

## Consolidated Financial Results for the Year ended March 31, 2021 (April 1, 2020, through March 31, 2021)

Qualification: This is directly translated into English for readers' convenience, and all financial results conform with the accounting principles generally accepted in Japan.

Company: **Nippon Suisan Kaisha, Ltd.**

Listed on Tokyo Stock Exchange with the register code 1332

<https://www.nissui.co.jp/english/index.html>**1. Consolidated Financial Data for Fiscal Year ended March 31, 2021****(1) Consolidated Financial Results**

(Amounts less than one million yen are omitted)

|                         | Net Sales   |       | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |       |
|-------------------------|-------------|-------|------------------|--------|-----------------|--------|-----------------------------------------|-------|
|                         | Million yen | %     | Million yen      | %      | Million yen     | %      | Million yen                             | %     |
| FY ended March 31, 2021 | 656,491     | (4.9) | 18,079           | (20.8) | 22,750          | (11.8) | 14,452                                  | (2.1) |
| FY ended March 31, 2020 | 690,016     | (3.1) | 22,834           | 5.3    | 25,807          | 1.8    | 14,768                                  | (4.0) |

(Note): Each percentage figure shows changes from the previous year.

Comprehensive income: March 31, 2021: 20,009 Million yen (100.8%)

March 31, 2020: 9,963 Million yen ((18.9%))

|                         | Earnings per share | Diluted income per share | Profit attributable to owners of parent/ Total shareholders equity | Ordinary Profit / Total Assets | Operating Profit / Net Sales |
|-------------------------|--------------------|--------------------------|--------------------------------------------------------------------|--------------------------------|------------------------------|
|                         | Yen                | Yen                      | %                                                                  | %                              | %                            |
| FY ended March 31, 2021 | 46.45              | -                        | 9.0                                                                | 4.7                            | 2.8                          |
| FY ended March 31, 2020 | 47.47              | -                        | 9.9                                                                | 5.3                            | 3.3                          |

Ref.) Share of profit on entities, accounted for using equity method:

March 31, 2021: 2,770 Million yen

March 31, 2020: 2,820 Million yen

**(2) Consolidated Financial Position**

|                      | Total assets | Net assets  | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
|                      | Million yen  | Million yen | %            | yen                  |
| As of March 31, 2021 | 475,415      | 187,926     | 35.7         | 545.02               |
| As of March 31, 2020 | 491,533      | 172,300     | 31.2         | 492.23               |

(Note): Total shareholders' equity As of March 31, 2021: 169,574 Million yen As of March 31, 2020: 153,152 Million yen

**(3) Consolidated Cash-Flow**

|                         | Net cash provided by (used in) operating activities | Net cash provided by (used in) investing activities | Net cash provided by (used in) financing activities | Cash and cash equivalents at end of fiscal year |
|-------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|
|                         | Million yen                                         | Million yen                                         | Million yen                                         | Million yen                                     |
| FY ended March 31, 2021 | 45,910                                              | (18,023)                                            | (44,786)                                            | 14,760                                          |
| FY ended March 31, 2020 | 18,786                                              | (29,446)                                            | 25,942                                              | 31,647                                          |

**2. Dividend**

|                                       | Dividend per share |             |          |             |             | Total dividend       | Payout ratio<br>(Consolidated) | Dividend /Net assets<br>(Consolidated) |
|---------------------------------------|--------------------|-------------|----------|-------------|-------------|----------------------|--------------------------------|----------------------------------------|
|                                       | 1Q                 | 2Q          | 3Q       | Final       | Annual      |                      |                                |                                        |
| FY ended March 31, 2020               | Yen<br>-           | Yen<br>4.00 | Yen<br>- | Yen<br>4.50 | Yen<br>8.50 | Million yen<br>2,648 | %<br>17.9                      | %<br>1.8                               |
| FY ended March 31, 2021               | -                  | 4.00        | -        | 5.50        | 9.50        | 2,960                | 20.5                           | 1.8                                    |
| FY ended March 31, 2022<br>(Forecast) | -                  | 4.50        | -        | 5.00        | 9.50        |                      | 19.7                           |                                        |

**3. Forecast for the Year ending March 31, 2022, Consolidated**

|                         | Net Sales   |   | Operating Profit |   | Ordinary Profit |   | Profit attributable to owners of parent |   | Earnings per share |
|-------------------------|-------------|---|------------------|---|-----------------|---|-----------------------------------------|---|--------------------|
|                         | Million yen | % | Million yen      | % | Million yen     | % | Million yen                             | % | Yen                |
| FY ended March 31, 2022 | 642,000     | - | 20,000           | - | 23,000          | - | 15,000                                  | - | 48.21              |

(Note) We applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29), etc. From the beginning of the fiscal year ending March 2022, the above consolidated earnings forecasts are based on the amounts after the application. Therefore, we do not state changes from the previous fiscal year.

\* Notes

- 1) Changes in scope of consolidation due to transfer of significant subsidiaries during the term: None
- 2) Changes in accounting policy, Changes in accounting estimate, and restatement:
  - i. Changes in accounting policy associated with the revision of the accounting standard, etc.: None
  - ii. Changes in accounting policy other than those stated above: None
  - iii. Changes in accounting estimate: None
  - iv. Restatement: None
- 3) Number of issued shares (Common stock)
  - i. Number of issued shares at the end of the term (Including treasury stock)
  - ii. Number of treasury stock at the end of the term
  - iii. Average number of shares during the term (For the current consolidated second quarter)

|        |             |        |             |
|--------|-------------|--------|-------------|
| FY2020 | 312,430,277 | FY2019 | 312,430,277 |
| FY2020 | 1,296,387   | FY2019 | 1,289,063   |
| FY2020 | 311,139,338 | FY2019 | 311,143,760 |

(Note) Nissui has introduced the "Board Benefit Trust (BBT)" as its performance-linked and share-based compensation plan since FY2018, and its own shares remaining in the Trust is included as treasury shares. The number of treasury stock at the end of the term and the average number of shares during the term is 330,500.

(Reference) Summary of Non-consolidated financial statements

1. Non-consolidated Financial Data for Fiscal Year ended March 31, 2021

(1) Non-consolidated Financial Results

|                         | Net Sales   |       | Operating Profit |      | Ordinary Profit |      | Profit attributable to owners of parent |       |
|-------------------------|-------------|-------|------------------|------|-----------------|------|-----------------------------------------|-------|
|                         | Million yen | %     | Million yen      | %    | Million yen     | %    | Million yen                             | %     |
| FY ended March 31, 2021 | 370,547     | (5.2) | 3,876            | 32.6 | 9,739           | 14.6 | 9,222                                   | 69.6  |
| FY ended March 31, 2020 | 390,977     | (1.5) | 2,922            | 45.7 | 8,499           | 27.9 | 5,438                                   | (0.8) |

Note: Each percentage figure shows changes from the previous year.

|                         | Earnings per share | Diluted income per share |
|-------------------------|--------------------|--------------------------|
|                         | Yen                | Yen                      |
| FY ended March 31, 2021 | 29.63              | -                        |
| FY ended March 31, 2020 | 17.47              | -                        |

(2) Non-consolidated Financial Position

|                      | Total assets | Net assets  | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
|                      | Million yen  | Million yen | %            | Yen                  |
| As of March 31, 2021 | 331,064      | 102,319     | 30.9         | 328.72               |
| As of March 31, 2020 | 345,274      | 90,818      | 26.3         | 291.77               |

Note: Total shareholders' equity

As of March 31, 2021: 102,319 Million yen As of March 31, 2020: 90,818 Million yen

\* The summary of financial results is not subject to audits.

\*Explanation on the proper use of the forecasts and other noteworthy items

The performance forecasts in this report are based on information available at present and certain premises thought to be reasonable. Accordingly, the final results may change substantially due to various factors. For conditions from which the premises for the forecasts were derived and the other noteworthy items relating to the use of the forecasts, please refer to "Full-year forecast" on page 7 of the Consolidated Financial Results (Appendix).

