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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 15, 2024

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002 URL: <https://www.nisshin.com>
Representative: Kenji Takihara, Representative Director and President
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Date to hold the Ordinary General Meeting of Shareholders to approve results: June 26, 2024
Date to start distributing dividends: June 27, 2024
Date to submit the Securities Report: June 26, 2024
Supplementary materials for these consolidated financial results: Yes
Results briefing for financial results: Yes (for analysts and institutional investors)

(Figures shown are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Business Results

(The percentages indicate the rates of increase or decrease compared with the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal 2024	858,248	7.5	47,791	45.6	49,992	51.3	31,743	—
Fiscal 2023	798,681	17.5	32,831	11.6	33,051	1.3	(10,381)	—

(Note) Comprehensive income: Fiscal 2024: ¥90,678 million (—%)
Fiscal 2023: ¥(12,365) million (—%)

	Earnings per share	Fully diluted earnings per share	Return on shareholders' equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal 2024	106.74	—	6.9	6.5	5.6
Fiscal 2023	(34.91)	—	(2.4)	4.6	4.1

(Reference) Equity in earnings of affiliates: Fiscal 2024: ¥1,774 million Fiscal 2023: ¥(346) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	826,702	516,381	60.5	1,682.11
March 31, 2023	713,874	438,499	59.4	1,425.24

(Reference) Equity capital: March 31, 2024: ¥500,302 million March 31, 2023: ¥423,833 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2024	73,194	(30,944)	(19,539)	107,681
Fiscal 2023	23,422	487	(10,625)	82,971

2. Dividends

	Dividend per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1Q End	2Q End	3Q End	Year-End	Annual			
Fiscal 2023	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2023	—	19.00	—	21.00	40.00	11,900	—	2.7
Fiscal 2024	—	21.00	—	24.00	45.00	13,389	42.2	2.9
Fiscal 2025 (forecast)	—	25.00	—	25.00	50.00		45.1	

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(The full-year percentages indicate the rates of increase or decrease compared with the previous fiscal year; the percentages for the first half are comparisons with the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	420,000	(1.6)	24,000	(5.9)	25,000	(5.7)	16,500	(10.6)	55.48
Full year	850,000	(1.0)	48,000	0.4	50,000	0.0	33,000	4.0	110.95

* Notes

(1) Changes in important subsidiaries during the fiscal year ended March 31, 2024 (changes in specified subsidiaries involving a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and revisions restated

1) Changes in accounting policies associated with the revisions of accounting standards, etc.: None

2) Changes in accounting policies other than the above: None

3) Changes in accounting estimates: None

4) Revisions restated: None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding (including treasury shares)	As of March 31, 2024	304,357,891	As of March 31, 2023	304,357,891
2) Number of treasury shares	As of March 31, 2024	6,931,745	As of March 31, 2023	6,979,939
3) Average number of shares outstanding	Fiscal 2024	297,389,720	Fiscal 2023	297,360,173

* This Consolidated Financial Results is not subject to review by certified public accountants or independent account auditors.

* Statement regarding the proper use of financial forecasts and other special remarks

The statements contained in this document are based on various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized.

Consolidated Financial Statements and Related Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	82,971	109,470
Notes and accounts receivable - trade, and contract assets	107,887	114,536
Inventories	128,786	124,878
Other	11,065	16,729
Allowance for doubtful accounts	(641)	(541)
Total current assets	330,069	365,072
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,134	72,092
Machinery, equipment and vehicles, net	60,212	66,504
Land	52,618	53,393
Construction in progress	10,842	20,158
Right-of-use assets	17,060	18,471
Other, net	5,625	5,196
Total property, plant and equipment	217,494	235,815
Intangible assets		
Goodwill	7,496	6,212
Other	16,180	15,350
Total intangible assets	23,677	21,563
Investments and other assets		
Investment securities	124,653	185,445
Net defined benefit asset	340	307
Deferred tax assets	11,964	12,539
Other	5,875	6,167
Allowance for doubtful accounts	(200)	(208)
Total investments and other assets	142,633	204,250
Total non-current assets	383,805	461,629
Total assets	713,874	826,702

(Millions of yen)

	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 (As of March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	74,565	76,198
Short-term loans payable	14,356	15,101
Income taxes payable	8,941	7,890
Accrued expenses	23,247	27,036
Other	29,150	37,344
Total current liabilities	150,262	163,571
Non-current liabilities		
Bonds	20,000	20,000
Long-term loans payable	13,378	12,014
Lease obligations	37,311	39,929
Deferred tax liabilities	22,097	42,671
Provision for repairs	1,562	1,278
Net defined benefit liability	23,422	23,532
Long-term deposits received	5,646	5,642
Other	1,694	1,680
Total non-current liabilities	125,112	146,749
Total liabilities	275,375	310,321
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	12,728	12,752
Retained earnings	325,181	344,428
Treasury shares	(10,989)	(10,914)
Total shareholders' equity	344,037	363,383
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52,044	93,519
Deferred gains or losses on hedges	(13)	164
Foreign currency translation adjustment	28,352	43,632
Remeasurements of defined benefit plans	(588)	(398)
Total accumulated other comprehensive income	79,795	136,918
Subscription rights to shares	44	—
Non-controlling interests	14,621	16,078
Total net assets	438,499	516,381
Total liabilities and net assets	713,874	826,702

