VALUE REPORT 2021

FINANCIAL DATA

For the year ended March 31, 2021

Business Status

1. Management Policy, Business Environment, Issues to Address, Etc.

Matters discussed here that are not historical fact reflect the judgment of the NISSIN FOODS Group as of the end of the current consolidated fiscal year.

(1) Management Policy
The NISSIN FOODS Group is a food culture creation group striving to create new food cultures based on the four tenets of our founder: Shoku-soku Se-hei (*Peace will come to the world when there is enough food*), Shoku-so I-sei (*Create foods to serve society*), Bi-ken Ken-shoku (*Eat wisely for beauty and health*), and Shoku-i Sei-shoku (*Food related jobs are a sacred profession*). We aim to embody the group philosophy of being an "EARTH FOOD CREATOR" by being an organization that creates food cultures founded in these principles and activities, growing and achieving sustainable growth while solving environmental and social issues.

As a comprehensive food company group, we create and nurture No.1 brands across all categories, seeking to become a *brand-creation company* consisting of a collection of No.1 brands. In this way, we endeavor to secure and enhance corporate value, pursuing common interests with shareholders as we build an unshakable management foundation.

(2) Management Strategy
The Group has formulated the Mid- to Long-Term Growth Strategy 2030. Under this strategy, we will pursue the following three growth strategies to achieve our vision and sustainable growth.

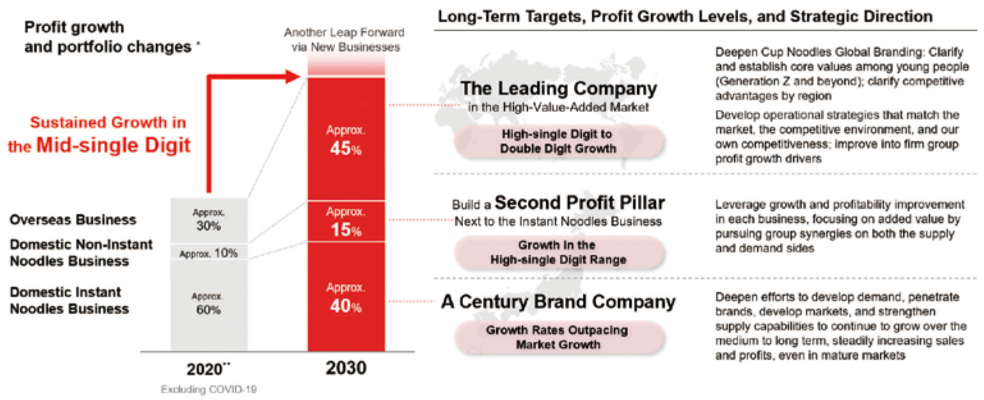
Growth Story for the Mid- to Long-Term

Three Mid- to long-term growth strategies for achieving our vision and sustainable growth

1) Strengthen the Cash-Generation Capabilities of Existing Businesses
We will make a significant shift in our profit portfolio through aggressive growth in Overseas and Non-Instant Noodles Businesses, while pursuing sustainable growth.

Mid- to Long-Term Growth Strategy 2030

Pursue sustainable growth while shifting our profit portfolio in a major way toward aggressive growth of Overseas Business + Non-Instant Noodles Business



*Real operating profit growth rate, excluding the impact of non-recurring income and expenses and the impact of currency conversion to the yen during consolidation (defined by NISSIN FOODS HOLDINGS as a non-GAAP measure called core operating profit for existing businesses)

**Figures for 2020 (FY 3/2021) are approximate figures calculated by deducting Japan and other segment net loss and impairment loss, extraordinary gains, and other income and expenses, as well as the impact of COVID-19, which was a significant factor in the profit increase over FY 3/2020 through FY 3/2021, from FY 3/2021 operating profit under the International Financial Reporting Standards(IFRS).

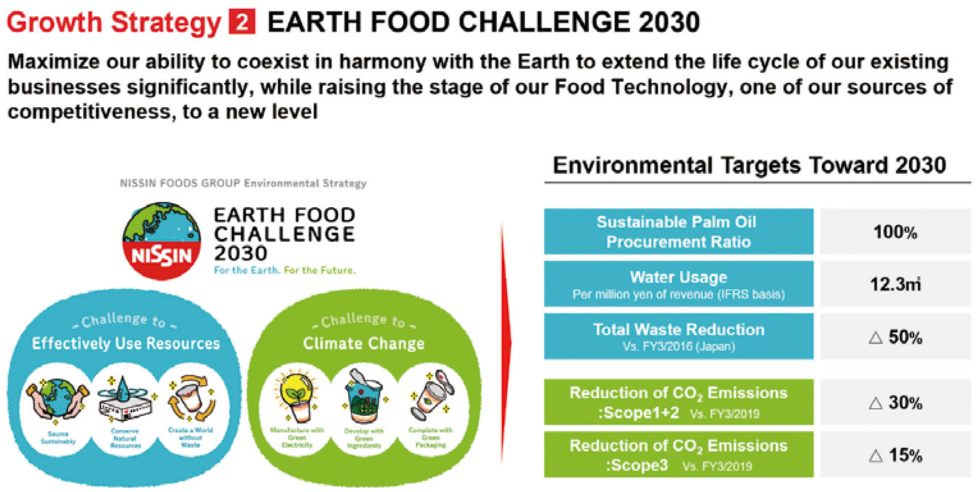
(i) Overseas Business (The Leading Company in the High-Value-Added Market)
We will further clarify and establish the core values and competitive advantages of *CUP NOODLES* by region. As *CUP NOODLES* has reached a stage to be regarded as a global brand, we leverage the product as a driver for further growth. We will develop brand strategies into operational strategies in line with the stage of each market and business, targeting a higher level of rapid growth using M&A and other means.

(ii) Domestic Non-Instant Noodles Business (Second Profit Pillar)
We will leverage growth and profitability improvement in each business, focusing on added value by pursuing group synergies in both supply and demand sides of our businesses.

(iii) Domestic Instant Noodles Business (A Century Brand Company)
We will deepen efforts to develop demand, achieve brand penetration, develop markets, and strengthen supply capabilities to continue to grow over the medium to long term, steadily increasing sales and profits, even in mature markets.

2) EARTH FOOD CHALLENGE 2030

We will maximize our ability to coexist in harmony with the Earth to extend the life cycle of our existing businesses significantly, while raising the bar through higher levels of *Food Tech*, a source of competitiveness.



3) Pursue New Businesses

While the modern diet has become one of richness, this diet has coincided with the rise of new health issues, including excessive calories from over satiety and malnutrition stemming from an unbalanced diet. The NISSIN FOODS Group will take on the challenge of solving the global social problem of obesity by increasing the value of food.

(i) Developing the Complete Nutrition Meals Business

We will endeavor to provide a complete nutritional meal offering a balance between deliciousness and nutrition accessible anytime, anywhere. Further, we will endeavor to create services that help consumers stay healthy throughout their lives. Such endeavors will include services that link consumers with their health data.

(ii) Expanding Value Through Synergy Between New and Existing Businesses

We will contribute to improving product value and solving social issues through synergies with our *CUP NOODLES* global brand and others.

4) Transform Human Resources to Support Our Strategies/Organizational Foundation Reform

To create an innovative organization capable of executing strategies and creating new food cultures, we will define and implement a transformation roadmap as the first step toward establishing NISSIN-Style Job-Based Models.

We will continue to pursue our company-wide program NISSIN Business Transformation (NBX), which consists of Groupwide activities aimed at transforming our business model itself, beyond simple digitalization.

(3) Objective Indicators for Determining Achievement Status of Management Goals

1) Approach to Sustainable Profit Growth

We have defined core operating profit of existing businesses as an indicator showing the real growth of our existing businesses, which serve as the foundation for growth investment. Here, we have set growth in the mid-single digits as our core economic value target.

Core operating profit growth for existing businesses refers to operating profit less profit or loss related to new businesses and non-recurring income (other income and expenses). This indicator clarifies the profit or loss from new businesses for which we plan aggressive and ongoing upfront investments in and after FY 3/2022, as defined in our Mid- to Long-Term Growth Strategy. We use this indicator to measure real growth in new businesses, which serve as the foundation for growth investment.

We believe that this is an important business management indicator for the Group to use in its targeting sustainable growth over the medium to long term. Core operating profit of existing businesses is also a useful piece of data for investors who use our financial statements to evaluate the Group's business performance.

2) Mid- to Long-Term Economic Value Targets

We pursue non-financial targets in parallel with four mid- to long-term economic value targets for Creating Shared Value(CSV) management: (1) sustainable profit growth, (2) efficient use of capital, (3) safe use of debt, and (4) stable shareholder returns.