## 1. Qualitative information for the fiscal year ended March 31, 2021

### (1) Explanation on consolidated financial results

<Consolidated Results for the year ended March 31, 2021>

During the consolidated fiscal year under review, the economic activity was deteriorated in the first half in Japan due to the restriction on going out caused by declarations of an emergency in April. Both corporate profit and personal consumption have been increasing in the second half, thanks to various economic policies launched by the Japanese government. However, due to the re-spread of the infection at the end of 2020, the emergency declaration was re-issued. The future is still uncertain, and no one predicts when the infection end.

In terms of the global economy during the period subject to consolidated accounting from January to December, corporate earnings and consumer spending dropped rapidly due partly to the gradual emergence of impacts from COVID-19 in late February and declarations of an emergency and lockdowns taken place in the United States and European countries in March. The governments partially relaxed the regulation from late April, and economic activity resumed in stages. Still, the situation remains severe, with the infection re-spread in the United States and Europe from October.

The Company and its corporate group's sales of food for households were strong both in Japan and overseas countries thanks to increased household consumption due to the restriction on going out. However, dining out and tourism demand sharply declined, and marine products and food sales for hotels and restaurants decreased. In addition to the worsening marine products market condition because of the reduced demand, sales of products for convenience stores also exhibited impacts. In Japan and overseas, the business environment was severe in the aquaculture business due to falling unit sales prices and production cuts.

Under these circumstances, the consolidated financial results through the consolidated fiscal year under review were as follows: net sales were 656,491 million yen, down 33,524 million yen year-on-year; operating profit was 18,079 million yen, down 4,755 million yen year-on-year; ordinary profit was 22,750 million yen, down 3,056 million yen year-on-year; and the profit attributable to the owners of the parent company was 14,452 million yen, down 316 million yen year-on-year.

The Company and its corporate group are working on expanding and innovating the aquaculture business to reduce the marine environment's burden to make people worldwide healthy from sustainable marine resources. We will continue to advance the aquaculture business and accelerate overseas expansion, which is our primary strategy and provide products that respond to lifestyle changes, such as rapidly expanding remote work and increased health awareness.

As for our measures against COVID-19, we will continue to implement workstyles for employees to realize the 3Cs, namely avoiding "closed spaces," "crowded places," and "close-contact settings," by combining "working from home" and "web meetings," etc., to prevent the spread of infection. We are committed to ensuring our business partner's and employees' safety and fulfilling our responsibilities to produce and supply food.

(Unit: million yen)

|                           | Net Sales | Operating Profit | Ordinary Profit | Profit attributable to owners of parent |
|---------------------------|-----------|------------------|-----------------|-----------------------------------------|
| FY2020                    | 656,491   | 18,079           | 22,750          | 14,452                                  |
| FY2019                    | 690,016   | 22,834           | 25,807          | 14,768                                  |
| Difference                | (33,524)  | (4,755)          | (3,056)         | (316)                                   |
| Percentage difference (%) | 95.1%     | 79.2%            | 88.2%           | 97.9%                                   |

The summary by segment is as follows.

(Unit: million yen)

|                         | Net Sales | Increase/Decrease<br>(Y-on-Y) | Y-on-Y | Operating Profit | Increase/Decrease<br>(Y-on-Y) | Y-on-Y |
|-------------------------|-----------|-------------------------------|--------|------------------|-------------------------------|--------|
| Marine Products         | 262,108   | (27,481)                      | 90.5%  | 5,984            | (5,865)                       | 50.5%  |
| Food Products           | 330,037   | (7,207)                       | 97.9%  | 14,005           | 1,244                         | 109.7% |
| Fine Chemicals          | 26,421    | (601)                         | 97.8%  | 2,397            | (202)                         | 92.2%  |
| General Distribution    | 16,671    | 75                            | 100.5% | 2,202            | 215                           | 110.9% |
| Other <sup>(Note)</sup> | 21,251    | 1,690                         | 108.6% | 734              | 321                           | 177.7% |
| Common Costs            | -         | -                             | -      | (7,245)          | (468)                         | 106.9% |
| Total                   | 656,491   | (33,524)                      | 95.1%  | 18,079           | (4,755)                       | 79.2%  |

(Note) "Other" refers to Engineering (planning, design, construction of plants and equipment), business and Ship Operation Business, etc.

#### (1) Marine Products Business

The Marine Products segment is engaged in the fishery, aquaculture, and seafood processing and trading businesses.

<Overview of the consolidated fiscal year under review>

We recorded 262,108 million yen, down 27,481 million yen year-on-year in sales, and 5,984 million yen, down 5,865 million yen year-on-year, in operating profit in the Marine Products Business.

Fishery Business: Both revenue and income decreased year-on-year.

[Japan]

- Sardine and mackerel catches were strong, but buri yellowtail and others' catches were weak and sluggish fish prices resulting in reduced revenue and income.

[South America]

- Both revenue and income declined since Southern blue whiting catch was slow.

Aquaculture Business: Both revenue and income decreased year-on-year.

[Japan]

- Sales of farmed fish to mass retailers increased thanks to increased consumption in households due to self-restraint from going out. However, in addition to falling sales prices, many farmed tunas died due to typhoons, resulting in higher costs and lower profits.

[South America]

- Both revenue and income decreased in the salmon/trout business due to the decline in sales volume because of reducing production in addition to falling sales prices.

Seafood Processing and Trading Business: Both revenue and income decreased year-on-year.

[Japan]

- Revenue decreased as the sales prices of salmon/trout, surimi, and buri yellowtail declined, in addition to the decreasing sales volume of salmon/trout and pollock roe.

[North America]

- Both revenue and income decreased as the yield decreased in the surimi and fillet of Alaskan pollock and increased labor costs.

[Europe]

- Both revenue and income decreased as sales for dining out and cruise ship has shrunk.



## (2) Food Products Business

The Food Products segment is engaged in the food processing and chilled foods businesses.

<Overview of the consolidated fiscal year under review>

We recorded 330,037 million yen, down 7,207 million yen year-on-year in sales and 14,005 million yen, up 1,244 million yen year-on-year, in operating profit in the Food Products Business.

Processed Foods Business: Revenue decreased, but income increased year-on-year.

- Income increased by covering the struggling commercial foods thanks to the strong sales in frozen food and chilled food for household use both in Japan and overseas.

Chilled Foods Business: Both revenue and income decreased year-on-year.

- Orders for convenience stores declined in the first half as the number of people going outside decreased because of increasing work from home and decreased demand tourism. Both revenue and income decreased while sales for chilled bento, or lunch box, and cooked noodles grew, and the cost reduction effect emerged in the second half.

## (3) Fine Chemicals Business

The Fine Chemicals segment is engaged in the manufacture and sale of pharmaceutical raw materials, functional raw materials (Note 1), functional foods (Note 2), diagnostic medicines, and test drug.

<Overview of the consolidated fiscal year under review>

We recorded 26,421 million yen, down 601 million yen in sales year-on-year, and 2,397 million yen, down 202 million yen year-on-year, in operating profit in the Fine Chemical Business.

[Pharmaceutical Raw Materials, Functional Raw Materials and Functional Foods]

- Income increased as functional raw materials and functional foods sold well while sales of pharmaceutical raw materials decreased.

[Clinical Diagnostic and Test Drug]

- Although sales of diagnostic equipment increased, the sales composition ratio of products with high-cost ratios increased, resulting in lower revenue and income.

## (4) General Distribution Business

The General Distribution segment is engaged in cold storage, transportation, and customs clearing businesses.

<Overview of the consolidated fiscal year under review>

We recorded 16,671 million yen, up 75 million yen year-on-year, in sales and 2,202 million yen, up 215 million yen year-on-year, in operating profit in the General Distribution Business.

- Despite a continuing trend of sluggish cargo movement and a decrease in warehousing by commercial customers, income increased thanks to the new operation of Osaka Maishima Logistics Center Building No. 2 and the effect of cost reduction.