(2) Consolidated Statements of Income and Comprehensive Income

[Consolidated Statements of Income]

(Millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Net sales	798,681	858,248
Cost of sales	638,062	674,115
Gross profit	160,618	184,132
Selling, general and administrative expenses	127,786	136,341
Operating profit	32,831	47,791
Non-operating income		
Interest income	260	563
Dividend income	3,201	2,711
Share of profit of entities accounted for using equity method	—	1,774
Rent income	295	294
Foreign exchange gains	163	730
Other	669	1,034
Total non-operating income	4,591	7,109
Non-operating expenses		
Interest expenses	3,546	3,770
Share of loss of entities accounted for using equity method	346	—
Other	479	1,137
Total non-operating expenses	4,371	4,907
Ordinary profit	33,051	49,992
Extraordinary income		
Gain on sale of non-current assets	—	281
Gain on sale of investment securities	24,393	436
Total extraordinary income	24,393	718
Extraordinary losses		
Loss on retirement of non-current assets	609	605
Impairment losses	55,704	1,254
Expenses related to change of the corporate name	251	—
Total extraordinary losses	56,565	1,860
Profit before income taxes	879	48,850
Income taxes - current	18,748	13,697
Income taxes - deferred	(8,404)	2,285
Total income taxes	10,343	15,982
Profit (loss)	(9,463)	32,868
Profit attributable to non-controlling interests	917	1,125
Profit (loss) attributable to owners of parent	(10,381)	31,743

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Profit (loss)	(9,463)	32,868
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,585)	41,322
Deferred gains or losses on hedges	(306)	180
Foreign currency translation adjustment	5,441	15,707
Remeasurements of defined benefit plans	268	214
Share of other comprehensive income of entities accounted for using equity method	281	386
Total other comprehensive income (loss)	(2,901)	57,810
Comprehensive income	(12,365)	90,678
(Breakdown)		
Comprehensive income attributable to owners of parent	(13,813)	88,865
Comprehensive income attributable to non-controlling interests	1,447	1,812

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	17,117	12,622	347,165	(10,960)	365,946
Changes of items during the period					
Dividends from surplus			(11,603)		(11,603)
Loss attributable to owners of parent			(10,381)		(10,381)
Purchase of treasury shares				(190)	(190)
Disposal of treasury shares		1		161	162
Change in ownership interest of parent due to transactions with non-controlling interests		104			104
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	105	(21,984)	(29)	(21,908)
Balance at the end of current period	17,117	12,728	325,181	(10,989)	344,037

	Accumulated other comprehensive income					Subscription rights to shares	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 the beginning of current period	60,585	445	23,059	(862)	83,227	95	11,373	460,643
Changes of items during the period								
Dividends from surplus								(11,603)
Loss attributable to owners of parent								(10,381)
Purchase of treasury shares								(190)
Disposal of treasury shares								162
Change in ownership interest of parent due to transactions with non-controlling interests								104
Net changes of items other than shareholders' equity	(8,540)	(459)	5,293	274	(3,432)	(51)	3,248	(234)
Total changes of items during the period	(8,540)	(459)	5,293	274	(3,432)	(51)	3,248	(22,143)
Balance at the end of current period	52,044	(13)	28,352	(588)	79,795	44	14,621	438,499

Fiscal 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	17,117	12,728	325,181	(10,989)	344,037
Changes of items during the period					
Dividends from surplus			(12,496)		(12,496)
Profit attributable to owners of parent			31,743		31,743
Purchase of treasury shares				(120)	(120)
Disposal of treasury shares		7		195	202
Change in ownership interest of parent due to transactions with non-controlling interests		16			16
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	24	19,246	74	19,345
Balance at the end of current period	17,117	12,752	344,428	(10,914)	363,383

	Accumulated other comprehensive income					Subscription rights to shares	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 the beginning of current period	52,044	(13)	28,352	(588)	79,795	44	14,621	438,499
Changes of items during the period								
Dividends from surplus								(12,496)
Profit attributable to owners of parent								31,743
Purchase of treasury shares								(120)
Disposal of treasury shares								202
Change in ownership interest of parent due to transactions with non-controlling interests								16
Net changes of items other than shareholders' equity	41,474	178	15,280	190	57,122	(44)	1,456	58,535
Total changes of items during the period	41,474	178	15,280	190	57,122	(44)	1,456	77,881
Balance at the end of current period	93,519	164	43,632	(398)	136,918	—	16,078	516,381

