

May 12, 2022

Consolidated Financial Results for the Year ended March 31, 2022 (April 1, 2021, through March 31, 2022)

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, 2022

### (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	%
FY2021	693,682	12.8	27,076	50.4	32,372	42.8	17,275	20.0
FY2020	615,044	-	17,998	-	22,670	-	14,391	-

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

Comprehensive income: March 31, 2022: 25,461 Million yen (27.6%)

March 31, 2021: 19,948 Million yen (-%)

	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	%	%	%
FY2021	55.51	-	9.6	6.6	3.9
FY2020	46.25	-	8.9	4.7	2.9

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

March 31, 2022: 2,685 Million yen      March 31, 2021: 2,770 Million yen

(Note) Nissui applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29). from the beginning of the current fiscal year. Accordingly, the figures for the previous year had retroactively adopted the above accounting standard. Thus, we do not describe the difference in percentage between the last fiscal year and the year before.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
As of March 31, 2022	505,731	208,598	37.5	609.82
As of March 31, 2021	475,468	187,779	35.6	544.55

(Note): Total shareholders' equity

As of March 31, 2022: 189,798 Million yen      As of March 31, 2021: 169,427 Million yen

(Note) Nissui applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29). from the beginning of the current fiscal year. Accordingly, the figures for the previous year had been retroactively adopted the above accounting standard.

### (3) Consolidated Cash-Flow

	Net cash provided by (used in) operating activities	Net cash provide 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
FY2021	29,118	(17,260)	(11,265)	15,683
FY2020	45,910	(18,023)	(44,786)	14,760

### 2. Dividend

	Dividend per share					Total dividend	Payout ratio (Consolidated)	Dividend /Net assets (Consolidated)
	1Q	2Q	3Q	Final	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2020	-	4.00	-	5.50	9.50	2,960	20.5	1.8
FY2021	-	6.00	-	8.00	14.00	4,362	25.2	2.4
FY2022 (Forecast)	-	8.00	-	8.00	16.00		27.7	

### 3. Forecast for the Year ending March 31, 2023, 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
FY2022	720,000	3.8	22,500	(16.9)	25,500	(21.2)	18,000	4.2	57.84

#### \* 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.: Yes
  - 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)

FY2021	312,430,277	FY2020	312,430,277
FY2021	1,193,793	FY2020	1,296,387
FY2021	311,206,342	FY2020	31,139,338

(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 is 223,600 and the average number of shares during the term is 256,109.

## (Reference) Summary of Non-consolidated financial statements

### 1. Non-consolidated Financial Data for Fiscal Year ended March 31, 2022

#### (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	%
FY2021	296,583	9.5	5,015	32.0	14,387	48.9	7,165	(21.9)
FY2020	270,737	-	3,800	-	9,663	-	9,169	-

	Earnings per share	Diluted income per share
	Yen	Yen
FY2021	23.02	-
FY2020	29.46	-

(Note) Nissui applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29). from the beginning of the current fiscal year. Accordingly, the figures for the previous year had retroactively adopted the above accounting standard. Thus, we do not describe the difference in percentage between the last fiscal year and the year before.

#### (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	332,621	104,895	31.5	336.88
As of March 31, 2021	330,759	102,214	30.9	328.38

(Note) Nissui applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29). from the beginning of the current fiscal year. Accordingly, the figures for the previous year had been retroactively adopted the above accounting standard.

Note: Total shareholders' equity

As of March 31, 2022: 104,895 Million yen As of March 31, 2021: 102,214 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 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 10 of this Consolidated Financial Results .

## 1. Qualitative information for the fiscal year ended March 31, 2022

### (1) Explanation on consolidated financial results

#### <Operating Performance in Fiscal Year 2021>

Nissui has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc., from the first quarter of the current consolidated fiscal year and compared and analyzed the previous fiscal year which had been adopted the accounting standard retroactively.

During the consolidated fiscal year under review, thanks to the various economic policies by the government, the Japanese economy gradually recovered in corporate earnings improvement, mainly in the manufacturing industry and personal consumption although the restriction and pre-emergency measures of COVID-19 were declared repeatedly. However, with currency exchange fluctuation, confusion in logistics, high cost of raw materials and labor, the situation is more unclear than ever due to the outbreak of the new corona variant and the Russian invasion of Ukraine.

In terms of the global economy during the period subject to consolidated accounting from January to December, the number of infected persons with COVID-19 rose in the United States and Europe. However, consumer spending and capital investment increased since the emergency declaration was gradually lifted in the background of vaccination spread.

The Company and its corporate group showed improvement in its aquaculture business in Japan and overseas. Sales of marine products improved following the recovery of economic activities while the Alaskan pollock processing business struggled. The deals for household and food service in the food products business stayed firm in Europe and the USA. Still, they had a difficult time in Japan because of the weaker yen and increasing raw material prices.

