Calbee
Harvest the Power of Nature.

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2021

April 1, 2020 to March 31, 2021

Calbee, Inc.

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depended on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

SUMMARY OF FINANCIAL STATEMENTS (consolidated)

Full Year Results for the Fiscal Year Ended March 31, 2021

Calbee, Inc. **May 13, 2021**

Stock exchange listings: Tokyo 1st section, code number 2229
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Representative: Shuji Ito, President & CEO, Representative Director
Scheduled date for the General Meeting of Shareholders: June 23, 2021
Scheduled date for distribution of dividends: June 24, 2021
Scheduled date for submission of the full year financial report: June 24, 2021
Availability of supplementary explanatory material : Available
Results presentation meeting: Yes (conference call for institutional investors and analysts)

1) Consolidated results for the fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results

Millions of yen, rounded down

	FY ended March 31, 2020	% change	FY ended March 31, 2021	% change
Net sales	255,938	2.9	266,745	4.2
Operating profit	27,664	2.6	27,064	-2.2
Ordinary profit	27,391	-0.1	27,522	0.5
Profit attributable to owners of parent	17,539	-9.7	17,682	0.8
Earnings per share (¥)	131.22		132.30	
Earnings per share (diluted) (¥)	131.21		-	
Return on equity (%)	11.1		10.4	
Ordinary profit to total assets ratio (%)	13.1		12.1	
Operating profit to sales ratio (%)	10.8		10.1	

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.
2. Comprehensive income: FY ended March 31, 2021: ¥19,750 million(32.0%)
FY ended March 31, 2020: ¥14,963 million (-25.4%)
3. Share of profit (loss) of entities accounted for using equity method: FY ended March 31, 2021: -¥104 million
FY ended March 31, 2020: ¥9 million

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of March 31, 2020	As of March 31, 2021
Total assets	214,967	238,978
Net assets	169,632	182,740
Shareholders' equity/total assets (%)	75.9	73.4
Net assets per share (¥)	1,221.19	1,312.24

Shareholders' equity: As of March 31, 2021: ¥175,369 million
As of March 31, 2020: ¥163,242 million

(3) Consolidated Cash Flows

Millions of yen, rounded down

	FY ended March 31, 2020	FY ended March 31, 2021
Cash flows from operating activities	40,449	30,450
Cash flows from investing activities	(13,462)	(32,069)
Cash flows from financing activities	(6,278)	(7,635)
Cash and cash equivalents at end of period	55,742	47,282

2) Dividends

Yen

	FY ended March 31, 2020	FY ended March 31, 2021	FY ending March 31, 2022 (forecast)
Interim period per share	0.00	0.00	0.00
Year-end dividend per share	50.0	50.0	52.0
Annual dividend per share	50.0	50.0	52.0
Total dividend amount (millions of yen)	6,696	6,696	–
Dividend payout ratio (consolidated) (%)	38.1	37.8	38.6
Net assets to dividends ratio (consolidated) (%)	4.2	3.9	–

Notes: Total dividend amounts for FYs ended March 31, 2020 and March 31, 2021 include dividends of ¥12 million and ¥14 million, respectively, for Calbee shares held in trust

3) Consolidated forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

Millions of yen

		% change
Net sales	240,000	-10.0
Operating profit	28,000	3.5
Ordinary profit	27,500	-0.1
Profit attributable to owners of parent	18,000	1.8
Earnings per share (¥)	134.69	

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.
2. Effective from the beginning of the FY March 31, 2022, the Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29),etc. Accordingly, the forecasts are the amounts after the adoption of this accounting standard.

Notes

(1) Transfers of important subsidiaries during the period (transfers of specified subsidiaries resulting in changes in the scope of consolidation): None

(2) Changes in accounting policy, changes in accounting estimates, and restatements:
1. Changes in accounting policies following revisions of accounting standards: None
2. Changes in accounting policies other than 1: None
3. Changes in accounting estimates: None
4. Restatements: None

(3) Number of outstanding shares (common stock)

	As of March 31, 2020:	As of March 31, 2021:
1. Number of outstanding shares (including treasury shares)	133,929,800 shares	133,929,800 shares
2. Number of treasury shares	254,501 shares	289,176 shares
	Fiscal year to March 31, 2020:	Fiscal year to March 31, 2021:
3. Average number of shares during the period	133,669,238 shares	133,652,937 shares

Note: Regarding Calbee stock held in trust as treasury stock within shareholders' equity, the number of treasury shares includes 288,265 of these shares as of March 31, 2021 and 253,590 of these shares as of March 31, 2020, and the average number of shares excludes 275,951 treasury shares during the year to March 31, 2021, and 257,959 treasury shares during the year to March 31, 2020.