Value Classification		Management Indicators	Mid- to Long-Term Targets
Financial	Growth Potential	Core Operating Profit Growth Rate[1] for Existing Businesses (Constant Currency)	Mid-single Digits
	Efficiencies	ROE	10% over the long term
	Safety	Net Debt/EBITDA Ratio	≦ 2x
	Stable Shareholder Returns	Dividend Policy	Progressive Dividends
		Relative TSR vs. TOPIX (Foods)	>1x
Non-Financial [2]	Effective Use of Finite Resources	Sustainable Palm Oil Procurement Ratio[3]	100%
		Water Usage (per million yen of revenue (IFRS basis))	12.3m^3
		Total Waste Reduction (compared to FY 3/2016/Japan)	-50%
	Reduce Climate Change Impact	Reduction of CO_2 Emissions (Scope 1+2) (compared to FY 3/2019)	-30%
		Reduction of CO_2 Emissions (Scope 3) (compared to FY 3/2019)	-15%

[1] A non-GAAP key performance indicator calculated by deducting other income and expenses (defined as income/expenses from new businesses targeted by aggressive up-front investment and non-recurring income/expenses) from IFRS operating profit

[2] Non-financial targets reflect FY 3/2031 figures

[3] Based on external certifications and independent assessments

(4) Business Environment

Looking to the future, we find it difficult to project a full-scale economic recovery, given the spread and prolonged nature of the COVID-19 pandemic in Japan and around the world.

In response to this environment, the Group will work toward achieving our vision and sustainable growth based on the Mid- to Long-Term Growth Strategy 2030.

1) Initiatives for Sustainable Growth

The NISSIN FOODS Group philosophy is to be an "EARTH FOOD CREATOR" that contributes to society and the Earth by offering fulfillment to humankind through the enjoyment and joy of food. Based on this philosophy, we seek to become a company contributes to society through developing eco-friendly containers and products that support health consciousness. In this context, we see Enviroment,Social and Governancce(ESG) issues such as climate change, aging societies, and growing populations as opportunities for growth. Likewise, the United Nations Sustainable Development Goals represent opportunities to grow.

In recognition of our ESG efforts, we were selected as a constituent stock of the World Index of the Dow Jones Sustainability Indices for global ESG investment in November 2020. We have also been selected for the Asia/Pacific Index for the third consecutive year since 2018. By engaging in (CSV) management for the Group, which embodies the founding spirit underlying our group philosophy, we pursue both social and economic value and strive to improve our corporate value on a continuous basis.

2) Mid to Long-Term Environmental Strategy
EARTH FOOD CHALLENGE 2030 is the unique mid- to long-term environmental strategy of the NISSIN FOODS Group. Engaging with high-priority environmental issues and increasing our ability to coexist with the environment, we avoid the risk of future decline in our existing businesses and sustain business life cycles over the long term.

More specifically, we engage with two issues: resources and climate change. To address resource issues, we strive for environmentally friendly procurement in procuring palm oil in consideration of the environment and human rights, in conserving global resources through such actions as saving water used at our production plants, and a pursuing a world without waste through recycling and by reducing food waste. Through these actions, we make effective use of limited resources.

Regarding climate change issues, we strive to reduce our greenhouse gas emissions by procuring green electricity from renewable sources for use in our businesses and by leveraging green ingredients and green packaging, replacing such materials with materials having less environmental impact.

3) COVID-19 Initiatives
In response to the spread of COVID-19, we consider it a social responsibility to ensure both employee safety and the stable supply of our products. We have taken prompt and appropriate measures to secure employee safety, to understand demand trends, raw material supply, distribution, etc.
(i) Ensuring Employee Safety
Given the government stay-at-home orders, we secured the employment of our staff and recommend work from home arrangements, valuing employee health as ourhighest priority.

We created an environment that minimizes the number of employees physically commuting to work. These measures include online meetings and approval procedures that do not use physical stamps or seals. When commuting to work is necessary, we implement detailed infection control measures, including staggered shifts, social distancing in the workplace, temperature checks, hand washing, and mask wearing.

(ii) Systems for Stable Product Supply
To ensure a stable supply of products, production plant employees commute to work as usual, while taking ample measures against COVID-19 in our production system, which is based on meticulous hygiene standards.

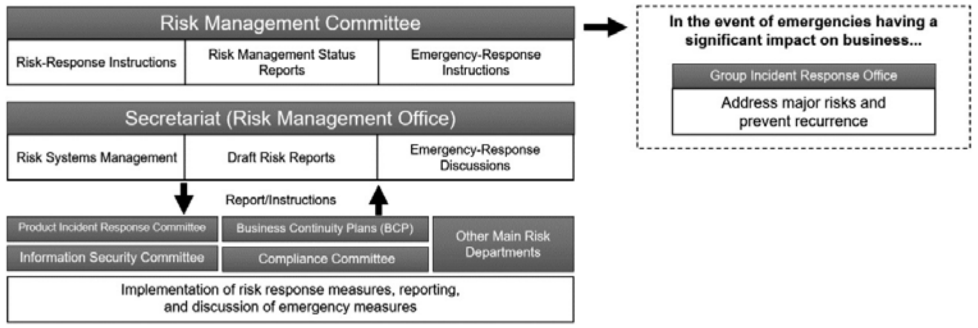
We created an efficient system to boost production, focusing on our major brands to provide our customers with food, a key element of lifestyle infrastructure.

2. Business and Other Risks

(1) Definition of Risks and Management System
The NISSIN FOODS Group defines risk as uncertainties affecting the Group's revenues and profits. Risks have both positive and negative impacts. We classify positive and negative impacts generated by businesses and investments made by the Group in a changing environment as opportunities. We classify the negative impacts caused by incidents as risks. The Investment and Financing Committee, the Management Committee, and the Board of Directors determine opportunities. The Risk Management Committee manages risks .

The Group established the Risk Management Committee, which is chaired by the Vice President and Chief Operating Owicer(COO). The committee strives to prevent, discover, manage, and take action against various risks related to the NISSIN FOODS Group based on the NISSIN FOODS Group Regulations for Risk Management. In particular, we classify product incidents, our Business Continuity Plan (BCP), compliance, and information security as priority risks for the Group, and we have set up committees to take action in these areas. We also established organizations to address environmental and safety risks under the Sustainability Committee. When a serious environmental accident occurs, we take immediate action according to our manuals, controlling and resolving the situation in question.

(2) Specific Activities of the Risk Management Committee
The Risk Management Committee establishes a unified overview of risks, identifies risks among each supervising department, and directs the establishment of a mechanism to prevent risk events. If a risk event occurs that has significant impact on the NISSIN FOODS Group, we establish a Group Incident Response Office, which takes rapid action to handle the risk event and prevent recurrence. Once each fiscal year,based on risk assessment reports from the chief officers and presidents of each operating company, we assess individual risks on a four-stage scale on a two-dimensional risk map. The axes of the risk map indicate the likelihood and degree of impact related to said risks. Based on this risk map, we determine management policy for each risk and report the status of management to the Board of Directors.



(3) Matters That May Have a Material Impact on Investor Judgment
The following are matters that may have a material impact on the judgment of investors. Matters listed here that are not historical fact reflect the judgment of the Group as of the end of the current consolidated fiscal year.
1) Product Liability
As a food manufacturer, the Group considers it our mission to provide safe and secure food to our customers. Therefore, we set strict quality control standards for production. We established the Global Food Safety Institute to strengthen the safety of raw materials and quality control systems at each production plant. In addition, we purchase product liability insurance if a situation arises in which we may be held liable for products. However, in the event of a product liability incident that forces a product recall, insurance may not cover all compensation demands. Further, any harm to our social standing or corporate image may diminish consumer willingness to buy products. Such an event and response may affect our financial position and business performance.

2) Food Safety and Security
Our basic philosophy is to provide safe food and ensure that consumers can enjoy these foods with peace of mind. The food industry faced a number of problems in the past that have brought the quality and safety of food into question. These problems include residual pesticides, mislabeled food, radioactive contamination, and contamination by harmful substances. With each year, consumers demand increasingly higher levels of food safety. In the case of food allergies, consumers with allergies are at high risk of suffering adverse health effects. This situation requires accurate product labeling and appropriate management of raw materials. In response, we established the Food Safety Center in 1998 (renamed to the Food Safety Institute in 2004; we established the WAVE in FY 3/2014). We continue to enhance food safety functions and strengthen our quality assurance system. However, if a greater-than-expected food safety issue arises, even if such issue is not directly related to NISSIN FOODS Group product, we may suffer harm to the reputation of our products due to word of mouth or other factors. Such an event may affect our financial condition and business performance. In particular, in an era when information spreads globally, food safety issues occurring overseas may have a significant impact in Japan. Therefore, we have taken measures to strengthen our overseas quality assurance system, including the establishment of the Shanghai Food Safety Institute in Shanghai, China (2006).

