

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2022 (Japanese GAAP)

May 9, 2022

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 Stock code: 7451 URL: <https://www.mitsubishi-shokuhin.com/en/>
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Annual general meeting of shareholders: June 27, 2022
 Scheduled date for dividend payment: June 28, 2022
 Scheduled date to file securities report: June 28, 2022
 Preparation of supplemental explanatory materials: Yes
 Results briefing to be held: Yes (For securities analysts and institutional investors)

(Amounts less than one million yen are rounded down.)

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

(1) Consolidated operating results

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	1,955,601	—	19,036	21.9	20,371	20.5	13,949	25.9
Fiscal year ended March 31, 2021	2,577,625	-2.9	15,621	1.6	16,912	1.4	11,077	-2.9

Note: Comprehensive income for the fiscal year ended March 31, 2022 was 11,499 million yen (-27.4% YoY).
 Comprehensive income for the fiscal year ended March 31, 2021 was 15,840 million yen (47.0%).

	Earnings per share	Diluted earnings per share	Ratio of profit to equity capital	Ratio of ordinary profit to total assets	Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2022	292.31	—	7.6	3.0	1.0
Fiscal year ended March 31, 2021	193.87	—	5.8	2.5	0.6

Reference: Equity in earnings of affiliates Fiscal year ended March 31, 2022: 316 million yen Fiscal year ended March 31, 2021: 280 million yen

Note: The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of FY03/22, and net sales for FY03/22 reflect the new accounting standard. As such, no YoY changes are shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2022	665,177	170,291	25.6	3,908.32
Fiscal year ended March 31, 2021	684,280	197,006	28.8	3,445.70

Reference: Equity capital amounted to 170,156 million yen as of March 31, 2022 and 196,877 million yen as of March 31, 2021.

Note: The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of FY03/22, and the figures for FY03/22 reflect the new accounting standard.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2022	19,284	(11,831)	(39,649)	63,963
Fiscal year ended March 31, 2021	23,828	(6,256)	(5,198)	96,135

2. Dividends

	Annual dividend per share					Total dividends	Payout ratio (consolidated)	Dividend-on-equity ratio (consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2021	—	25.00	—	25.00	50.00	2,856	25.8	1.5
Fiscal year ended March 31, 2022	—	35.00	—	45.00	80.00	3,482	27.4	2.2
Fiscal year ending March 31, 2023 (forecast)	—	45.00	—	45.00	90.00		28.0	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages indicate YoY change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	1,990,000	1.8	19,900	4.5	21,500	5.5	14,000	0.4	321.57

*Notes

(1) Changes in significant subsidiaries during the period under review: None
(Transfers of specified subsidiaries associated with changes in the Company's scope of consolidation)
Newly added subsidiaries: None
Subsidiaries excluded: None

(2) Changes in accounting policies and accounting estimates and retrospective restatements
1. Accounting policy changes due to accounting standard revisions, etc.: Yes
2. Other accounting policy changes: None
3. Changes in accounting estimates: None
4. Retrospective restatements: None

Note: For details, please refer to "3. Consolidated Financial Statements and Key Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" on page 18 of the attached document.

(3) Number of shares outstanding (common stock)

1. Shares outstanding (including treasury stock)	As of March 31, 2022	43,537,200	As of March 31, 2021	58,125,490
2. Treasury shares outstanding	As of March 31, 2022	347	As of March 31, 2021	988,361
3. Average number of shares outstanding	Fiscal year ended March 31, 2022	47,721,660	Fiscal year ended March 31, 2021	57,137,170

*Summaries of financial statements are not subject to audit through certified public accountants or auditing corporations.

*Appropriate use of earnings forecast and other special notes

(Notes on forward-looking statements, etc.)

The above forecast is based on information available as of the date of publication of this document, and actual results may differ from the forecast due to various factors that may arise in the future. Please refer to "1. Overview of Operating Results, etc. (4) Outlook" on page 5 of the attached materials for the assumptions used in the earnings forecast and precautionary notes regarding the use of the earnings forecast.

(How to access supplementary materials for financial results)

Supplementary materials for financial results will be posted on the Company's website on May 9, 2022.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

During the consolidated fiscal year under review (April 1, 2021 to March 31, 2022), economic activity slowed and recovered repeatedly due to the intermittent declaration of a state of emergency and the implementation of semi-emergency measures to prevent the spread of COVID-19. In addition, the outlook remained uncertain, as rising geopolitical risks began to cause energy price hikes, raw material shortages and price hikes, and a variety of other effects.

Under these circumstances, the Group formulated the "Medium-term Management Plan 2023," ending in the fiscal year 2023, as a new management policy starting in the fiscal year 2021, and newly defined its purpose as "contributing to the realization of a sustainable society through the food business." At the same time, the Group set its medium-term vision as "Evolving into a next-generation food distributor (solving key sustainability issues)," and has been working toward making this vision a reality.

In the consolidated fiscal year under review, net sales amounted to ¥1,955,601 million despite signs of recovery in some business formats as restrictions on economic activities eased due to a decrease in COVID-19 infections, due to the falloff of demand for food for at-home consumption seen in the previous fiscal year and review of transactions. Operating profit rose 21.9% year-on-year to ¥19,036 million owing to a decrease in SG&A expenses including logistics costs, while ordinary profit increased 20.5% year-on-year to ¥20,371 million and profit attributable to owners of parent grew 25.9% year-on-year to ¥13,949 million.

The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of the fiscal year under review. As a result, net sales decreased by ¥621,023 million, cost of sales decreased by ¥585,588 million, and SG&A expenses decreased by ¥35,434 million during the fiscal year under review. However, there was no impact on operating profit, ordinary profit, profit before income taxes, and retained earnings at the beginning of the fiscal year under review. Net sales for the fiscal year under review reflect the new accounting standard. As such, no YoY changes are shown. For details, please refer to "3. Consolidated Financial Statements and Primary Notes (5) Notes to Consolidated Financial Statements (Changes in accounting policies)".

