

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on IFRS)

May 14, 2021

Company name: Nissin Sugar Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2117 URL <https://www.nissin-sugar.co.jp/>
 Representative: President and Representative Director Akira Okubo
 Inquiries: General Manager, Finance Department Kenji Oba TEL 03 - 3668 - 1293
 Scheduled date of ordinary general meeting of shareholders: June 25, 2021
 Scheduled date to file Securities Report: June 25, 2021
 Scheduled date to commence dividend payments: June 28, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

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

(1) Consolidated operating results

Percentages indicate year-on-year changes

| | Revenue | | Operating profit | | Profit before tax | | Profit | | Profit attributable to owners of parent | | Total comprehensive income | |
|---------------------------|-----------------|-------|------------------|--------|-------------------|--------|-----------------|--------|---|--------|----------------------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Year ended March 31, 2021 | 43,767 | (8.5) | 2,206 | (22.8) | 2,430 | (23.3) | 1,132 | (47.9) | 1,132 | (47.9) | 1,939 | 39.0 |
| Year ended March 31, 2020 | 47,809 | (0.0) | 2,858 | (14.8) | 3,168 | (11.6) | 2,173 | (16.1) | 2,173 | (15.1) | 1,395 | (45.3) |

| | Basic earnings per share | Diluted earnings per share | Return on equity attributable to owners of parent | Ratio of profit before tax to total assets | Ratio of operating profit to revenue |
|---------------------------|--------------------------|----------------------------|---|--|--------------------------------------|
| | Yen | Yen | % | % | % |
| Year ended March 31, 2021 | 51.29 | — | 2.3 | 4.0 | 5.0 |
| Year ended March 31, 2020 | 98.43 | — | 4.5 | 5.1 | 6.0 |

(2) Consolidated financial position

| | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets | Equity attributable to owners of parent per share |
|----------------------|-----------------|-----------------|---|--|---|
| | Millions of yen | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2021 | 61,316 | 48,543 | 48,543 | 79.2 | 2,197.84 |
| As of March 31, 2020 | 60,798 | 48,039 | 48,039 | 79.0 | 2,175.84 |

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of the year |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Year ended March 31, 2021 | 3,319 | (482) | (2,398) | 8,524 |
| Year ended March 31, 2020 | 3,972 | (2,185) | (2,505) | 8,085 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to equity attributable to owners of parent (Consolidated) |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|--|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Year ended March 31, 2020 | — | 35.00 | — | 31.00 | 66.00 | 1,457 | 67.0 | 3.0 |
| Year ended March 31, 2021 | — | 33.00 | — | 33.00 | 66.00 | 1,457 | 128.7 | 3.0 |
| Year ending March 31, 2022 (Forecast) | — | 33.00 | — | 33.00 | 66.00 | | 104.2 | |

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

| | Revenue | | Operating profit | | Profit before tax | | Profit | | Profit attributable to owners of parent | | Basic earnings per share |
|--------------------------------------|-----------------|-----|------------------|--------|-------------------|--------|-----------------|------|---|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2021 | 22,000 | 4.9 | 800 | (26.3) | 900 | (24.6) | 600 | 29.6 | 600 | 29.6 | 27.16 |
| Full year | 45,000 | 2.8 | 1,800 | (18.4) | 2,100 | (13.6) | 1,400 | 23.6 | 1,400 | 23.6 | 63.37 |

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies and changes in accounting estimates
Changes in accounting policies required by IFRS: No
Changes in accounting policies due to other reasons: Yes
Changes in accounting estimates: No

(3) Number of issued shares (ordinary shares)

Total number of issued shares at the end of the year (including treasury shares)

| | | | |
|----------------------|-------------------|----------------------|-------------------|
| As of March 31, 2021 | 22,673,883 shares | As of March 31, 2020 | 22,673,883 shares |
|----------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the year

| | | | |
|----------------------|----------------|----------------------|----------------|
| As of March 31, 2021 | 586,823 shares | As of March 31, 2020 | 595,194 shares |
|----------------------|----------------|----------------------|----------------|

Average number of shares during the year

| | | | |
|---------------------------|-------------------|---------------------------|-------------------|
| Year ended March 31, 2021 | 22,083,928 shares | Year ended March 31, 2020 | 22,078,828 shares |
|---------------------------|-------------------|---------------------------|-------------------|

Consolidated financial statements
Consolidated statement of financial position

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 8,085 | 8,524 |
| Trade and other receivables | 4,309 | 4,510 |
| Other financial assets | 6,067 | 6,195 |
| Inventories | 5,898 | 6,062 |
| Other current assets | 259 | 260 |
| Total current assets | 24,620 | 25,553 |
| Non-current assets | | |
| Property, plant and equipment | 11,985 | 11,432 |
| Right-of-use assets | 3,150 | 2,512 |
| Goodwill | 2,515 | 2,515 |
| Intangible assets | 255 | 323 |
| Investments accounted for using equity method | 11,545 | 11,728 |
| Other financial assets | 5,840 | 5,869 |
| Retirement benefit asset | 242 | 710 |
| Deferred tax assets | 467 | 168 |
| Trade and other receivables | 2 | 2 |
| Other non-current assets | 172 | 498 |
| Total non-current assets | 36,177 | 35,763 |
| Total assets | 60,798 | 61,316 |