(Note 1) EPA, DHA, and others mainly used as ingredients of health supplements and infant formula

(Note 2) Supplements such as EPA, DHA, and "i-mark S," food for specified health uses (FOSHU), for online business

## (2) Explanation on the consolidated financial position

(Unit: million yen)

|                         | FY2019  | FY2020  | Increase/Decrease |
|-------------------------|---------|---------|-------------------|
| Current Assets          | 253,115 | 231,751 | (21,364)          |
| (Inventories)           | 131,053 | 127,926 | (3,126)           |
| Non-current Assets      | 238,417 | 243,663 | 5,245             |
| Total Assets            | 491,533 | 475,415 | (16,118)          |
| Current Liabilities     | 196,895 | 153,467 | (43,428)          |
| Non-current Liabilities | 122,337 | 134,021 | 11,683            |
| Liabilities             | 319,233 | 287,489 | (31,744)          |
| Total Net Assets        | 172,300 | 187,926 | 15,625            |

### Assets

Total assets decreased by 16,118 million yen, compared to the previous consolidated fiscal year's end to 475,415 million yen (down 3.3%).

Current assets decreased by 21,364 million yen to 231,751 million yen (down 8.4%). The main reason for this was a decrease in cash and deposit, secured as a measure against COVID-19 by establishing a commitment line of 16,384 million yen. Also, inventories decreased by 3,126 million yen because of strengthening control.

Non-current assets increased by 5,245 million yen to 243,663 million yen (up 2.2%), mainly due to an increase in investment securities by 5,591 million yen due to the rise in stock prices.

### Liabilities

Total liabilities decreased by 31,744 million yen, compared to the end of the previous consolidated fiscal year to 287,489 million yen (down 9.9%)

Current liabilities decreased by 43,428 million yen to 153,467 million yen (down 22.1%), mainly due to a decrease in short-term borrowings by 52,299 million yen by the procurement of low interest and stable long-term borrowings, and an increase in notes and accounts payable by 6,188 million yen.

Non-current liabilities increased by 11,683 million yen to 134,021 million yen (up 9.6%). As mentioned in the factors for the decrease in current liabilities, the main reason was an increase in long-term borrowings by 11,868 million yen.

### Net Assets

Total net assets increased by 15,625 million yen (up 9.1%) compared to the previous consolidated fiscal year to 187,926 million yen. It was mainly because of posting profit attributable to owners of parent of 14,452 million yen, payment of dividends of surplus by 2,648 million yen, an increase in valuation difference on available-for-sale of 5,041 million yen, as stated in the factors behind the increase in non-current assets, and a decrease in foreign currency translation adjustment by 1,242 million yen due to appreciating yen.

## (3) State of cash flows

(Unit: million yen)

|                                               | FY2019   | FY2020   | Increase/Decrease |
|-----------------------------------------------|----------|----------|-------------------|
| Net cash provided by operating activities     | 18,786   | 45,910   | 27,124            |
| Net cash provided by investing activities     | (29,446) | (18,023) | 11,423            |
| Net cash provided by financing activities     | 25,942   | (44,786) | (70,728)          |
| Cash and cash equivalent at the end of period | 31,647   | 14,760   | (16,887)          |

Net cash flows from operating activities were 45,910 million yen. It was mainly due to posting a total of 42,201 million yen in profit before income taxes and depreciation and income tax-paid by 3,824 million yen, in addition to a decrease in working capital, including an increase in trade payables by 9,805 million yen.

Net cash flows used in investing activities were 18,023 million yen. The main reason was there was an investment in vessels for the fishery businesses in Oceania and Japan. And, there were proceeds from sales of shares of subsidiaries resulting in a change in the scope of consolidation and proceeds from sales of investment securities.

Net cash flows used in financing activities were 44,786 million yen, mainly due to the increasing long-term borrowing by 9,126 million yen in net, decreasing short-term borrowings by 49,282 million yen in net and dividend paid by 2,647 million yen.

Cash and cash equivalents decreased by 16,887 million yen from the previous consolidated fiscal year to 14,760 million yen.

#### **(4) Full-year Forecast**

The outlook is uncertain because the convergence of the new coronavirus is unclear, and restrictions such as surveys for overseas expansion, which is the key to growth strategies, continue. Still, in the fiscal year ending March 2022, we will firmly discuss the medium- to long-term vision and strategy for realizing the vision. We will strengthen our constitution as a year to lead to the next medium-term management plan from the fiscal year ending March 2023.

We position strengthening the constitution as "overcoming weaknesses, expanding strengths and solidifying the foundation for regrowth." In addition to the rapid rebuilding of the domestic aquaculture business and chilled business, we will globally expand and strengthen delicious and healthy products that respond to changes in lifestyle and needs due to refraining from going out and increasing work from home. Specifically, we will further promote overseas expansion, such as expanding production functions in Europe and the United States and expanding sales channels to Asia. We will also work on the early realization of overseas expansion of pharmaceutical raw materials, the sophistication of aquaculture business utilizing digital technologies such as AI and IoT, and productivity improvement.

Furthermore, in addition to new initiatives such as product development, new businesses, and e-commerce that transcend the boundaries of each business, we will promote the creation of an environment in which diverse human resources who can realize these new ideas can work comfortably.

Regarding the domestic aquaculture business, which is an issue, we will hurry to improve profitability by reducing costs such as reducing artificial seedlings and expanding livestock farming for tuna. Also, increasing the size and improving the productivity of salmon/trout, and introducing artificial seedlings, and enhancing feed for amberjack. Regarding the chilled business, we will review the business structure, such as personnel adjustments and cost reductions in response to the decrease in sales, and aim to enter new categories.

We have set the following three important issues (materiality) when working to solve the social problems through our business.

"Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement."

"Contribute a healthy lifestyle with food safety and security."

"Aim to be a company where diverse human resources play an important role in addressing the social agenda."

In the fiscal year ending March 31, 2022, we will clarify specific goals and further strengthen our business.

| Priority initiative theme                                  | Initiatives                                                                                                                                                                                                                |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Efforts to build a sustainable marine products business    | <ul style="list-style-type: none"> <li>- Business development and procurement considering the sustainability of marine resources</li> <li>- Examination of methods for ensuring traceability of marine products</li> </ul> |
| Efforts to reduce CO2 emissions                            | <ul style="list-style-type: none"> <li>- Setting specific targets for reducing CO2 emissions</li> <li>- Extract climate change risks and opportunities and disclose information</li> </ul>                                 |
| Efforts to respect human rights throughout the value chain | <ul style="list-style-type: none"> <li>- Build systems to promote respect for human rights, promote employee understanding and raise awareness</li> <li>- Implementation of human right due diligence</li> </ul>           |
| Efforts to promote diversity                               | <ul style="list-style-type: none"> <li>- Setting specific goals for promoting women's empowerment</li> </ul>                                                                                                               |

As we expect the normalization of the global economy is expected to take time, we have included a certain amount of risk in our earnings forecasts for the fiscal year ending March 31, 2022, as the table below. The difference between the new standard and the old standard due to "Accounting Standard for Revenue Recognition," etc., is mainly seen in net sales, and the impact of net sales in fiscal 2020 will be minus 40,000 million yen. The deduction was mainly due to the removal of consideration paid to customers, such as rebates included in selling, general and administrative expenses, from sales.

We plan to pay an annual dividend of 9.5 JPY per share for the next fiscal year, the same as in the fiscal year 2020.

(Unit: Million yen)

|                      | Net Sales | Operating Profit | Ordinary Profit | Profit attributable to owners of parent |
|----------------------|-----------|------------------|-----------------|-----------------------------------------|
| FY2021(New Standard) | 642,000   | 20,000           | 23,000          | 15,000                                  |
| FY2020(New Standard) | 614,887   | 17,965           | 22,636          | 14,361                                  |
| Difference           | 27,113    | 2,035            | 364             | 639                                     |
| Y-on-Y               | 104.4%    | 111.3%           | 101.6%          | 104.4%                                  |

(Note) "Accounting Standards for Revenue Recognition" have been applied since the beginning of the fiscal year ending March 2022. The above-consolidated earnings forecast for the fiscal year ending March 2022 and the actual results for the fiscal year ending March 2021 are the amounts after the relevant accounting standards have been applied.

(Note) The above forecast is based on the information available at the issuing date of this report. Accordingly, the final results may change due to various factors.

