

11-Year Financial Highlights

Nichirei Corporation and Consolidated
Subsidiaries for the Years Ended March 31

Nichirei Corporation and Consolidated Subsidiaries for the Years Ended March 31	energy 2012			
	2011/3	2012/3	2013/3	2014/3
Sales and Income:				
Net sales *	437,808	454,931	470,126	511,189
Cost of sales	350,442	368,012	378,652	417,928
Selling, general and administrative expenses *	70,685	70,741	73,541	77,472
Operating profit	16,681	16,177	17,932	15,789
Non-operating income:	1,939	2,025	1,880	2,113
Interest and dividend income	488	622	575	1,060
Share of profit of entities accounted for using equity method	164	49	224	—
Non-operating expenses: *	2,505	2,952	2,609	3,459
Interest expenses	1,371	1,445	1,438	1,295
Share of loss of entities accounted for using equity method	—	—	—	795
Ordinary profit	16,115	15,250	17,202	14,443
Extraordinary income	5,123	1,308	1,690	2,347
Extraordinary losses *	12,378	2,333	5,291	1,432
Profit before income taxes	8,860	14,225	13,601	15,357
Income taxes *	4,772	6,406	5,489	5,480
Profit (loss) attributable to non-controlling interests	(44)	85	1,712	(978)
Profit (loss) attributable to owners of parent	4,044	7,904	9,823	8,898
Depreciation and amortization	14,158	14,978	14,302	14,475
(Excluding leased assets)	10,441	11,177	10,522	10,748
Capital expenditures	22,110	12,248	13,171	24,041
(Excluding leased assets)	18,076	9,400	10,724	21,209
Research & development expenditures	1,806	1,697	1,817	1,607
Share Information:				
Profit per share *	13.08	26.35	33.40	31.12
Dividends per share *	9	9	10	10
Payout ratio	69%	34%	30%	32%

Notes:

- Figures in the consolidated statements of income are based on the Securities Report and presented in million-yen units, with units less than one million yen rounded down. However, figures for items marked with an asterisk "*" have been fractionally adjusted for convenience purposes.
- Due to segment changes in FY2001 and FY2004, as well as changes in common cost allocation standards in FY2003 and FY2006, it is difficult to accurately follow the profit levels of each business in chronological order.
- From FY2016, the accounting policy regarding standards for recording sales in the processed foods business was changed (the portion that had previously been recorded as promotional expenses has been excluded from net sales). Accordingly, the FY2015 figure has been retroactively changed to reflect the change in the accounting policy standards.
- From FY2017, profit per share (yen) and dividends per share (yen) are shown as numerical values after the reverse stock split implemented on October 1, 2016.

	RISING 2015		POWER UP 2018			WeWill 2021	
	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3
	(Millions of yen)						
	519,963	535,351	539,657	568,032	580,141	584,858	572,757
	446,180	454,265	448,516	475,194	486,926	485,784	473,954
	56,376	59,501	61,831	62,940	63,704	68,038	65,853
	17,406	21,583	29,309	29,897	29,511	31,035	32,949
	1,993	1,704	1,433	2,102	1,753	1,891	1,798
	616	664	716	817	871	896	880
	140	131	278	715	399	387	376
	2,498	1,893	1,637	1,350	1,399	1,150	1,215
	1,138	1,053	954	898	870	791	709
	—	—	—	—	—	—	—
	16,902	21,394	29,105	30,650	29,864	31,777	33,532
	137	220	468	102	1,085	505	870
	1,167	1,014	1,756	1,515	1,410	2,489	2,799
	15,871	20,600	27,818	29,237	29,540	29,792	31,603
	4,850	5,933	7,322	8,601	8,773	9,008	8,954
	(1,504)	(1,195)	(1,744)	(1,538)	(822)	(1,174)	(1,437)
	9,516	13,471	18,751	19,097	19,943	19,609	21,212
	15,621	16,455	16,057	16,155	17,481	18,355	19,669
	11,871	12,658	12,347	12,543	13,910	14,690	15,894
	24,171	16,175	13,887	24,952	24,132	27,287	37,776
	19,750	13,216	10,253	22,312	21,320	24,864	33,851
	1,730	1,600	1,559	1,986	2,359	2,486	2,403
	33.29	47.15	135.11	142.23	149.65	147.16	159.19
	10	12	28	30	32	42	50
	30%	26%	21%	21%	21%	29%	31%

Consolidated Balance Sheets (Unaudited)