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|----------------------|----------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Borrowings | 1,300 | 1,300 |
| Trade and other payables | 3,151 | 3,571 |
| Lease liabilities | 955 | 967 |
| Other financial liabilities | 35 | 31 |
| Income taxes payable | 616 | 293 |
| Other current liabilities | 1,992 | 1,991 |
| Total current liabilities | 8,051 | 8,156 |
| Non-current liabilities | | |
| Trade and other payables | 0 | 0 |
| Lease liabilities | 3,612 | 2,880 |
| Other financial liabilities | 139 | 113 |
| Retirement benefit liability | 296 | 307 |
| Provisions | 399 | 413 |
| Deferred tax liabilities | 222 | 863 |
| Other non-current liabilities | 36 | 37 |
| Total non-current liabilities | 4,707 | 4,615 |
| Total liabilities | 12,758 | 12,772 |
| Equity | | |
| Capital stock | 7,000 | 7,000 |
| Capital surplus | 11,596 | 11,603 |
| Treasury shares | (300) | (296) |
| Other components of equity | 361 | 1,405 |
| Retained earnings | 29,382 | 28,830 |
| Total equity attributable to owners of parent | 48,039 | 48,543 |
| Total equity | 48,039 | 48,543 |
| Total liabilities and equity | 60,798 | 61,316 |

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|--|-------------------------------------|-------------------------------------|
| Revenue | 47,809 | 43,767 |
| Cost of sales | 37,725 | 35,021 |
| Gross profit | 10,083 | 8,746 |
| Selling, general and administrative expenses | 6,444 | 6,227 |
| Other operating income | 329 | 76 |
| Other operating expenses | 1,110 | 389 |
| Operating profit | 2,858 | 2,206 |
| Finance income | 167 | 89 |
| Finance costs | 86 | 72 |
| Share of profit of investments accounted for using equity method | 228 | 206 |
| Profit before tax | 3,168 | 2,430 |
| Income tax expense | 995 | 1,297 |
| Profit | 2,173 | 1,132 |
| Profit attributable to | | |
| Owners of parent | 2,173 | 1,132 |
| Non-controlling interests | — | — |
| Profit | 2,173 | 1,132 |
| Earnings per share | | |
| Basic earnings per share | 98.43 | 51.29 |

Consolidated statements of comprehensive income

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|--|-------------------------------------|-------------------------------------|
| Profit | 2,173 | 1,132 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Financial assets measured at fair value through other comprehensive income | (620) | 413 |
| Remeasurements of defined benefit plans | (173) | 361 |
| Share of other comprehensive income of investments accounted for using equity method | (0) | (0) |
| Total of items that will not be reclassified to profit or loss | (794) | 775 |
| Items that may be reclassified to profit or loss | | |
| Cash flow hedges | 16 | 31 |
| Total of items that may be reclassified to profit or loss | 16 | 31 |
| Other comprehensive income | (777) | 806 |
| Comprehensive income | 1,395 | 1,939 |
| Comprehensive income attributable to | | |
| Owners of parent | 1,395 | 1,939 |
| Non-controlling interests | — | — |
| Comprehensive income | 1,395 | 1,939 |

Consolidated statement of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

| | Equity attributable to owners of parent | | | | |
|---|---|-----------------|-----------------|----------------------------|--|
| | Capital stock | Capital surplus | Treasury shares | Other components of equity | |
| | | | | Cash flow hedges | Financial assets measured at fair value through other comprehensive income |
| Balance as of April 1, 2019 | 7,000 | 11,596 | (299) | 2 | 965 |
| Profit | – | – | – | – | – |
| Other comprehensive income | – | – | – | 16 | (620) |
| Total comprehensive income | – | – | – | 16 | (620) |
| Purchase of treasury shares | – | – | (0) | – | – |
| Dividends | – | – | – | – | – |
| Share-based remuneration transactions | – | – | – | – | – |
| Transfer from other components of equity to retained earnings | – | – | – | – | 11 |
| Transfer to non-financial assets | – | – | – | (13) | – |
| Total transactions with owners | – | – | (0) | (13) | 11 |
| Balance as of March 31, 2020 | 7,000 | 11,596 | (300) | 5 | 356 |

