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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 10, 2023

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 28, 2023
 Date to start distributing dividends: June 29, 2023
 Date to submit the Securities Report: June 28, 2023
 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, 2023 (April 1, 2022 to March 31, 2023)

(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 2023	798,681	17.5	32,831	11.6	33,051	1.3	(10,381)	—
Fiscal 2022	679,736	0.0	29,430	8.2	32,626	9.2	17,509	(7.9)

(Note) Comprehensive income: Fiscal 2023: ¥(12,365) million (—%)
 Fiscal 2022: ¥28,892 million (down 41.3%)

	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 2023	(34.91)	—	(2.4)	4.6	4.1
Fiscal 2022	58.88	58.88	4.0	4.6	4.3

(Reference) Equity in earnings of affiliates: Fiscal 2023: ¥(346) million Fiscal 2022: ¥2,070 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	713,874	438,499	59.4	1,425.24
March 31, 2022	723,073	460,643	62.1	1,510.35

(Reference) Equity capital: March 31, 2023: ¥423,833 million March 31, 2022: ¥449,174 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 2023	23,422	487	(10,625)	82,971
Fiscal 2022	41,833	(15,517)	(17,850)	68,728

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2022	—	19.00	—	20.00	39.00	11,603	66.2	2.6
Fiscal 2023	—	19.00	—	21.00	40.00	11,900	—	2.7
Fiscal 2024 (forecast)	—	20.00	—	21.00	41.00		46.9	

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	410,000	5.5	19,000	19.3	19,200	11.5	12,500	—	42.03
Full year	820,000	2.7	39,000	18.8	39,500	19.5	26,000	—	87.43

* Notes

(1) Changes in important subsidiaries during the fiscal year ended March 31, 2023 (changes in specified subsidiaries involving a change in the scope of consolidation): Yes

Newly included: None

Excluded: Four companies

PFG Topco Pty Ltd., PFG Mezzco Pty Ltd., PFG Holdco Pty Ltd., and PFG Bidco Pty Ltd.

(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, 2023	304,357,891	As of March 31, 2022	304,357,891
2) Number of treasury shares	As of March 31, 2023	6,979,939	As of March 31, 2022	6,960,907
3) Average number of shares outstanding	Fiscal 2023	297,360,173	Fiscal 2022	297,369,226

* 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 2022 (As of March 31, 2022)	Fiscal 2023 (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	69,607	82,971
Notes and accounts receivable – trade, and contract assets	100,594	107,887
Securities	1,103	–
Inventories	96,596	128,786
Other	13,167	11,065
Allowance for doubtful accounts	(542)	(641)
Total current assets	280,527	330,069
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	68,843	71,134
Machinery, equipment and vehicles, net	53,018	60,212
Land	46,334	52,618
Construction in progress	16,149	10,842
Right-of-use assets	29,050	17,060
Other, net	5,981	5,625
Total property, plant and equipment	219,379	217,494
Intangible assets		
Goodwill	42,385	7,496
Other	26,367	16,180
Total intangible assets	68,752	23,677
Investments and other assets		
Investment securities	141,590	124,653
Net defined benefit asset	316	340
Deferred tax assets	6,933	11,964
Other	5,698	5,875
Allowance for doubtful accounts	(125)	(200)
Total investments and other assets	154,414	142,633
Total non-current assets	442,546	383,805
Total assets	723,073	713,874

(Millions of yen)

	Fiscal 2022 (As of March 31, 2022)	Fiscal 2023 (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	63,655	74,565
Short-term loans payable	6,789	14,356
Income taxes payable	5,784	8,941
Accrued expenses	24,727	23,247
Other	28,201	29,150
Total current liabilities	129,158	150,262
Non-current liabilities		
Bonds	20,000	20,000
Long-term loans payable	13,785	13,378
Lease obligations	38,939	37,311
Deferred tax liabilities	28,360	22,097
Provision for repairs	1,373	1,562
Net defined benefit liability	22,845	23,422
Long-term deposits received	5,696	5,646
Other	2,272	1,694
Total non-current liabilities	133,272	125,112
Total liabilities	262,430	275,375
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	12,622	12,728
Retained earnings	347,165	325,181
Treasury shares	(10,960)	(10,989)
Total shareholders' equity	365,946	344,037
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	60,585	52,044
Deferred gains or losses on hedges	445	(13)
Foreign currency translation adjustment	23,059	28,352
Remeasurements of defined benefit plans	(862)	(588)
Total accumulated other comprehensive income	83,227	79,795
Subscription rights to shares	95	44
Non-controlling interests	11,373	14,621
Total net assets	460,643	438,499
Total liabilities and net assets	723,073	713,874

(2) Consolidated Statements of Income and Comprehensive Income

[Consolidated Statements of Income]

(Millions of yen)

	Fiscal 2022 (April 1, 2021 to March 31, 2022)	Fiscal 2023 (April 1, 2022 to March 31, 2023)
Net sales	679,736	798,681
Cost of sales	531,660	638,062
Gross profit	148,075	160,618
Selling, general and administrative expenses	118,645	127,786
Operating profit	29,430	32,831
Non-operating income		
Interest income	157	260
Dividend income	3,003	3,201
Share of profit of entities accounted for using equity method	2,070	–
Rent income	300	295
Other	1,025	833
Total non-operating income	6,558	4,591
Non-operating expenses		
Interest expenses	2,914	3,546
Share of loss of entities accounted for using equity method	–	346
Other	447	479
Total non-operating expenses	3,362	4,371
Ordinary profit	32,626	33,051
Extraordinary income		
Gain on sale of investment securities	1,645	24,393
Total extraordinary income	1,645	24,393
Extraordinary losses		
Loss on retirement of non-current assets	722	609
Impairment loss	2,439	55,704
Expenses related to change of the corporate name	336	251
Total extraordinary losses	3,499	56,565
Profit before income taxes	30,773	879
Income taxes – current	12,654	18,748
Income taxes – deferred	(642)	(8,404)
Total income taxes	12,011	10,343
Profit (loss)	18,761	(9,463)
Profit attributable to non-controlling interests	1,251	917
Profit (loss) attributable to owners of parent	17,509	(10,381)