(Reference) Non-consolidated results for the fiscal year ended March 31, 2021

(1) Non-consolidated operating results

Millions of yen, rounded down

	FY ended March 31, 2020		FY ended March 31, 2021	
		% change		% change
Net sales	197,658	1.8	195,850	-0.9
Operating profit	24,370	-1.4	23,379	-4.1
Ordinary profit	24,433	-5.4	24,073	-1.5
Net profit	16,210	2.4	16,640	2.7
Earnings per share (¥)	121.28		124.51	
Earnings per share (diluted) (¥)	121.27		-	

(2) Non-consolidated financial position

Millions of yen, rounded down

	As of March 31, 2020	As of March 31, 2021
Total assets	199,004	211,323
Net assets	155,185	165,187
Shareholders' equity/total assets (%)	78.0	78.2
Net assets per share (¥)	1,160.91	1,236.06

Shareholders' equity: As of March 31, 2021: ¥165,187 million, As of March 31, 2020: ¥155,185 million

Financial Statements are not subject to audit by a certified public accountant or audit firm

Appropriate use of financial forecasts and other items

1. Forecasts, etc., recorded in this document include forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. For further information on assumptions used in forecasts, please see Page 10- 1. Overview of Operating Results (4) Consolidated forecasts.
2. The earnings per share forecast for the fiscal year ending March 31, 2022 is calculated using 133,640,624 shares as the expected average number of shares for the period.
3. Calbee, Inc. has scheduled a financial results phone conference for institutional investors and analysts for May 13, 2021. An audio recording of the conference will be made available on our Japanese website after the conference.

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1. Overview of operating results

(1) Overview of business performance

(All comparisons are with the same period of the previous fiscal year, unless stated otherwise.)

During the FY March 2021, the global economy was extremely challenging due to the rapid worsening of the economy caused by lockdowns and other factors associated with the expansion of COVID-19 pandemic. The Japanese economy also continued to face a challenging situation, as economic activities were restricted due to the issuance of the Emergency Declaration, corporate profits deteriorated, personal consumption declined, and demand from inbound tourists plummeted. However, in the snack foods and cereal foods markets, demand for household consumption increased due to requests to refrain going out, and the market size remained firm.

In this environment, we promoted business activities based on long-term vision (the vision for 2030) and the five-year medium-term business plan (from FY March 2020 to FY March 2024), as well as responding to changes in demand triggered by the expansion of COVID-19 pandemic and taking measures to deal with epidemics.

In the domestic business, the expansion of COVID-19 pandemic caused delays in the procurement of imported raw materials. However, we minimized the impact on our customers by reviewing our product policies, developing and launching alternative products. We also worked to ensure a stable supply of products by responding to a sharp increase in sales due to nesting demand, by shifting production flexibly. With regard to office workers, by making mobile work a principle, we have further evolved the new ways of working that we have been pursuing in the past.

In April 2020, we acquired all of the shares of Potato Kaitsuka Co.Ltd. (hereinafter, "Potato Kaitsuka"), which is engaged in the wholesaling of sweet potatoes products and the direct sales of baked sweet potatoes and other products, as part of our efforts to establish a business in new food domains. We expanded business of sweet potatoes by leveraging the potato procurement expertise of the Calbee Group. Aiming for sustainable growth, we concluded an agreement with the government of Hiroshima Prefecture in May 2020 with the aim of constructing a new plant (commencing operations in the FY March 2025) in Hiroshima Prefecture, our birthplace. The new state-of-the-art factory will serve as a “mother factory” that is responsible for technical development through the introduction of cutting-edge technologies such as DX, and new product development in addition to the manufacture of existing products.

In the overseas business, we focused on establishing revenue-generating bases in four key regions (North America, Greater China, the United Kingdom, and Indonesia). In China, we strengthened our lineup of cereal foods and snack foods and actively promoted sales to meet rising demand for e-commerce, and promoted the penetration of the Calbee brand. In North America, we worked to integrate Warnock Food Products, Inc. (hereinafter, "Warnock"), which began consolidation in November 2019, into our management.

Consolidated net sales for the FY March 2021 increased 4.2% to ¥266,745 million due to nesting demand and the contribution by the acquisition of Potato Kaitsuka and Warnock. Operating profit decreased 2.2% to ¥27,064 million, and operating margin was 10.1%, a deterioration of 0.7 percentage points. Operating profit declined due to lower sales of high-value-added gift snack items, despite contributions of higher sales and cost reduction such as travel and transportation expenses and sales promotional expenses. Ordinary profit increased 0.5% to ¥27,522 million including foreign exchange gain of ¥452 million. Profit attributable to owners of parent increased 0.8% to 17,682 million.