## 2. Basic Policy of selecting accounting standard

We use the Japanese standard to make financial statements based on consolidated financial statements and comparability among group companies.

We will accommodate properly regarding the adaption of IFRS in the future in the light of foreign and domestic circumstances.



### 3. Consolidated Financial Statement

#### (1) Consolidated Balance Sheet

Million yen

|                                            | FY2019<br>As of Mar. 31, 2020 | FY2020<br>As of Mar. 31, 2021 |
|--------------------------------------------|-------------------------------|-------------------------------|
| <b>Assets</b>                              |                               |                               |
| <b>Current assets</b>                      |                               |                               |
| Cash and deposits                          | 27,371                        | 10,986                        |
| Notes and accounts receivable-trade        | 79,962                        | 77,094                        |
| Securities                                 | 431                           | -                             |
| Merchandise and finished goods             | 68,300                        | 67,047                        |
| Work in process                            | 28,740                        | 26,069                        |
| Raw materials and supplies                 | 34,012                        | 34,809                        |
| Other                                      | 14,600                        | 16,082                        |
| Allowance for doubtful accounts            | (303)                         | (338)                         |
| <b>Total current assets</b>                | <b>253,115</b>                | <b>231,751</b>                |
| <b>Non-current assets</b>                  |                               |                               |
| <b>Property, plant and equipment</b>       |                               |                               |
| Buildings and structures                   | 154,455                       | 153,708                       |
| Accumulated depreciation                   | (92,940)                      | (92,635)                      |
| Buildings and structures, net              | 61,515                        | 61,072                        |
| Machinery, equipment and vehicles          | 156,319                       | 157,279                       |
| Accumulated depreciation                   | (120,943)                     | (121,185)                     |
| Machinery, equipment and vehicles, net     | 35,375                        | 36,094                        |
| Vessels                                    | 24,384                        | 29,642                        |
| Accumulated depreciation                   | (16,404)                      | (17,879)                      |
| Vessels, net                               | 7,980                         | 11,763                        |
| Land                                       | 27,852                        | 26,659                        |
| Leased assets                              | 7,149                         | 7,456                         |
| Accumulated depreciation                   | (3,086)                       | (3,664)                       |
| Leased assets, net                         | 4,063                         | 3,792                         |
| Construction in progress                   | 8,631                         | 5,273                         |
| Other                                      | 15,155                        | 15,491                        |
| Accumulated depreciation                   | (12,532)                      | (12,719)                      |
| Other, net                                 | 2,622                         | 2,772                         |
| <b>Total property, plant and equipment</b> | <b>148,042</b>                | <b>147,428</b>                |
| <b>Intangible assets</b>                   |                               |                               |
| Goodwill                                   | 669                           | 452                           |
| Software                                   | 1,990                         | 2,021                         |
| Other                                      | 7,700                         | 7,317                         |
| <b>Total intangible assets</b>             | <b>10,360</b>                 | <b>9,791</b>                  |
| <b>Investments and other assets</b>        |                               |                               |
| Investment securities                      | 32,485                        | 38,076                        |
| Shares of subsidiaries and associates      | 32,773                        | 34,566                        |
| Long-term loans receivable                 | 1,857                         | 1,438                         |
| Retirement benefit asset                   | 122                           | 229                           |
| Deferred tax assets                        | 2,461                         | 2,335                         |
| Other                                      | 15,126                        | 14,369                        |
| Allowance for doubtful accounts            | (4,810)                       | (4,573)                       |
| <b>Total investments and other assets</b>  | <b>80,015</b>                 | <b>86,443</b>                 |
| <b>Total non-current assets</b>            | <b>238,417</b>                | <b>243,663</b>                |
| <b>Total assets</b>                        | <b>491,533</b>                | <b>475,415</b>                |

## Consolidated Balance Sheet

Million yen

|                                                                           | FY2019<br>As of Mar. 31, 2020 | FY2020<br>As of Mar. 31, 2021 |
|---------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>Liabilities</b>                                                        |                               |                               |
| <b>Current liabilities</b>                                                |                               |                               |
| Notes and accounts payable-trade                                          | 35,476                        | 41,665                        |
| Short-term borrowings                                                     | 120,877                       | 68,577                        |
| Lease obligations                                                         | 738                           | 701                           |
| Income taxes payable                                                      | 2,119                         | 4,207                         |
| Accrued expenses                                                          | 23,280                        | 23,096                        |
| Provision for bonuses                                                     | 3,250                         | 3,290                         |
| Provision for bonuses for directors (and other officers)                  | 252                           | 188                           |
| Provision for loss on sales of shares of subsidiaries and associates      | 216                           | -                             |
| Other provisions                                                          | 23                            | -                             |
| Other                                                                     | 10,659                        | 11,738                        |
| <b>Total current liabilities</b>                                          | <b>196,895</b>                | <b>153,467</b>                |
| <b>Non-current liabilities</b>                                            |                               |                               |
| Long-term borrowings                                                      | 100,361                       | 112,230                       |
| Lease obligations                                                         | 3,082                         | 2,703                         |
| Deferred tax liabilities                                                  | 2,501                         | 4,517                         |
| Provision for retirement benefits for directors (and other officers)      | 87                            | 71                            |
| Provision for share-based remuneration for directors (and other officers) | 58                            | 50                            |
| Retirement benefit liability                                              | 12,450                        | 10,428                        |
| Other                                                                     | 3,796                         | 4,020                         |
| <b>Total non-current liabilities</b>                                      | <b>122,337</b>                | <b>134,021</b>                |
| <b>Total liabilities</b>                                                  | <b>319,233</b>                | <b>287,489</b>                |
| <b>Net assets</b>                                                         |                               |                               |
| <b>Shareholders' equity</b>                                               |                               |                               |
| Capital stock                                                             | 30,685                        | 30,685                        |
| Capital Surplus                                                           | 21,621                        | 21,658                        |
| Retained earnings                                                         | 96,237                        | 107,928                       |
| Treasury shares                                                           | (474)                         | (476)                         |
| <b>Total shareholders' equity</b>                                         | <b>148,069</b>                | <b>159,795</b>                |
| <b>Accumulated other comprehensive income</b>                             |                               |                               |
| Valuation difference on available-for-sale securities                     | 8,839                         | 13,881                        |
| Deferred gains or losses on hedges                                        | 264                           | 92                            |
| Foreign currency translation adjustment                                   | 186                           | (1,056)                       |
| Remeasurements of defined benefit plans                                   | (4,208)                       | (3,139)                       |
| <b>Total accumulated other comprehensive income</b>                       | <b>5,082</b>                  | <b>9,778</b>                  |
| <b>Non-controlling interests</b>                                          | <b>19,148</b>                 | <b>18,352</b>                 |
| <b>Total net assets</b>                                                   | <b>172,300</b>                | <b>187,926</b>                |
| <b>Total liabilities and net assets</b>                                   | <b>491,533</b>                | <b>475,415</b>                |