3) Disasters and Accidents
The Group has a large number of offices and production plants in Japan and overseas. In response to potential storms and floods caused by large-scale earthquakes, typhoons, and other natural disasters in each region, we formulated(BCP) and established a BCP Committee that reviews these plans regularly. In response to the spread of COVID-19, we consider it a social responsibility to ensure both employee safety and the stable supply of our products. We have taken prompt and appropriate measures, adopting a remote work environment through online meetings, etc., for employees, while implementing meticulous hygiene standards in manufacturing systems at our production plants. However, in the event of a large-scale natural disaster, our financial condition and business performance may be affected by declining production capacity due to damage to production equipment, increased costs due to equipment repair, and/or the inability to supply products due to supply chain disruptions.

4) Compliance
The Group does business at locations around the world. We may be liable for violations of the laws, regulations, or social norms such as corporate ethics, of the various countries where we do business. Liabilities may include legal punishments such as criminal penalties, administrative sanctions, liability for damages, and social sanctions. Such an event could result in harm to the trust in the Group and in reduced brand value. In response to these risks, we hold meetings of the Compliance Committee in principle once per quarter, chaired by the Vice President and COO. At these meetings, we share trends regarding consultations and reports to our whistleblower hotline, share information about incidents, explore measures to prevent risks (including preventing recurrence), and take other action. In addition, the Compliance Committee Secretariat, which consists mainly of the Legal Department Compliance Group, and the Compliance Promotion Managers assigned to each company and department are in charge of addressing various issues and cases as persons involved in practical business.

5) Information Security
The Group uses information systems to manage information related to production, sales, management, etc. In operating these information systems, we employ all possible measures to prevent system outages and leakage of internal information to outside parties in the event of a failure or malfunction of system equipment, or in the event of an electronic attack from outside the company. However, in the event of a system failure or leakage of internal information to outside parties occurs due to a greater-than-expected large-scale global failure or unauthorized access facilitated by unknown technology, such may affect our financial position and business performance. To avoid these risks as much as possible, we engage in risk-limiting action through appropriate recovery plans for system failures and related training. We also monitor and report regularly to the Information Security Committee.

6) Environment
The Group may be affected by climate change and resulting natural disasters in a variety of ways. These impacts may include rising raw material prices, damage to manufacturing plants, the introduction of carbon pricing systems, and changes in consumer behaviors. Therefore, we conduct scenario analyses in accordance with recommendations by the Task Force on Climate-related Financial Disclosures, engage in ongoing analysis and assessment of the impacts of risk and opportunity factors on our business performance based on scientific evidence, and work to establish strategies for with future uncertainties. Amid these circumstances, we formulated our EARTH FOOD CHALLENGE 2030 environmental strategy in April 2020. Under this strategy, we set goals for climate change initiatives and the effective use of resources. In particular, we identified the reduction of CO_2 emissions as an important issue. Here, we established targets certified by the Science Based Targets (SBTs) initiative (30% reduction in the total of Scope 1 and 2 emissions worldwide versus FY 3/2019, 15% reduction for Scope 3). In February 2021, we joined the international Renewable Energy 100% initiative, which targets 100% procurement of electricity from renewable energy for use in business activities. We set renewable energy procurement targets of 60% for business activities in Japan and overseas by FY 3/2031 and 100% for business activities in Japan and overseas by FY 3/2051. To meet these goals, we are working to switch to electricity from renewable energy, primarily for our manufacturing plants in Japan and overseas, taking action to mitigate regulatory compliance risk.

7) Damage to Brand Value
Our mainstay products in Japan, including *Chicken Ramen* and *CUP NOODLES*, have become popular with customers over many years owing to technological and product strengths. However, each year brings new products to the instant noodles market. Other companies may introduce groundbreaking technological innovations in the future, and new values, especially among young people, may lead to diminished brand value for Group products. In consideration of such risks, we evolve and innovate our mainstay products continually, rather than maintain the status quo. We strive to improve brand value while also securing new customer segments. In addition, we implement marketing tactics overseas to increase brand value by identifying the unique market environments and consumer values in each region, focused on our global branding strategy for *CUP NOODLES*.

8) Decline in the Fair Value of Securities
The Group may hold stocks and other securities as deemed necessary to earn dividends and capital gains. From a management strategy standpoint, we hold certain securities to improve corporate value over the medium to long term, building strong relationships with business partners and encouraging smooth business through efficient, stable transactions and business alliances. We may be required to record impairment losses for securities held by the Group due to a decline in fair value caused by future weaknesses in market conditions or poor performance of parties in which we have invested. The recording of impairment losses may affect the financial condition and business performance of the Group. At a meeting held April 7, 2021, our Board of Directors resolved to pursue a 10 billion yen reduction in strategically held shares over the following two years.

9) Fixed Asset Impairment
The Group owns a variety of fixed assets for use in our businesses. It may become necessary to record impairment losses for these fixed assets depending on the future profitability generated by such assets. The recording of impairment losses may affect the financial condition and business performance of the Group. To reduce these and other risks, the Financing Committee examines the economic rationality in detail based on internal standards. The committee makes investment decisions accordingly and monitors subsequent investment impact on a continued basis.

10) Exchange Rate Fluctuations
The Group does business on a global scale. Our main foreign exchange risk is a sharp rise in purchase prices denominated in foreign currencies due to fluctuations in foreign exchange rates. However, we mitigate this exchange rate risk through measures such as forward exchange contracts. In addition, to prepare consolidated financial statements, we convert the financial statements prepared in local currencies at each overseas area into Japanese yen, which is our functional currency. Therefore, exchange rate fluctuations may affect the financial position and business performance of the Group.

11) Human Resources
In Japan, recruitment and retention of talented human resources has become an issue due to the shrinking working-age population and transformations in work styles after onset of the COVID-19 pandemic. The ability to recruit and retain human resources may affect corporate management and our mainstay businesses. We established the Diversity Committee and continue to make efforts in the interest of creating a work environment inclusive of diverse human resources and in which individuals may demonstrate their talents fully. We also strive to secure human resources, taking action that includes the 2013 establishment NISSIN BUSINESS SUPPORT PLUS to promote the employment of persons with disabilities. We have also implemented a Smart Work project as part of work-style reforms, as well as other initiatives to encourage highly flexible and productive work styles. These efforts include a flextime system without mandatory core hours, more robust work and IT systems to enhance telecommuting, and other actions for reducing overtime hours and improving paid leave usage rates.

12) Fluctuations in Raw Material Prices
The major raw materials we use in our products are agricultural products, such as flour and palm oil, as well as petroleum products used in packaging. Prices for these materials may fluctuate based on market conditions. Factors causing materials prices to rise in their respective countries of origin include political instability, international conflict, or poor crop yield due to unseasonable weather driven by global warming. These factors have been mounting in intensity. A rise in raw materials prices may affect the business performance of the Group. To address these issues, we strive to bolster our system for providing stable product supply, maintaining a constant understanding of market data and making purchases at appropriate timings. In addition, we reduce the risk of price increases by diversifying our pool of suppliers and origins for sourcing raw materials. NISSIN FOODS HOLDINGS leads joint procurement efforts for raw materials produced in various countries for our strategic *CUP NOODLES* product, which has led to stable supply and reduced costs.

13) Logistics
Market supply capacity may stagnate in the future due to issues in the logistics industry, including shortages of drivers and warehouse workers. To address this risk, we have endorsed the *White Logistics* movement, submitting a declaration for voluntary action. This declaration includes extending lead times with support from customers, utilizing palettes and other tools, introducing a truck reservation system, improving shipper facilities, and proposing and cooperating with improvements for logistics. We will continue to create sustainable logistics systems, building on efforts such as the establishment of a multi-company joint transportation network between the Kanto and Kyushu regions of Japan in September 2020.

14) Dependence on Specific Business Partners
The Group depends heavily on specific business partners in the sale of our products and the purchase of certain raw materials. Although we depend on specific trading companies with respect to sales, this dependence is due to concentrating our transactions with major trading companies possessing high creditworthiness. This approach allows us reduce credit management and mitigate credit risk. In addition, our dependence on specific business partners in the purchase of some raw materials is to secure efficient and stable procurement of these raw materials. Although we are engaged in appropriate credit management with regard to business partners, deteriorating business conditions may lead to difficulty in collecting accounts receivable for the Group or may result in the disruption of raw materials supply, leading to production stoppages. Such events could affect the financial position and business performance of the Group.