Millions of yen, rounded down

	FY ended March 31, 2020		FY ended March 31, 2021		Growth in yen (%)	Growth on local currency basis(%)
	Amount	%	Amount	%		
Domestic sales	210,470	82.2	213,639	80.1	＋1.5	＋1.5
Overseas sales	45,468	17.8	53,106	19.9	＋16.8	＋18.4
Total	255,938	100.0	266,745	100.0	＋4.2	＋4.5

Results by business are as follows.

Millions of yen, rounded down

Sales		FY ended March 31, 2020	FY ended March 31, 2021	
		Amount	Amount	Growth (%)
1) Production and sale of snack and other foods business		254,092	265,187	＋4.4
Domestic production and sale of snack and other foods business		208,624	212,080	＋1.7
	Domestic snack foods	182,086	175,675	－3.5
	Domestic cereals	25,157	27,722	＋10.2
	Other domestic foods	1,380	8,683	＋529.1
Overseas production and sale of snack and other foods business		45,468	53,106	＋16.8
	Overseas snack foods	38,998	46,407	＋19.0
	Overseas cereals	6,469	6,699	＋3.5
2) Other businesses		1,846	1,558	－15.6
Total		255,938	266,745	＋4.2

Domestic production and sale of snack and other foods business

・Domestic snack foods:

Sales of domestic snack foods decreased.
Sales of domestic snack foods by products are as follows.

millions of yen, rounded down

Sales		FY ended March 31, 2020	FY ended March 31, 2021	
		Amount	Amount	Growth (%)
Potato-based snacks		133,654	128,841	－3.6
	Potato Chips	86,189	86,593	＋0.5
	Jagarico	36,390	34,539	－5.1
	Jagabee / Jaga Pokkuru	11,075	7,708	－30.4
Flour-based snacks		21,663	21,498	－0.8
	Kappa Ebisen	10,069	10,095	＋0.3
	Sapporo Potato, etc.	11,594	11,403	－1.6
Corn- and bean-based snacks		17,244	17,099	－0.8
Other snacks		9,524	8,235	－13.5
Domestic snack foods total		182,086	175,675	－3.5

* A part of products of bean-based snacks, which were included in "Other snacks" until the previous fiscal year, are included in "corn-and bean-based snacks" from this fiscal year. The figures for the previous fiscal year are reclassified.

- Sales of potato-based snacks decreased year due to gift snack items declined significantly.
  - Sales of *Potato Chips* were also remained flat. Although sales of some potato chips declined due to the impact of supply adjustments and suspension of sales in response to a sharp increase in demand, sales of *Thin Potato*, which expanded its sales area nationwide, and sales of *Kataage Potato*, which is suitable for household consumption, grew.
  - Sales of *Jagarico* decreased. *Jagarico* grew steadily due to the launch of limited time products and the packaging diversification, but sales of gift snack items and *Toumorico* and *Edamarico*, material products, declined.
  - Sales of *Jagabee* and *Jaga Pokkuru* decreased significantly. *Jaga Pokkuru,* gift snack items did not recover sales, due to a decline in demand of inbound and domestic tourists, despite taking measures such as opening product exhibitions.
- Sales of flour-based snacks remained flat, when demand increased due to the impact of revision of potato chips prices.
- Sales of corn-and bean-based snacks remained flat due to decline in sales of corn-based snacks, despite growth in bean-based snacks due to expand of sales channels.

・Domestic cereals:

Sales of domestic cereals increased due to growth in sales for both domestic consumption and retail store in Greater China. In domestic consumption, sales of *Frugra* regular products decreased year on year due to the temporary suspension of sales because of delay in procurement of import raw materials caused by the impact of COVID-19 pandemic. However, *Frugra Simple Taste*, which sold as substitute for regular products for a certain period, and *Frugra Less Carbohydrates* and *Granola Plus* that appealed to health and nutrition contributed to an increase in sales.

・Other domestic foods (Sweet potatoes, Potatoes):

Sales of other domestic foods (sweet potatoes and potatoes) increased significantly due to the newly joining the scope of consolidation of Potato Kaitsuka from the beginning of this fiscal year, which operates a sweet potato business. Regarding the sweet potatoes business, it has been growing mainly for the wholesale of sweet potato varieties with high-sugar content, which are suitable mainly for baked sweet potatoes.