Under these circumstances, the consolidated financial results through the consolidated fiscal year under review were as follows: net sales were 693,682 million yen, up 78,637 million yen year-on-year; operating profit was 27,076 million yen, up 9,077 million yen year-on-year; ordinary profit was 32,372 million yen, up 9,702 million yen year-on-year. Profit attributable to owners of the parent was 17,275 million yen, up 2,883 million yen year-on-year, as we posted an impairment loss of 5,516 million yen (Note).

As for dividends, we decided to revise the year-ended dividend per share to 8.00 yen, a 3.00 yen increase from the dividend forecast released on February 4, 2022. As a result, the annual dividend per share will be 14.00 yen (9.5 yen for the 1<sup>st</sup> Half), including the interim dividend.

(Note): In the 3<sup>rd</sup> Quarter, there were indications of impairment on non-current assets of UniSea, Inc., one of the consolidated companies of Nissui, in the United States, and we posted 5.002 million yen as an impairment loss.

(Unit: million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent
FY2021	693,682	27,026	32,372	17,275
FY2020	615,044	17,998	22,670	14,391
Difference	78,637	9,077	9,702	2,883
Percentage difference (%)	112.8%	150.4%	142.8%	120.0%

The summary by segment is as follows.

(Unit: million yen)

	Net Sales	Increase /Decrease (Y-on-Y)	Y-on-Y	Operating Profit	Increase /Decrease (Y-on-Y)	Y-on-Y
Marine Products	287,768	37,988	115.2%	12,721	6,831	216.0%
Food Products	328,602	27,419	109.1%	15,400	1,384	109.9%
Fine Chemicals	34,074	8,019	130.8%	4,052	1,664	169.7%
General Distribution	15,778	(896)	94.6%	2,041	(159)	92.7%
Other (Note)	27,458	6,106	128.6%	1,005	256	134.3%
Common Costs	-	-	-	(8,144)	(898)	112.4%
Total	693,682	78,637	112.8%	27,076	9,077	150.4%

(Note) "Other" refers to Engineering (planning, design, construction of plants and equipment) business, 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 287,768 million yen (up 37,988 million yen year-on-year) in the sales and operating profit of 12,721 million yen (up 6,831 million yen year-on-year) in the Marine Products Business.

Fishery Business: Revenue increased, but income decreased year on year.

·Revenue increased in South America and Japan as the catch was strong, but income decreased due to rising fuel prices.

Aquaculture Business: Both revenue and income increased year on year.

[Japan]

·The sales price of buri yellowtail and Coho salmon were steady. Both revenue and income increased as the cost reduction in tuna farming, which struggled last year, affect the result.

[South America]

·Both sales and profit increased thanks to the increased sales volume and sales price of salmon/trout.  
Seafood Processing and Trading Business: Both sales and profits increased year on year.

[Japan]

·Sales and profits increased as the fish price rose since the sales price of main species such as salmon/trout improved.

[ North America]

·Sales and profits increased as the sales was firm following the recovery of economic activities. However, the production volume of fillet and pollock roe declined due to the epidemic of COVID-19 at pollock processing factories in Alaska, USA. In addition, there was an increase in cost for countermeasures for coronavirus than expected.

[Europe]

·Both sales and profits increased as economic activities improved.

## (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 328,602 million yen (up 27,419 million yen year-on-year) in sales and operating profit of 15,400 million yen (up 1,384 million yen year-on-year).

Processed Foods Business: Both sales and profits increased year on year.

[Japan]

·Sales increased but profits decreased due to weak yen and rising material costs such as surimi while sales were steady.

[North America and Europe]

·Sales and profits grew as sales for foodservice expanded as the demand for dining out improved, whereas deals for household use stayed healthy.

Chilled Foods Business: Both revenue and income increased year year-on-year

·Income increased as the sales of chilled lunch boxes (Note1) and rice balls for convenience stores improved. Also, there was a cost reduction in labor costs.

## (3) Fine Chemicals Business

The Fine Chemicals segment manufactures and sells pharmaceutical raw materials, functional raw materials (Note2), functional foods (Note 3), diagnostic medicines, and test drugs.

<Overview of the consolidated fiscal year under review>

We recorded 34,074 million yen (up 8,019 million yen year-on-year) in sales and an operating profit of 4,052 million yen (up 1,664 million yen year-on-year) in the Fine Chemicals Business.

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

·Sales and profits increased thanks to the strong mail-order sales of functional foods and the export of pharmaceutical raw materials to the U.S.A.

[Clinical Diagnostic and Test Drug]

·Sales and profits increased as PCR testing agents for the COVID-19 and culture media for overseas sold well.