15) Overseas Country Risks
The basic stance of the Group is to produce and sell locally. We manufacture foods and other products, including instant noodles in various locations overseas. In the event of political instability or international disputes arising in these countries, our policy is to place the highest priority on employee safety. Other situations could threaten food safety or make production difficult due to legal restrictions in each country. Such events may affect the financial condition and business performance of the Group. To address these issues, we established a specialized platform under NISSIN FOODS HOLDINGS, creating a system to support each of our overseas subsidiaries.

16) Demographics
Japan faces rapidly declining birthrates and accelerated aging, leading to a shrinking segment of younger consumers, who have been the mainstay purchasers of our products over the medium to long term. Accordingly, the market in Japan is on a long-term flat trend. Given these circumstances, we strive to maintain and expand our customer base by creating new eating opportunities and generating new value. Our efforts are driven by the development of products meticulously suited to our various target segments, including seniors, youth, and women. By contrast, overseas regions are experiencing increasing numbers of young people. These regions are becoming high-volume zones where we are adjusting product development and communication activities to target younger generations proactively. In this way, we work to expand our customer base globally while responding flexibly to various demographic changes in Japan and major overseas regions.

17) Diversifying Customer Needs
As customer needs toward food diversify, obesity from excessive calories and lifestyle-related diseases have become issues in particular. Meanwhile, malnutrition from incorrect diets has become a worldwide social issue, while awareness of health has been increasing. To meet these diversifying customer needs, we are developing and commercializes foods with the same look and deliciousness, but offering reduced calories, lower sodium content, less sugars, and reduced fat, while still providing ample necessary nutrients. Establishing new businesses is one of our three growth strategy pillars, defined as part of our Mid- to Long-Term Growth Strategy launched in FY 3/2022. Here, we will make investments toward the creation of new business models, striving to use delicious and healthy food to resolve social issues such as improving presymptomatic disease (*mibyou*) and prolonging healthy life expectancies.

3. Management's Analysis of Financial Position, Operating Results, and Cash Flows

(1) Summary of Operating Results
The following is a summary of the financial position, operating results, and cash flows (hereinafter referred to as "Operating Results") of the Group for the current consolidated fiscal year.

①Qualitative Information Concerning Consolidated Business Results
During the consolidated fiscal year under review, the global economy was significantly affected by the expansion of coronavirus disease 2019 (COVID-19). In many cities around the world, the state of emergency and lockdown were declared and corporate profits and personal consumption plummeted. While Chin economy has recovered to the GDP level before COVID-19, the full-fledged global economic recovery remains uncertain due to unclear prospect of an end of COVID-19.In Japan, corporate earnings, employment and income conditions deteriorated sharply due to the expansion of COVID-19.Although there were signs of recovery following the lifting of the state of emergency in May 2020, the pace of economic recovery has slowed as the infection has been prolonged. In January 2021, another state of emergency was declared, and the future remains uncertain.In the instant noodles industry, total worldwide demand increased to more than 100 billion units following from previous year,reflecting growth in demand in many regions. Meanwhile, domestic total demand rose to a record high.Under this environment, based on the “Medium-Term Management Plan 2021” of which term covers five years from the fiscal year ended March 31, 2017, to realize the improvements of “Earning power through operations” and “Value in capital markets,” we have been working on the following strategies: 1) Promoting global branding, 2) Focusing on priority overseas locations, 3)Laying stronger foundations for our domestic profit base, 4) Establishing a second pillar that generates revenue and profit and 5)Developing and strengthening human resources for global management.

a. Financial Position
Total assets at the end of the current consolidated fiscal year increased by ¥86,908 million compared with the end of the previous consolidated fiscal year to ¥663,530 million.
Total liabilities at the end of the current consolidated fiscal year increased by ¥19,536 million compared with the end of the previous consolidated fiscal year to ¥242,095 million.
Total equity at the end of the current fiscal year increased by ¥67,372 million compared with the end of the previous consolidated fiscal year to ¥421,435 million.

b. Business Results
Revenue for the current consolidated fiscal year increased 7.9% year on year to ¥506,107 million.Operating profit for the current consolidated fiscal year increased 34.6% year on year to ¥55,532 million.Profit before tax for the current consolidated fiscal year increased 31.8% compared with the previous consolidated fiscal year to ¥56,233 million.Profit attributable to owners of the parent increased 39.3% to ¥40,828 million. These increases were mainly due to the increase in operating income.

<Consolidated results>

(Millions of yen)

	FY 3/2020	FY 3/2021	Year on year	
	(From April 1, 2019 to March 31, 2020)	(From April 1, 2020 to March 31, 2021)	Amount	%
Revenue	468,879	506,107	+37,227	+7.9
Operating profit	41,252	55,532	+14,279	+34.6
Profit before tax	42,650	56,233	+13,583	+31.8
Profit attributable to owners of the parent	29,316	40,828	+11,511	+39.3

The following is an overview of performance by reportable segment:
1) NISSIN FOOD PRODUCTS
NISSIN FOOD PRODUCTS achieved year-on-year growth in sales with an increase in sales of bag-type noodles. In bagtype noodles, the sales of the DEMAE ICCHO, the NISSIN YAKISOBA and the NISSIN NO RAMENYA SAN remained strong as 3rd quarter. In addition, the NISSIN RAOH series, which was proposed as finishing off the hot pot with RAOH and the NISSIN KORE ZETTAI UMAIYATSU series, launched in September 2020, in a 3-in-1 pack for young families,contributed to sales as well. Other than bag-type noodles, the ASSARI OISHII CUP NOODLE series and the ASSARI ODASHIGAOISHII DONBEI series were continuously strong. Sales of cup rice products, including CURRY MESHI,which sold more than 100 million meals in total, increased significantly as well. In addition to normal demand, increased demand for products due to the self-restraint caused by the expansion of COVID-19 contributed to sales. Meanwhile, profits increased year on year, due to increase in profit in nature of increase in sales, in spite of higher depreciation expenses associated with the launch of the Kansai Plant as well as an increase in distribution costs.Consequently, revenue was ¥ 205,624 million (+2.1%) and operating profit was ¥ 32,196 million (+16.8%) in this reportable segment.

2) MYOJO FOODS
MYOJO FOODS achieved year-on-year growth in sales of bag-type noodles, reflecting strong sales of main brand, the MYOJO CHARUMERA series due to the MIYAZAKI KARAMEN. New brand such as the MYOJO MEGAMI contributed to sales as well.In cup-type noodles, sales resulted in a slight year-on-year decline reflecting weak sales to convenience stores due to the influence of COVID-19, while sales of the MYOJO MEGAMI contributed to sales.Profits increased year on year, reflecting an increase in sales volume, cost reduction of sales promotion expenses and general and administrative expenses etc.Consequently, revenue was ¥ 37,551 million (+2.8%) and operating profit was ¥ 3,183 million (+45.2%) in this reportable segment.

3) Chilled and frozen foods
At NISSIN CHILLED FOODS, overall sales and operating profits increased year on year since sales of its main brand, each series of the GYORETSU NO DEKIRU MISE NO RAMEN, the TSUKEMEN NO TATSUJIN, the NISSIN NO RAMENYASAN, the MAZEMEN NO TATSUJIN and the FRYING PAN HITOTSUDE were continuously well due to increased demand for products caused by the influence of COVID-19.NISSIN FROZEN FOODS increased sales year on year, helped by stable growth of mainstay products, such as the REITO NISSIN CHUKA SHIRUNASHI TANTANMEN OHMORI, the REITO NISSIN GOOTA series, the REITO NISSIN MOCHITTO NAMA PASTA series and the REITO NISSIN SPA OH PREMIUM series. The increased demand for products caused by the influence of COVID-19 contributed to sales as well. Meanwhile, profits increased year on year, reflecting an increase of sales and an improved productivity due to increased production.Consequently, revenue was ¥ 61,869 million (+8.0%) and operating profit was ¥ 2,890 million (+104.9%) in this reportable segment.

4) Confectionery and beverages
In the confectionery business, sales increased mainly in the GOROTTO GRANOLA series and the CISCORN BIG series of NISSIN CISCO, as cereals' value earned a high reputation again due to the influence of COVID-19. In addition, the acquisition of KOIKEYA, as a consolidated subsidiary in December 2020 contributed to both sales and profits.In the beverages business, both sales and profits increased year on year due to strong sales of the mainstay PILKUL series of NISSIN YORK, as heightened health consciousness and the influence of COVID-19 increased those demand.Consequently, revenue was ¥ 56,918 million (+35.7%) and operating profit was ¥ 3,337 million (+52.2%) in this reportable segment.