Overseas production and sale of snack and other foods business

Sales of overseas production increased.
Sales of overseas production by region are as follows.

Millions of yen, rounded down

Sales	FY ended March 31, 2020	FY ended March 31, 2021	
	Amount	Amount	Growth (%)
North America	10,576	14,442	＋36.6
Greater China*	12,771	15,131	＋18.5
United Kingdom	6,047	6,507	＋7.6
Indonesia	4,351	4,055	－6.8
Other regions**	11,721	12,970	＋10.7
Overseas production and sale of snack and other foods business total	45,468	53,106	＋16.8

*Greater China: China and Hong Kong
**Other regions: South Korea, Thailand, Singapore and Australia

- Sales in North America increased significantly due to contribution of Warnock that has become consolidated in November 2019. In existing business, sales of snacks for ethnic foods area such as *Kappa Ebisen* and *Potato Chips*, *Jagarico* grew. In addition, Sales of *Harvest Snaps,* bean-based snacks, increased thanks to firm sales to major customers.
- Sales in Greater China increased. Sales of snacks such as *Jagabee*, *Jaga Pokkuru* and *Potato Chips* grew as we strengthened exports from Japan. Sales of the cereals *Frugra* grew amid increased demand for e-commerce caused by the impact of COVID-19 pandemic.
- Sales in the United Kingdom increased due to increased demand for multi-packs of potato chips under Seabrook brand and the launch of *Loaded Fries*, a new snack product.
- Sales in Indonesia decreased due to delays in the procurement of raw materials for our mainstay potato chips caused by the impact of COVID-19 pandemic.
- Sales in other regions increased, mainly strong sales of *Harvest Snaps* and *Jagabee* in Australia.

Other businesses

Sales of other businesses (the logistics business) decreased 15.6% to ¥1,558 million due to a decrease in joint delivery caused by the impact of COVID-19 pandemic.

(2) Overview of financial position

(All comparisons are with the end of the previous fiscal year, unless stated otherwise.)

Total assets as of March 31, 2021 were ¥238,978 million, an increase of ¥24,011 million. This was mainly an increase in inventories, property, plant and equipment and goodwill.

The increase in inventories and goodwill were resulting from the acquisition of Potato Kaitsuka. The increase in property, plant and equipment was mainly aimed at expanding domestic existing business such as acquiring production lines for new products *Potato Deluxe* and *Otonano Jagarico*.

Liabilities increased ¥10,903 million to ¥56,238 million. This was mainly due to an increase in short-term and long-term borrowings associated with the inclusion of Potato Kaitsuka in the scope of consolidation.

Net assets increased ¥13,107 million to ¥182,740 million, mainly due to increase in retained earnings.

From those stated above, the shareholders' equity ratio was 73.4%, down 2.5 percentage points.

(3) Overview of cash flows

Cash and cash equivalents as of March 31, 2021 were ¥47,282 million, a decrease of ¥8,460 million.

Cash flows from operating activities

Operating activities resulted in net cash inflow of ¥30,450 million, a decrease in cash inflow of ¥9,998 million. This was mainly due to a decrease in the amount of collection of trade receivables compared to the previous fiscal year, when the amount of collection increased due to a delay in paying-in due to bank holidays.

Cash flows from investing activities

Investing activities resulted in a net cash outflow of ¥32,069 million, an increase in cash outflow of ¥18,607 million, due to an increase in payments for purchase of shares of subsidiaries resulting in change in scope of consolidation and an increase in payments for purchase of property, plant and equipment. The purchase of shares in subsidiaries resulting in change in scope of consolidation was due to the acquisition of Potato Kaitsuka. Purchase of property, plant and equipment was mainly aimed at expanding domestic existing business such as acquiring production lines for new products such as *Potato Deluxe* and *Otonano Jagarico*.

Cash flows from financing activities

Financing activities resulted in a net cash outflow of ¥7,635 million, an increase in cash outflow of ¥1,356 million, mainly due to a decrease in net increase(decrease) in short-term borrowings resulting from repayments .

Information Regarding Capital Resources and Shareholders' equity Liquidity

- Developments in Demand for Funds

Calbee Group's capital needs include the payment of raw materials, labor, expenses and selling, personnel and logistics expenses for the manufacture of products, which are used to fund our operations. Funds used in investing activities consist mainly of capital investment and M&A. Funds used in financing activities consist mainly of capital requirements related to dividends paid by the parent company.

