)
Profit for the year attributable to owners of parent			1,198,355		1,198,355
Purchase of treasury shares				(95)	(95)
Disposal of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	902,981	(95)	902,885
Balance at the end of the period	1,524,460	2,049,343	13,460,462	(717,257)	16,317,009

	Accumulative other comprehensive income				Non-controlling interests	Net assets
	Valuation difference on available-for-sales securities	Foreign currency translation adjustment	Re-measurements of defined benefits plans	Total accumulative other comprehensive income		
Balance at the beginning of period	1,525,792	104,603	(80,165)	1,550,229	(110,434)	16,853,917
Cumulative effects on changes of accounting policies						—
Restated balance	1,525,792	104,603	(80,165)	1,550,229	(110,434)	16,853,917
Changes						
Dividends from surplus						(295,373)
Profit for the year attributable to owners of parent						1,198,355
Purchase of treasury shares						(95)
Disposal of treasury shares						—
Change in ownership interest of parent due to transactions with non-controlling interests						—
Net changes of items other than shareholders' equity	529,599	(82,946)	54,077	500,729	(10,807)	489,922
Total changes of items during period	529,599	(82,946)	54,077	500,729	(10,807)	1,392,808
Balance at the end of the period	2,055,391	21,656	(26,088)	2,050,959	(121,242)	18,246,726

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

(Thousand Yen)

	Shareholders' equity				
	Share Capital	Capital Surplus	Retained earnings	Treasury shares	Total share holders' equity
Balance at the beginning of period	1,524,460	2,049,343	13,460,462	(717,257)	16,317,009
Cumulative effects on changes of accounting policies			(5,498)		(5,498)
Restated balance	1,524,460	2,049,343	13,454,963	(717,257)	16,311,510
Changes					
Dividends from surplus			(295,372)		(295,372)
Profit for the year attributable to owners of parent			1,614,123		1,614,123
Purchase of treasury shares				(127)	(127)
Disposal of treasury shares		20		18	39
Change in ownership interest of parent due to transactions with non-controlling interests		47,786			47,786
Net changes of items other than shareholders' equity					
Total changes of items during period	—	47,807	1,318,750	(108)	1,366,449
Balance at the end of the period	1,524,460	2,097,151	14,773,714	(717,366)	17,677,959

	Accumulative other comprehensive income				Non-controlling interests	Net assets
	Valuation difference on available-for-sales securities	Foreign currency translation adjustment	Re-measurements of defined benefits plans	Total accumulative other comprehensive income		
Balance at the beginning of period	2,055,391	21,656	(26,088)	2,050,959	(121,242)	18,246,726
Cumulative effects on changes of accounting policies						(5,498)
Restated balance	2,055,391	21,656	(26,088)	2,050,959	(121,242)	18,241,227
Changes						
Dividends from surplus						(295,372)
Profit for the year attributable to owners of parent						1,614,123
Purchase of treasury shares						(127)
Disposal of treasury shares						39
Change in ownership interest of parent due to transactions with non-controlling interests						47,786
Net changes of items other than shareholders' equity	25,998	4,241	(3,488)	26,751	78,523	105,274
Total changes of items during period	25,998	4,241	(3,488)	26,751	78,523	1,471,724
Balance at the end of the period	2,081,389	25,898	(29,577)	2,077,710	(42,718)	19,712,952

(4) Consolidated statements of cash flows

	(Thousand yen)	
	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
Cash Flows from operating activities		
Profit before income taxes	1,640,277	1,990,375
Depreciation and amortization	197,861	133,885
Amortization of goodwill	35,147	2,716
Impairment losses	24,914	-
Increase (decrease) in provision for bonuses	215	10,281
Increase (decrease) in allowance for doubtful accounts	(6,464)	(5,044)
Increase (decrease) in retirement benefit asset	(11,992)	(23,060)
Interest and dividend income	(112,369)	(125,900)
Interest expenses	15,665	15,608
Foreign exchange losses (gains)	(83,226)	(40,852)
Share of loss (profit) of entities accounted for using equity method	(118,025)	(124,436)
Loss (gain) on sale of investment securities	-	(5,060)
Loss on retirement of non-current assets	14,924	24
Loss (gain) on sale of non-current assets	59	0
Gain on forgiveness of debts	-	(95,116)
Decrease (increase) in notes and accounts receivable - trade	(222,805)	20,146
Decrease (increase) in inventories	363,588	(927,928)
Decrease (increase) in accounts receivable - other	(7,118)	(9,721)
Decrease (increase) in other current assets	7,877	(16,995)
Increase (decrease) in notes and accounts payable - trade	133,603	205,642
Increase (decrease) in accrued consumption taxes	13,707	(23,804)
Increase (decrease) in other current liabilities	128,667	(126,357)
Increase (decrease) in other non-current liabilities	(50,379)	(20,630)
Others (net amount)	45,631	151,196
Subtotal	2,009,759	984,968
Interest and dividend income received	135,443	152,476
Interest expenses paid	(16,729)	(13,342)
Income taxes paid	(290,896)	(569,033)
Net cash provided by (used in) operating activities	1,837,577	555,069