Results by segment are as follows.

① Processed foods business

Sales in the processed foods business decreased mainly to supermarkets and drugstores due to a drop-off in food demand for at-home consumption seen in the previous fiscal year and review of transactions. Operating profit rose year-on-year thanks to an improvement in SG&A expenses, including logistics costs, despite a decrease in gross profit stemming from the decline in sales.

As a result, the processed foods business achieved sales of ¥670,106 million and operating profit of ¥4,691 million (+27.5% year-on-year).

② Frozen and chilled foods business

Sales in the frozen and chilled foods business fell despite signs of recovery in some business formats centering on commercial-use products, mainly due to review of transactions. Operating profit was higher year-on-year due to streamlined logistics resulting from the recovery in some business formats and improved logistics costs resulting from review of transactions.

As a result, the frozen and chilled foods business posted sales of ¥542,182 million and operating profit of ¥9,197 million (+27.2% year-on-year).

③ Alcoholic beverages business

Sales in the alcoholic beverages business rose mainly driven by expanded transactions with discount stores. Operating profit fell year-on-year due to a decline in profit margin stemming from a change in product sales mix.

As a result, the alcoholic beverages business reported sales of ¥471,109 million and operating profit of ¥3,745 million (-4.3% year-on-year).

④ Confectionaries business

Sales in the confectionaries business increased only slightly despite strong sales of imported confectioneries, due mainly to review of transactions. Operating profit grew year-on-year on higher gross profit stemming from strong performance of high value-added products designed to meet stay-at-home demand, as well as an improvement in SG&A expenses.

As a result, the confectionaries business generated sales of ¥269,608 million and operating profit of ¥3,004 million (+17.7% year-on-year).

(2) Overview of financial position for the fiscal year under review

① Assets

Total assets at the end of the fiscal year under review amounted to ¥665,177 million, down ¥19,102 million from the end of the previous fiscal year. Current assets decreased by ¥17,554 million to ¥514,842 million (77.4% of total assets), and non-current assets decreased by ¥1,548 million to ¥150,335 million (22.6% of total assets).

The decrease in current assets was mainly due to a ¥31,939 million decrease in short-term loans receivable resulting primarily from purchase of treasury shares.

② Liabilities

Total liabilities at the end of the fiscal year under review stood at ¥494,886 million (74.4% of total assets), up ¥7,612 million from the end of the previous fiscal year. Current liabilities increased by ¥7,658 million to ¥466,529 million (70.1% of total assets), and non-current liabilities decreased by ¥46 million to ¥28,357 million (4.3% of total assets).

The increase in current liabilities was mainly due to an increase in notes and accounts payable-trade.

③ Net assets

Net assets at the end of the fiscal year under review totaled ¥170,291 million (25.6% of total assets), down ¥26,715 million from the end of the previous fiscal year.

The decrease was mainly due to the purchase and cancellation of treasury shares.

As a result, net assets per share amounted to ¥3,908.32, up ¥462.62 from the end of the previous fiscal year. The equity ratio was 25.6%, down from 28.8% at the end of the previous fiscal year.

(3) Overview of cash flows for the fiscal year under review

① Overview of the consolidated fiscal year under review

Consolidated cash flows for the consolidated fiscal year under review are as follows.

(Rounded down to the nearest million yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change
Cash flows from operating activities	23,828	19,284	-4,543
Cash flows from investing activities	(6,256)	(11,831)	-5,574
Cash flows from financing activities	(5,198)	(39,649)	-34,450
Effect of exchange rate change on cash and cash equivalents	1	23	22
Net increase (decrease) in cash and cash equivalents	12,373	(32,172)	-44,546
Cash and cash equivalents at end of period	96,135	63,963	-32,172

(Cash flows from operating activities)

Net cash provided by operating activities was ¥19,284 million. This was mainly attributed to ¥20,172 million in profit before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥11,831 million. This was primarily the result of ¥7,450 million used for the purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was ¥39,649 million. This was mainly due to ¥35,252 million used for the purchase of treasury shares.

As a result, cash and cash equivalents at end of period totaled ¥63,963 million.

② Cash flow-related indicators

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2021
Equity ratio (%)	27.0	28.8	25.6
Equity ratio based on market capitalization (%)	23.3	25.8	19.7
Interest-bearing debt to cash flow ratio (%)	440.4	40.2	46.7
Interest coverage ratio	18.9	127.1	116.2

Note: Equity ratio: Equity/Total assets

Equity ratio based on market capitalization: Total market capitalization / Total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt/cash flow

Interest coverage ratio: cash flow/interest payments

*All indicators are calculated based on consolidated financial figures.

*Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the number of shares outstanding (that does not include treasury stock) at end of period.

*For cash flow, operating cash flow as reported in the consolidated statement of cash flows is used. Interest-bearing debt consists of all liabilities on the consolidated balance sheet for which interest is paid. Interest payments are based on interest paid as reported in the consolidated statement of cash flows.

(4) Outlook

Looking ahead, the Company expects the outlook to remain more uncertain than before, due to the prolonged impact of the COVID-19 pandemic, heightened geopolitical risks, the further depreciation of the Japanese yen, and soaring food prices, among other factors.

Under these circumstances, the Group will continue its efforts to remain the preferred choice of customers by offering more value-added functions and services.

In addition, in order to implement sustainability management based on the Group's purpose, we have reviewed our key sustainability issues and raised our CO₂ emission reduction target. Under the policy of "Achieving carbon neutrality by 2050," we will continue to make efforts to solve various issues in order to create a sustainable society through food.