With regard to the cash outflow plan for investing activities and financing activities, based on the five-year medium-term business plan (from FY March 2020 to FY March 2024), we plan to allocate ¥180,000 million, which is the sum of cash flow from operating activities of ¥160,000 million and cash on hand of ¥20,000 million, which we expect to acquire in the five years from FY March 2020 to FY March 2024. We plan to allocate ¥60,000 million to capital investment to growth/raise productivity in existing businesses, and to strengthen overseas production structure, ¥80,000 million to investments to acquire foundation for growth based on a long-term perspective, including new businesses, promotion of digital transformation, and M&A etc, and ¥40,000 to sustainable shareholder returns aimed for dividend payout ratio (consolidated) over 40%.

The status of cash outlays as of the end of the fiscal year under review is as follows.

Millions of yen, rounded down

	FY ended March 31, 2020	FY ended March 31, 2021	medium-term business plan	Progress (%)
Capital investment	8,751	11,205	60,000	33.3
Growth investment	7,558	13,330	80,000	26.1
Shareholder Returns	6,425	6,693	40,000	32.8
Total	22,735	31,229	180,000	30.0

• Fund-raising progress

In principle, Calbee Group's financing methods are funded by cash flows from operating activities, and temporary shortages of funds are funded based on short-term borrowings from financial institutions. We and our domestic consolidated subsidiaries have introduced a cash management system (CMS) to centrally manage funds within the Group, thereby centrally managing surplus funds, securing liquidity for funds, and improving fund efficiency. In addition, we have entered into overdraft agreements with several financial institutions with the aim of supplementing the liquidity of its funds further, and we recognizes that it has sufficient liquidity to fund its business operations.

(4) Consolidated forecasts

Based on the medium-term business plan (from FY March 2020 to FY March 2024), by undertaking transformation and challenges, we will achieve sustainable growth through building a foundation in response to changes in the business environment.

The outlook for the FY March 2022 is expected to remain uncertain due to global economic turmoil and stagnation due to the impact of COVID-19 pandemic. In addition, changes in demand and certain entrenchment of new lifestyles impact by the COVID-19 pandemic have been observed, and there is a need to respond to increasingly diverse demand.

In the domestic business, we aim to expand sales of snack foods by proposing products with new value and developing products that respond to changes in demand. In cereal foods, we will further strengthen our customer base, with a focus on *Frugra*. In addition, in order to improve the margin of domestic existing business, we will work to improve efficiency by introducing digital technologies into the value chain and strengthen strategic partnerships with distributors.

In overseas business, we will focus on achieving business expansion and sales growth mainly in 4 key regions (North America, Greater China, the UK, and Indonesia) in order to penetrate the brand through promotional activities and new product launches.

Based on the above, for the FY March 2022, we forecast consolidated net sales decreasing 10.0% to ¥240,000 million. From the beginning of the FY March 31, 2022, we adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc., and the real growth rate excluding the impact of the adoption of this standard is an increase of 3.1%.Operating profit increasing 3.5% to ¥28,000 million, ordinary profit decreasing 0.1% to ¥27,500 million, and profit attributable to owners of parent increasing 1.8% to ¥18,000 million.

The main exchange rates used as basis for this forecast are 1USD = ¥104, 1RMB = ¥15.90, 1GBP = ¥140 and 1IDR = ¥0.0074.

2. Basic policy for profit distribution and dividends for fiscal year to March 2021 and 2022

We recognizes that the distribution of profits to shareholders is an important management matter. Our policy is to enhance returns to shareholders while profitability and strengthening our financial position. In the five-year medium-term business plan (from FY March 2020 to FY March 2024)," we have set a target of 40% or more on a dividend payout ratio (consolidated). The cash flow generated over the five-year period will be used to return profits to shareholders. In addition, the cash flow will be used for sustainable growth of existing businesses, productivity improvements, and investment in new businesses based on a long-term perspective.

On the basis of this policy, we plan to pay an annual dividend of ¥50 per share for the FY March 2021 (to be presented at the 72th Annual General Meeting of Shareholders, June 23, 2021). The dividend payout ratio (consolidated) will be 37.8%.

For the FY March 2022, we plan to increase the annual dividend by ¥2 to ¥52 per share, for an effective dividend payout ratio (consolidated) of 38.6%.

As prescribed by Article 454 Clause 5 of the Companies Act, the Articles of Incorporation stipulate that the Company is able to pay interim dividends. However, a dividend will be paid once annually upon review of certain factors including the annual results.

3. Basic approach to selection of accounting standards

With the aims of enhancing management of the business and enabling international comparison of financial information in capital markets through the unification of accounting standards, Calbee is considering the adoption of International Financial Reporting Standards (IFRS).