	(Thousand yen)	
	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
Cash Flows from investing activities		
Proceeds from sale and redemption of investment securities	-	11,961
Purchase of investment securities	(248,972)	(156,162)
Purchase of property, plant, and equipment	(225,876)	(218,358)
Proceeds from sale of property, plant and equipment	9	27
Purchase of intangible assets	(5,979)	(43,898)
Proceeds from collection of long-term loans receivable	1,046,724	870,275
Long-term loan advances	(890,000)	(940,000)
Others (net amount)	(154,624)	-
Net cash provided by (used in) investing activities	(478,718)	(476,155)
Cash Flows from financing activities		
Net increase (decrease) in short-term loans payable	43,775	-
Proceeds from long-term payable	100,000	82,800
Repayments of long-term loans payable	(172,946)	(70,000)
Purchase of treasury shares	(95)	(127)
Proceeds from sale of treasury shares	-	39
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	25,572
Repayments of lease obligations	(20,388)	(18,191)
Dividends paid	(295,373)	(295,372)
Net cash provided by (used in) financing activities	(345,028)	(275,278)
Effect of exchange rate change on cash and cash equivalents	15,154	30,157
Net increase (decrease) in cash and cash equivalents	1,028,985	(166,207)
Cash and cash equivalents at the beginning of period	2,938,735	3,967,721
Cash and cash equivalents at the end of period	3,967,721	3,801,513

(5) Notes on consolidated financial statements

(Notes on assumptions of going concern)

The consolidated accounting period (from April 1, 2021 to March 31, 2022)

None

(Notes on occurrence of significant changes to shareholders' equity)

The consolidated accounting period (from April 1, 2021 to March 31, 2022)

None

(Notes on changes in accounting policy)

[Application of Accounting Standard for Revenue Recognition, etc.]

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter called "Revenue Recognition Standard"), etc. from the beginning of the fiscal year 2021. Under the new standard, the Company recognizes revenue when promised goods or services are transferred to a customer, with the amount expected to be received upon exchange of the goods or services recognized as revenue.

As for the application of the Revenue Recognition Standard etc., in accordance with transitional treatment stipulated in the proviso of Article 84 of the Revenue Recognition Standard, the cumulative effects by the retroactive application of the new accounting policy before the beginning of the fiscal year 2021 were adjusted to retained earnings of the beginning of the fiscal year 2021 and the new accounting policy has been applied to balances at the beginning of the fiscal year 2021. However, regarding some contracts, based on which almost all of revenue has been recognized by the traditional method before the beginning of the fiscal year, the new accounting policy hasn't been applied retroactively in accordance with the treatment stipulated in Article 86 of the Revenue Recognition Standard. Regarding modifications to contracts before the beginning of the fiscal year, accounting process was carried out based on the contractual terms after all contract modifications were reflected by applying the method stipulated in item (1) of the supplementary provisions of Article 86 of the Revenue Recognition Standard. The cumulative effects were adjusted to retained earnings of the beginning of the fiscal year 2021.

Due to the application of the Revenue Recognition Standard etc., "Notes and accounts receivable – trade", which was included in "Current assets" in the consolidated balance sheets for the previous fiscal year, was included in "Notes and accounts receivable – trade, and contract assets" from the fiscal year 2021. However, in accordance with the transitional treatment stipulated in Article 89-2 of the Revenue Recognition Standard, figures for the previous fiscal year have not been restated by reflection of the new presentation approach.

As a result, for the fiscal 2021, net sales decreased by 511,659 thousand yen, cost of sales decreased by 49,235 thousand yen, and selling, general and administrative expenses decreased by 462,423 thousand yen, compared to those calculated on the base of previous accounting policy. Also, the cumulative effects before the beginning of the fiscal year 2021 were adjusted to retained earnings of the beginning of the fiscal year 2021, so that retained earnings at the beginning of the period in consolidated statement of changes in equity decreased by 5,498 thousand yen.

[Application of Accounting Standard for Fair Value Measurement, etc.]

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter called "Fair Value Measurement Standard"), etc. from the beginning of the fiscal year 2021. In accordance with the transitional treatment stipulated in Article 19 of the Fair Value Measurement Standard and Article 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company has decided to apply the new accounting policies in the Fair Value Measurement Standard going forward. These changes have no impact on the consolidated financial statements.