For the next fiscal year, we forecast net sales of ¥1,990,000 million, operating profit of ¥19,900 million, ordinary profit of ¥21,500 million, and profit attributable to owners of parent of ¥14,000 million.

(5) Business risks related to the COVID-19 pandemic

In response to the recent spread of COVID-19, the Group has been discussing countermeasures as needed based on the ever-changing situation and sharing instructions and information with employees, mainly through the COVID-19 Task Force.

In addition, as a company involved in food distribution, which is essential to our daily lives, we will continue our business by thoroughly managing and monitoring the health of our employees and taking various measures to prevent the spread of COVID-19.

However, if COVID-19 spreads further, our Group's business activities may be affected by shutdowns or supply chain disruptions stemming from infection among our employees.

The Group's business results may also be affected in the event that the Japanese government and local governments tighten restrictions on economic activities, such as by making requests to refrain from going out or shortening business hours, as the decline in consumption may affect the performance of some business formats.

2. Basic Views on Selection of Accounting Standards

As most of the Group's stakeholders are domestic shareholders, creditors, business partners, etc., and there is little need to raise funds from overseas, we use Japanese GAAP as our accounting standard.

With regard to the adoption of IFRS (International Financial Reporting Standards), we intend to take appropriate measures while taking into consideration various developments in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	Fiscal year ended March 31, 2021 (as of March 31, 2021)	Fiscal year ended March 31, 2022 (as of March 31, 2022)
Assets		
Current assets		
Cash and deposits	438	205
Notes and accounts receivable – trade	308,205	317,670
Merchandise and finished goods	66,404	68,706
Raw materials and supplies	835	872
Accounts receivable - other	^{*1} 53,661	^{*1} 52,483
Short-term loans receivable	95,697	63,757
Other	7,288	11,403
Allowance for doubtful accounts	(133)	(256)
Total current assets	532,396	514,842
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,094	31,269
Machinery, equipment and vehicles, net	7,493	10,197
Tools, furniture and fixtures, net	2,246	2,299
Land	29,758	29,372
Leased assets, net	5,778	5,335
Construction in progress	807	999
Total property, plant and equipment	^{*2} 78,180	^{*2} 79,474
Intangible assets		
Goodwill	1,787	1,425
Software	17,444	17,123
Leased assets	0	—
Other	42	40
Total intangible assets	19,274	18,589
Investments and other assets		
Investment securities	^{*3} 31,452	^{*3} 28,892
Deferred tax assets	203	1,768
Retirement benefit asset	2,641	2,686
Other	20,221	19,012
Allowance for doubtful accounts	(88)	(87)
Total investments and other assets	54,429	52,271
Total non-current assets	151,883	150,335
Total assets	684,280	665,177

(Millions of yen)

	Fiscal year ended March 31, 2021 (as of March 31, 2021)	Fiscal year ended March 31, 2022 (as of March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	395,778	402,495
Lease obligations	1,271	1,248
Income taxes payable	3,256	4,219
Provision for bonuses	2,611	3,292
Provision for bonuses for directors (and other officers)	36	44
Asset retirement obligations	179	0
Other	55,737	55,228
Total current liabilities	458,870	466,529
Non-current liabilities		
Lease obligations	5,324	4,876
Deferred tax liabilities	173	148
Retirement benefit liability	11,403	11,262
Asset retirement obligations	7,672	8,752
Other	3,828	3,317
Total non-current liabilities	28,403	28,357
Total liabilities	487,273	494,886
Net assets		
Shareholders' equity		
Share capital	10,630	10,630
Capital surplus	33,387	10,117
Retained earnings	144,128	140,584
Treasury shares	(2,560)	(0)
Total shareholders' equity	185,585	161,331
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,881	8,152
Deferred gains or losses on hedges	99	123
Foreign currency translation adjustment	(81)	172
Remeasurements of defined benefit plans	391	376
Total accumulated other comprehensive income	11,291	8,824
Non-controlling interests	128	135
Total net assets	197,006	170,291
Total liabilities and net assets	684,280	665,177

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Net sales	2,577,625	1,955,601
Cost of sales	2,407,234	1,820,441
Gross profit	170,391	135,160
Selling, general and administrative expenses	*1 154,769	*1 116,123
Operating profit	15,621	19,036
Non-operating income		
Interest income	73	74
Dividend income	610	657
Rental income from real estate	1,415	1,313
Other	1,231	1,250
Total non-operating income	3,330	3,295
Non-operating expenses		
Interest expenses	187	165
Loss on retirement of non-current assets	84	59
Real estate lease expenses	1,215	1,224
Other	552	510
Total non-operating expenses	2,039	1,960
Ordinary profit	16,912	20,371
Extraordinary income		
Gain on sale of investment securities	89	0
Gain on sale of non-current assets	*2 1,747	*2 211
Penalty income	278	—
Other	0	—
Total extraordinary income	2,115	211
Extraordinary losses		
Impairment losses	*3 1,932	*3 344
Loss on valuation of investment securities	72	—
Head office relocation expenses	202	—
Other	156	66
Total extraordinary losses	2,364	410
Profit before income taxes	16,662	20,172
Income taxes – current	5,258	6,550
Income taxes – deferred	299	(344)
Total income taxes	5,558	6,206
Profit	11,104	13,965
Profit attributable to non-controlling interests	27	16
Profit attributable to owners of parent	11,077	13,949

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Profit	11,104	13,965
Other comprehensive income		
Valuation difference on available-for-sale securities	4,041	(2,729)
Deferred gains or losses on hedges	80	23
Foreign currency translation adjustment	(5)	19
Remeasurements of defined benefit plans	618	(50)
Share of other comprehensive income of entities accounted for using equity method	0	270
Total other comprehensive income	4,736	(2,466)
Comprehensive income	15,840	11,499
(Breakdown)		
Comprehensive income attributable to owners of parent	15,813	11,482
Comprehensive income attributable to non-controlling interests	27	16