4. Consolidated financial statements and key notes

(1) Consolidated balance sheets

Millions of yen, rounded down

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	42,909	34,572
Notes and accounts receivable - trade	29,718	30,449
Securities	30,653	38,899
Inventories	11,205	14,694
Other	5,219	4,868
Allowance for doubtful accounts	(7)	(5)
Total current assets	119,699	123,477
Non-current assets		
Property, plant and equipment		
Buildings and structures	67,341	71,541
Accumulated depreciation	(39,358)	(41,576)
Buildings and structures, net	27,983	29,964
Machinery, equipment and vehicles	105,627	111,167
Accumulated depreciation	(76,023)	(79,547)
Machinery, equipment and vehicles, net	29,604	31,619
Land	11,270	11,554
Leased assets	879	553
Accumulated depreciation	(433)	(150)
Leased assets, net	446	403
Construction in progress	1,508	2,489
Other	4,547	5,572
Accumulated depreciation	(3,642)	(4,324)
Other, net	905	1,248
Total property, plant and equipment	71,718	77,280
Intangible assets		
Goodwill	10,953	24,518
Other	2,080	1,978
Total intangible assets	13,034	26,497
Investments and other assets		
Investment securities	1,744	1,984
Long-term loans receivable	180	―
Deferred tax assets	4,826	5,352
Retirement benefit asset	2,061	2,549
Other	1,703	1,838
Allowance for doubtful accounts	(1)	(0)
Total investments and other assets	10,515	11,723
Total non-current assets	95,267	115,501
Total assets	214,967	238,978

Millions of yen, rounded down

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable – trade	9,889	10,160
Short-term borrowings	871	2,616
Current portion of long-term borrowings	―	298
Lease obligations	134	100
Accounts payable – other	7,301	7,649
Income taxes payable	4,657	5,153
Provision for bonuses	4,581	4,916
Provision for bonuses for directors (and other officers)	119	116
Provision for share-based remuneration	83	88
Other	8,995	11,484
Total current liabilities	36,633	42,585
Non-current liabilities		
Long-term borrowings	―	3,166
Lease obligations	325	383
Deferred tax liabilities	367	793
Provision for retirement benefits for directors (and other officers)	330	358
Provision for share-based remuneration for directors(and other officers)	172	265
Retirement benefit liability	6,908	7,846
Asset retirement obligations	527	749
Other	70	89
Total non-current liabilities	8,701	13,652
Total liabilities	45,334	56,238
Net assets		
Shareholders' equity		
Share capital	12,046	12,046
Capital surplus	4,779	4,777
Retained earnings	148,565	159,551
Treasury shares	(933)	(1,045)
Total shareholders' equity	164,457	175,329
Accumulated other comprehensive income		
Valuation difference on available-for-sales securities	129	300
Foreign currency translation adjustment	(833)	562
Remeasurements of defined benefit plans	(511)	(822)
Total accumulated other comprehensive income	(1,215)	39
Non-controlling interests	6,390	7,371
Total net assets	169,632	182,740
Total liabilities and net assets	214,967	238,978

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

Millions of yen, rounded down

	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2021
Net sales	255,938	266,745
Cost of sales	140,852	148,935
Gross profit	115,086	117,810
Selling, general and administrative expenses	87,422	90,746
Operating profit	27,664	27,064
Non-operating income		
Interest income	112	89
Dividend income	42	42
Share of profit of entities accounted for using equity method	11	39
Foreign exchange gains	―	452
Other	434	305
Total non-operating income	600	928
Non-operating expenses		
Interest expenses	90	100
Share of loss of entities accounted for using equity method	2	143
Foreign exchange losses	445	―
Depreciation	122	139
Loss on valuation of inventories	32	―
Other	180	87
Total non-operating expenses	873	470
Ordinary profit	27,391	27,522
Extraordinary income		
Gain on sales of non-current assets	9	14
Gain on liquidation of subsidiaries and associates	―	174
Gain on sales of investment securities	1	62
Subsidy income	277	150
Gain on reversal of loss on cancellation of outsourcing agreement	137	―
Subsidy income related to COVID-19	―	227
Other	3	3
Total extraordinary income	429	631
Extraordinary losses		
Loss on sales of non-current assets	50	57
Loss on retirement of non-current assets	221	559
Impairment loss	1,639	―
Loss on valuation of investment securities	18	29
Loss on cancellation of outsourcing agreement	―	750
Loss on COVID-19	―	248
Other	147	126
Total extraordinary losses	2,077	1,771
Profit before income taxes	25,743	26,381
Income taxes – current	8,925	8,248
Income taxes – deferred	(394)	67
Total income taxes	8,531	8,315
Profit	17,212	18,065
Profit (loss) attributable to non-controlling interests	(327)	383
Profit attributable to owners of parent	17,539	17,682