(Segment information, etc.)

[Segment information]

1. Outline on reporting segments

The Company's reporting segments are composed of units for which separate financial information is available. They are periodically reviewed by the Board of Directors for the purpose of deciding on allocation of management resource and evaluating business performance.

The major products and services are classified as follows, and at its each base for operation and services each comprehensive strategy is formulated against four reporting segments: "Sugar Business", "Functional Materials Business", "Real Estate Business", and "Other Food Business".

Reporting Segments	Major products and services
Sugar Business	Sugar, Liquid sugar, Sugar related products, etc.
Functional Materials Business	Food additives, Flower freshness preservation agent, Functional Food materials, Natural additive materials, etc.
Real Estate Business	Real estate lease, etc.
Other Food Business	Baking, etc.

2. Information on the calculation methods of net sales, profit/loss, assets, and other items by each reporting segment

For further details of accounting process at each reporting segment, please refer to "Important matters concerning preparation of consolidated financial statements" in "5. Financial information" on page 47-49 of the "Annual Securities Reports". The Company has applied the Revenue Recognition Standard etc. from the beginning of the fiscal year 2021 and has changed accounting policy in revenue recognition as noted "(Notes on changes in accounting policy)". In accordance with the changes, the Company has also changed calculation method for segment profit (loss).

As a result, net sales for the fiscal year 2021 in the Sugar Business decreased by 464,498 thousand yen compared to that calculated as usual. Net sales in the Functional Materials Business and in the Other Food Business also decreased by 46,590 thousand and 570 thousand yen, respectively. However, each segment expense in the Sugar Business, in the Functional Materials Business, and in the Other Food Business also decreased by the same amount, so that these changes had no impact on each segment profit (loss).

3. Information on amounts of net sales, profit/loss, asset, and others by each reporting segment

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

(Thousand yen)

	Reporting Segment					Adjustments (Note:1)	Amount recorded in the consolidated statements of income (Note:2)
	Sugar Business	Functional Materials Business	Real Estate Business	Other Food Business	Total		
Net sales							
Net sales to third-party customers	10,510,674	7,653,286	581,715	247,026	18,992,703	—	18,992,703
Intersegment net sales and transfer	10,992	—	6,703	21,403	39,098	(39,098)	—
Total	10,521,667	7,653,286	588,419	268,429	19,031,802	(39,098)	18,992,703
Segment profit (loss)	1,579,242	360,620	459,088	(25,121)	2,373,830	(937,419)	1,436,411
Segment asset	10,584,262	4,394,432	1,766,518	146,657	16,891,870	6,583,777	23,475,647
Other items							
Depreciation and amortization	46,618	69,130	78,984	207	194,941	2,919	197,861
Impairment losses	24,914	—	—	—	24,914	—	24,914
Amortization of goodwill	—	35,147	—	—	35,147	—	35,147
Increase in property, plant, and equipment, and intangible assets	25,396	175,202	—	6,897	207,497	43,558	251,055

Notes: 1. Adjustments are as follows:

- (1) Adjustment for segment profit of (937,419) thousand yen is general and administrative expenses of administrative department and research and development, which doesn't belong to the reporting segment above.
 - (2) Adjustment for segment assets of 6,583,777 thousand yen is mainly surplus fund such as "cash, cash equivalent and deposits" and "marketable securities", investment fund such as "investment securities", and so on, which don't belong to the reporting segments above.
 - (3) Adjustment for depreciation and amortization of 2,919 thousand yen is related to entire business, which isn't allocated to the reporting segments above.
 - (4) Adjustment for increase in property, plant, and equipment, and intangible assets of 43,558 thousand yen is related to capital investments for entire business, which isn't allocated to the reporting segments above.
2. Segment profits are adjusted against the operating profit recorded in the consolidated statements of income.

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

(Thousand yen)

	Reporting Segment					Adjustments (Note:1)	Amount recorded in the consolidated statements of income (Note:2)
	Sugar Business	Functional Materials Business	Real Estate Business	Other Food Business	Total		
Net sales							
Sugar, Sugar related products, etc.	10,874,056	—	—	—	10,874,056	—	10,874,056
Food Additives	—	156,457	—	—	156,457	—	156,457
Functional Food Materials	—	7,858,525	—	—	7,858,525	—	7,858,525
Flower Freshness Preservation Agent	—	275,567	—	—	275,567	—	275,567
Baking, etc.	—	—	—	357,495	357,495	—	357,495
Income generated by Contracts with customers	10,874,056	8,290,550	—	357,495	19,522,102	—	19,522,102
Other income	—	—	573,951	—	573,951	—	573,951
Net sales to third-party customers	10,874,056	8,290,550	573,951	357,495	20,096,053	—	20,096,053
Intersegment net sales and transfer	11,724	—	5,988	32,138	49,851	(49,851)	—
Total	10,885,781	8,290,550	579,939	389,633	20,145,904	(49,851)	20,096,053
Segment profit (loss)	1,206,091	722,223	534,639	16,047	2,479,003	(874,403)	1,604,599
Segment asset	11,415,312	5,005,662	1,762,835	241,727	18,425,538	6,319,531	24,745,069
Others							
Depreciation and amortization	39,376	82,122	3,532	3,284	128,315	5,569	133,885
Impairment losses	—	—	—	—	—	—	—
Amortization of goodwill	—	2,716	—	—	2,716	—	2,716
Increase in property, plant, and equipment, and intangible assets	109,173	119,207	500	35,016	263,897	—	263,897