5) The Americas
The Americas are working to enhance the proposal of premium products aimed at creating new demand, enhancing the profitability of existing products.Sales of the NISSIN LAMEN, a mainstay product in Brazil, remain strong, and sales of the CUP NOODLES increased as well. In addition, the increased demand for instant noodles due to the influence of COVID-19 also contributed to sales.Steady sales of base products due to the influence of COVID-19 and significant sales growth for premium products due to strong sales of new products in the United States also contributed to the overall sales growth in the segment.Meanwhile profits decreased year on year due to higher prices of major raw materials and negative impact of foreign exchange rates, despite increased sales and higher sales of premium products.Consequently, revenue was ¥ 70,873 million (+7.5%) and operating profit was ¥ 4,047 million (-0.8%) in this reportable segment.

6) China
In China, the market for high value-added products is expanding in mainland China. NISSIN FOODS CO., LTD. and its subsidiaries have taken steps to expand its geographical sales areas and strengthen its CUP NOODLES brand. In addition,due to the influence of COVID-19, the stay-at-home economy has increased higher demand for premium instant noodles. In this environment, sales increased year on year, thanks to strong volume in the CUP NOODLES brand in mainland China.Profit increased year on year due to increase in sales volume in mainland China and Hong Kong, and cost reduction associated with increase in volume.Consequently, revenue was ¥ 48,177 million (+11.8%) and operating profit was ¥ 5,763 million (+18.4%) in this reportable segment.
Revenue in “Other,” which includes business segments not included in reportable segments such as domestic other business, Europe and Asia was ¥ 25,092 million (+10.1%) and operating profit was ¥ 5,958 million (+34.6%)

<Revenue and profit by reportable segment>

(Millions of yen)

	Revenue		Change	Segment profit		Change
	FY 3/2020	FY 3/2021		FY 3/2020	FY 3/2021	
NISSIN FOOD PRODUCTS	201,314	205,624	4,309	27,573	32,196	4,622
MYOJO FOODS	36,532	37,551	1,018	2,193	3,183	990
Chilled and frozen foods	57,306	61,869	4,562	1,410	2,890	1,479
Confectionery and beverages	41,934	56,918	14,983	2,193	3,337	1,144
The Americas	65,922	70,873	4,951	4,080	4,047	(32)
China	43,083	48,177	5,094	4,865	5,763	897
Other	22,785	25,092	2,307	4,425	5,958	1,533
Total	468,879	506,107	37,227	46,743	57,377	10,634

(Note) Segment profit is adjusted under operating profit in the consolidated income statement.

2) Cash Flows

Cash and cash equivalents at the end of the current fiscal year totaled ¥90,294 million, an increase of ¥30,130 million compared with the end of the previous consolidated fiscal year. The status of cash flows as of the end of the current consolidated fiscal year is as follows.

(Millions of yen)

	FY 3/2020 (April 1, 2019 to March 31, 2020)	FY 3/2021 (April 1, 2020 to March 31, 2021)	Change
Cash flows from operating activities	57,533	72,714	15,181
Cash flows from investing activities	(40,413)	(26,528)	13,884
Cash flows from financing activities	(10,142)	(19,046)	(8,903)
Effect of exchange rate changes on cash and cash equivalents	(3,939)	2,991	6,930
Net increase in cash and cash equivalents	3,037	30,130	27,092
Cash and cash equivalents at beginning of the year	57,125	60,163	3,037
Cash and cash equivalents at end of the year	60,163	90,294	30,130

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥72,714 million (an increase of ¥15,181 million compared with the previous consolidated fiscal year). This result was mainly due to an increase of ¥13,583 million in profit before tax and a ¥9,437 million increase in trade and other receivables. This increase was offset in part by a ¥5,229 million decrease in inventories and a ¥4,589 million gain from remeasurement due to business combination.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥26,528 million (an increase of ¥13,884 million compared with the previous consolidated fiscal year). This result was mainly due to an increase of ¥6,631 million in cash stemming from a decrease in purchases of property, plant and equipment, an increase of ¥5,694 million in cash stemming from proceeds from redemption of time deposits, and an increase of ¥3,721 million in cash stemming from a decrease in purchases of marketable securities. These amounts were offset in part by a decrease of ¥8,697 million in cash stemming from an increase in payments into time deposits.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥19,046 million (a decrease of ¥8,903 million compared with the previous consolidated fiscal year). This result was mainly due to a decrease of ¥29,130 million in cash stemming from proceeds from long-term borrowings payable. This amount was offset in part by a net increase of ¥20,824 million in short-term borrowings.

3) Production, Orders, and Sales

a. Production

The table below shows production by segment for the consolidated fiscal year.

(Millions of yen)

	FY 3/2021 (April 1, 2020 to March 31, 2021)	Year-on-Year (%)
NISSIN FOOD PRODUCTS	133,719	8.1
MYOJO FOODS	25,450	7.6
Chilled and frozen foods	33,662	9.2
Confectionery and beverages	44,743	58.6
The Americas	52,344	8.5
China	31,026	18.1
Reportable segments, total	320,947	14.3
Other	15,120	18.4
Total	336,067	14.4

(Notes) 1 The Confectionery and Beverages segment experienced a significant increase due to the consolidation of KOIKE-YA Inc (KOIKE-YA).

2 The amounts above do not include consumption tax.

3 Inter-segment transactions have been eliminated.

b. Orders

Omitted, as the Group does not conduct significant production to orders.

c. Sales

The table below shows sales results by segment for the consolidated fiscal year.

(Millions of yen)

	FY 3/2021 (April 1, 2020 to March 31, 2021)	Year-on-Year (%)
NISSIN FOOD PRODUCTS	205,624	2.1
MYOJO FOODS	37,551	2.8
Chilled and frozen foods	61,869	8.0
Confectionery and beverages	56,918	35.7
The Americas	70,873	7.5
China	48,177	11.8
Reportable segments, total	481,014	7.8
Other	25,092	10.1
Total	506,107	7.9

(Notes) 1 The table below shows sales by major customer and the percentage to total sales.

Customer	FY 3/2020 (April 1, 2019 to March 31, 2020)		FY 3/2021 (April 1, 2020 to March 31, 2021)	
	Amount (million yen)	Percentage (%)	Amount (million yen)	Percentage (%)
Mitsubishi Shokuhin Co., Ltd.	71,850	15.3	73,380	14.5

2 The Confectionery and Beverages segment experienced a significant increase due to the consolidation of KOIKE-YA.

3 The amounts above do not include consumption tax.

4 Inter-segment transactions have been eliminated.

(2) Management's Discussion and Analysis of Business Results

The following is our management's discussion and analysis group business results.

Forward-looking statements are based on estimates made as of the end of the consolidated fiscal year.

1) Significant Accounting Principles and Estimates

The NISSIN FOODS Group consolidated financial statements are prepared in accordance with IFRS as stipulated in Article 93 of the *Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statement*. In preparing these consolidated financial statements, Company management has made estimates based on reasonable standards.

2) Recognition, Analysis and Discussion of Business Results for the Current Consolidated Fiscal Year
a. Business results
Revenue for the current consolidated fiscal year increased by 7.9% year on year to ¥506,107 million.
In Japan, the core brands in our instant noodle business, led by NISSIN FOOD PRODUCTS performed well, while the addition of KOIKE-YA as a consolidated subsidiary in December 2020 also contributed to a significant increase in revenue. Increased demand due to the impact of COVID-19 also contributed to revenue.
Overseas, revenue increased in each region owing to stronger sales of high value-added products and the impact of COVID-19.
Operating profit for the current consolidated fiscal year increased by 34.6% year on year to ¥55,532 million.
In the domestic market, profits increased due to higher sales and improved productivity.
Overseas, increased revenue drove profits higher in each region, despite the negative impact of foreign exchange rates.
Operating profit for the current consolidated fiscal year was significantly higher than the previous consolidated fiscal year, due in part to the merger of KOIKE-YA.
Profit before tax for the current consolidated fiscal year increased by 31.8% compared with the previous consolidated fiscal year to ¥56,233 million. Profit attributable to owners of the parent increased by 39.3% to ¥40,828 million. These increases were mainly due to the increase in operating profit.
The main factors affecting Group management are described in *II. Business Status 2. Business and Other Risks.*

b. Sources of capital and cash liquidity
(Cash flows)
The status of cash flows is described in *II. Business Status 3. Management's Analysis of Financial Position, Operating Results, and Cash Flows (1) Summary of Operating Results 2) Cash Flows.*

(Cash needs and cash procurement)
Cash flows from operating activities are allocated by priority to investments that contribute to increase corporate value and shareholder returns, mainly in the form of dividends.
However, in the event of a temporary shortage of cash, the Company secures cash flow by procuring funds from financial institutions or selling Company-owned assets as deemed necessary.