Consolidated statements of comprehensive income

Millions of yen, rounded down

	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2021
Profit	17,212	18,065
Other comprehensive income		
Valuation difference on available-for-sale securities	(338)	170
Foreign currency translation adjustment	(1,518)	1,825
Remeasurements of defined benefit plans, net of tax	(392)	(311)
Total other comprehensive income	(2,248)	1,684
Comprehensive income	14,963	19,750
Comprehensive income attributable to:		
Owners of parent	15,697	18,936
Non-controlling interests	(733)	813

(3) Consolidated statements of changes in shareholders' equity

April 1, 2020 to March 31, 2021

Millions of yen, rounded down

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,046	4,779	148,565	(933)	164,457
Changes of items during period					
Issuance of new shares – exercise of share acquisition rights					–
Forfeiture of share acquisition rights					–
Dividends of surplus			(6,696)		(6,696)
Profit attributable to owners of parent			17,682		17,682
Purchase of treasury shares				(191)	(191)
Disposal of treasury shares				79	79
Purchase of shares of consolidated subsidiaries		(1)			(1)
Net change of items other than shareholders' equity					
Total changes of items during period	–	(1)	10,985	112	10,871
Balance at end of current period	12,046	4,777	159,551	(1,045)	175,329

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	129	(833)	(511)	(1,215)	–	6,390	169,632
Changes of items during period							
Issuance of new shares – exercise of share acquisition rights							–
Forfeiture of share acquisition rights							–
Dividends of surplus							(6,696)
Profit attributable to owners of parent							17,682
Purchase of treasury shares							(191)
Disposal of treasury shares							79
Purchase of shares of consolidated subsidiaries							(1)
Net change of items other than shareholders' equity	170	1,395	(311)	1,254		981	2,235
Total changes of items during period	170	1,395	(311)	1,254	–	981	13,107
Balance at end of current period	300	562	(822)	39	–	7,371	182,740

April 1, 2019 to March 31, 2020

Millions of yen, rounded down

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,044	4,786	137,453	(981)	153,303
Changes of items during period					
Issuance of new shares – exercise of share acquisition rights	1	1			3
Forfeiture of share acquisition rights					–
Dividends of surplus			(6,428)		(6,428)
Profit attributable to owners of parent			17,539		17,539
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				47	47
Purchase of shares of consolidated subsidiaries		(9)			(9)
Net change of items other than shareholders' equity					
Total changes of items during period	1	(7)	11,111	47	11,153
Balance at end of current period	12,046	4,779	148,565	(933)	164,457

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	467	278	(119)	627	3	6,555	160,490
Changes of items during period							
Issuance of new shares – exercise of share acquisition rights					(0)		3
Forfeiture of share acquisition rights					(3)		(3)
Dividends of surplus							(6,428)
Profit attributable to owners of parent							17,539
Purchase of treasury shares							(0)
Disposal of treasury shares							47
Purchase of shares of consolidated subsidiaries							(9)
Net change of items other than shareholders' equity	(338)	(1,111)	(392)	(1,842)		(165)	(2,007)
Total changes of items during period	(338)	(1,111)	(392)	(1,842)	(3)	(165)	9,142
Balance at end of current period	129	(833)	(511)	(1,215)	–	6,390	169,632

(4) Consolidated statements of cash flows

Millions of yen, rounded down

	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2021
Cash flows from operating activities		
Profit before income taxes	25,743	26,381
Depreciation	8,449	9,051
Impairment loss	1,639	—
Amortization of goodwill	714	1,753
Increase (decrease) in allowance for doubtful accounts	(57)	(13)
Increase (decrease) in provision for bonuses	578	315
Increase (decrease) in provision for bonuses for directors (and other officers)	56	(9)
Increase (decrease) in provision for share-based remuneration	88	83
Increase (decrease) in provision for share-based remuneration for directors	87	92
Increase (decrease) in retirement benefit liability	(111)	30
Decrease (increase) in retirement benefit asset	2	(52)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	43	27
Interest and dividend income	(154)	(131)
Interest expenses	90	100
Foreign exchange losses (gains)	319	(26)
Gain on liquidation of business	—	(174)
Subsidy income	(277)	(150)
Share of loss (profit) of entities accounted for using equity method	(9)	104
Loss (gain) on sales of investment securities	(1)	(61)
Loss (gain) on valuation of investment securities	18	29
Loss (gain) on sales of non-current assets	41	43
Loss on retirement of non-current assets	221	559
Decrease (increase) in trade receivables	10,092	476
Decrease (increase) in inventories	194	(2,026)
Increase (decrease) in trade payables	907	(253)
Increase (decrease) in accounts payable - other	682	566
Other, net	234	1,838
Subtotal	49,592	38,555
Interest and dividend income received	154	131
Interest paid	(88)	(108)
Income taxes paid	(9,209)	(8,128)
Net cash provided by (used in) operating activities	40,449	30,450