**(2) Consolidated Income Statements**

Million yen

|                                                               | FY ended on<br>March 31, 2020 | FY ended on<br>March 31, 2021 |
|---------------------------------------------------------------|-------------------------------|-------------------------------|
| Net sales                                                     | 690,016                       | 656,491                       |
| Cost of sales                                                 | 556,218                       | 529,314                       |
| Gross profit                                                  | 133,797                       | 127,176                       |
| Selling, general and administrative expenses                  |                               |                               |
| Sales commission                                              | 31,559                        | 31,096                        |
| Storage costs                                                 | 4,929                         | 5,054                         |
| Shipment expenses                                             | 20,945                        | 20,737                        |
| Advertising expenses                                          | 3,451                         | 3,691                         |
| Difference of provision of allowance for doubtful accounts    | 73                            | 52                            |
| Salaries and allowances                                       | 21,570                        | 21,394                        |
| Bonuses                                                       | 2,373                         | 2,304                         |
| Provision for bonuses                                         | 1,534                         | 1,592                         |
| Provision for bonuses for directors (and other officers)      | 281                           | 195                           |
| Retirement benefit expenses                                   | 899                           | 1,436                         |
| Depreciation                                                  | 2,070                         | 1,836                         |
| Rent and repair expenses                                      | 2,920                         | 3,132                         |
| Travel, transportation and communication expenses             | 2,656                         | 1,361                         |
| Other                                                         | 15,695                        | 15,211                        |
| Total selling, general and administrative expenses            | 110,962                       | 109,097                       |
| Operating profit                                              | 22,834                        | 18,079                        |
| Non-operating income                                          |                               |                               |
| Interest income                                               | 235                           | 196                           |
| Dividend income                                               | 800                           | 697                           |
| Foreign exchange gains                                        | -                             | 462                           |
| Gain on sales of investment securities                        | -                             | 36                            |
| Share of profit of entities accounted for using equity method | 2,820                         | 2,770                         |
| Subsidy income                                                | 687                           | 1,253                         |
| Miscellaneous income                                          | 615                           | 693                           |
| Total non-operating income                                    | 5,161                         | 6,110                         |
| Non-operating expenses                                        |                               |                               |
| Interest expenses                                             | 1,636                         | 1,318                         |
| Foreign exchange losses                                       | 199                           | -                             |
| Loss on sales of investment securities                        | -                             | 2                             |
| Miscellaneous expenses                                        | 352                           | 118                           |
| Total non-operating expenses                                  | 2,188                         | 1,439                         |
| Ordinary profit                                               | 25,807                        | 22,750                        |

## Consolidated Income Statements

Million yen

|                                                                                   | FY ended on<br>March 31, 2020 | FY ended on<br>March 31, 2021 |
|-----------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| Extraordinary income                                                              |                               |                               |
| Gain on sales of non-current assets                                               | 206                           | 363                           |
| Gain on sales of investment securities                                            | 53                            | 1,895                         |
| Gain on sales of shares of subsidiaries and associates                            | 9                             | -                             |
| Gain on change in equity                                                          | 11                            | -                             |
| Total extraordinary income                                                        | 281                           | 2,259                         |
| Extraordinary losses                                                              |                               |                               |
| Loss on disposal of non-current assets                                            | 486                           | 578                           |
| Impairment loss                                                                   | 258                           | 553                           |
| Loss on sales of investment securities                                            | 0                             | 3                             |
| Loss on valuation of investment securities                                        | 1,836                         | 144                           |
| Loss on valuation of investments in capital                                       | -                             | 70                            |
| Extra retirement payments                                                         | -                             | 90                            |
| Loss on disaster                                                                  | 421                           | 1,008                         |
| Loss on relocation of factory                                                     | 207                           | -                             |
| Provision of allowance for loss on sales of shares of subsidiaries and associates | 216                           | -                             |
| Total extraordinary losses                                                        | 3,426                         | 2,448                         |
| Profit before income taxes                                                        | 22,662                        | 22,561                        |
| Income taxes-current                                                              | 6,981                         | 6,648                         |
| Income taxes-deferred                                                             | 393                           | 707                           |
| Total income taxes                                                                | 7,374                         | 7,356                         |
| Profit                                                                            | 15,287                        | 15,205                        |
| Profit attributable to non-controlling interests                                  | 518                           | 752                           |
| Profit attributable to owners of parent                                           | 14,768                        | 14,452                        |



## Consolidated Statements of comprehensive income

Million yen

|                                                                                   | FY ended on<br>March 31, 2020 | FY ended on<br>March 31, 2021 |
|-----------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| Profit                                                                            | 15,287                        | 15,205                        |
| Other comprehensive income                                                        |                               |                               |
| Valuation difference on available-for-sale securities                             | (2,250)                       | 4,996                         |
| Deferred gains or losses on hedges                                                | (63)                          | (261)                         |
| Foreign currency translation adjustment                                           | (1,450)                       | (1,990)                       |
| Remeasurements of defined benefit plans, net of tax                               | (1,260)                       | 1,040                         |
| Share of other comprehensive income of entities accounted for using equity method | (299)                         | 1,019                         |
| Total other comprehensive income                                                  | (5,323)                       | 4,804                         |
| Comprehensive income                                                              | 9,963                         | 20,009                        |
| (Breakdown)                                                                       |                               |                               |
| Comprehensive income attributable to owners of parent                             | 9,485                         | 19,149                        |
| Comprehensive income attributable to non-controlling interests                    | 477                           | 860                           |

**(3) Consolidated Statements of Changes in Net assets**

Previous Fiscal Year (From April 1, 2019 to March 31, 2020)

|                                                                                                       | Shareholder's Equity |                 |                   |                 |  | Total shareholders' equity |
|-------------------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|--|----------------------------|
|                                                                                                       | Share capital        | Capital surplus | Retained earnings | Treasury shares |  |                            |
| Balance at beginning of period                                                                        | 30,685               | 21,757          | 83,988            | (471)           |  | 135,960                    |
| Changes during period                                                                                 |                      |                 |                   |                 |  |                            |
| Dividends of surplus                                                                                  |                      |                 | (2,492)           |                 |  | (2,492)                    |
| Profit attributable to owners of parent                                                               |                      |                 | 14,768            |                 |  | 14,768                     |
| Purchase of treasury shares                                                                           |                      |                 |                   | (2)             |  | (2)                        |
| Disposal of treasury shares                                                                           |                      | 0               |                   | 0               |  | 0                          |
| Change in ownership interest of parent due to transactions with non-controlling interests             |                      | (11)            |                   |                 |  | (11)                       |
| Increase due to decrease in affiliates                                                                |                      |                 | 1                 |                 |  | 1                          |
| Decrease in retained earnings by increasing of equity method affiliates                               |                      |                 | (28)              |                 |  | (28)                       |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |                      |                 |                   | (0)             |  | (0)                        |
| Changes in liabilities for written put options over non-controlling interests                         |                      | (123)           |                   |                 |  | (123)                      |
| Net changes in items other than shareholders' equity                                                  |                      |                 |                   |                 |  |                            |
| Total changes during period                                                                           | —                    | (135)           | 12,248            | (3)             |  | 12,109                     |
| Balance at end of period                                                                              | 30,685               | 21,621          | 96,237            | (474)           |  | 148,069                    |

|                                                                                                       | Accumulated other comprehensive income                |                                    |                                         |                                         |                                              | Non-controlling interests | Total net assets |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|---------------------------|------------------|
|                                                                                                       | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period                                                                        | 11,077                                                | 283                                | 1,945                                   | (2,941)                                 | 10,365                                       | 19,832                    | 166,158          |
| Changes during period                                                                                 |                                                       |                                    |                                         |                                         |                                              |                           |                  |
| Dividends of surplus                                                                                  |                                                       |                                    |                                         |                                         |                                              |                           | (2,492)          |
| Profit attributable to owners of parent                                                               |                                                       |                                    |                                         |                                         |                                              |                           | 14,768           |
| Purchase of treasury shares                                                                           |                                                       |                                    |                                         |                                         |                                              |                           | (2)              |
| Disposal of treasury shares                                                                           |                                                       |                                    |                                         |                                         |                                              |                           | 0                |
| Change in ownership interest of parent due to transactions with non-controlling interests             |                                                       |                                    |                                         |                                         |                                              |                           | (11)             |
| Increase due to decrease in affiliates                                                                |                                                       |                                    |                                         |                                         |                                              |                           | 1                |
| Decrease in retained earnings by increasing of equity method affiliates                               |                                                       |                                    |                                         |                                         |                                              |                           | (28)             |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |                                                       |                                    |                                         |                                         |                                              |                           | (0)              |
| Changes in liabilities for written put options over non-controlling interests                         |                                                       |                                    |                                         |                                         |                                              |                           | (123)            |
| Net changes in items other than shareholders' equity                                                  | (2,237)                                               | (19)                               | (1,759)                                 | (1,267)                                 | (5,283)                                      | (684)                     | (5,967)          |
| Total changes during period                                                                           | (2,237)                                               | (19)                               | (1,759)                                 | (1,267)                                 | (5,283)                                      | (684)                     | 6,142            |
| Balance at end of period                                                                              | 8,839                                                 | 264                                | 186                                     | (4,208)                                 | 5,082                                        | 19,148                    | 172,300          |