(3) Consolidated Statement of Changes in Equity

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,630	33,387	135,907	(2,560)	177,366
Changes during period					
Dividends of surplus			(2,856)		(2,856)
Profit attributable to owners of parent			11,077		11,077
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares		—	—	—	—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	8,220	(0)	8,219
Balance at end of period	10,630	33,387	144,128	(2,560)	185,585

	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	6,840	19	(93)	(210)	6,555	106	184,027
Changes during period							
Dividends of surplus							(2,856)
Profit attributable to owners of parent							11,077
Purchase of treasury shares							(0)
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	4,041	80	12	601	4,736	22	4,759
Total changes during period	4,041	80	12	601	4,736	22	12,978
Balance at end of period	10,881	99	(81)	391	11,291	128	197,006

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,630	33,387	144,128	(2,560)	185,585
Changes during period					
Dividends of surplus			(2,952)		(2,952)
Profit attributable to owners of parent			13,949		13,949
Purchase of treasury shares				(35,252)	(35,252)
Cancellation of treasury shares		(23,270)	(14,540)	37,811	—
Net changes in items other than shareholders' equity					—
Total changes during period	—	(23,270)	(3,543)	2,559	(24,254)
Balance at end of period	10,630	10,117	140,584	(0)	161,331

	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	10,881	99	(81)	391	11,291	128	197,006
Changes during period							
Dividends of surplus							(2,952)
Profit attributable to owners of parent							13,949
Purchase of treasury shares							(35,252)
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	(2,729)	23	253	(14)	(2,466)	6	(2,460)
Total changes during period	(2,729)	23	253	(14)	(2,466)	6	(26,715)
Balance at end of period	8,152	123	172	376	8,824	135	170,291

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	16,662	20,172
Depreciation	9,955	10,956
Impairment losses	1,932	344
Amortization of goodwill	314	326
Increase (decrease) in retirement benefit liability	20	(107)
Increase (decrease) in allowance for doubtful accounts	(5)	121
Interest and dividend income	(683)	(731)
Interest expenses	187	165
Share of loss (profit) of entities accounted for using equity method	(280)	(316)
Loss (gain) on sale of property, plant and equipment	(1,750)	(199)
Loss (gain) on sale of investment securities	(70)	31
Loss (gain) on valuation of investment securities	72	—
Decrease (increase) in trade receivables	9,581	(9,464)
Decrease (increase) in inventories	(1,746)	(2,339)
Decrease (increase) in accounts receivable - other	2,877	1,178
Increase (decrease) in trade payables	(11,311)	6,716
Decrease (increase) in consumption taxes refund receivable	867	234
Increase (decrease) in accrued consumption taxes	(1)	7
Decrease (increase) in guarantee deposits on transactions	(189)	(107)
Decrease (increase) in investments in leases	(136)	(46)
Other	1,369	(2,892)
Subtotal	27,667	24,051
Interest and dividends received	978	1,053
Interest paid	(187)	(165)
Income taxes paid	(4,629)	(5,654)
Net cash provided by (used in) operating activities	23,828	19,284
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,299)	(7,450)
Proceeds from sale of property, plant and equipment	4,333	658
Purchase of intangible assets	(3,899)	(3,460)
Purchase of investment securities	(353)	(1,205)
Proceeds from sale of investment securities	116	40
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(358)	—
Payments of guarantee deposits	(389)	(136)
Proceeds from refund of guarantee deposits	1,442	766
Other	(1,848)	(1,043)
Net cash provided by (used in) investing activities	(6,256)	(11,831)

(Millions of yen)

	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Cash flows from financing activities		
Proceeds from short-term borrowings	96	—
Repayments of short-term borrowings	(300)	(74)
Repayments of long-term borrowings	(648)	—
Repayments of lease obligations	(1,484)	(1,360)
Dividends paid	(2,856)	(2,952)
Dividends paid to non-controlling interests	(4)	(10)
Purchase of treasury shares	(0)	(35,252)
Net cash provided by (used in) financing activities	(5,198)	(39,649)
Effect of exchange rate change on cash and cash equivalents	1	23
Net increase (decrease) in cash and cash equivalents	12,373	(32,172)
Cash and cash equivalents at beginning of period	83,762	96,135
Cash and cash equivalents at end of period	* 96,135	* 63,963

(5) Notes to Consolidated Financial Statements

(Notes to going concern assumptions)

None to be reported.

(Significant matters that serve as the basis for preparation of the consolidated financial statements)

1. Scope of consolidation

Consolidated subsidiaries: 12 companies

Major companies

Fine Life Co., Ltd.

RYOSHOKU PETCARE LIMITED

MC FOODS LIMITED

Croco Co., Ltd.

8 other companies

MS Nishi-nihon Kashi Co., Ltd. was excluded from the scope of consolidation during the fiscal year under review due to a merger with the Company.

2. Application of equity method

(1) Equity-method affiliates: 2 companies

Company names

Retail Support International

Retail Support (Thailand) Co., Ltd.

(2) Non-equity-method affiliates

Non-equity-method affiliates: 2 companies

Japan Inforex, Inc.

ASC Co., Ltd.

Non-equity-method affiliates are excluded from the scope of equity-method affiliates because their profits or losses (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) have a minimal impact on the consolidated financial statements and lack overall materiality.

3. Fiscal years, etc. of consolidated subsidiaries

Of the consolidated subsidiaries, the fiscal year end of Guang Zhou Guang Ling Food Trade Co., Ltd. and MS FOODS USA INC. is December 31.

In preparing the consolidated financial statements, the financial statements of these subsidiaries as of their fiscal year-end are used. However, we have made adjustments necessary for consolidation with respect to significant transactions that occurred between January 1 and the consolidated fiscal year-end of March 31.