| | Equity attributable to owners of parent | | | | |
|---|---|-------|-------------------|---------|---------|
| | Other components of equity | | Retained earnings | Total | Total |
| | Remeasurements of defined benefit plans | Total | | | |
| | | | | | |
| Balance as of April 1, 2019 | – | 967 | 28,917 | 48,181 | 48,181 |
| Profit | – | – | 2,173 | 2,173 | 2,173 |
| Other comprehensive income | (173) | (777) | – | (777) | (777) |
| Total comprehensive income | (173) | (777) | 2,173 | 1,395 | 1,395 |
| Purchase of treasury shares | – | – | – | (0) | (0) |
| Dividends | – | – | (1,523) | (1,523) | (1,523) |
| Share-based remuneration transactions | – | – | – | – | – |
| Transfer from other components of equity to retained earnings | 173 | 185 | (185) | – | – |
| Transfer to non-financial assets | – | (13) | – | (13) | (13) |
| Total transactions with owners | 173 | 171 | (1,708) | (1,537) | (1,537) |
| Balance as of March 31, 2020 | – | 361 | 29,382 | 48,039 | 48,039 |

Fiscal year ended March 31, 2021

(Millions of yen)

| | Equity attributable to owners of parent | | | | |
|---|---|-----------------|-----------------|----------------------------|--|
| | Capital stock | Capital surplus | Treasury shares | Other components of equity | |
| | | | | Cash flow hedges | Financial assets measured at fair value through other comprehensive income |
| Balance as of April 1, 2020 | 7,000 | 11,596 | (300) | 5 | 356 |
| Profit | – | – | – | – | – |
| Other comprehensive income | – | – | – | 31 | 413 |
| Total comprehensive income | – | – | – | 31 | 413 |
| Purchase of treasury shares | – | – | (0) | – | – |
| Dividends | – | – | – | – | – |
| Share-based remuneration transactions | – | 7 | 4 | – | – |
| Transfer from other components of equity to retained earnings | – | – | – | – | 632 |
| Transfer to non-financial assets | – | – | – | (32) | – |
| Total transactions with owners | – | 7 | 3 | (32) | 632 |
| Balance as of March 31, 2021 | 7,000 | 11,603 | (296) | 3 | 1,401 |

| | Equity attributable to owners of parent | | | | |
|---|---|-------|-------------------|---------|---------|
| | Other components of equity | | Retained earnings | Total | Total |
| | Remeasurements of defined benefit plans | Total | | | |
| | | | | | |
| Balance as of April 1, 2020 | – | 361 | 29,382 | 48,039 | 48,039 |
| Profit | – | – | 1,132 | 1,132 | 1,132 |
| Other comprehensive income | 361 | 806 | – | 806 | 806 |
| Total comprehensive income | 361 | 806 | 1,132 | 1,939 | 1,939 |
| Purchase of treasury shares | – | – | – | (0) | (0) |
| Dividends | – | – | (1,413) | (1,413) | (1,413) |
| Share-based remuneration transactions | – | – | – | 11 | 11 |
| Transfer from other components of equity to retained earnings | (361) | 270 | (270) | – | – |
| Transfer to non-financial assets | – | (32) | – | (32) | (32) |
| Total transactions with owners | (361) | 237 | (1,683) | (1,434) | (1,434) |
| Balance as of March 31, 2021 | – | 1,405 | 28,830 | 48,543 | 48,543 |

Consolidated statements of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 3,168 | 2,430 |
| Depreciation and amortization | 1,788 | 1,664 |
| Impairment losses | 1,047 | 346 |
| Finance income | (167) | (89) |
| Finance expenses | 86 | 72 |
| Share of profit of investments accounted for using equity method | (228) | (206) |
| Decrease (increase) in inventories | 138 | (162) |
| Decrease (increase) in trade and other receivables | 1,248 | (214) |
| (Decrease) increase in trade and other payables | (1,454) | 372 |
| Other, net | (452) | 83 |
| Subtotal | 5,175 | 4,295 |
| Interest and dividend income received | 171 | 85 |
| Interest expenses paid | (83) | (70) |
| Income taxes paid | (1,291) | (990) |
| Net cash provided by operating activities | 3,972 | 3,319 |
| Cash flows from investing activities | | |
| Decrease in time deposits | – | 940 |
| Increase in short-term investment securities, net | – | (1,000) |
| Decrease in short-term loans receivable | – | 30 |
| Purchase of property, plant and equipment, and intangible assets | (1,506) | (610) |
| Payments for disposal of property, plant and equipment | (23) | (7) |
| Purchase of investment securities | (14) | (14) |
| Proceeds from sale and redemption of investment securities | 50 | 494 |
| Payments for business acquisition | (691) | – |
| Other, net | (1) | (314) |
| Net cash used in investing activities | (2,185) | (482) |
| Cash flows from financing activities | | |
| Repayments of lease liabilities | (978) | (982) |
| Cash dividends paid | (1,526) | (1,415) |
| Other, net | (0) | (0) |
| Net cash used in financing activities | (2,505) | (2,398) |
| Net (decrease) increase in cash and cash equivalents | (718) | 439 |
| Cash and cash equivalents at the beginning of the year | 8,803 | 8,085 |
| Cash and cash equivalents at the end of the year | 8,085 | 8,524 |