Nichirei Corporation and Consolidated Subsidiaries
As of March 31, 2020 and 2021

	Millions of yen		Thousands of U.S. dollars (Note 1)
Assets	2020	2021	2021
Current assets:			
Cash and deposits	¥ 25,933	¥ 28,933	\$ 261,321
Notes and accounts receivable - trade	82,269	81,749	738,346
Less allowance for doubtful accounts	(131)	(109)	(987)
Inventories	47,934	47,867	432,326
Other current assets	14,303	11,131	100,536
Total current assets	170,308	169,572	1,531,544
Fixed assets:			
Property, plant and equipment (Note 6):			
Buildings and structures	252,672	259,690	2,345,471
Machinery and equipment	118,098	128,081	1,156,805
Land	36,007	38,683	349,378
Leased assets	37,323	37,199	335,978
Construction in progress	4,534	3,716	33,569
	448,636	467,371	4,221,205
Less accumulated depreciation	(285,402)	(293,409)	(2,650,015)
Property, plant and equipment, net	163,233	173,962	1,571,189
Investments and other assets:			
Investment securities (Note 5)	28,904	33,663	304,038
Investment in affiliates	7,246	7,244	65,426
Net defined benefit asset	57	52	474
Deferred tax assets (Note 8)	1,912	2,260	20,420
Other	18,609	19,208	173,489
Less allowance for doubtful accounts	(268)	(245)	(2,213)
Total investments and other assets	56,462	62,184	561,637
Total fixed assets	219,696	236,146	2,132,826
Total assets	¥ 390,004	¥ 405,719	\$ 3,664,370

The accompanying notes are integral parts of these statements.

Liabilities and net assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2020	2021	2021
Current liabilities:			
Short-term loans	¥ 4,292	¥ 6,948	\$ 62,759
Commercial paper	2,000	—	—
Current portion of long-term debt	956	4,797	43,332
Current portion of bonds	10,000	10,000	90,317
Accounts payable	28,460	28,073	253,551
Lease obligations	3,605	3,572	32,262
Income taxes payable	5,299	5,911	53,388
Accrued expenses	34,893	35,483	320,476
Provision for directors' bonuses	228	238	2,154
Other current liabilities	18,683	13,481	121,762
Total current liabilities	108,419	108,506	980,006
Long-term liabilities:			
Bonds	30,000	30,000	270,953
Long-term debt	33,420	29,010	262,020
Provision for directors' and statutory auditors' retirement benefits	175	131	1,188
Net defined benefit liability	2,014	1,996	18,029
Lease obligations	12,076	12,093	109,227
Deferred tax liabilities (Note 8)	2,830	4,265	38,521
Asset retirement obligations	3,935	4,037	36,467
Other	5,742	5,251	47,432
Total long-term liabilities	90,196	86,786	783,840
Total liabilities	198,615	195,293	1,763,846
Net assets:			
Shareholders' equity (Note 7):			
Common stock, with no par value			
Authorized			
- 360,000,000 shares for 2020 and 2021			
Issued and outstanding - 139,965,587 shares for 2020 and 140,003,877 shares for 2021	30,359	30,418	274,738
Capital surplus	5,750	5,795	52,340
Retained earnings	156,953	172,436	1,557,408
Treasury stock	(17,642)	(17,648)	(159,395)
Total shareholders' equity	175,421	191,002	1,725,091
Accumulated other comprehensive income:			
Net unrealized holding gain on available- for-sale securities	9,016	12,344	111,491
Net deferred gain on hedges	802	1,639	14,809
Foreign currency translation adjustments	(736)	(1,660)	(14,996)
Total accumulated other comprehensive income	9,082	12,323	111,304
Non-controlling interests	6,884	7,100	64,128
Total net assets	191,388	210,426	1,900,524
Total liabilities and net assets	¥ 390,004	¥ 405,719	\$ 3,664,370

The accompanying notes are integral parts of these statements.

Consolidated Statements of Income (Unaudited)

Nichirei Corporation and Consolidated Subsidiaries
For the years ended March 31, 2020 and 2021

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2020	2021	2021	
Net sales	¥ 584,858	¥ 572,757	\$ 5,173,030	
Operating costs and expenses:				
Cost of sales	485,784	473,954	4,280,659	
Selling, general and administrative expenses	68,038	65,853	594,775	
	553,822	539,808	4,875,435	
Operating profit	31,035	32,949	297,594	
Other income (expenses):				
Interest and dividend income	896	880	7,955	
Interest expense	(791)	(709)	(6,404)	
Other – net	(1,348)	(1,517)	(13,705)	
	(1,243)	(1,345)	(12,154)	
Profit before income taxes	29,792	31,603	285,440	
Income taxes (Note 8):				
Current	9,566	9,684	87,471	
Deferred	(557)	(730)	(6,596)	
	9,008	8,954	80,874	
Profit	20,784	22,649	204,565	
Profit attributable to non-controlling interests	1,174	1,437	12,981	
Profit attributable to owners of parent	¥ 19,609	¥ 21,212	\$ 191,584	

	Yen		U.S. dollars (Note 1)	
Amounts per share (Note 9):	2020	2021	2021	
Net assets	¥ 1,384.90	¥ 1,525.76	\$ 13.780	
Profit:				
Basic	147.16	159.19	1.438	
Diluted	—	—	—	

The accompanying notes are integral parts of these statements.