4. Accounting policies

(1) Valuation standards and methods for significant assets

① Securities

Available-for-sale securities

Other than available-for-sale securities, etc. without market value

Stated at market value based on the market price as of the end of the fiscal year (with any unrealized gains or losses reported directly as a component of net assets and the cost of securities sold calculated by the moving average method)

Available-for-sale securities, etc. without market value

Stated at cost using the moving average method

② Derivatives

Stated at market value

Hedge accounting method is used for forward exchange contracts that meet the requirements for hedge accounting as described in "(6) Accounting method for significant hedging transactions."

③ Inventories

Mainly stated at cost using the first-in, first-out method (the amounts of inventories in the Balance Sheet are determined by the write-down method reflecting decreased profitability).

(2) Depreciation method for significant assets

① Property, plant and equipment (excluding leased assets)

The straight-line method is applied to buildings (excluding facilities attached to buildings) and facilities attached to buildings and structures acquired on or after April 1, 2016, and the declining-balance method is applied to other tangible fixed assets.

The useful lives of property, plant and equipment are as follows.

Buildings and structures: 8 to 50 years

Machinery, equipment and vehicles: 4 to 15 years

② Intangible assets (excluding leased assets)

The straight-line method is applied.

Software for internal use is amortized over the estimated useful life (5 to 10 years) based on the straight-line method.

③ Leased assets

The straight-line method is used, assuming the lease period to be the useful life and the residual value to be zero.

Of finance lease transactions not involving transfer of ownership, lease transactions which started before the beginning of the initial fiscal year of application of the lease accounting standards are accounted for in accordance with the method applicable to ordinary lease transactions.

(3) Accounting standards for significant provisions

① Allowance for doubtful accounts

To prepare for losses from uncollectible receivables, estimates of uncollectible amounts are recorded based on historical loan-loss ratios for general receivables and on consideration of individual assessments of collectability for suspected bad debt or other specific receivables.

② Provision for bonuses

The estimated amount of bonus payment is recorded to prepare for the payment of employee bonuses.

③ Provision for bonuses for directors (and other officers)

The estimated amount of bonuses to be paid to directors and other officers is recorded to prepare for the payment of directors' bonuses.

(4) Accounting treatment method for retirement benefits

① Method for period attribution of retirement benefit estimates

In calculating retirement benefit obligations, the benefit formula standard is used as the basis for attributing the estimated amount of retirement benefits to the period up to the end of the fiscal year under review.

② Method for amortization of actuarial differences and past service costs

Past service costs are amortized using the straight-line method over a certain number of years (mainly 10 years) within the average remaining service period of the eligible employees at the time of accrual.

Actuarial differences are amortized using the straight-line method from the following fiscal year over a period within the average remaining service period of employees (mainly 10 years).

③ Adoption of the simplified method for small companies

In calculating retirement benefit liability and retirement benefit expenses, some consolidated subsidiaries apply the simplified method to calculate amounts of provision for retirement benefits and retirement benefit expenses.

That is, the amount of retirement benefit obligations are the payments required for voluntary retirement as of each fiscal year end.

(5) Accounting standards for significant revenues and expenses

The Group primarily sells processed foods, frozen and chilled foods, alcoholic beverages, and confectioneries. For the sale of these products, the Group considers that the performance obligation is satisfied when the customer is deemed to have acquired control over the products. Specifically, the Group recognizes revenue when the products are delivered to the customer. In addition, revenue is recognized at the amount of consideration promised in the contract with the customer, less discounts, rebates, returns, and a portion of office expenses. The consideration for performance obligations is received primarily within one year of satisfaction of the performance obligation and does not include a significant financial component.

In identifying performance obligations, the Company considers whether the Group is transacting as a party or as an agent, whether it has primary responsibility for providing goods or services to customers, whether it bears inventory risk, and whether it has discretionary authority in setting sales prices. When the Group is acting as an agent in a transaction, revenue is stated at the net amount of the total consideration received from the customer less the amount paid to the supplier. The impact of this method is included in all segments.

(6) Accounting method for significant hedging transactions

① Hedging method

The deferred hedge accounting method is used. However, the designated hedge accounting treatment is applied to forward exchange contracts that qualify for designated hedge accounting.

② Hedging instruments and hedged items

Hedging instruments

Forward exchange contracts

Hedged items

Foreign currency-dominated trade payables and planned foreign currency-denominated purchases

③ Hedging policy

The Company enters into forward exchange contract transactions to hedge the risk of future fluctuations in foreign exchange rates within the scope of normal purchase transactions in accordance with the regulations concerning forward exchange contracts.

④ Evaluation of hedge effectiveness

The assessment of effectiveness is omitted as the material terms of the hedging instruments and hedged items match and the correlation of foreign exchange fluctuations is expected to be maintained on an ongoing basis.

(7) Goodwill amortization and amortization periods

Goodwill is amortized using the straight-line method over the period in which it is expected to be effective (within 20 years from the date of recognition).

However, goodwill that is deemed immaterial is fully amortized at the time it is recognized.

Merger of the Company and RY FOODS SERVICE LIMITED	20 years
Other	5 years

(8) Scope of cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, deposits drawable at any time, and short-term investments with maturities or redemption dates within 3 months of acquisition that are readily convertible into cash and are only exposed to negligible risk of changes in value.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Accounting Standard for Revenue Recognition") from the beginning of the fiscal year under review and began recognizing revenue at the amount expected to be received in exchange for the promised goods or services when control of the goods or services has been transferred to the customer. Key changes resulting from this are as follows.

1. Revenue recognition for agency transactions

The Company previously recognized the gross consideration received from customers as revenue for some transactions. However, for transactions in which the Group serves as an agent in the provision of goods or services to customers, the Company now recognizes the amount received from customers less the amount paid to suppliers as revenue.