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

|                                                                                                       | Shareholder's Equity |                 |                   |                 |  | Total shareholders' equity |
|-------------------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|--|----------------------------|
|                                                                                                       | Share capital        | Capital surplus | Retained earnings | Treasury shares |  |                            |
| Balance at beginning of period                                                                        | 30,685               | 21,621          | 96,237            | (474)           |  | 148,069                    |
| Changes during period                                                                                 |                      |                 |                   |                 |  |                            |
| Dividends of surplus                                                                                  |                      |                 | (2,648)           |                 |  | (2,648)                    |
| Profit attributable to owners of parent                                                               |                      |                 | 14,452            |                 |  | 14,452                     |
| Purchase of treasury shares                                                                           |                      |                 |                   | (1)             |  | (1)                        |
| Disposal of treasury shares                                                                           |                      | 0               |                   | 0               |  | 0                          |
| Change in ownership interest of parent due to transactions with non-controlling interests             |                      | 10              |                   |                 |  | 10                         |
| Decrease in retained earnings by increasing of consolidated subsidiaries                              |                      |                 | (6)               |                 |  | (6)                        |
| Decrease in due to changes in accounting period of consolidated subsidiaries                          |                      |                 | (0)               |                 |  | (0)                        |
| Decrease in due to changes in accounting period of equity method affiliates                           |                      |                 | (106)             |                 |  | (106)                      |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |                      |                 |                   | (0)             |  | (0)                        |
| Changes in liabilities for written put options over non-controlling interests                         |                      | 25              |                   |                 |  | 25                         |
| Net changes in items other than shareholders' equity                                                  |                      |                 |                   |                 |  |                            |
| Total changes during period                                                                           | —                    | 36              | 11,690            | (1)             |  | 11,725                     |
| Balance at end of period                                                                              | 30,685               | 21,658          | 107,928           | (476)           |  | 159,795                    |

|                                                                                                       | Accumulated other comprehensive income                |                                    |                                         |                                         |                                              | Non-controlling interests | Total net assets |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------------------|---------------------------|------------------|
|                                                                                                       | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period                                                                        | 8,839                                                 | 264                                | 186                                     | (4,208)                                 | 5,082                                        | 19,148                    | 172,300          |
| Changes during period                                                                                 |                                                       |                                    |                                         |                                         |                                              |                           |                  |
| Dividends of surplus                                                                                  |                                                       |                                    |                                         |                                         |                                              |                           | (2,648)          |
| Profit attributable to owners of parent                                                               |                                                       |                                    |                                         |                                         |                                              |                           | 14,452           |
| Purchase of treasury shares                                                                           |                                                       |                                    |                                         |                                         |                                              |                           | (1)              |
| Disposal of treasury shares                                                                           |                                                       |                                    |                                         |                                         |                                              |                           | 0                |
| Change in ownership interest of parent due to transactions with non-controlling interests             |                                                       |                                    |                                         |                                         |                                              |                           | 10               |
| Decrease in retained earnings by increasing of consolidated subsidiaries                              |                                                       |                                    |                                         |                                         |                                              |                           | (6)              |
| Decrease in due to changes in accounting period of consolidated subsidiaries                          |                                                       |                                    |                                         |                                         |                                              |                           | (0)              |
| Decrease in due to changes in accounting period of equity method affiliates                           |                                                       |                                    |                                         |                                         |                                              |                           | (106)            |
| Change in treasury shares arising from change in equity in entities accounted for using equity method |                                                       |                                    |                                         |                                         |                                              |                           | (0)              |
| Changes in liabilities for written put options over non-controlling interests                         |                                                       |                                    |                                         |                                         |                                              |                           | 25               |
| Net changes in items other than shareholders' equity                                                  | 5,041                                                 | (171)                              | (1,242)                                 | 1,068                                   | 4,696                                        | (796)                     | 3,890            |
| Total changes during period                                                                           | 5,041                                                 | (171)                              | (1,242)                                 | 1,068                                   | 4,696                                        | (796)                     | 15,625           |
| Balance at end of period                                                                              | 13,881                                                | 92                                 | (1,056)                                 | (3,139)                                 | 9,778                                        | 18,352                    | 187,926          |

**(4) Consolidated Statements of Cash-Flow**

Million yen

|                                                                                   | FY ended on<br>March 31, 2020 | FY ended on<br>March 31, 2021 |
|-----------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| Cash flows from operating activities                                              |                               |                               |
| Profit before income taxes                                                        | 22,662                        | 22,561                        |
| Depreciation                                                                      | 19,450                        | 19,640                        |
| Impairment loss                                                                   | 258                           | 553                           |
| Amortization of goodwill                                                          | 263                           | 231                           |
| Increase (decrease) in allowance for doubtful accounts                            | (123)                         | (23)                          |
| Increase (decrease) in retirement benefit liability                               | (563)                         | (810)                         |
| Interest and dividend income                                                      | (1,036)                       | (894)                         |
| Interest expenses                                                                 | 1,636                         | 1,318                         |
| Share of loss (profit) of entities accounted for using equity method              | (2,820)                       | (2,770)                       |
| Gain on sales of non-current assets                                               | (206)                         | (363)                         |
| Loss on disposal of noncurrent assets                                             | 486                           | 578                           |
| Loss (gain) on sales and valuation of investment securities                       | 1,783                         | (1,782)                       |
| Loss on valuation of investments in capital                                       | –                             | 70                            |
| Loss on disaster                                                                  | 421                           | 1,008                         |
| Loss (gain) on sales of shares of subsidiaries and associates                     | (9)                           | –                             |
| Loss (gain) on change in equity                                                   | (11)                          | –                             |
| Loss on relocation of factory                                                     | 207                           | –                             |
| Extra retirement payments                                                         | –                             | 90                            |
| Provision of allowance for loss on sales of shares of subsidiaries and associates | 216                           | –                             |
| Decrease (increase) in trade receivables                                          | 8,741                         | 1,621                         |
| Decrease (increase) in inventories                                                | (2,621)                       | 1,577                         |
| Increase (decrease) in trade payables                                             | (14,197)                      | 6,624                         |
| Increase (decrease) in accrued expenses                                           | (4,003)                       | (17)                          |
| Other, net                                                                        | (2,998)                       | 723                           |
| Subtotal                                                                          | 27,533                        | 49,937                        |
| Interest and dividends received                                                   | 1,003                         | 874                           |
| Interest paid                                                                     | (1,695)                       | (1,283)                       |
| Proceeds from insurance income for disaster loss                                  | –                             | 235                           |
| Payments associated with disaster loss                                            | –                             | (28)                          |
| Income taxes paid                                                                 | (8,054)                       | (3,824)                       |
| Net cash provided by(used in) operating activities                                | 18,786                        | 45,910                        |

|                                                                                                  | FY ended on<br>March 31, 2020 | FY ended on<br>March 31, 2021 |
|--------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| Cash flows from investing activities                                                             |                               |                               |
| Decrease (increase) in time deposits                                                             | (4)                           | (4)                           |
| Decrease(increase) in short-term investment securities                                           | 500                           | -                             |
| Purchase of property, plant and equipment                                                        | (27,948)                      | (23,325)                      |
| Proceeds from sales of property, plant and equipment                                             | 358                           | 1,009                         |
| Purchase of intangible assets                                                                    | (643)                         | (903)                         |
| Purchase of investment securities                                                                | (1,040)                       | (44)                          |
| Proceeds from sales of investment securities                                                     | 102                           | 3,137                         |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation                 | (1,042)                       | -                             |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation   | -                             | 14                            |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation       | -                             | 2,401                         |
| Decrease (increase) in short-term loans receivable                                               | 126                           | (154)                         |
| Other, net                                                                                       | 144                           | (154)                         |
| Net cash provided by (used in) investing activities                                              | (29,446)                      | (18,023)                      |
| Cash flows from financing activities                                                             |                               |                               |
| Net increase (decrease) in short-term borrowings                                                 | 18,782                        | (49,282)                      |
| Proceeds from long-term borrowings                                                               | 28,747                        | 24,289                        |
| Repayments of long-term borrowings                                                               | (17,284)                      | (15,163)                      |
| Repayments of lease obligations                                                                  | (748)                         | (786)                         |
| Proceeds from share issuance to non-controlling share holders                                    | 12                            | -                             |
| Dividends paid                                                                                   | (2,490)                       | (2,647)                       |
| Dividends paid to non-controlling interests                                                      | (510)                         | (277)                         |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation             | (563)                         | (916)                         |
| Decrease (increase) in treasury shares                                                           | (2)                           | (1)                           |
| Other, net                                                                                       | (0)                           | (0)                           |
| Net cash provided by (used in) financing activities                                              | 25,942                        | (44,786)                      |
| Effect of exchange rate change on cash and cash equivalents                                      | 200                           | (10)                          |
| Net increase (decrease) in cash and cash equivalents                                             | 15,482                        | (16,908)                      |
| Cash and cash equivalents at beginning of period                                                 | 16,165                        | 31,647                        |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | -                             | 20                            |
| Cash and cash equivalents at end of period                                                       | 31,647                        | 14,760                        |



## (5) Notes on Consolidated Financial Statements

(Notes on the Premise of Going Concern)

Not applicable.