Consolidated Statement of Comprehensive Income (Unaudited)

Nichirei Corporation and Consolidated Subsidiaries
For the years ended March 31, 2020 and 2021

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	2020	2021	2021	
Profit	¥ 20,784	¥ 22,649	\$ 204,565	
Other comprehensive income:				
Net unrealized holding gain (loss) on available-for-sale securities	(4,978)	3,319	29,984	
Net deferred gain (loss) on hedges	151	837	7,567	
Foreign currency translation adjustments	(10)	(973)	(8,791)	
Share of other comprehensive income (loss) of affiliates accounted for by the equity method	154	(224)	(2,030)	
Total other comprehensive income (loss)	(4,683)	2,959	26,729	
Total comprehensive income	¥ 16,100	¥ 25,609	\$ 231,295	
Total comprehensive income attributable to:				
Owners of parent	¥ 14,628	¥ 24,452	\$ 220,853	
Non-controlling interests	1,471	1,156	10,441	

The accompanying notes are integral parts of these statements.

Consolidated Statements of Changes in Net Assets (Unaudited)

Nichirei Corporation and Consolidated Subsidiaries
For the years ended March 31, 2020 and 2021

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Net assets at April 1, 2019	¥ 30,307	¥ 7,617	¥ 142,274	¥ (17,443)	¥ 162,756
Changes of items during the period					
Issuance of new shares	51	51			103
Dividends from surplus			(4,930)		(4,930)
Profit attributable to owners of parent			19,609		19,609
Change in ownership interest of parent due to transactions with non-controlling interests		(1,918)			(1,918)
Acquisition of treasury stock				(199)	(199)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	51	(1,867)	14,679	(199)	12,664
Net assets at March 31, 2020	¥ 30,359	¥ 5,750	¥ 156,953	¥ (17,642)	¥ 175,421
Changes of items during the period					
Issuance of new shares	59	59			119
Dividends from surplus			(5,729)		(5,729)
Profit attributable to owners of parent			21,212		21,212
Capital increase of consolidated subsidiaries		(14)			(14)
Acquisition of treasury stock				(7)	(7)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	59	44	15,482	(6)	15,580
Net assets at March 31, 2021	¥ 30,418	¥ 5,795	¥ 172,436	¥ (17,648)	¥ 191,002

	Millions of yen					Non-controlling interests	Total net assets
	Accumulated other comprehensive income						
	Net unrealized holding gain on available-for-sale securities	Net deferred gain on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Net assets at April 1, 2019	¥ 13,997	¥ 661	¥ (594)	¥ 14,063	¥ 6,985	¥ 183,805	
Changes of items during the period							
Issuance of new shares						103	
Dividends from surplus						(4,930)	
Profit attributable to owners of parent						19,609	
Change in ownership interest of parent due to transactions with non-controlling interests						(1,918)	
Acquisition of treasury stock						(199)	
Disposal of treasury stock						0	
Net changes of items other than shareholders' equity	(4,980)	141	(141)	(4,980)	(101)	(5,081)	
Total changes of items during the period	(4,980)	141	(141)	(4,980)	(101)	7,582	
Net assets at March 31, 2020	¥ 9,016	¥ 802	¥ (736)	¥ 9,082	¥ 6,884	¥ 191,388	
Changes of items during the period							
Issuance of new shares						119	
Dividends from surplus						(5,729)	
Profit attributable to owners of parent						21,212	
Capital increase of consolidated subsidiaries						(14)	
Acquisition of treasury stock						(7)	
Disposal of treasury stock						0	
Net changes of items other than shareholders' equity	3,327	836	(923)	3,240	216	3,456	
Total changes of items during the period	3,327	836	(923)	3,240	216	19,037	
Net assets at March 31, 2021	¥ 12,344	¥ 1,639	¥ (1,660)	¥ 12,323	¥ 7,100	¥ 210,426	

The accompanying notes are integral parts of these statements.

	Thousands of U.S. dollars (Note 1)				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Net assets at April 1, 2020	\$ 274,199	\$ 51,935	\$ 1,417,572	\$ (159,339)	\$ 1,584,367
Changes of items during the period					
Issuance of new shares	538	538			1,077
Dividends from surplus			(51,748)		(51,748)
Profit attributable to owners of parent			191,584		191,584
Capital increase of consolidated subsidiaries		(134)			(134)
Acquisition of treasury stock				(63)	(63)
Disposal of treasury stock		0		7	8
Net changes of items other than shareholders' equity					
Total changes of items during the period	538	405	139,836	(55)	140,724
Net assets at March 31, 2021	\$ 274,738	\$ 52,340	\$ 1,557,408	\$ (159,395)	\$ 1,725,091