2. Consideration paid to customers

A portion of office expenses, etc., which were previously included in selling, general and administrative expenses, are now deducted from the transaction price.

In accordance with the transitional treatment stipulated in the provision of paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospective application of the new accounting policy prior to the beginning of the fiscal year under review is added to or deducted from retained earnings at the beginning of the fiscal year under review, and the new accounting policy is applied from the balance at the beginning of the fiscal year under review.

As a result, net sales decreased by ¥621,023 million, cost of sales decreased by ¥585,588 million, and selling, general and administrative expenses decreased by ¥35,434 million in the consolidated fiscal year under review. However, there was no impact on operating profit, ordinary profit, profit before income taxes, and retained earnings at the beginning of the period.

In accordance with the transitional treatment stipulated in paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the previous fiscal year using the new presentation method.

(Application of Accounting Standard for Fair Value Measurement)

The Company adopted the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the "Accounting Standard for Fair Value Measurement") from the beginning of the fiscal year under review, and decided to apply the new accounting policies prescribed by the Accounting Standard for Fair Value Measurement in accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019).

(Consolidated balance sheet)

Note 1: Amounts of rebates receivable, a major item under accounts receivable-other, are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (as of March 31, 2021)	Fiscal year ended March 31, 2022 (as of March 31, 2022)
Rebates receivable	51,936	51,127

Note 2: Accumulated depreciation

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (as of March 31, 2021)	Fiscal year ended March 31, 2022 (as of March 31, 2022)
Property, plant and equipment	73,965	78,135

Note 3: Items related to affiliated companies are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (as of March 31, 2021)	Fiscal year ended March 31, 2022 (as of March 31, 2022)
Investment securities (stocks)	892	1,151

4 Guarantee obligations

The Company guarantees the following affiliated companies' loans from financial institutions.

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (as of March 31, 2021)	Fiscal year ended March 31, 2022 (as of March 31, 2022)
RETAIL SUPPORT(THAILAND) CO., LTD.	293	305

Note: Foreign currency-dominated guarantee obligations are converted into Japanese yen at the exchange rate at the time of account settlement.

(Consolidated statement of income)

Note 1: Major items and amounts under selling, general and administrative expenses are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Transportation and storage costs	82,977	56,325
Employees' salaries and allowances	28,688	26,642
Provision for bonuses	2,561	3,239
Provision for bonuses for directors (and other officers)	20	52
Retirement benefit expenses	1,441	1,433
Office expenses	16,611	6,031

Note 2: Details of gain on sale of non-current assets are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Land	1,539	211
Buildings and structures	134	—
Other	73	—
Total	1,747	211

Note 3: Impairment losses

The Group recorded impairment losses on the following asset categories.

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

Application	Type	Location
Business assets	Land and buildings, etc.	Hashima City (Gifu Prefecture), other
Idle assets	Land and buildings, etc.	Misato City (Saitama Prefecture) and 4 other locations

The Group has categorized its assets based on units for which it is able to continuously monitor profits and losses. Previously, business assets were categorized by region, and lease assets, idle assets, and goodwill were categorized individually, but the Company reviewed the categorization of business assets during the fiscal year under review.

(Additional information)

Previously, the Group categorized its business assets by geographic region. However, in recent years, the importance of logistics centers serving specific customers has increased among the Group's assets. Additionally, categorizing these logistics centers individually provide a more accurate reflection of the economic reality of the Group. Therefore, from the fiscal year under review, the Company began categorizing logistics centers serving specific customers individually and other business assets by geographic region.

The book values of asset categories with declining profitability and assets and asset categories with significantly declining market value or no expected future use were reduced to their recoverable amounts, and the reduced amounts were recorded as an impairment loss (¥1,932 million) under extraordinary losses.

Impairment losses consisted of ¥1,801 million in business assets (including ¥634 million in land, ¥595 million in buildings and structures, ¥310 million in machinery and equipment, and ¥260 million in other) and ¥131 million in idle assets (including ¥125 million in buildings and structures, ¥3 million in machinery and equipment, and ¥2 million in other).

The recoverable amounts of these assets are determined based on their net realizable value or value in use. Net realizable value is mainly assessed and calculated based on Real Estate Appraisal Standards, etc., while value in use is calculated by discounting future cash flows at a certain discount rate.

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

Application	Type	Location
Idle assets	Land and buildings, etc.	Kato City (Hyogo Prefecture) and 5 other locations

The Group categorizes its assets based on the units for which it is able to continuously monitor profits and losses. Specifically, for business assets, logistics centers serving specific customers are categorized individually, and other assets are categorized by geographic region based on managerial accounting classifications. In addition, lease assets, idle assets, and goodwill are categorized individually.

The book values of asset categories with declining profitability and assets and asset categories with significantly declining market value or no expected future use were reduced to their recoverable amounts, and the reduced amounts were recorded as an impairment loss (¥344 million) under extraordinary losses.

Impairment losses consisted of ¥344 million in idle assets (¥225 million in land, ¥54 million in buildings and structures, ¥29 million in machinery and equipment, and ¥33 million in others).

The recoverable amounts of these assets are determined based on their net realizable value, which is mainly assessed and calculated based on Real Estate Appraisal Standards, etc.

(Consolidated statement of changes in equity)

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

1. Type and number of issued shares and treasury shares

(1) Issued shares

Type of shares	Number of shares at the beginning of the consolidated fiscal year	Increase	Decrease	Number of shares at the end of the consolidated fiscal year
Common shares	58,125,490	—	—	58,125,490

(2) Treasury shares

Type of shares	Number of shares at the beginning of the consolidated fiscal year	Increase	Decrease	Number of shares at the end of the consolidated fiscal year
Common shares	988,240	121	—	988,361

(Overview of reasons for change)

The increase was due to the acquisition of shares less than one unit upon request (121 shares).

2. Dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders held on June 22, 2020	Common shares	1,428	25.00	March 31, 2020	June 23, 2020
Board of Directors Meeting held on November 2, 2020	Common shares	1,428	25.00	September 30, 2020	December 4, 2020

(2) Dividends with a record date falling in the consolidated fiscal year under review and an effective date falling in the following consolidated fiscal year

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders held on June 28, 2021	Common shares	1,428	Retained earnings	25.00	March 31, 2021	June 29, 2021

Consolidated fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

1. Type and number of issued shares and treasury shares

(1) Issued shares

Type of shares	Number of shares at the beginning of the consolidated fiscal year	Increase	Decrease	Number of shares at the end of the consolidated fiscal year
Common shares	58,125,490	—	14,588,290	43,537,200

(Overview of reasons for change)

The decrease was due to the cancellation of treasury shares (14,588,290 shares) in accordance with a resolution of the Board of Directors.

(2) Treasury shares

Type of shares	Number of shares at the beginning of the consolidated fiscal year	Increase	Decrease	Number of shares at the end of the consolidated fiscal year
Common shares	988,361	13,600,276	14,588,290	347

(Overview of reasons for change)

The increase was due to the acquisition of treasury shares (13,600,000 shares) in accordance with a resolution of the Board of Directors and the acquisition of shares less than one unit upon request (276 shares).

The decrease was due to the cancellation of treasury shares (14,588,290 shares) in accordance with a resolution of the Board of Directors.

2. Dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders held on June 28, 2021	Common shares	1,428	25.00	March 31, 2021	June 29, 2021
Board of Directors Meeting held on November 1, 2021	Common shares	1,523	35.00	September 30, 2021	December 3, 2021

(2) Dividends with a record date falling in the consolidated fiscal year under review and an effective date falling in the following consolidated fiscal year

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders to be held on June 27, 2022	Common shares	1,959	Retained earnings	45.00	March 31, 2022	June 28, 2022

(Consolidated statement of cash flows)

Note: Reconciliation of year-end balance of cash and cash equivalents and items in the Consolidated Balance Sheet.

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Cash and deposits account	438	205
Short-term loans receivable	95,697	63,757
Cash and cash equivalents	96,135	63,963

(Segment information, etc.)

a. Segment information

1. Overview of reportable segments

The Group's reportable segments are constituent units of the Group for which separate financial information is available and which are evaluated regularly by the Board of Directors for the purpose of determining the allocation of management resources and assessing performance.

The Group is composed of several businesses such as the Processed foods business, the Frozen and chilled foods business, the Alcoholic beverages business, and the Confectioneries business categorized by the products handled, and each business division operates its own business, which is aggregated into the above four business segments and presented as reportable segments.

The Processed foods business is engaged in the wholesale distribution of processed foods including seasonings, noodles and dried foods, and luxury foods and beverages, the Frozen and chilled foods business is engaged in the wholesale distribution of frozen and chilled products, the Alcoholic beverages business is engaged in the wholesale distribution of alcoholic beverages, and the Confectioneries business is engaged in the wholesale distribution of confectioneries.

2. Calculation methods for sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method for each business segment in the reportable segments is generally the same as that described in "Significant matters that serve as the basis for preparation of the consolidated financial statements."

Profit figures for reportable segments are based on operating profit.

Intersegment sales and transfers are based on reasonable internal transfer prices calculated based on prevailing market prices.

In addition, assets and liabilities are not allocated to each reportable segment as they cannot be allocated directly to each segment. Depreciation and impairment losses associated with each asset are allocated to each corresponding reportable segment in accordance with reasonable standards.

3. Sales, profit or loss, assets, liabilities, and other items for each reportable segment

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

	Reportable segments					Other*	Adjustments	Amount recorded on consolidated statement of income
	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectioneries	Total			
Sales								
Sales generated through external customers	805,789	956,300	485,881	309,336	2,557,307	20,318	—	2,577,625
Intersegment sales and transfers	464	116	61	3	646	14,993	(15,640)	—
Total	806,254	956,416	485,943	309,340	2,557,954	35,311	(15,640)	2,577,625
Segment profit	3,680	7,232	3,913	2,553	17,380	375	(2,134)	15,621
Depreciation	3,298	3,823	1,144	1,460	9,727	229	(1)	9,955

Notes: The "Other" segment is not included in the reportable segments and contains the logistics business and other businesses.

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

(Millions of yen)

	Reportable segments					Other*	Adjustments	Amount recorded on consolidated statement of income
	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectioneries	Total			
Sales								
Sales generated through contracts with customers	670,106	542,182	471,109	269,608	1,953,006	2,595	—	1,955,601
Other sales	—	—	—	—	—	—	—	—
Sales generated through external customers	670,106	542,182	471,109	269,608	1,953,006	2,595	—	1,955,601
Intersegment sales and transfers	91	0	76	3	172	7,876	(8,048)	—
Total	670,197	542,183	471,186	269,611	1,953,178	10,472	(8,048)	1,955,601
Segment profit	4,691	9,197	3,745	3,004	20,638	301	(1,904)	19,036
Depreciation	3,368	4,447	1,240	1,635	10,691	268	(3)	10,956

Notes: The "Other" segment is not included in the reportable segments and contains the logistics business and other businesses.

4. Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements and key details of differences (matters related to adjustment of differences)

(Millions of yen)

Profit	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Total of reportable segments	17,380	20,638
Profit in the "Other" segment	375	301
Amortization of goodwill	(298)	(298)
Corporate-wide expenses	(1,836)	(1,606)
Operating profit on consolidated statement of income	15,621	19,036

b. Related information

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

1. Information by product and service

This information is omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Sales

Sales by region have been omitted because sales generated through external customers in Japan accounted for more than 90% of net sales reported on the Company's consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment stated on the consolidated balance sheet.