[Changes in presentation]

(Related to Consolidated Balance Sheet)

"Shares of subsidiaries and associates," which was included in "Investment securities" under "Investments and other assets" in the previous fiscal year, is presented as a separate line item from the current fiscal year for clarity.

The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change. As a result, 32,773 million yen included in "Investment securities" of investments and other assets in the consolidated balance sheets for the previous fiscal year has been reclassified as "shares of subsidiaries and associates."

(Segment Information, etc.)

[Segment Information]

### 1. Overview of reportable segments

The Company's reportable segments comprise constituent units of the Company for which separate financial information may be obtained. The board of directors examines these segments regularly to determine the allocation of management resources and evaluate operating performance.

The Company's business operations involve linking marine resources to the everyday lives of its customers, which is done by formulating comprehensive strategies by product/service both in Japan and overseas.

Therefore, the Company's segments classified by product/service consist of "Marine Products business," "Foods business," "Fine Chemicals business," and "General Distribution business."

"Marine Products" include the fishing, aquaculture, purchasing, processing, and selling marine products (fresh/frozen fish, fish meal & fish oil).

"Food Products" include the manufacturing and selling frozen food, shelf-stable foods, and other processed foods.

"Fine Chemicals" include the manufacturing and selling diagnostic medicines, general pharmaceuticals, medical ingredients, and health foods.

"General Distribution" consists of the cold storage and transportation of frozen and refrigerated goods that back up the above businesses.

The Company is engaged in the above businesses mainly in the five regions of Japan, North America, South America, Asia, and Europe.

### 2. Method of Measuring the Amount of Net Sales, profit(loss), assets, and other items by segment

The accounting methods used by the reported business segments are generally the same as those described under the "Significant Matters Fundamental to the Preparation of the Consolidated Financial Statements." Profits of the business segments are operating income-based figures. Intersegment revenues and transfers are valued at prices used in third-party transactions.

From the first quarter of the consolidated fiscal year under review, part of the consolidated subsidiary's segmentation was separated into the Food Products Business and the Marine Products Business, which used to be divided into the Food Business only and the review of organization change. Net sales and operating profit by the segment under review were created according to the revised segmentation.

### 3. Information of net sales, profit (loss), assets, and other items by segment

Previous Fiscal Year ended March 31, 2020

|                                                                  | Reportable Segments |                  |                   |                         |         | Others<br>(*Note1) | Total   | Consolidated<br>Adjustment<br>(*Note 2) | Consolidated<br>(*Note3) |
|------------------------------------------------------------------|---------------------|------------------|-------------------|-------------------------|---------|--------------------|---------|-----------------------------------------|--------------------------|
|                                                                  | Marine<br>Products  | Food<br>Products | Fine<br>Chemicals | General<br>Distribution | Total   |                    |         |                                         |                          |
| Sales                                                            |                     |                  |                   |                         |         |                    |         |                                         |                          |
| Sales to third-parties                                           | 289,589             | 337,245          | 27,023            | 16,596                  | 670,454 | 19,561             | 690,016 | -                                       | 690,016                  |
| Inter-segment sales and transfers                                | 14,945              | 3,859            | 273               | 9,725                   | 28,803  | 1,982              | 30,785  | (30,785)                                | -                        |
| Total                                                            | 304,534             | 341,104          | 27,296            | 26,322                  | 699,257 | 21,543             | 720,801 | (30,785)                                | 690,016                  |
| Segment income(loss)                                             | 11,850              | 12,761           | 2,599             | 1,986                   | 29,198  | 413                | 29,611  | (6,777)                                 | 22,834                   |
| Asset by segment                                                 | 198,915             | 165,537          | 53,279            | 25,664                  | 443,398 | 6,098              | 449,496 | 42,037                                  | 491,533                  |
| Other                                                            |                     |                  |                   |                         |         |                    |         |                                         |                          |
| Depreciation and amortizations                                   | 6,858               | 7,632            | 1,870             | 1,445                   | 17,807  | 295                | 18,103  | 1,347                                   | 19,450                   |
| Amortization of goodwill                                         | 79                  | 100              | -                 | -                       | 179     | 83                 | 263     | -                                       | 263                      |
| Equity in earnings (losses) of affiliates                        | 2,870               | 140              | (229)             | 39                      | 2,820   | -                  | 2,820   | -                                       | 2,820                    |
| Impairment loss                                                  | 238                 | 19               | 0                 | -                       | 258     | -                  | 258     | 0                                       | 258                      |
| Investments in entities accounted for using equity method        | 29,305              | 2,484            | 192               | 1,522                   | 33,504  | -                  | 33,504  | -                                       | 33,504                   |
| Unamortized balance of goodwill                                  | 80                  | 505              | -                 | -                       | 586     | 83                 | 669     | -                                       | 669                      |
| Increase in property, plant and equipment, and intangible assets | 11,020              | 9,330            | 2,304             | 3,753                   | 26,408  | 77                 | 26,486  | 866                                     | 27,352                   |

(Note)

- The "Other" segment includes the building/repair of ships, engineering, and other businesses not included in the reportable segments.
- The (6,777) million yen segment income adjustment comprises 18 million yen in inter-segment elimination and (6,796) million yen in corporate expenses not allocated to the segments. Corporate expenses include mainly selling, general and administrative expenses not allocated to the segments.
  - The segment assets adjustment amounted to 42,037 million yen are corporate assets not allocated to the segments, mainly composed of long-term investments (investment securities) and assets relating to the R&D department.
  - The depreciation adjustment amounted to 1,347 million yen is the depreciation of corporate assets.
  - The impairment loss adjustment amount to 0 million yen is for the impairment loss of corporate assets.
  - An increase in property, plant, and equipment and intangible assets adjustment amount to 866 million yen in capital expenditure of corporate assets.
- Total segment income corresponds to the operating profit reported in the consolidated income statements.
- Total segment liabilities are not described because it is not an examination object to decide the evaluated allocation of management resources and business performance.