#### (4) General Distribution Business

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

<Overview of the consolidated fiscal year under review>

We recorded 15,778 million yen (down 896 million yen year-on-year) in sales and an operating profit of 2,041 million yen (down 159 million yen year-on-year) in the General Distribution Business.

·Revenue decreased due to the partial business transfer, and income fell because of increasing electric charges.

(Note 1) Products that can reduce food loss can be sold for a more extended period and kept fresh than lunch boxes for ordinary temperature by distributing and selling in a refrigerated state (around five centigrade).

(Note 2) EPA, DHA, and others mainly used as ingredients in health supplements and infant formula

(Note 3) Supplements such as "Sesame soy milk" functional food and "i-mark S," food for specified health uses (FOSHU), mainly for online business

## (2) Explanation of the consolidated financial position

(Unit: million yen)

	FY2020	FY2021	Increase/ Decrease
Current Assets	231,808	265,090	33,282
(Inventories)	129,081	144,083	15,001
Non-current Assets	243,660	240,640	(3,019)
Total Assets	475,468	505,731	30,262
Current Liabilities	153,711	177,828	24,117
Non-current Liabilities	133,977	119,304	(14,673)
Liabilities	287,689	297,133	9,443
Total Net Assets	187,779	208,598	20,818

## **Assets**

Total assets increased by 30,262 million yen, compared to the previous consolidated fiscal year's end to 505,731 million yen (up 6.4%).

Current assets increased by 33,282 million yen to 265,090 million yen (up 14.4%). The main reason for this was an increase in notes and accounts receivable by 14,282 million yen, and inventories by 15,001 million yen, thanks to the increasing sales.

Non-current assets decreased by 3,019 million yen to 240,640 million yen (down 1.2%).

## **Liabilities**

Total liabilities increased by 9,443 million yen, compared to the end of the previous consolidated fiscal year to 297,133 million yen (up 3.3%)

Current liabilities increased by 24,117 million yen to 177,828 million yen (up 15.7%), mainly due to an increase in short-term borrowings by 14,673 million yen to meet the demand for working capital.

Non-current liabilities decreased by 14,673 million yen to 119,304 million yen (down 11.0%). The main reason was a decrease in long-term borrowings by 17,290 million yen.

## **Net Assets**

Total net assets increased by 20,818 million yen (down 11.1%) compared to the previous consolidated fiscal year to 208,598 million yen. It was mainly because of posting profit attributable to owners of parent of 17,275 million yen, payment of dividends of surplus by 3,583 million yen, and an increase in foreign currency translation adjustment by 7,747 million yen due to the weakening yen.



### (3) State of cash flows

(Unit: million yen)

	FY2020	FY2021	Increase /Decrease
Net cash provided by operating activities	45,910	29,118	(16,792)
Net cash provided by investing activities	(18,023)	(17,260)	762
Net cash provided by financing activities	(44,786)	(11,265)	33,520
Cash and cash equivalent at the end of period	14,760	15,683	923

Net cash flows from operating activities were 29,118 million yen, (decreased by 16,792 million yen, compared to the previous year). It was mainly due to posting 46,919 million yen in profit before income taxes and depreciation and amortization, while there was a decrease in funds by 12,536 million yen due to increased working capital and trade receivable, in addition to income taxed paid by 9,042 million yen.

Net cash flows used in investing activities were 17,260 million yen, (decreased by 762 million yen, compared to the previous year). The main reason was purchase of property, plant and equipment by 17,609 million yen, followed by investment in production equipment in the United States and Japan, in addition to the purchase of shares of subsidiaries resulting in change in the scope of consolidation by 1,577 million yen.

Net cash flows used in financing activities were 11,265 million yen (decreased by 33,520 million yen, compared to the previous year). It was mainly due to the repayments of long-term borrowing by 12,837 million yen in net, dividend paid by 3,579 million yen, and increased short-term borrowings by 5,814 million yen.

#### (4) Full-year Forecast

We started our mid-term business plan, "Good Foods Recipe1 (from April 1, 2022, to March 31, 2023).

Although the global economic condition was in the recovery trend, an uncertain business environment is expected because of radical foreign exchange fluctuation, concerns about inflation, etc., caused by the Russian invasion of Ukraine.

Nissui and our corporate group are expecting tough business situations, such as high labor costs and raw material prices, and logistics congestion. But we will try to improve the corporate value by further reinforcing sustainability strategies such as CO2 and plastic reductions, sustainable usages for marine resources in addition to stabilizing the aquaculture business, expanding healthy food solutions and accelerating global expansion to achieve mid-term business plan "Good Foods Recipe 1".

In terms of the full-year forecast for the fiscal year ending March 31, 2023, we expect net sales of 720,000 million yen, operating profit of 22,500 million yen, ordinary profit of 25,500 million yen, and profit attributable to owners of parent of 18,000 million yen, respectively.