	Thousands of U.S. dollars (Note 1)					
	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized holding gain on available-for-sale securities	Net deferred gain on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Net assets at April 1, 2020	\$ 81,438	\$ 7,250	\$ (6,654)	\$ 82,034	\$ 62,177	\$ 1,728,579
Changes of items during the period						
Issuance of new shares						1,077
Dividends from surplus						(51,748)
Profit attributable to owners of parent						191,584
Capital increase of consolidated subsidiaries						(134)
Acquisition of treasury stock						(63)
Disposal of treasury stock						8
Net changes of items other than shareholders' equity	30,053	7,558	(8,342)	29,269	1,950	31,219
Total changes of items during the period	30,053	7,558	(8,342)	29,269	1,950	171,944
Net assets at March 31, 2021	\$ 111,491	\$ 14,809	\$ (14,996)	\$ 111,304	\$ 64,128	\$ 1,900,524

The accompanying notes are integral parts of these statements.

Consolidated Statements of Cash Flows

(Unaudited)

Nichirei Corporation and Consolidated Subsidiaries
For the years ended March 31, 2020 and 2021

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>	
	2020	2021	2021	
Cash flows from operating activities:				
Profit before income taxes	¥ 29,792	¥ 31,603	\$ 285,440	
Depreciation and amortization	18,355	19,669	177,647	
Impairment loss on fixed assets	481	1,273	11,501	
Increase/(decrease) in allowance for doubtful accounts	4	(17)	(156)	
Interest and dividend income	(896)	(880)	(7,955)	
Interest expense	791	709	6,404	
Equity in earnings of affiliates	(387)	(376)	(3,404)	
Gain on sales of property, plant and equipment	(58)	(42)	(380)	
Loss on disposal of property, plant and equipment	1,628	1,380	12,469	
Gain on sales of investment securities	(423)	(144)	(1,304)	
(Increase)/decrease in notes and accounts receivable-trade	4,750	531	4,800	
(Increase)/decrease in inventories	(2,098)	(477)	(4,310)	
Increase/(decrease) in notes and accounts payable	635	(234)	(2,113)	
Compensation for expropriation	—	(565)	(5,108)	
Other, net	2,833	(4,470)	(40,378)	
Subtotal	55,408	47,958	433,149	
Interest and dividends received	1,063	1,190	10,748	
Proceeds from compensation for expropriation	—	565	5,108	
Interest paid	(798)	(712)	(6,437)	
Income taxes paid	(16,232)	(3,547)	(32,041)	
Net cash provided by/(used in) operating activities	¥ 39,441	¥ 45,453	\$ 410,528	

The accompanying notes are integral parts of these statements.

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1)</i>
	2020	2021	2021
Cash flows from investing activities:			
Purchase of property, plant and equipment	¥ (20,369)	¥ (28,529)	\$ (257,676)
Proceeds from sales of property, plant and equipment	161	1,623	14,660
Purchase of intangible assets	(1,336)	(2,124)	(19,191)
Purchase of investment securities	(2,204)	(392)	(3,544)
Proceeds from sales of investment securities	707	257	2,328
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(27)	(249)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(24)	—	—
Other, net	(1,235)	(3,019)	(27,269)
Net cash provided by/(used in) investing activities	(24,300)	(32,213)	(290,941)
Cash flows from financing activities:			
Net increase/(decrease) in short-term bank loans	(2,818)	2,456	22,182
Net increase/(decrease) in commercial paper	—	(2,000)	(18,063)
Proceeds from long-term debt	10,000	409	3,694
Repayment of long-term debt	(5,200)	(955)	(8,632)
Proceeds from issuance of bonds	—	9,951	89,876
Redemption of bonds	—	(10,000)	(90,317)
Repayments of lease obligations	(3,782)	(3,886)	(35,099)
Purchase of treasury stock	(18)	(7)	(63)
Dividends paid	(4,923)	(5,722)	(51,683)
Cash dividends paid to non-controlling interests of consolidated subsidiaries	(803)	(955)	(8,627)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,680)	—	—
Other, net	0	0	8
Net cash provided by/(used in) financing activities	(10,225)	(10,709)	(96,725)
Effect of exchange rate changes on cash and cash equivalents	(148)	45	415
Net increase/(decrease) in cash and cash equivalents	4,765	2,577	23,276
Cash and cash equivalents at the beginning of the year	20,668	25,434	229,716
Cash and cash equivalents at the end of the year	¥ 25,434	¥ 28,011	\$ 252,992

The accompanying notes are integral parts of these statements.

Notes to Consolidated Financial Statements (Unaudited)

Nichirei Corporation and Consolidated Subsidiaries
For the years ended March 31, 2020 and 2021

Note 1: Basis of Presentation

The accompanying consolidated financial statements of Nichirei Corporation (the “Company”) and its consolidated subsidiaries (together, the “Group”) are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

Certain amounts in the prior year’s financial statements have been reclassified to conform to the current year’s presentation.