(Cash liquidity)
The Group has traditionally generated stable cash flows from operating activities and expects to continue to do so in the future. In addition, we have established uncommitted lines of credit with major domestic financial institutions. We have adopted a cash management system to centralize management of surplus funds within the Company and our major domestic consolidated subsidiaries. In this way, we aim to improve cash efficiency and reduce financial expenses.

c. Financial position
Total assets at the end of the current consolidated fiscal year increased by ¥86,908 million compared with the end of the previous consolidated fiscal year to ¥663,530 million.
This result was mainly due to an increase of ¥30,130 million in cash and cash equivalents, ¥23,780 million in other financial assets (recorded under non-current assets), and ¥17,072 million in property, plant and equipment.
Liabilities increased by ¥19,536 million compared with the end of the previous consolidated fiscal year to ¥242,095 million, mainly due to an increase in trade and other payables of ¥14,459 million and deferred tax liabilities of ¥4,328 million.
Equity increased by ¥67,372 million compared to the end of the previous consolidated fiscal year to ¥421,435 million. This result was mainly due to an increase of ¥34,080 million in retained earnings and an increase of ¥21,941 million in other components of equity.
As a result, the ratio of equity attributable to owners of the parent company increased by 1.0% from 56.9% at the end of the previous consolidated fiscal year to 57.9%.

d. Objective indicators for judging the progress of management policies, strategies, and goals
On May 12, 2016, the Group formulated our Mid-Term Business Plan 2021 which covered the five-year period beginning FY 3/2017 (revised on May 9, 2019, and again at the end of FY 3/2020).
To achieve the goals of our current mid-term business plan, we have pursued profitability by (1) promoting global branding, (2) focusing on priority locations, (3) laying stronger foundations for domestic profit base, (4) establishing a second primary revenue source, and (5) strengthening and nurturing human resources for global management.
The management indicators in our current mid-term business plan emphasize earning power through operations centered on our core businesses and corporate value in the capital markets as conditions for securing our status as a global company. The table below shows the actual figures for our mid-term plan and our performance in FY 3/2021, the final year of the plan.

The Company has voluntarily adopted (IFRS) in place of the conventional Japanese standards, beginning with our consolidated financial statements for FY 3/2019.

(Millions of .yen)

Category		FY 3/2021 (Mid-Term Plan 2020)	FY 3/2021 (Actual)
Earning power centered on core businesses	Revenue	4,860	5,061
	Operating profit	435	555
Corporate value in the capital market	Profit attributable to owners of the parent	305	408
	ROE	9.0%	11.5%
	Adjusted EPS (Note 1)	281yen	329yen
	Market capitalization	(Note 2)	

(Notes) 1 Adjusted EPS = (Operating profit ± Other income and expenses - Income tax expense - Profit attributable to non-controlling interests) / Average number of shares outstanding during the period (excluding treasury shares)
2 We have been striving to improve our corporate value, aiming toward 1 trillion yen in market capitalization as a future milestone. We achieved a market capitalization of 1 trillion yen in June 2020.

The *Mid- to Long-Term Growth Strategy 2030* is described in *II. Business Status 1. Management Policy, Business Environment, Issues to Address, Etc.*

4. Significant business contracts, etc.

Not applicable.

5. R&D Activities

(1) NISSIN FOOD PRODUCTS
Based on our philosophy as an EARTH FOOD CREATOR, we are engaged in product development, production technology development, and basic and applied research related to health and nutrition, focusing mainly on instant noodles.
In Instant Noodles Business, the company relaunched *CUP NOODLE SEAFOOD* with the newly developed *Hobo Ika* (“Almost Squid”), a fish paste ingredient packed with the flavor and texture of seafood and a squid-like taste.
In terms of the environment, NISSIN FOOD PRODUCTS plans to switch to Biomass ECO Cups for all *CUP NOODLES* products before the end of FY 3/2022.
As part of efforts for environmentally friendly raw materials procurement, the NISSIN FOODS Group acquired FSC-CoC certification. This system certifies that the management and distribution of wood and paper products have been produced from appropriately managed forests. At the end of FY 3/2021, the Group began to place the FSC certification mark on cardboard boxes used for transportation.
In the area of health, we discovered a new function of dietary fiber (psyllium) and launched *TRIPLE BARRIER*, in November 2020. TRIPLE BARRIER is a food with functional claims to increase the discharge of fat, sugar, and salt in stool, to suppress the rise in neutral fats and blood sugar levels, and to lower high blood pressure. NISSIN FOOD PRODUCTS is also developing products that meet the demands of health-conscious customers, including *HYALMOIST W+WHITE*, a beauty drink containing Hyalmoist lactic acid bacteria. In addition, the company is developing alternative meat and conducting research on cultured meat (in collaboration with the University of Tokyo). We have high expectations that efforts here will help solve the future food crisis and global warming.
The Global Innovation Research Center is engaged in the development of other confectionery products, as well as in the research and development of seasonings and natural flavors to achieve authentic taste at low cost, in efforts to support product development. The center will continue to develop new technologies and value-added products to meet the demands of our customers as quickly as possible.

(2) MYOJO FOODS
In addition to product development that focuses mainly on instant noodles, MYOJO FOODS conducts research on environmental conservation measures and sodium reduction to improve customer health.
In particular, non-fried drying technology is one of the technological strengths of MYOJO FOODS. Here, the company has conducted further research and development resulting in a new drying method that achieves a firm texture similar to that of fresh noodles. This is an advancement never achieved before, and the company obtained patents for the technology (Patent No. 6759480 and Patent No. 6827580). MYOJO FOODS installed a new vertical type of non-fried production line using this patented manufacturing method, launching *MYOJO MEGAMI CUP KAMIFUTOMEN X UMA SHOYU/MISO*, which features restaurant-quality ultra-thick noodles. As part of the *MYOJO MEGAMI* series of non-fried bag-type noodles, the company launched *MYOJO MEGAMI KAMIFUTOMEN X UMA SHOYU/MISO*, which offers the thickest noodles in the history of MYOJO and delivers restaurant-quality texture.
As a measure to protect the environment, MYOJO FOODS changed the packing method of regular-size yakisoba to an alternating top and bottom type. The company also changed the design of the unpacking method to incorporate the concept of shelf-ready packaging (SRP) without using cut tape. Using SRP, MYOJO FOODS reduced the environmental impact of our product, improved logistics efficiency, and reduced time and labor required for product stocking. The company rolled this change out across other products since the release of *YOMISE NO YAKISOBA DAIMAJIN* in October 2020.

As a measure to reduce sodium, MYOJO FOODS has adopted the use of *Gotonada Salt*, which is a condensed form of seawater ingredients from the Gotonada Sea. We use this salt in *HYOBANYA DASHI SHOYU YAKI UDON*, which is a product of the reduced-sodium *HYOBANYA* series of products. Providing a mellow taste and umami flavor, the ingredient manages to mitigate the lack of satisfaction caused by low-sodium ingredients. Subsequently, MYOJO FOODS incorporated this ingredient in *HYOBANYA KASANEDASHI SAUCE YAKISOBA* and *HYOBANYA KASANEDASHI SHIO YAKISOBA*, two other products in the *HYOBANYA* series, to meet customer demands for low-sodium diets.

As a commemorative product for the 70th anniversary of MYOJO FOODS, the company released *CHUKA ZAMMAI ZEI NO KIWAMI* in a retort pouch, featuring thick and juicy char siu pork and a braised shark fin. The price of ¥5,000 for a two-serving package and the volume and luxury of the ingredients were a big hit.

(3) Chilled and Frozen Foods

(Chilled Foods)

In addition to products that deliver the authentic feel that only chilled noodles can provide, we are creating new value by incorporating Environmentally Friendly *(kankyo)* to our existing themes of Easy *(kanben)*, Individual *(kosyoku)*, and Complete (kanketsu). Examples of our initiatives have been extending the best-before date and using environmentally friendly packaging to reduce food loss and plastic materials. Our unique long-lasting taste method extends the shelf life of fresh Chinese noodles from 20 days to 40 days, and steamed noodles from 15 days to between 20 and 27 days, with no change to the taste. In addition, we eliminated the use of plastic trays in NISSIN NO FUTOMEN YAKISOBA and NISSIN NO SONO MANMA MEN by revising the production process and packaging format. New products include GYORETSU NO DEKIRU MISE NO RAMEN: SAIKYOU NO RAMEN, SEABURA TONKOTSU SHOYU as a popular hearty dish, and NIHON NO MEITEN OSAKA SHIOGENSUI KOKU UMA SHIO, YAKISOBA SUPERVISED BY THE TABELOG AWARD-WINNING RESTAURANT NISHIAZABU SHANGU, and SUDACHI SOBA SUPERVISED BY KANDA MATSUYA as products developed in collaboration with restaurants. We improved the Easy product NISSIN NO SONO MANMA MEN to make the noodle more flexible and easier to loosen. At the same time, we are developing products featuring Easy, Individual, and Complete, including CHILLED CUP NISSIN NO DONBEI, which comes in a container with all the ingredients and can be eaten by simply loosening the noodles in its soup. We will continue to research and develop new products that are friendly to the Earth and the environment, striving to meet the diversifying demands of our customers.