The annual dividend will be 16.00 yen, increase 2.00 yen compared to the current fiscal year.

(Unit: Million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent
FY2022	720,000	22,500	25,500	18,000
FY2021	693,682	27,076	32,372	17,275
Difference	26,318	(4,576)	(6,872)	725
Y-on-Y	103.8%	83.1%	78.8%	104.2%

	Dividend per share (yen)		
	Interim dividend	Final dividend	Total
FY2022(Forecast)	8.00	8.00	16.00
FY2021	6.00	8.00	14.00
Increase/Decrease	2.00	0.00	2.00

Net sales and operating profit by segments are as follows.

<Current Fiscal Year>

(Unit : million yen)

	Marine Products Business	Food Products Business	Fine Chemicals Business	General Distribution Business	Reportable Segment Total	Others	Total	Consolidated Adjustment	Consolidated
Net Sales	287,768	328,602	34,074	15,778	666,223	27,458	693,682	-	693,682
Operating Profit	12,721	15,400	4,052	2,041	34,215	1,005	35,220	(8,144)	27,076

<Next Fiscal Year>

(Unit : million yen)

	Marine Products Business	Food Products Business	Fine Chemicals Business	General Distribution Business	Reportable Segment Total	Others	Total	Consolidated Adjustment	Consolidated
Net Sales	291,000	360,700	32,400	15,900	700,600	19,400	720,000	-	720,000
Operating Profit	12,000	14,000	3,900	1,950	31,850	650	32,500	(10,000)	22,500

<Increase/Decrease>

(Unit : million yen)

	Marine Products Business	Food Products Business	Fine Chemicals Business	General Distribution Business	Reportable Segment Total	Others	Total	Consolidated Adjustment	Consolidated
Net Sales	3,832	32,098	(1,674)	122	34,378	(8,058)	26,318	-	26,318
Operating Profit	(721)	(1,401)	(152)	(91)	(2,365)	(355)	(2,720)	(1,856)	(4,576)

(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

	FY2020 As of Mar. 31, 2021	FY2021 As of Mar. 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,986	13,813
Notes and accounts receivable-trade	76,042	90,325
Securities	–	28
Merchandise and finished goods	68,221	77,467
Work in process	26,050	26,242
Raw materials and supplies	34,809	40,373
Other	16,035	17,191
Allowance for doubtful accounts	(338)	(351)
<b>Total current assets</b>	<b>231,808</b>	<b>265,090</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	153,708	150,190
Accumulated depreciation	(92,635)	(91,106)
Buildings and structures, net	61,072	59,084
Machinery, equipment and vehicles	157,279	146,800
Accumulated depreciation	(121,185)	(111,657)
Machinery, equipment and vehicles, net	36,094	35,142
Vessels	29,642	31,040
Accumulated depreciation	(17,879)	(19,478)
Vessels, net	11,763	11,561
Land	26,659	26,255
Leased assets	7,456	8,511
Accumulated depreciation	(3,664)	(3,978)
Leased assets, net	3,792	4,533
Construction in progress	5,273	6,040
Other	15,491	16,250
Accumulated depreciation	(12,719)	(13,487)
Other, net	2,772	2,762
<b>Total property, plant and equipment</b>	<b>147,428</b>	<b>145,379</b>
<b>Intangible assets</b>		
Goodwill	452	657
Software	2,021	1,952
Other	7,317	8,675
<b>Total intangible assets</b>	<b>9,791</b>	<b>11,285</b>
<b>Investments and other assets</b>		
Investment securities	38,076	35,044
Shares of subsidiaries and associates	34,566	35,327
Long-term loans receivable	1,438	1,025
Retirement benefit asset	229	405
Deferred tax assets	2,331	2,149
Other	14,369	14,552
Allowance for doubtful accounts	(4,573)	(4,530)
<b>Total investments and other assets</b>	<b>86,440</b>	<b>83,975</b>
<b>Total non-current assets</b>	<b>243,660</b>	<b>240,640</b>
<b>Total assets</b>	<b>475,468</b>	<b>505,731</b>