As permitted by the Financial Instruments and Exchange Law of Japan, amounts of less than one million yen have been omitted. As a result, the totals in yen shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

For the convenience of the reader, the accompanying consolidated financial statements have been presented in U.S. dollars by translating Japanese yen amounts at ¥110.72 = US\$1.00, the exchange rate prevailing on March 31, 2021.

Due to significance, only selected notes are disclosed in the consolidated financial statements. The other notes which are not selected are disclosed on EDINET.

Note 2: Accounting Standards Issued But Not Yet Effective

(1) Accounting Standard and Implementation Guidance on Revenue Recognition

“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29)

“Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30)

“Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19)

(a) Overview

This is a comprehensive accounting standard addressing revenue recognition. Specifically, the accounting standard establishes the five-step model that will apply to revenue from contracts with customers.

(b) Scheduled date of adoption

The Company expects to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2022.

(c) Impact of adoption of accounting standard and implementation guidance

The Company is currently evaluating the effect of the adoption of this accounting standard and implementation guidance on its consolidated financial statements.

(2) Accounting Standard for Fair Value Measurement and Related Implementation Guidance

“Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30)

“Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9)

“Accounting Standard for Financial Instruments” (ASBJ Statement No. 10)

“Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31)

“Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19)

(a) Overview

The ASBJ has developed “Accounting Standard for Fair Value Measurement” and “Implementation Guidance on Accounting Standard for Fair Value Measurement” (hereinafter collectively, the “Fair Value Measurement Standard”), which provide guidance for fair value measurement in order to improve comparability with internationally recognized accounting standards.

The Fair Value Measurement Standard is applied with respect to the fair value of the following items;

- Financial instruments defined in “Accounting Standard for Financial Instruments”
- Inventories held for trading purposes defined in “Accounting Standard for Measurement of Inventories”

“Implementation Guidance on Disclosures about Fair Value of Financial Instruments” has been revised requiring disclosure of financial instruments broken down by level in the fair value hierarchy.

(b) Scheduled date of adoption

The Company expects to adopt the accounting standards and related implementation guidance from the beginning of the fiscal year ending March 31, 2022.

(c) Impact of adoption of revised accounting standard and related implementation guidance

The Company is currently evaluating the effect of the adoption of the accounting standards and related implementation guidance on its consolidated financial statements.

Note 3: Significant Accounting Estimates

The Company applies “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31) from the end of the fiscal year ended March 31, 2021. The notes for the previous fiscal year are not presented in accordance with the transitional treatment set forth in a provision of paragraph 11 of the accounting standard.

Under the accounting standard, item whose amount is recorded in the consolidated financial statements for the current fiscal year based on accounting estimates, and which would have a significant impact on the consolidated financial statements for the following fiscal year, should be disclosed.

There is no item disclosed as significant accounting estimate as of March 31, 2021.

Note 4: Additional information~ Accounting estimates for the effect of COVID-19 spread

Regarding the effect of the COVID-19, it is still difficult to predict the future such as how it would spread from now on or when it would be contained, etc. The Group implemented accounting estimates based on the assumptions that it will be curbed and turn toward recovery thorough the fiscal year 2022 along with the vaccination progress, etc.

Note 5: Securities

- (1) Acquisition costs, carrying value and unrealized gain on available-for-sale securities as of March 31, 2020 and 2021:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>	
	2020	2021	2021	
Equity securities:				
Acquisition costs	¥ 12,533	¥ 12,451	\$ 112,457	
Carrying value	25,215	29,812	269,263	
Unrealized gain	¥ 12,681	¥ 17,361	\$ 156,805	

Non-listed equity securities amounting to ¥3,689 million and ¥3,850 million (\$34,775 thousand) as of March 31, 2020 and 2021, respectively, are not included in the above table because they are not traded on the market and it is very difficult to determine their fair market value as of March 31, 2020 and 2021.

Notes to Consolidated Financial Statements (Unaudited)

(2) Sales of available-for-sale securities for the years ended March 31, 2020 and 2021:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>	
	2020	2021	2021	
Proceeds from sales	¥ 708	¥ 258	\$ 2,331	
Gains on sales	423	144	1,305	
Losses on sales	—	(0)	(1)	

(3) Impairment loss of securities for the years ended March 31, 2020 and 2021:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>	
	2020	2021	2021	
Available-for-sale securities:				
Stocks with market value	¥ —	¥ —	\$ —	
Stocks without market value	—	10	93	
Total	¥ —	¥ 10	\$ 93	

Note 6: Investments and Rental Properties

The Company and part of its subsidiaries own buildings and land for lease in Tokyo and other areas.

Net rent income, gain on sales and impairment losses on the property related to the investments and rental properties were ¥2,119 million, ¥34 million and ¥200 million, respectively, for the year ended March 31, 2020.

Net rent income on the property related to the investments and rental properties were ¥2,033 million (\$18,368 thousand) for the year ended March 31, 2021.