(Frozen Foods)

We are working on the development of a wide variety of products in categories such as pasta, Chinese noodles, Japanese food, rice, and side dishes, utilizing the strengths of frozen foods to create authentic and delicious dishes that can be prepared easily. In the pasta category, we launched SPA-OH PREMIUM EBI TO SORA MAME PEPPERONCINO, SPA-OH PREMIUM KANI NO NOUKOU TOMATO SAUCE, SPA-OH PREMIUM SALMON NO KOUMI SHOYU, and MOCHITTO NAMA PASTA SALMON TO HOURENSOU NO NOUKOU CREAM SAUCE. In the Chinese noodle category, we launched new products, including NISSIN MAZEMENTEI CHAR SIU ABURA SOBA and NISSIN MAZEMENTEI TAIWAN MAZESOBA. In the Japanese noodle category, we launched new products that included soupless noodles NISSIN NO DONBEI KAMATAMA CURRY UDON RED/BLACK, as well as NISSIN GOOTA EBITEN NABEYAKI UDON and NISSIN GOOTA GYU SUKI NABE UDON, both of which are filled with an abundance of ingredients. In the rice product category, we launched NISSIN CUP NOODLE NAZO NIKU CHAHAN CURRY, which is the new version of NISSIN CUP NOODLE NAZO NIKU CHAHAN, and in the okonomiyaki category, NISSIN YAKISOBA U.F.O KOI KOI OKONOMIYAKI. In the side-dish category, we developed new items for NISSIN CHINESE LAJIAO MABO TOFU and NISSIN CHINESE LAJIAO MABO NASU, which are authentic Chinese side dishes that can be prepared in the microwave. We will continue to research and develop authentic and delicious taste and simplicity of cooking to meet the demands of our customers.

(4) Confectionery and Beverages

Under the slogan of *More fun, healthier,* NISSIN CISCO is developing high value-added products offering quality and health-oriented functions. At the same time, the company is strengthening its existing brands.

The R&D Laboratory is engaged in research and development of various products, and consists of four divisions: Cereals, Confectionery (cookies, and chocolate snacks), Packaging Materials, and Labeling.

In the cereal category, we reformulated the *GOROTTO GRANOLA* series and developed and launched the *FRUITS AND NUTS* series. In addition, we commercialized *SOZAI NO GOHOUBI DAIZU FLAKES, YAMITSUKI COCONUT CHIPS, SOY CHIPS* and the health function CISCO WELLNESS 1-Day Dietary Fiber *OMUGI TO SATSUMAIMO CEREAL BRAN MIX*. These products all utilize our core flake manufacturing technology. In the CISCORN series, we commercialized *SAKU SAKUPAN FU CEREAL CARAMEL FLAVOR*, which is popular among small children, and *COOKING CORN FLAKES*, which meets the rising demand for cooking under the COVID-19 pandemic.

In the biscuit category, we improved the quality of *COCONUT SABLE*, which just celebrated its 55th anniversary. At the same time, we launched *WA KANKITSU, ANNO IMO TO WAGURI*, and *KUROMITSU KINAKO* under the theme of Japanese culture. We also introduced *MAROYAKA COFFEE MILK FLAVOR* based on the new retro style popular among young people in an effort to revitalize the brand.

In the chocolate snack category, we reformulated the *CHOCO FLAKE* series. At the same time, we commercialized *DONUT CHOCO, CHOCOLATE-COVERED COCONUT FLAKES*, and *LOW-CARB ALMOND CHOCO SNACK MIX* to enrich the product lineup as a brand.

NISSIN FOODS HOLDINGS is committed to developing highly unique cereal and confectionery products that will bring happiness and energy to our customers, working in collaboration with the Global Innovation Research Center, Global Food Safety Research Institute, and other Group research institutions.

NISSIN YORK is leveraging the location of the development laboratory in the Kanto Plant to develop new and renewed products in a speedy, efficient manner, while also conducting research on lactic acid fermentation.

The developed product group includes fermented milk, dairy lactic acid bacteria beverages, probiotic beverages, and soft drinks. Under the corporate slogan of *Everyone be lively!*, the company is further strengthening its main brands, *PILKUL* and *TOKACHI NOMU YOGURT*. At the same time, the company focuses on the development of high-value-added products utilizing core fermentation technology, while developing products that are both delicious and beneficial to health.

In the area of fermented milk, a new container has been introduced for *TOKACHI NOMU YOGURT* featuring a resource-saving easy cap that eliminates the inner stopper. In addition to the four standard flavors (plain, blueberry, strawberry, and sugar-free) the company added a sense of freshness to the brand through the release of seasonal limited-time flavors such as white peach, lemon, muscat, and tangerine. In addition, the plain, blueberry, strawberry, muscat, and tangerine flavors have been designated as foods with functional claims to improve the intestinal environment. These products contain 40 billion units of Lactobacillus NY1301 per glass (180g).

As an extension of the *PILKUL* brand in probiotic beverages, the company launched three CVS products: *PILKUL KOI MONOGATARI* (three versions), *FRUIT RICH PILKUL STRAWBERRY*, and *FUYU NO PREMIUM CREAMY PILKUL MILK FLAVOR*. We understand that some customers are concerned about their health and have less opportunities to exercise due to telecommuting/remote work. For these customers, NISSIN YORK launched *PILKUL Bodycare*, a beverage with functional claims for reducing neutral fat. The product contains inulin, which is a dietary fiber. The company is striving to revitalize and enhance the value of the *PILKUL* brand by offering a product lineup that meets the increasingly fragmented tastes and health consciousness of our customers.

In the area of probiotic beverages and soft drinks, the company launched products for various consumer groups. These products include *PISTACHIO-KAORU ICHIGO NYUSANKIN, GANBARU NYUSANKIN + BUDOTO*, and *SUMOMO MO MOMO MO MOMO NO UCHI*. These have been high-impact products that have garnered much interest. The company's *VITAMIN LEMON WATER* series is another high-impact product, providing a daily supply of seven vitamins in one bottle.

NISSIN YORK will continue to develop products that utilize lactic acid bacteria fermentation technology to respond to the ever-increasing health consciousness and preferences of our customers.

(5) Initiatives for Food Safety and Environmental Management

The Global Food Safety Research Institute has established advanced research on food safety, including methods for the discovery, synthesis, and analysis of new hazardous substances. The institute has also developed cellular testing methods for evaluating health effects of foods.

In response to the foundational expansion and globalization of the NISSIN FOODS Group, the institute is expanding its dual control system for product inspections at each plant and laboratory. This control system had been implemented for our domestic businesses. Now, the centralized control system built on precision control testing of analytical technology is being expanded to new businesses and overseas businesses. We will continue to strengthen our support for quality assurance systems overseas and for new businesses, contributing to the improvement of food safety across our businesses through new analytical methods and rapid inspection methods.

We are conducting investigations of our manufacturing environment based on our independently developed Nissin's Inspection Standards for Food Safety (NISFOS) as part of our investigation and auditing system to make improvements at production sites for products and raw materials. FY2021/3, we updated NISFOS to strengthen sensory testing, to adopt detailed verification of raw material receipts, to increase the number of foreign employees, and to respond to food fraud. Through NISFOS system audits, we will continue to improve quality and food safety management at each production plant.

As part of our efforts to promote CSV management to maintain a sustainable global environment, the NISSIN FOODS Group will continue to improve our environmental activities through a survey conducted using the Food Safety Research Institute's Inspection Standards for Environmental Activities. By means of this survey, we assess the status and make improvements related to compliance with environmental laws and regulations at Group factories, as well as the reduction of greenhouse gases through energy conservation and the 3Rs (Reduce, Reuse, and Recycle). In addition, our activities as the secretariat of the Sustainability Committee and the Environmental Working Group have become increasingly important, as the committee and working group were established to help us achieve the goals of EARTH FOOD CHALLENGE 2030, the NISSIN FOOD Group environmental strategy. In response to various environmental issues, such as CO_2 reduction, plastics, water resource conservation, and food waste, the Global Food Safety Research Institute strives to contribute to the promotion of NISSIN FOODS Group CSV management. The institute does so by formulating a target roadmap, planning, and providing implementation from the perspective of a research institute, including data analysis, and working in collaboration with factories, product development departments, and other locations.