Consolidated Balance Sheet

Million yen

	FY2020 As of Mar. 31, 2021	FY2021 As of Mar. 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	41,704	50,290
Short-term borrowings	68,577	83,197
Lease liabilities	701	807
Income taxes payable	4,207	3,818
Accrued expenses	22,884	25,232
Provision for bonuses	3,290	4,088
Provision for bonuses for directors (and other officers)	188	299
Provision for loss on litigation	–	287
Other	12,155	9,807
<b>Total current liabilities</b>	<b>153,711</b>	<b>177,828</b>
<b>Non-current liabilities</b>		
Long-term borrowings	112,230	94,939
Lease liabilities	2,703	3,139
Deferred tax liabilities	4,473	5,260
Provision for retirement benefits for directors (and other officers)	71	68
Provision for share awards for directors (and other officers)	50	–
Retirement benefit liability	10,428	10,698
Other	4,020	5,197
<b>Total non-current liabilities</b>	<b>133,977</b>	<b>119,304</b>
<b>Total liabilities</b>	<b>287,689</b>	<b>297,133</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	30,685	30,685
Capital surplus	21,658	21,146
Retained earnings	107,781	121,472
Treasury shares	(476)	(415)
<b>Total shareholders' equity</b>	<b>159,648</b>	<b>172,889</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	13,881	12,040
Deferred gains or losses on hedges	92	1,408
Foreign currency translation adjustment	(1,056)	6,691
Remeasurements of defined benefit plans	(3,139)	(3,231)
<b>Total accumulated other comprehensive income</b>	<b>9,778</b>	<b>16,909</b>
<b>Non-controlling interests</b>	<b>18,352</b>	<b>18,799</b>
<b>Total net assets</b>	<b>187,779</b>	<b>208,598</b>
<b>Total liabilities and net assets</b>	<b>475,468</b>	<b>505,731</b>

## (2) Consolidated Income Statements

Million yen

	FY2020 (From April 1, 2020 through March 31, 2021)	FY2021 (From April 1, 2021 through March 31, 2022)
Net sales	615,044	693,682
Cost of sales	518,618	582,602
Gross profit	96,426	111,079
Selling, general and administrative expenses		
Sales commission	2,717	2,794
Storage costs	5,054	5,266
Shipment expenses	18,457	19,547
Advertising expenses	3,691	3,505
Difference of provision of allowance for doubtful accounts	52	67
Salaries and allowances	21,394	22,846
Bonuses	2,304	2,560
Provision for bonuses	1,592	2,023
Provision for bonuses for directors (and other officers)	195	317
Retirement benefit expenses	1,436	1,192
Depreciation	1,836	1,779
Rent and repair expense	3,132	3,344
Travel, transportation and communication expenses	1,361	1,545
Other	15,199	17,209
Total selling, general and administrative expenses	78,427	84,003
Operating profit	17,998	27,076
Non-operating income		
Interest income	196	170
Dividend income	697	786
Foreign exchange gains	462	247
Gain on sale of investment securities	36	23
Share of profit of entities accounted for using equity method	2,770	2,685
Subsidy income	1,253	2,570
Miscellaneous income	693	674
Total non-operating income	6,110	7,157
Non-operating expenses		
Interest expenses	1,318	1,166
Loss on sale of investment securities	2	0
Provision for loss on litigation	–	285
Miscellaneous expenses	118	407
Total non-operating expenses	1,439	1,860
Ordinary profit	22,670	32,372

## Consolidated Income Statements

Million yen

	FY2020 (From April 1, 2020 through March 31, 2021)	FY2021 (From April 1 2021 through March 31, 2022)
Extraordinary income		
Gain on sale of non-current assets	363	788
Gain on sale of investment securities	1,895	346
Insurance claim income	—	1,025
Gain on change in equity	—	58
Total extraordinary income	2,259	2,218
Extraordinary losses		
Loss on disposal of non-current assets	578	660
Impairment losses	553	5,516
Loss on sale of investment securities	3	—
Loss on valuation of investment securities	144	299
Loss on valuation of investments in capital	70	0
Extra retirement payments	90	—
Loss on disaster	1,008	891
Loss related to disaster	—	68
Total extraordinary losses	2,448	7,436
Profit before income taxes	22,481	27,154
Income taxes-current	6,648	8,199
Income taxes-deferred	688	608
Total income taxes	7,337	8,807
Profit	15,144	18,347
Profit attributable to non-controlling interests	752	1,072
Profit attributable to owners of parent	14,391	17,275

## Consolidated Statements of comprehensive income

Million yen

	FY2020 (From April 1, 2020 through March 31, 2021)	FY2021 (From April 1 2021 through March 31, 2022)
Profit	15,144	18,347
Other comprehensive income		
Valuation difference on available-for-sale securities	4,996	(1,776)
Deferred gains or losses on hedges	(261)	1,166
Foreign currency translation adjustment	(1,990)	6,662
Remeasurements of defined benefit plans, net of tax	1,040	(103)
Share of other comprehensive income of entities accounted for using equity method	1,019	1,165
Total other comprehensive income	4,804	7,114
Comprehensive income	19,948	25,461
(Breakdown)		
Comprehensive income attributable to owners of parent	19,087	24,405
Comprehensive income attributable to non-controlling interests	860	1,056