Current Fiscal Year ended March 31, 2021

|                                                                  | Reportable Segments |                  |                   |                         |         | Others<br>(*Note1) | Total   | Consolidated<br>Adjustment<br>(*Note 2) | Consolidated<br>(*Note3) |
|------------------------------------------------------------------|---------------------|------------------|-------------------|-------------------------|---------|--------------------|---------|-----------------------------------------|--------------------------|
|                                                                  | Marine<br>Products  | Food<br>Products | Fine<br>Chemicals | General<br>Distribution | Total   |                    |         |                                         |                          |
| Sales                                                            |                     |                  |                   |                         |         |                    |         |                                         |                          |
| Sales to third-parties                                           | 262,108             | 330,037          | 26,421            | 16,671                  | 635,239 | 21,151             | 656,491 | -                                       | 656,491                  |
| Inter-segment sales and transfers                                | 13,773              | 1,705            | 241               | 9,730                   | 25,449  | 2,181              | 27,631  | (27,631)                                | -                        |
| Total                                                            | 275,881             | 331,742          | 26,663            | 26,402                  | 660,689 | 23,433             | 684,122 | (27,631)                                | 656,491                  |
| Segment income(loss)                                             | 5,984               | 14,005           | 2,397             | 2,202                   | 24,590  | 734                | 25,324  | (7,245)                                 | 18,079                   |
| Asset by segment                                                 | 194,266             | 170,311          | 56,706            | 24,455                  | 445,739 | 7,262              | 453,002 | 22,413                                  | 475,415                  |
| Other                                                            |                     |                  |                   |                         |         |                    |         |                                         |                          |
| Depreciation and amortizations                                   | 6,996               | 7,714            | 1,700             | 1,800                   | 18,211  | 230                | 18,441  | 1,198                                   | 19,640                   |
| Amortization of goodwill                                         | 26                  | 120              | -                 | -                       | 147     | 83                 | 231     | -                                       | 231                      |
| Equity in earnings (losses) of affiliates                        | 2,590               | 198              | (52)              | 34                      | 2,770   | -                  | 2,770   | -                                       | 2,770                    |
| Impairment loss                                                  | 76                  | 325              | -                 | 151                     | 553     | -                  | 553     | -                                       | 553                      |
| Investments in entities accounted for using equity method        | 30,748              | 2,638            | 112               | 1,556                   | 35,056  | -                  | 35,056  | -                                       | 35,056                   |
| Unamortized balance of goodwill                                  | 54                  | 397              | -                 | -                       | 452     | -                  | 452     | -                                       | 452                      |
| Increase in property, plant and equipment, and intangible assets | 10,106              | 9,429            | 999               | 1,029                   | 21,564  | 76                 | 21,641  | 972                                     | 22,613                   |

(Note)

- The "Other" segment includes the building/repair of ships, engineering, and other businesses not included in the reportable segments.
- (1) The (7,245) million yen segment income adjustment comprises 38 million yen in inter-segment elimination and (7,284) million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.
  - (2) The segment assets adjustment amounted to 22,413 million yen are corporate assets not allocated to the segments, mainly composed of long-term investments (investment securities) and assets relating to the R&D department.
  - (3) The depreciation adjustment amounted to 1,198million yen is the depreciation of corporate assets.
  - (4) An increase in property, plant, and equipment and intangible assets adjustment amount to 972 million yen in capital expenditure of corporate assets.
- Total segment income corresponds to the operating profit reported in the consolidated income statements.
- Total segment liabilities are not described because it is not an examination object to decide the evaluated allocation of management resources and business performance.

[Related Information]

Previous Fiscal Year ended March 31, 2020

1. Information of area

(1) Net Sales

(Unit: Million yen)

| Japan   | North America | Europe | Others | Total   |
|---------|---------------|--------|--------|---------|
| 474,110 | 90,030        | 88,397 | 37,477 | 690,016 |

(Note) Net Sales are based on customer's addresses and classified by countries and geographical area.

(2) Property, plant, and equipment

(Unit: Million yen)

| Japan   | North America | Others | Toatl   |
|---------|---------------|--------|---------|
| 105,668 | 15,851        | 26,521 | 148,042 |

2. Information on main customers

(Unit: Million yen)

| Customer's name | Net Sales | Segment |
|-----------------|-----------|---------|
| SCI, Inc.       | 76,180    | Foods   |

Current Fiscal Year ended March 31, 2021

1. Information of area

(1) Net Sales

(Unit: Million yen)

| Japan   | North America | Europe | Others | Total   |
|---------|---------------|--------|--------|---------|
| 449,833 | 89,610        | 88,334 | 28,712 | 656,491 |

(2) Property, plant, and equipment

(Unit: Million yen)

| Japan   | North America | Others | Toatl   |
|---------|---------------|--------|---------|
| 102,197 | 15,287        | 29,943 | 147,428 |

2. Information on main customers

The details of major customers were omitted because there were no customers who accounted for 10% of net sales for consolidated income statements.



[Significant subsequent events]

(Announcement Concerning Absorption-Type Merger of Important Subsidiary Companies)

At the Board Meeting held on April 28, 2021, Nissui resolved to merge Delmar Co., Ltd., a wholly-owned subsidiary of our company, and entered into a merger agreement on the same day. Based on this agreement, our company will absorb Delmar Co., Ltd. on July 1, 2021.

1. Overview of the transaction
  - 1) The name of the Combinee and the details of its business  
Name of Combinee: Delmar Co., Ltd.  
Business Details: Production and sales frozen seafood products
  - 2) Date of Business Combination  
July 1, 2021
  - 3) Legal form of business combination  
Merger with our company as the surviving company and Delmar Co., Ltd. as the absorbed company
  - 4) Name of Combined Enterprise  
Nippon Suisan Kaisha, Ltd.
  - 5) Purpose of Business Combination  
The purpose of the absorption-type merger is to further improve management efficiency by consolidating management resources and consolidating operations in our group.
2. Outline of the accounting treatment to be implemented  
In accordance with “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the Company plans to treat these transactions as transactions under common control.

#### 4. Other

##### (1) Changes of Officers (to be effective on June 25, 2021)

(1) Change of the representative  
Not applicable

##### (2) Change of other Board Members and Auditors

i.) Candidates for newly appointed Board Members

| Name             | New Position                                                                                                            | Current Position                                                                    |
|------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Shinya Yamashita | Board Member, Executive Officer,<br>Commissioned Fine Chemicals Business<br>Operating Officer<br>In charge of R&D Group | Executive Officer,<br>In charge of R&D Group and Food Safety<br>Research Department |
| Tokio Matsuo     | Outside Board Member                                                                                                    | Advisor of Nippon Carbide Industry Co., Ltd.                                        |

ii.) Board Members scheduled to retire

| Name             | Current Position                                                                                          |
|------------------|-----------------------------------------------------------------------------------------------------------|
| Yoichi Sekiguchi | Board Member, Managing Executive<br>Officer,<br>Commissioned Fine Chemicals Business<br>Operating Officer |
| Kazuo Ohki       | Outside Board Member                                                                                      |

iii.) Candidates for newly appointed Auditors

| Name              | New Position                     | Current Position                                                                                                                                                      |
|-------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Masahiro Yamamoto | Audit & Supervisory Board Member | Certified Public Accountant<br>Inspector of Japan Professional Basketball<br>League<br>Director (Audit and Supervisory Committee<br>member) of DIGITAL HOLDINGS, Inc. |
| Tadashi Kanki     | Audit & Supervisory Board Member | Full-Time Audit & Supervisory Board<br>Member of Nippon Express Co., Ltd.                                                                                             |

iv.) Auditors scheduled to retire

| Name            | Current Position                 |
|-----------------|----------------------------------|
| Motohide Ozawa  | Audit & Supervisory Board Member |
| Toshinari Iyoda | Audit & Supervisory Board Member |

##### (2) Change of Executive Officers

(1) Candidates for newly appointed Executive Officers (to be effective on June 25, 2021)

| Name            | New Position                                                                                                                                                                                                            | Current Position                                   |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Iiروفumi Nakano | Executive Officer,<br>Commissioned Deputy Food Products<br>Business Operating Officer<br>In charge of Production Group, Business<br>Development Department, Supply Chain<br>Management Department and ICT<br>Department | Deputy Food Products Business Operating<br>Officer |
| Taro Baba       | Executive Officer,<br>Commissioned Legal Department<br>In charge of General Affairs Department                                                                                                                          | Managing Director of Legal Department              |

(2) Executive Officers scheduled to retire

| Name             | Current Position           | Scheduled to retire on |
|------------------|----------------------------|------------------------|
| Yoichi Sekiguchi | Managing Executive Officer | June 25, 2021          |
| Tetsuya Shindo   | Executive Officer          | June 23, 2021          |

(3) Executive Officer scheduled to promote (to be effective on June 25, 2021)

| Name        | New Position                                                                                                                             | Current Position                                                                                                |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Kouji Umeda | Managing Executive Officer,<br>Commissioned Food Products Business<br>Operating Officer<br>In charge of Marketing Planning<br>Department | Executive Officer,<br>Commissioned Food Products Business<br>Operating Officer<br>In charge of Production Group |