Gross rent revenue and expense are included in net sales and cost of sales, respectively, on the consolidated statements of income. Gain on sales of the property is included in other income on the consolidated statements of income.

Carrying value on the consolidated balance sheet, increase or decrease during the year, as well as market value of the investments and rental properties as of March 31, 2020 and 2021:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>	
	2020	2021	2021	
Carrying value as of April 1	¥ 9,844	¥ 9,324	\$ 84,215	
Net increase (decrease)	(519)	30	273	
Carrying value as of March 31	¥ 9,324	¥ 9,354	\$ 84,488	
Market value as of March 31	¥ 43,934	¥ 47,065	\$ 425,084	

1. Carrying value on the consolidated balance sheets is calculated as acquisition costs deducting accumulated depreciation and cumulative impairment losses.
2. For the year ended March 31, 2020, major increase represents capital expenditures of ¥251 million. Major decrease represents depreciation of ¥512 million and impairment losses of ¥200 million.
3. For the year ended March 31, 2021, major increase represents capital expenditures of ¥786 million (\$7,104 thousand). Major decrease represents depreciation of ¥510 million (\$4,614 thousand) and change in the use of property of ¥169 million (\$1,528 thousand).
4. Market value of major assets is based on appraisals obtained from outside real estate appraisers. The market value of other relatively immaterial assets is based on certain valuation and other indicators properly reflected by market prices.

Note 7: Changes in Net Assets

(1) Types and numbers of outstanding shares and treasury stock

(a) For the year ended March 31, 2020

Type of stock	As of April 1, 2019	Increases	Decreases	(Number of shares)
				As of March 31, 2020
Issued stock:				
Common stock (1)	139,925,532	40,055	—	139,965,587
Treasury stock:				
Common stock (2,3)	6,658,466	81,520	196	6,739,790

(Reasons for changes)

- The increase in the number of issued common stock resulted from the following:
 - Issuance of new shares for stock-based compensation with restriction on transfer 40,055 shares
- The increase in the number of treasury stock of common stock resulted from the following:
 - Request for purchase of common stock from unknown shareholders 77,818 shares
 - Request for redemption of odd-lot stock 3,702 shares
- The decrease in the number of treasury stock of common stock resulted from the following:
 - Request for purchase of odd-lot stock 196 shares

(b) For the year ended March 31, 2021

Type of stock	As of April 1, 2020	Increases	Decreases	(Number of shares)
				As of March 31, 2021
Issued stock:				
Common stock (1)	139,965,587	38,290	—	140,003,877
Treasury stock:				
Common stock (2,3)	6,739,790	2,454	316	6,741,928

(Reasons for changes)

- The increase in the number of issued common stock resulted from the following:
 - Issuance of new shares for stock-based compensation with restriction on transfer 38,290 shares
- The increase in the number of treasury stock of common stock resulted from the following:
 - Request for redemption of odd-lot stock 2,454 shares
- The decrease in the number of treasury stock of common stock resulted from the following:
 - Request for purchase of odd-lot stock 316 shares

(2) Cash dividends distributed

Dividends paid during the year ended March 31, 2021

Resolution	Type of stock	Source of dividends	Total dividends (Millions of yen and Thousands of U.S. dollars)	Dividend per share (Yen and U.S. dollars)	Record date	Effective date
General shareholders' meeting on June 24, 2020	Common stock	Retained earnings	¥ 2,797 \$ 25,268	¥ 21 \$ 0.18	March 31, 2020	June 25, 2020
Board of Directors' meeting on November 4, 2020	Common stock	Retained earnings	¥ 2,931 \$ 26,479	¥ 22 \$ 0.19	September 30, 2020	December 4, 2020

Notes to Consolidated Financial Statements (Unaudited)

Dividends of which the record date falls in the current fiscal year but the effective date falls in the following fiscal year

Resolution	Type of stock	Source of dividends	Total dividends (Millions of yen and Thousands of U.S. dollars)	Dividend per share (Yen and U.S. dollars)	Record date	Effective date
General shareholders' meeting on June 22, 2021	Common stock	Retained earnings	¥ 3,731 \$ 33,700	¥ 28 \$ 0.25	March 31, 2021	June 23, 2021

Note 8: Income Taxes

(1) Tax rate reconciliation for the years ended March 31, 2020 and 2021

(a) For the year ended March 31, 2020

Since the difference between statutory tax rate and effective tax rate is less than 5% of the statutory tax rate, note related to reconciliation between the tax rates is omitted.