(3) Consolidated Statements of Changes in Net assets  
Previous 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
Cumulative effects of changes in accounting policies			(85)			(85)
Restated balance	30,685	21,621	96,151	(474)		147,984
Changes during period						
Dividends of surplus			(2,648)			(2,648)
Profit attributable to owners of parent			14,391			14,391
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	11,629	(1)		11,664
Balance at end of period	30,685	21,658	107,781	(476)		159,648

	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
Cumulative effects of changes in accounting policies							(85)
Restated balance	8,839	264	186	(4,208)	5,082	19,148	172,215
Changes during period							
Dividends of surplus							(2,648)
Profit attributable to owners of parent							14,391
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)	3,899
Total changes during period	5,041	(171)	(1,242)	1,068	4,696	(796)	15,564
Balance at end of period	13,881	92	(1,056)	(3,139)	9,778	18,352	187,779

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

	Shareholder's Equity					Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares		
Balance at beginning of period	30,685	21,658	107,781	(476)		159,648
Changes during period						
Dividends of surplus			(3,583)			(3,583)
Profit attributable to owners of parent			17,275			17,275
Purchase of treasury shares				(2)		(2)
Disposal of treasury shares		0		64		64
Change in ownership interest of parent due to transactions with non-controlling interests		26				26
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		(539)				(539)
Net changes in items other than shareholders' equity						
Total changes during period	-	(512)	13,691	61		13,240
Balance at end of period	30,685	21,146	121,472	(415)		172,889

	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	13,881	92	(1,056)	(3,139)	9,778	18,352	187,779
Changes during period							
Dividends of surplus							(3,583)
Profit attributable to owners of parent							17,275
Purchase of treasury shares							(2)
Disposal of treasury shares							64
Change in ownership interest of parent due to transactions with non-controlling interests							26
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							(539)
Net changes in items other than shareholders' equity	(1,840)	1,315	7,747	(91)	7,130	447	7,577
Total changes during period	(1,840)	1,315	7,747	(91)	7,130	447	20,818
Balance at end of period	12,040	1,408	6,691	(3,231)	16,909	18,799	208,598

## (4) Consolidated Statements of Cash-Flow

Million yen

	FY2020 (From April 1, 2020 through March 31, 2021)	FY2021 (From April 1, 2021 through March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	22,481	27,154
Depreciation	19,640	19,764
Impairment losses	553	5,516
Amortization of goodwill	231	202
Increase (decrease) in allowance for doubtful accounts	(23)	(410)
Increase (decrease) in retirement benefit liability	(810)	(139)
Interest and dividend income	(894)	(956)
Interest expenses	1,318	1,166
Share of loss (profit) of entities accounted for using equity method	(2,770)	(2,685)
Provision for loss on litigation	–	285
Gain on sale of non-current assets	(363)	(788)
Loss on disposal of noncurrent assets	578	660
Loss (gain) on sale and valuation of investment securities	(1,782)	(70)
Insurance claim income	–	(1,025)
Loss (gain) on change in equity	–	(58)
Loss on disaster	1,008	891
Loss related to disaster	–	68
Extra retirement payments	90	–
Loss on valuation of investments in capital	70	0
Decrease (increase) in trade receivables	1,444	(11,595)
Decrease (increase) in inventories	1,725	(9,922)
Increase (decrease) in trade payables	6,663	7,012
Increase (decrease) in accrued expenses	19	1,969
Other, net	757	388
Subtotal	49,937	37,429
Interest and dividends received	874	921
Interest paid	(1,283)	(1,179)
Proceeds from insurance income	235	1,123
Payments associated with disaster loss	(28)	(134)
Income taxes paid	(3,824)	(9,042)
Net cash provided by(used in) operating activities	45,910	29,118

## Consolidated Statements of Cash-Flow

Million yen

	FY2020 (From April 1, 2020 through March 31, 2021)	FY2021 (From April 1, 2021 through March 31, 2022)
Cash flows from investing activities		
Decrease (increase) in time deposits	(4)	96
Decrease(increase) in short-term investment securities	–	(24)
Purchase of property, plant and equipment	(23,325)	(17,609)
Proceeds from sale of property, plant and equipment	1,009	1,467
Purchase of intangible assets	(903)	(881)
Purchase of investment securities	(44)	(31)
Proceeds from sale of investment securities	3,137	1,211
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,577)
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	(154)	(146)
Other, net	(154)	236
Net cash provided by (used in) investing activities	(18,023)	(17,260)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(49,282)	5,814
Proceeds from long-term borrowings	24,289	832
Repayments of long-term borrowings	(15,163)	(12,837)
Repayments of lease liabilities	(786)	(862)
Dividends paid	(2,647)	(3,579)
Dividends paid to non-controlling interests	(277)	(495)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(916)	(133)
Decrease (increase) in treasury shares	(1)	(2)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(44,786)	(11,265)
Effect of exchange rate change on cash and cash equivalents	(10)	331
Net increase (decrease) in cash and cash equivalents	(16,908)	923
Cash and cash equivalents at beginning of period	31,647	14,760
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	20	–
Cash and cash equivalents at end of period	14,760	15,683

## (5) Notes on Consolidated Financial Statements

(Notes on Going Concern)

Not applicable.