3. Information by the major customer

(Millions of yen)

Customer name	Sales	Name of related segment
Lawson, Inc.	668,246	Processed foods, frozen and chilled foods

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

1. Information by product and service

This information is omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Sales

Sales by region have been omitted because sales generated through external customers in Japan accounted for more than 90% of net sales reported on the Company's consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment stated on the consolidated balance sheet.

3. Information by the major customer

(Millions of yen)

Customer name	Sales*	Name of related segment
Lawson, Inc.	305,521	Processed foods, frozen and chilled foods

Note: The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of FY03/22, and the sales figure for FY03/22 reflects the new accounting standard.

c. Information regarding impairment losses on non-current assets by reportable segment

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

(Millions of yen)

	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectioneries	Other	Corporate-wide and eliminations*	Total
Impairment losses	1,218	167	318	228	—	0	1,932

Note: The amount shown in "Corporate-wide and eliminations" is related to corporate-wide assets that do not belong to any reportable segment.

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

(Millions of yen)

	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectioneries	Other	Corporate-wide and eliminations*	Total
Impairment losses	284	15	4	3	35	—	344

Note: The amount shown in "Corporate-wide and eliminations" is related to corporate-wide assets that do not belong to any reportable segment.

d. Information regarding amortization of goodwill and unamortized balance by reportable segment

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

(Millions of yen)

	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectioneries	Other	Corporate-wide and eliminations*	Total
Amortization during the year	—	16	—	—	—	298	314
Unamortized balance during the year	—	147	—	—	—	1,639	1,787

Note: The amount shown in "Corporate-wide and eliminations" is the result of the merger between the Company and RY FOODS SERVICE LIMITED and cannot be allocated to any reportable segment.

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

(Millions of yen)

	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectioneries	Other	Corporate-wide and eliminations*	Total
Amortization during the year	—	28	—	—	—	298	326
Unamortized balance during the year	—	84	—	—	—	1,341	1,425

Note: The amount shown in "Corporate-wide and eliminations" is the result of the merger between the Company and RY FOODS SERVICE LIMITED and cannot be allocated to any reportable segment

e. Information regarding gain on bargain purchases by reportable segment

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

There are no applicable matters to report.

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

There are no applicable matters to report.

(Per share information)

	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Net assets per share	3,445.70 yen	3,908.32 yen
Earnings per share	193.87 yen	292.31 yen

Notes: 1. Diluted earnings per share is not shown as there are no dilutive shares.

2. The basis of calculation for earnings per share is as follows:

		Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Profit attributable to owners of parent	(millions of yen)	11,077	13,949
Amount not attributable to common shareholders	(millions of yen)	—	—
Profit attributable to owners of parent with respect to common stock	(millions of yen)	11,077	13,949
Average number of shares outstanding during the year	(number of shares)	57,137,170	47,721,660

(Significant subsequent events)

At a meeting of the Board of Directors held on February 22, 2022, the Company resolved to acquire all shares in KCS Co., Ltd. and make it a subsidiary, and acquired the shares on April 1, 2022.

(1) Purpose of share acquisition

The purpose of the share acquisition is to further improve the quality of logistics services to customers by leveraging the logistics expertise and network of KCS Co., Ltd. and to create synergies between the Company and KCS Co., Ltd.

(2) Name of company from which shares were acquired

Meiji Co., Ltd.

(3) Name, business description, and scale of the acquired company

①Name of acquired company: KCS Co., Ltd.

②Business description: Food wholesale, logistics

③Share capital: ¥80 million

(4) Date of share acquisition

April 1, 2022

(5) Number of shares acquired, acquisition price and ownership ratio after acquisition

①Number of shares acquired: 9,600 shares

②Acquisition price: The acquisition price is undisclosed as of this moment according to discussions with the seller. Regarding the acquisition price, a third-party due diligence was conducted, and an appropriate amount was calculated and determined upon deliberation between the two parties.

③Ownership ratio after acquisition: 100%

(6) Methods of financing and payment

Allocated from internal funds

4. Other

(1) Sales by product category

(Rounded down to the nearest million yen)

Product category	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)		Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	
	Amount	% of total sales	Amount	% of total sales
Canned foods and seasonings	289,277	11.2	238,389	12.2
Noodles and dried foods	161,456	6.3	140,693	7.2
Luxury foods and beverages	288,414	11.2	231,680	11.8
Confectioneries	327,346	12.7	268,907	13.8
Frozen and chilled foods	889,199	34.4	452,023	23.1
Beer	249,208	9.7	247,553	12.7
Other alcoholic beverages	216,459	8.4	202,068	10.3
Others	156,261	6.1	174,285	8.9
Total	2,577,625	100.0	1,955,601	100.0

(2) Sales by business format

(Rounded down to the nearest million yen)

Business format	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)		Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	
	Amount	% of total sales	Amount	% of total sales
Wholesalers	197,311	7.7	166,964	8.5
Supermarkets	1,099,835	42.7	968,011	49.5
Convenience stores	783,328	30.4	361,737	18.5
Drugstores	159,033	6.2	155,441	8.0
Users	55,440	2.1	33,052	1.7
Other direct sales	225,115	8.7	225,592	11.5
(Total of direct sales)	2,322,752	90.1	1,743,835	89.2
Manufacturers and others	57,561	2.2	44,800	2.3
Total	2,577,625	100.0	1,955,601	100.0

Notes: 1. Users are businesses that provide food and beverage services directly to consumers, such as restaurants and food service industries, home meal replacements, and school lunches.

2. Other direct sales include discount stores, e-commerce operators, home improvement stores, department stores, etc.

Note: The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of FY03/22, and the figures for FY03/22 reflect the new accounting standard.