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal 2022 (April 1, 2021 to March 31, 2022)	Fiscal 2023 (April 1, 2022 to March 31, 2023)
Profit (loss)	18,761	(9,463)
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,087)	(8,585)
Deferred gains or losses on hedges	97	(306)
Foreign currency translation adjustment	13,497	5,441
Remeasurements of defined benefit plans	154	268
Share of other comprehensive income of entities accounted for using equity method	467	281
Total other comprehensive income (loss)	10,130	(2,901)
Comprehensive income	28,892	(12,365)
(Breakdown)		
Comprehensive income attributable to owners of parent	27,639	(13,813)
Comprehensive income attributable to non-controlling interests	1,253	1,447

(3) Consolidated Statements of Changes in Net Assets

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

(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	12,627	341,241	(10,997)	359,990
Cumulative effects of changes in accounting policies			16		16
Restated balance	17,117	12,627	341,258	(10,997)	360,006
Changes of items during the period					
Dividends from surplus			(11,602)		(11,602)
Profit attributable to owners of parent			17,509		17,509
Purchase of treasury shares				(190)	(190)
Disposal of treasury shares		(6)		227	220
Change in ownership interest of parent due to transactions with non-controlling interests		1			1
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(4)	5,907	36	5,939
Balance at the end of current period	17,117	12,622	347,165	(10,960)	365,946

	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	64,687	222	9,314	(1,125)	73,098	116	11,569	444,774
Cumulative effects of changes in accounting policies								16
Restated balance	64,687	222	9,314	(1,125)	73,098	116	11,569	444,791
Changes of items during the period								
Dividends from surplus								(11,602)
Profit attributable to owners of parent								17,509
Purchase of treasury shares								(190)
Disposal of treasury shares								220
Change in ownership interest of parent due to transactions with non-controlling interests								1
Net changes of items other than shareholders' equity	(4,102)	223	13,745	262	10,129	(20)	(196)	9,912
Total changes of items during the period	(4,102)	223	13,745	262	10,129	(20)	(196)	15,851
Balance at the end of current period	60,585	445	23,059	(862)	83,227	95	11,373	460,643

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

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2022 (April 1, 2021 to March 31, 2022)	Fiscal 2023 (April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	30,773	879
Depreciation and amortization	23,054	22,805
Impairment loss	2,439	55,704
Amortization of goodwill	5,864	3,908
Interest and dividend income	(3,161)	(3,461)
Interest expenses	2,914	3,546
Share of (profit) loss of entities accounted for using equity method	(2,070)	346
Loss (gain) on sale of investment securities	(1,645)	(24,393)
Decrease (increase) in notes and accounts receivable – trade, and contract assets	(12,756)	(2,811)
Decrease (increase) in inventories	(12,155)	(27,935)
Increase (decrease) in notes and accounts payable – trade	14,900	8,285
Other, net	4,992	(219)
Subtotal	53,150	36,653
Interest and dividends income received	3,974	4,238
Interest expenses paid	(2,918)	(3,532)
Income taxes paid	(12,372)	(13,937)
Net cash provided by (used in) operating activities	41,833	23,422
Cash flows from investing activities		
Payments into time deposits	(4,248)	(439)
Proceeds from withdrawal of time deposits	5,063	2,113
Purchase of property, plant, and equipment and intangible assets	(18,683)	(18,657)
Proceeds from sales of investment securities	1,956	29,086
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(11,480)
Other, net	394	(135)
Net cash provided by (used in) investing activities	(15,517)	487
Cash flows from financing activities		
Increase in short-term loans payable	1,858	7,210
Decrease in short-term loans payable	(2,369)	(1,578)
Purchase of treasury shares	(190)	(190)
Cash dividends paid	(11,602)	(11,603)
Repayments of lease obligations	(4,148)	(4,484)
Other, net	(1,397)	19
Net cash provided by (used in) financing activities	(17,850)	(10,625)
Effect of exchange rate changes on cash and cash equivalents	1,110	959
Net increase (decrease) in cash and cash equivalents	9,576	14,243
Cash and cash equivalents at beginning of period	59,152	68,728
Cash and cash equivalents at end of period	68,728	82,971

[Segment Information, etc.]

[Segment information]

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

Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segment				Others	Total	Adjustment	Carried on consolidated financial statements
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	313,519	182,968	138,384	634,872	44,864	679,736	–	679,736
Intersegment sales and transfers	16,367	1,626	5,205	23,199	3,044	26,243	(26,243)	–
Total	329,886	184,595	143,589	658,071	47,908	705,980	(26,243)	679,736
Segment profit	8,587	12,411	3,141	24,141	5,160	29,301	129	29,430
Segment assets	324,243	158,795	61,044	544,084	71,808	615,892	107,180	723,073
Other items								
Depreciation and amortization	12,606	5,232	4,128	21,967	1,336	23,303	(248)	23,054
Investment for affiliates accounted for by the equity method	3,820	159	–	3,979	18,738	22,717	–	22,717
Increase in property, plant and equipment and intangible assets	8,660	5,959	2,269	16,889	1,443	18,332	(125)	18,207

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

(Millions of yen)

	Reportable segment				Others	Total	Adjustment	Carried on consolidated financial statements
	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