(b) For the year ended March 31, 2021

The Company and its consolidated subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a statutory tax rate of approximately 30.6% for the year ended March 31, 2021. Reconciliation between the statutory tax rate and the effective tax rate reflected in the accompanying consolidated statement of income is as follows:

	2021
Statutory tax rate	30.6%
Entertainment and other non-deductible expenses	0.4
Dividends exempted for income tax purposes	0.1
Inhabitants' tax per capita	0.5
Change in valuation allowance	(2.8)
Tax credit for research and development expenses, etc.	(1.2)
Tax rate differences of overseas affiliates	(0.1)
Equity in earnings of affiliates accounted for by the equity method	(0.4)
Undistributed earnings of affiliates	0.2
Other, net	1.1
Effective tax rate	28.3%

(2) A breakdown of tax loss carryforwards and deferred tax assets by expiry date as of March 31, 2020 and 2021

(Millions of Yen)

Fiscal Year Ending	2021	2022	2023	2024	2025	2026 and thereafter	Total
March 31, 2020							
Tax loss carryforwards (a)	¥ 11	¥ 19	¥ 18	¥ 33	¥ 28	¥ 228	¥ 339
Valuation allowance.....	(11)	(19)	(18)	(33)	(28)	(208)	(319)
Deferred tax assets.....	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 19	¥ 19 (b)

(Millions of Yen)

Fiscal Year Ending	2022	2023	2024	2025	2026	2027 and thereafter	Total
March 31, 2021							
Tax loss carryforwards (a)	¥ 12	¥ 8	¥ 29	¥ 38	¥ 40	¥ 749	¥ 878
Valuation allowance.....	(12)	(8)	(29)	(38)	(38)	(685)	(813)
Deferred tax assets.....	¥ —	¥ —	¥ —	¥ —	¥ 1	¥ 63	¥ 64 (b)

(Thousands of U.S. Dollars)

Fiscal Year Ending March 31, 2021	2022	2023	2024	2025	2026	2027 and thereafter	Total
Tax loss carryforwards (a)	\$ 109	\$ 73	\$ 268	\$ 346	\$ 367	\$ 6,765	\$ 7,930
Valuation allowance	(109)	(73)	(268)	(346)	(352)	(6,195)	(7,345)
Deferred tax assets.....	\$ —	\$ —	\$ —	\$ —	\$ 15	\$ 570	\$ 585 (b)

(a) Tax loss carryforwards represent the amount multiplied by effective statutory tax rate.

(b) Since taxable income is expected for the next fiscal year, the Group considers a part of the tax loss carryforwards is recoverable.

Note 9: Per Share Information

Net assets per share as of March 31, 2020 and 2021 are calculated based on the following:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2020	2021	2021
Net assets	¥ 191,388	¥ 210,426	\$ 1,900,524
Amounts excluded from net assets:			
For non-controlling interests	6,884	7,100	64,128
Net assets attributable to common stock	184,504	203,325	1,836,395
Number of common stock used for the calculation of net assets per share (in thousands)	133,225	133,261	133,261

Profit per share for the years ended March 31, 2020 and 2021 are calculated based on the following:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2020	2021	2021
Profit attributable to owners of parent	¥ 19,609	¥ 21,212	\$ 191,584
Amounts not attributable to common shareholders	—	—	—
Profit attributable to owners of parent for common stock	19,609	21,212	191,584
Average number of common stock during the fiscal year (in thousands)	133,251	133,251	133,251

Notes to Consolidated Financial Statements (Unaudited)

Note 10: Segment Information

(1) General information about reportable segments

Reportable segments are components of the Company and its consolidated subsidiaries for which separate financial information is available and whose operating results are regularly reviewed by the board of directors to make decisions about resources to be allocated to the segments and to assess their performance. Reportable segments are determined by product and service as “Processed foods,” “Marine products,” “Meat and poultry products,” “Logistics,” and “Real estate.”

General information about the segments is as follows:

- (a) Processed foods: Production, processing and sales of frozen cooked foods, agricultural processed foods, retort-pouch foods, wellness foods, acerola and packed ice
- (b) Marine products: Processing and sales of marine products
- (c) Meat and poultry products: Processing and sales of meat and poultry products, and breeding and sales of chicken
- (d) Logistics: Providing distribution/transportation services and distribution center functions, logistics consulting, providing storage services, production and sales of ice, and construction work and planning
- (e) Real estate: Leasing of office buildings and parking lots and management of real estate

(2) The basis of measurement for sales, profit or loss, assets, liabilities and other items of reportable segments

Accounting policies and methods used at operating segments are the same as those applied to the Company. Profit or loss of reportable segments is equal to operating profit on the consolidated statements of income. Intercompany sales and transfers are based on third-party transaction prices.