(Changes of accounting policy)

(Application of accounting standards for revenue recognition)

Nissui applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the first quarter of the consolidated accounting period. When control of a promised good or service is transferred to the customer, revenue is recognized at the amount expected to be received in exchange for the good or service.

As a result, the consideration paid to customers, such as rebates, which were previously recorded in selling, general and administrative expenses, is deducted from sales. In Material supplied for a fee, in the past, the transaction volume related to this transaction was recognized as revenue, and the disappearance of raw materials, etc., provided for a fee was identified.

However, if the transaction is obliged to buy back, the revenue and the disappearance of raw materials provided for a fee are not recognized. In addition, in some transactions, the total amount of consideration received from customers was recognized as revenue in the past, but for transactions for which the role of the group is an agent, revenue is recognized as a net amount obtained by deducting the purchase amount of the product from the amount received from the customer. Changes in the accounting policy are applied retroactively in principle, and for the previous quarter and the last consolidated fiscal year, the quarterly consolidated financial statements and consolidated financial statements after retroactive application are used.

As a result, net sales for the previous fiscal year decreased by 41,446 million yen, and operating profit, ordinary profit, and net income before tax decreased by 80 million yen, respectively, compared to before the retroactive application. In addition, the balance of retained earnings at the beginning of the previous fiscal year decreased by 85 million yen since the cumulative impact was reflected in the net assets at the beginning of the last fiscal year.

(Application of accounting standards for market value calculation)

"Accounting Standard for Market Value Calculation" (ASBJ Statement No. 30, July 4, 2019), etc., was applied from the beginning of the first quarter of this consolidated accounting period. Following Paragraph 19 of the Accounting Standard for Market Value Calculation and the transitional treatment stipulated in Paragraph 44-2 of "Accounting Standard for Financial Instruments" (Corporate Accounting Standard No. 10, July 4, 2019), the new accounting policy stipulated by the market value accounting standards, etc. will be applied in the future. There is no impact on the quarterly consolidated financial statements.

(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," "Food business," "Fine Chemicals business," and "General Distribution business."

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

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

"Fine Chemicals" include the manufacturing and selling of 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.

As we described in the "Changes in accounting policy", Nissui applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc., from the beginning of the current consolidated accounting period. And we calculated the figures for profit and loss of the business segment as the same manner.

As a result, net sales to the third party in the previous year increased by 2 million yen in the general logistics, and 100 million yen in the other business, decreased 12,328 million yen in the marine products business, 28,854 million yen in food products business, and 366 million yen in fine chemicals business. The segment profit increased 10 million yen in the food products business, 14 million yen in other business, decreased 94 million yen in the marine products business, 9 million yen in the fine chemicals business and 1 million yen in the general logistics. The segment assets increased 190 million yen in the marine products business and 53

million yen in other business, decreased 128 million yen, 39 million yen in the fine chemicals business and 22 million yen in the general logistics.

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

Previous Fiscal Year ended March 31, 2021

(Million yen)

	Reportable Segments					Others (*Note1)	Total	Consolidated Adjustment (*Note 2)	Consolidated (*Note3)
	Marine Products	Food Products	Fine Chemicals	General Distribution	Total				
Sales									
Sales to third-parties	249,799	301,182	26,055	16,674	593,692	21,351	615,044	-	615,044
Inter-segment sales and transfers	13,773	1,704	241	9,730	25,448	2,181	27,630	(27,630)	-
Total	263,552	302,886	26,296	26,405	619,141	23,533	642,675	(27,630)	615,044
Segment income(loss)	5,889	14,016	2,388	2,201	24,495	748	25,244	(7,245)	17,998
Asset by segment	194,457	170,183	56,666	24,432	445,739	7,315	435,055	22,413	475,468
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.
- 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 include mainly selling, general and administrative expenses not allocated to the segments.
  - 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.
  - The depreciation adjustment amounted to 1,198 million yen, the depreciation of corporate assets.
  - 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.