Millions of yen, rounded down

	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2021
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,392)	(10,715)
Proceeds from sales of property, plant and equipment	109	17
Purchase of intangible assets	(612)	(626)
Purchase of securities	(55,035)	(44,896)
Proceeds from redemption of securities	57,335	36,182
Purchase of investment securities	(15)	(187)
Proceeds from sales of investment securities	5	121
Loan advances	(700)	(700)
Collection of loans receivable	800	1,460
Payments into time deposits	(2,253)	(968)
Proceeds from withdrawal of time deposits	2,336	1,318
Payments for guarantee deposits	(99)	(84)
Proceeds from refund of guarantee deposits	89	56
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,305)	(13,194)
Proceeds from subsidy income	277	150
Other, net	(2)	(3)
Net cash provided by (used in) investing activities	(13,462)	(32,069)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(11)	(490)
Repayments of long-term borrowings	—	(298)
Purchase of treasury shares	(0)	(191)
Proceeds from exercise of employee share options	3	—
Proceeds from share issuance to non-controlling shareholders	323	139
Dividends paid	(6,425)	(6,693)
Dividends paid to non-controlling interests	(11)	(12)
Repayments of lease obligations	(156)	(87)
Net cash provided by (used in) financing activities	(6,278)	(7,635)
Effect of exchange rate change on cash and cash equivalents	(390)	793
Net increase (decrease) in cash and cash equivalents	20,317	(8,460)
Cash and cash equivalents at beginning of period	35,425	55,742
Cash and cash equivalents at end of period	55,742	47,282

(5) Notes to consolidated financial statements

Notes related to going concern assumption

No applicable items

Segment information and other

The Company has only one segment, “Production and sale of snacks and other foods”, and consequently does not disclose information for operating segments.

Per Share Information

	FY ended March 31, 2020	FY ended March 31, 2021
Net assets per share (¥)	1,221.19	1,312.24
Earnings per share (¥)	131.22	132.30
Earnings per share (diluted) (¥)	131.21	—

Notes: 1) Net assets per share were calculated based on the following:

	FY ended March 31, 2020	FY ended March 31, 2021
Total net assets on consolidated balance sheet (¥ million)	169,632	182,740
Amount attributable to common stock (¥ million)	163,242	175,369
Main differences (¥ million) Non-controlling interests	6,390	7,371
Number of shares of common stock outstanding (shares)	133,929,800	133,929,800
Number of shares of common stock as treasury stock (shares)	254,501	289,176
Number of common shares used for calculating net assets per share (shares)	133,675,299	133,640,624

2) Earnings per share and earnings per share (diluted) were calculated based on the following:

	FY ended March 31, 2020	FY ended March 31, 2021
Earnings per share		
Profit attributable to owners of parent (consolidated) (¥ million)	17,539	17,682
Profit attributable to owners of parent attributable to common stock (¥ million)	17,539	17,682
Amount not belonging to common shareholders (¥ million)	—	—
Average number of shares during the period (shares)	133,669,238	133,652,937
Earnings per share (diluted)		
Profit adjustments attributable to owners of parent (¥ million)	—	—
Breakdown of additional common shares used for calculating earnings per share (diluted) (shares) Subscription rights to shares	9,849	—
Number of additional common shares	9,849	—
Residual securities not included in the calculation of profit after adjustment for residual securities due to the fact that these securities had no dilutive effect.	—	

3) The Company's own stock in the trust recorded as treasury shares under shareholders' equity includes treasury shares excluded from the average number of shares during the period used for calculating earnings per share and treasury shares excluded from the number of shares outstanding at the end of the fiscal year used for calculating net assets per share.
During the previous consolidated fiscal year, 257,959 treasury shares, and during the current consolidated fiscal year 275,951 treasury shares, were excluded from the average number of shares during the period used for calculating earnings per share and 253,590 treasury shares at the end of the previous fiscal year and 288,265 treasury shares at the end of the current fiscal year were excluded from the number of shares outstanding used for calculating net assets per share.

4) Earnings per share (diluted) is not presented since there are no dilutive securities in current fiscal year.

Subsequent events

No applicable items