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2023 (April 1, 2022 to March 31, 2023)	Fiscal 2024 (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	879	48,850
Depreciation and amortization	22,805	22,999
Impairment losses	55,704	1,254
Amortization of goodwill	3,908	1,291
Interest and dividend income	(3,461)	(3,274)
Interest expenses	3,546	3,770
Share of (profit) loss of entities accounted for using equity method	346	(1,774)
Loss (gain) on sale of investment securities	(24,393)	(436)
Decrease (increase) in notes and accounts receivable – trade, and contract assets	(2,811)	(3,175)
Decrease (increase) in inventories	(27,935)	9,054
Increase (decrease) in trade payables	8,285	364
Increase (decrease) in accounts payable - other, and accrued expenses	(3,003)	7,902
Other, net	2,783	6,574
Subtotal	36,653	93,400
Interest and dividends income received	4,238	3,296
Interest expenses paid	(3,532)	(3,796)
Income taxes paid	(13,937)	(19,705)
Net cash provided by (used in) operating activities	23,422	73,194
Cash flows from investing activities		
Payments into time deposits	(439)	(2,535)
Proceeds from withdrawal of time deposits	2,113	777
Purchase of property, plant, and equipment and intangible assets	(18,657)	(29,191)
Proceeds from sales of investment securities	29,086	1,451
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(11,480)	(930)
Other, net	(135)	(515)
Net cash provided by (used in) investing activities	487	(30,944)
Cash flows from financing activities		
Increase in short-term loans payable	7,210	1,668
Decrease in short-term loans payable	(1,578)	(3,770)
Purchase of treasury shares	(190)	(120)
Cash dividends paid	(11,603)	(12,496)
Repayments of lease obligations	(4,484)	(4,518)
Other, net	19	(301)
Net cash provided by (used in) financing activities	(10,625)	(19,539)
Effect of exchange rate changes on cash and cash equivalents	959	1,999
Net increase (decrease) in cash and cash equivalents	14,243	24,709
Cash and cash equivalents at beginning of period	68,728	82,971
Cash and cash equivalents at end of period	82,971	107,681

[Segment Information, etc.]

[Segment information]

Information about net sales, profit (loss), assets and other items for each reportable segment

Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated financial statements (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	419,782	187,988	147,487	755,258	43,423	798,681	—	798,681
Intersegment sales and transfers	19,240	1,731	4,651	25,623	2,935	28,558	(28,558)	—
Total	439,022	189,720	152,138	780,881	46,358	827,240	(28,558)	798,681
Segment profit	17,618	6,037	3,284	26,940	5,746	32,687	144	32,831
Segment assets	316,356	161,195	69,743	547,294	73,215	620,510	93,364	713,874
Other items								
Depreciation and amortization	11,980	5,655	3,982	21,618	1,440	23,059	(253)	22,805
Investment for affiliates accounted for by the equity method	4,328	158	—	4,486	17,322	21,809	—	21,809
Increase in property, plant and equipment and intangible assets	8,513	7,854	2,656	19,024	1,024	20,048	(161)	19,887

Notes:

- Business segment of “Others” is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.
- Segment profit adjustment refers to intersegment transaction eliminations.
The adjustment in segment assets of ¥93,364 million includes intersegment asset eliminations (¥114,913 million) and the Group’s assets (¥208,278 million): mainly, the Company’s investment securities.
- Segment profit has been adjusted for the operating profit appearing in the consolidated statements of income.

Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated financial statements (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	458,226	201,073	153,573	812,873	45,375	858,248	—	858,248
Intersegment sales and transfers	19,367	1,796	4,257	25,422	3,437	28,860	(28,860)	—
Total	477,594	202,870	157,831	838,296	48,813	887,109	(28,860)	858,248
Segment profit	28,570	8,356	5,396	42,324	5,409	47,733	57	47,791
Segment assets	356,560	170,455	82,732	609,747	71,332	681,080	145,622	826,702
Other items								
Depreciation and amortization	11,853	5,948	4,050	21,852	1,407	23,259	(259)	22,999
Investment for affiliates accounted for by the equity method	4,980	158	—	5,139	18,680	23,819	—	23,819
Increase in property, plant and equipment and intangible assets	20,611	5,589	2,829	29,030	2,192	31,222	(210)	31,011

Notes:

- Business segment of “Others” is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.

2. Segment profit adjustment refers to intersegment transaction eliminations.

The adjustment in segment assets of ¥145,622 million includes intersegment asset eliminations (-¥124,951 million) and the Group's assets (¥270,573 million): mainly, the Company's investment securities.

3. Segment profit has been adjusted for the operating profit appearing in the consolidated statements of income.