Notes: 1. Adjustments are as follows:

- (1) Adjustment for segment profit of (874,403) thousand yen is general and administrative expenses of administrative department and research and development, which doesn't belong to the reporting segment above.
- (2) Adjustment for segment assets of 6,319,531 thousand yen is mainly surplus fund such as "cash, cash equivalent and deposits" and "marketable securities", investment fund such as "investment securities", and so on, which don't belong to the reporting segments above.
- (3) Adjustment for depreciation and amortization of 5,569 thousand yen is related to entire business, which isn't allocated to the reporting segments above.

2. Segment profits are adjusted against the operating profit recorded in the consolidated statements of income.

[Related information]

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

1. Information by each product and service

Description is omitted since it is explained in "(Segment information, etc.)"

2. Information by each region

(1) Net sales

Description is omitted since net sales to third party customers in Japan account for more than 90% of the consolidated net sales.

(2) Property, plant, and equipment

Description is omitted since property, plant, and equipment located in Japan accounts for more than 90% of the property, plant, and equipment in the consolidated balance sheets.

3. Information by major customer

(Thousand yen)

Name of customer	Net sales	Relevant segment
Sojitz Corporation	7,997,616	Sugar Business and Functional Materials Business

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

1. Information by each product and service

Description is omitted since it is explained in "(Segment information, etc.)"

2. Information by each region

(1) Net sales

Description is omitted since net sales to third party customers in Japan account for more than 90% of the consolidated net sales.

(2) Property, plant, and equipment

Description is omitted since property, plant, and equipment located in Japan accounts for more than 90% of the property, plant, and equipment in the consolidated balance sheets.

3. Information by major customer

(Thousand yen)

Name of customer	Net sales	Relevant segment
Sojitz Foods Corporation	8,069,816	Sugar Business and Functional Materials Business

[Information on impairment losses on non-current assets by each reporting segment]

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

Description is omitted since it is explained in "(Segment information, etc.)"

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

Description is omitted since it is explained in "(Segment information, etc.)"

[Information on amortization of goodwill and unamortized balance of goodwill by each reporting segment]

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

(Thousand yen)

	Reporting Segment					Corporate and eliminations	Total amounts
	Sugar Business	Functional Materials Business	Real Estate Business	Other Food Business	Total		
Balance at the end of current period	—	2,716	—	—	2,716	—	2,716

Note: Regarding amortization of goodwill, Description is omitted since it is explained in "(Segment information, etc.)"

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

None

Note: Regarding amortization of goodwill, description is omitted since it is explained in "(Segment information, etc.)"

[Information on gain of negative goodwill by each reporting segment]

None

(Per-share information))

	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
	Yen	Yen
Net assets per share	684.04	735.73
Net profit per share	44.63	60.11

Note: 1. Regarding diluted net profit per share, description is omitted since there are no dilutive shares.

2. The basis of calculation of net assets per share and net profit per share are as follows.

(Thousand yen)

Items	FY 2020 (As of March 31, 2021)	FY 2021 (As of March 31, 2022)
(The basis of calculation)		
Total of net assets section (Thousand yen)	18,246,726	19,712,952
Amount deducted from total of net assets section (Thousand yen)	(121,242)	(42,718)
(Of the above, non-controlling interests (Thousand yen))	(121,242)	(42,718)
Net assets attributable to common shares at the end of period (Thousand yen)	18,367,968	19,755,670
Number of common shares used in calculating net assets per share (Thousand shares)	26,852	26,851

(Thousand yen)

Items	FY 2020 (From April 1, 2020 to March 31, 2021)	FY 2021 (From April 1, 2021 to March 31, 2022)
(The basis of calculation)		
Profit attributable to owners of parent (Thousand yen)	1,198,355	1,614,123
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent attributable to common shares (Thousand yen)	1,198,355	1,614,123
Average number of shares outstanding (Thousand shares)	26,852	26,851

(Notes on occurrence of significant subsequent events)

None