(3) Sales, profit or loss, assets, liabilities and other items by reportable segment for the years ended March 31, 2020 and 2021 were summarized as follows:

	Year ended March 31, 2020 (Millions of yen)									
	Reportable segment					Total	Other (*1)	Total	Adjustment	Consolidated
	Processed foods	Marine products	Meat and poultry products	Logistics	Real estate					
Sales:										
External sales	¥ 234,395	¥ 65,590	¥ 86,173	¥ 190,446	¥ 3,339	¥ 579,946	¥ 4,912	¥ 584,858	¥ —	¥ 584,858
Intercompany sales and transfers	386	181	2,153	16,050	1,625	20,396	769	21,165	(21,165)	—
Total	234,781	65,772	88,327	206,496	4,965	600,343	5,681	606,024	(21,165)	584,858
Segment profit	16,725	443	905	11,824	1,982	31,881	(280)	31,600	(564)	31,035
Segment assets	128,407	26,928	18,949	169,648	15,562	359,497	10,997	370,494	19,509	390,004
Other items:										
Depreciation	5,894	151	267	9,840	701	16,855	410	17,266	1,089	18,355
Amortization of goodwill	104	—	—	81	—	185	97	283	—	283
Investments in equity-method investees	2,314	—	—	3,178	—	5,493	—	5,493	1,753	7,246
Increase in property, plant and equipment and intangible assets	8,054	209	138	17,072	476	25,952	256	26,209	1,078	27,287
Outstanding balance of goodwill	1,091	—	—	524	—	1,616	1,137	2,754	—	2,754
Impairment loss on fixed assets	¥ 40	¥ 0	¥ —	¥ 240	¥ 200	¥ 481	¥ —	¥ 481	¥ —	¥ 481

Year ended March 31, 2021 (Millions of yen)										
	Reportable segment							Total	Adjustment	Consolidated
	Processed foods	Marine products	Meat and poultry products	Logistics	Real estate	Total	Other (*1)			
Sales:										
External sales	¥ 225,180	¥ 62,987	¥ 81,685	¥ 195,723	¥ 3,077	¥ 568,654	¥ 4,103	¥ 572,757	¥ —	¥ 572,757
Intercompany sales and transfers	269	107	2,414	16,597	1,568	20,957	796	21,753	(21,753)	—
Total	225,450	63,095	84,099	212,320	4,646	589,611	4,899	594,511	(21,753)	572,757
Segment profit	17,167	521	1,298	13,084	2,017	34,089	(325)	33,764	(814)	32,949
Segment assets	138,592	26,005	19,344	181,136	16,702	381,781	8,992	390,774	14,945	405,719
Other items:										
Depreciation	6,525	148	257	10,473	712	18,117	380	18,497	1,171	19,669
Amortization of goodwill	103	—	—	53	—	156	90	247	—	247
Investments in equity-method investees	2,401	—	—	3,157	—	5,558	—	5,558	1,685	7,244
Increase in property, plant and equipment and intangible assets	13,438	322	110	19,973	2,300	36,145	66	36,212	1,617	37,829
Outstanding balance of goodwill	951	—	—	542	—	1,493	—	1,493	—	1,493
Impairment loss on fixed assets	¥ 222	¥ —	¥ —	¥ 32	¥ —	¥ 254	¥ 1,019	¥ 1,273	¥ —	¥ 1,273

Year ended March 31, 2021 (Thousands of U.S. dollars)										
	Reportable segment							Total	Adjustment	Consolidated
	Processed foods	Marine Products	Meat and poultry products	Logistics	Real estate	Total	Other (*1)			
Sales:										
External sales	\$2,033,781	\$ 568,890	\$ 737,765	\$ 1,767,734	\$ 27,794	\$ 5,135,965	\$ 37,065	\$ 5,173,030	\$ —	\$ 5,173,030
Intercompany sales and transfers	2,436	973	21,802	149,903	14,168	189,284	7,190	196,475	(196,475)	—
Total	2,036,218	569,864	759,568	1,917,637	41,962	5,325,250	44,255	5,369,505	(196,475)	5,173,030
Segment profit	155,048	4,712	11,728	118,172	18,225	307,887	(2,935)	304,952	(7,357)	297,594
Segment assets	1,251,740	234,875	174,715	1,635,982	150,856	3,448,171	81,217	3,529,389	134,980	3,664,370
Other items:										
Depreciation	58,940	1,339	2,321	94,597	6,433	163,632	3,434	167,066	10,581	177,647
Amortization of goodwill	936	—	—	480	—	1,417	816	2,233	—	2,233
Investments in equity-method investees	21,686	—	—	28,519	—	50,205	—	50,205	15,221	65,426
Increase in property, plant and equipment and intangible assets	121,372	2,915	997	180,395	20,778	326,459	601	327,061	14,609	341,671
Outstanding balance of goodwill	8,592	—	—	4,897	—	13,490	—	13,490	—	13,490
Impairment loss on fixed assets	\$ 2,007	\$ —	\$ —	\$ 289	\$ —	\$ 2,297	\$ 9,204	\$ 11,501	\$ —	\$ 11,501

(*1) "Other" represents operating segments not disclosed as reportable segments, which include biosciences business, human resources and payroll-related services, tree planting management and cleaning services related to tree planting.

Note 11: Subsequent Events

Not applicable.