Current Fiscal Year ended March 31, 2022

(Million yen)

	Reportable Segments					Others (*Note1)	Total	Consolidated Adjustment (*Note 2)	Consolidated (*Note3)
	Marine Products	Food Products	Fine Chemicals	General Distribution	Total				
Sales									
Sales to third-parties	287,768	328,602	34,074	15,778	666,223	27,458	693,682	-	693,682
Inter-segment sales and transfers	13,117	1,277	328	10,662	25,385	2,425	27,811	(27,811)	-
Total	300,885	329,879	34,403	26,440	691,609	29,884	721,493	(27,811)	693,682
Segment income(loss)	12,721	15,400	4,052	2,041	34,215	1,005	35,220	(8,144)	27,076
Asset by segment	203,877	185,650	57,733	23,894	471,155	8,195	479,350	26,380	505,731
Other									
Depreciation and amortizations	7,158	8,115	1,554	1,582	18,410	190	18,601	1,163	19,764
Amortization of goodwill	27	174	-	-	202	-	202	-	202
Equity in earnings (losses) of affiliates	2,807	251	(116)	(256)	2,685	-	2,685	-	2,685
Impairment loss	5,002	494	-	-	5,497	18	5,516	-	5,516
Investments in entities accounted for using equity method	31,523	2,805	183	1,300	35,812	-	35,812	-	35,812
Unamortized balance of goodwill	27	629	-	-	657	-	657	-	657
Increase in property, plant and equipment, and intangible assets	7,877	7,956	1,076	1,333	18,350	105	18,350	1,002	19,352

(Note)

- The "Other" segment includes the building/repair of ships, engineering, and other businesses not included in the reportable segments.
- The (8,144) million yen segment income adjustment comprises (92) million yen in inter-segment elimination and (8,052) million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.
  - The segment assets adjustment amounted to 26,380 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 1,163 million yen is the depreciation of corporate assets.
  - An increase in property, plant, and equipment, and intangible assets adjustment amount to 1,002 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, 2021

1. Information of area

1) Net Sales

(Unit: Million yen)

Japan	North America	Europe	Others	Total
412,850	89,533	88,201	24,459	615,044

(Note) Net Sales are based on customers' addresses and classified by countries and geographical areas.

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.

Current Fiscal Year ended March 31, 202022

1. Information of area

1) Net Sales

(Unit: Million yen)

Japan	North America	Europe	Others	Total
446,205	112,390	110,500	24,585	693,682

2) Property, plant, and equipment

(Unit: Million yen)

Japan	North America	Others	Toatl
99,149	13,560	32,669	145,379

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]

(Sales of Equity Method Affiliated Companies)

Housui Corporation (Hereinafter referred to “Hohsui”.) was one of the equity-method associated companies of Nissui. However, we applied for tender off of their common stocks executed by Chuogyorui Co., Ltd.

- 1) Purpose and background of selling the stocks  
As a result of consideration overall from view of optimizing business portfolio, we decided to sell the stocks.
- 2) Name of the company to be sold  
Chuogyorui Co., Ltd.
- 3) Timing of sale : April 19, 2022
- 4) The name of the company applied equity method and the contents of the business  
Name of the company: Hohsui Corporation  
Contents of the business: Cold storage business, Processing and sales marine products
- 5) Number of stocks, sales price, number of shares after selling  
Number of stocks sold : 2,327,814 shares  
Sales price : 2,839 million yen (1,220 yen per share)  
Gain on sales : 1,044 million yen  
Number of stocks after selling : 420 shares

4. Other

(1) Changes of Officers (to be effective on June 28, 2022)

(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
Masahide Asai	Board Member, Executive Officer, International Business Operating Officer, Commissioned Business Supervisor in South America, In charge of International Business Development Department, Strategic Sales Department(joint), President of Nippon Suisan America Latina S.A.(N.A.L.)	Executive Officer, International Business Operating Officer, Commissioned Business Supervisor in South America, In charge of International Business Development Department, Strategic Sales Department(joint), President of Nippon Suisan America Latina S.A.(N.A.L.)

ii) Board Members scheduled to retire

Not applicable

iii) Candidates for newly appointed Auditors

Not applicable

iv) Auditors scheduled to retire

Not applicable

(2) Changes of Executive Officers

(1) Candidates for newly appointed Executive Officers (to be effective on June 28, 2022)

Name	New Position	Current Position
Terutaka Kuraishi	Executive Officer, Deputy International Business Operating Officer, Commissioned Business Supervisor in Oceania	Deputy International Business Operating Officer, Commissioned Business Supervisor in Oceania

(2) Executive Officers scheduled to retire

Name	Current Position	Schedule to retire on
Hisami Sakai	Managing Executive Officer, In charge of Special Missions,	June 28, 2022

(3) Executive Officers scheduled to promote (to be effective on June 28, 2022)

Name	New Position	Current Position
Shinya Yamashita	Board Member, Managing Executive Officer, Commissioned Fine Chemicals Business Operating Officer, In charge of R&D Group	Board Member, Executive Officer, Commissioned Fine Chemicals Business Operating Officer, In charge of R&D Group
Munehiro Ise	Managing Executive Officer, In charge of Quality Assurance Department, Sustainability Department, Corporate Communication Department	Executive Officer, In charge of Quality Assurance Department, Sustainability Department, Corporate Communication Department