As a result of the above-mentioned activities, the Global Food Safety Research Institute made one academic conference presentation and one patent application during FY 3/2021. The institute also produced academic results, including continued joint research with universities related to the development of new risk assessment methods.

Research and development expenses for the current consolidated fiscal year totaled ¥7,852 million.

Note that the Company's research and development expenses are presented in total, as it is difficult to classify such expenses by reportable segment.

FINANCIAL DATA

CONSOLIDATED SIX-YEAR SUMMARY OF SELECTED FINANCIAL DATA

	IFRS Millions of yen (except per share information)			
Years ended March 31,	2021	2020	2019	2018
For the year				
Revenue	¥506,107	¥468,879	¥450,984	¥440,909
Cost of sales	324,350	301,599	295,823	282,837
Gross profit	181,756	167,279	155,161	158,072
Selling, general and administrative expenses	136,590	129,485	126,283	123,722
Gain on investments accounted for using the equity method	5,435	4,543	3,966	3,569
Other income (expenses)	4,930	(1,085)	(3,875)	(2,743)
Operating profit	55,532	41,252	28,967	35,175
Finance income (costs)	702	1,397	2,198	1,977
Profit before tax	56,233	42,650	31,166	37,153
Income tax expenses	12,893	11,528	11,242	8,035
Profit attributable to non-controlling interests	2,511	1,805	567	(17)
Profit attributable to owners of the parent	40,828	29,316	19,356	29,134
Comprehensive income	70,687	13,355	8,409	37,178
Per share				
Profit attributable to owners of the parent per share - primary	¥391.94	¥281.45	¥185.85	¥279.81
- diluted	389.69	279.93	184.90	278.45
Cash dividends	120.00	110.00	110.00	90.00
Equity*1	3,686.38	3,148.63	3,137.40	3,166.83
At year-end				
Working capital*2	¥68,467	¥46,103	¥17,245	¥34,287
Property, plant and equipment, net	257,135	240,063	216,831	188,219
Total assets	663,530	576,621	557,577	528,726
Non-current liabilities	81,444	80,877	43,378	40,831
Equity	421,435	354,063	352,545	353,128
R & D expenses	¥7,852	¥7,549	¥9,335	¥7,777
Capital expenditures	34,032	39,742	57,602	52,007
Value and Performance Indicators				
Operating margin (%)*3	11.0	8.8	6.4	8.0
Return on assets (%)*4	6.6	5.2	3.6	5.7
Return on equity (%)*5	11.5	9.0	5.9	9.2
Inventory turnover (times)*6	8.8	9.3	9.5	9.6

Note:1. Equity per share (IFRS) = (Equity - non-controlling interests) / Number of shares outstanding as of the year-end (excluding treasury share)
2. Working capital = Total current assets - Total current liabilities
3. Operating margin (IFRS) = Operating profit / Revenue
4. Return on assets (IFRS) = Profit attributable to owners of the parent / Average total assets
5. Return on equity (IFRS) = Profit attributable to owners of the parent / (Average total equity – Average non-controlling interests)
6. Inventory turnover = Cost of sales / Average total inventory
7. Amounts presented in this summary (IFRS) are rounded down to the nearest million yen.

	JGAAP *8 Millions of yen (except per share information)		
Years ended March 31,	2018	2017	2016
Net sales	¥516,400	¥495,716	¥468,084
Cost of sales	282,272	270,220	260,496
Gross profit	234,128	225,496	207,588
Selling, general and administrative expenses	200,016	196,878	181,188
Operating income	34,112	28,618	26,400
Other income (expenses)	3,413	6,900	10,579
Income before income taxes and non-controlling interests	37,525	35,518	36,979
Income taxes	8,407	11,789	10,092
Net income attributable to non-controlling interests	14	171	2
Net income attributable to owners of the parent	29,104	23,558	26,885
Comprehensive income	33,237	10,991	19,606
Per share			
Net income attributable to owners of the parent per share - primary	¥279.52	¥221.33	¥245.52
- diluted	278.16	220.25	244.22
Cash dividends	90.00	85.00	80.00
Equity*1	3,519.36	3,276.55	3,332.94
At year-end			
Working capital*2	¥39,354	¥42,040	¥60,039
Property, plant and equipment, net	214,071	188,014	168,886
Total assets	568,112	537,181	553,069
Long-term liabilities	45,541	47,815	50,495
Equity*3	391,777	353,518	371,689
R & D expenses	¥7,777	¥7,650	¥7,183
Capital expenditures	52,007	36,340	32,786
Value and Performance Indicators			
Operating margin (%)*4	6.6	5.8	5.6
Return on assets (%)*5	5.3	4.3	5.0
Return on equity (%)*6	8.2	6.7	7.4
Inventory turnover (times)*7	9.7	9.6	10.4

Note:1. Equity per share (JGAAP) = (Equity - non-controlling interests - Stock acquisition rights) / Number of shares outstanding as of the year-end (excluding treasury share)
2. Working capital = Total current assets - Total current liabilities
3. Equity: In compliance with the Corporate Law, from fiscal 2007, the amount of equity includes the amount of non-controlling interests.
4. Operating margin (JGAAP) = Operating income / Net sales
5. Return on assets (JGAAP) = Net income attributable to owners of the parent / Average total assets
6. Return on equity (JGAAP) = Net income attributable to owners of the parent / (Average total equity – Average non-controlling interests – Average stock acquisition rights)
7. Inventory turnover = Cost of sales / Average total inventory
8. Amounts for FY2019 presented in this summary (JGAAP) are rounded down to the nearest million yen.

1. Consolidated Statement of Financial Position

Consolidated financial statements
Consolidated statement of financial position

	Notes	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY3/ 2021 (As of March 31, 2021) (Millions of yen)	FY3/ 2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Assets				
Current assets				
Cash and cash equivalents	8	60,163	90,294	815,592
Trade and other receivables	9,34	77,932	84,837	766,306
Inventories	10	32,454	40,901	369,444
Income taxes receivable		2,701	1,629	14,718
Other financial assets	11,34	10,273	6,890	62,241
Other current assets	12	4,258	4,563	41,222
Total current assets		187,784	229,117	2,069,526
Non-current assets				
Property, plant and equipment	13	240,063	257,135	2,322,607
Goodwill and intangible assets	14	3,806	12,476	112,698
Investment property	17	7,108	7,369	66,561
Investments accounted for using the equity method		47,436	42,333	382,377
Other financial assets	11,34	77,209	100,990	912,210
Deferred tax assets	18	12,844	12,174	109,970
Other non-current assets	12	368	1,933	17,461
Total non-current assets		388,837	434,413	3,923,886
Total assets		576,621	663,530	5,993,412

	Notes	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY3/ 2021 (As of March 31, 2021) (Millions of yen)	FY3/ 2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	19,34	104,815	119,275	1,077,365
Borrowings	20,34	6,631	9,647	87,138
Provisions	21	337	204	1,843
Accrued income taxes		6,294	8,050	72,719
Other financial liabilities	20,34	3,418	3,855	34,827
Other current liabilities	22	20,183	19,617	177,201
Total current liabilities		141,681	160,650	1,451,095
Non-current liabilities				
Borrowings	20,34	41,630	38,283	345,801
Other financial liabilities	20,34	18,350	18,601	168,021
Defined benefit liabilities	23	5,828	5,151	46,531
Provisions	21	207	203	1,836
Deferred tax liabilities	18	12,393	16,722	151,049
Other non-current liabilities	22	2,467	2,481	22,418
Total non-current liabilities		80,877	81,444	735,657
Total liabilities		222,558	242,095	2,186,753
Equity				
Share capital	24	25,122	25,122	226,923
Capital surplus	24	50,639	50,636	457,384
Treasury shares	24	(6,660)	(6,658)	(60,141)
Other components of equity	24	12,275	34,217	309,072
Retained earnings	24	246,616	280,697	2,535,429
Total equity attributable to owners of the parent		327,994	384,016	3,468,668
Non-controlling interests		26,068	37,419	337,991
Total equity		354,063	421,435	3,806,659
Total liabilities and equity		576,621	663,530	5,993,412

2. Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income and comprehensive income
Consolidated statement of income

	Notes	FY 3/2020 (From April 1, 2019 To March 31, 2020) (Millions of yen)	FY 3/2021 (From April 1, 2020 To March 31, 2021) (Millions of yen)	FY 3/2021 (From April 1, 2020 To March 31, 2021) (Thousands of U.S. dollars)
Revenue	26	468,879	506,107	4,571,467
Cost of sales		301,599	324,350	2,929,730
Gross profit		167,279	181,756	1,641,737
Selling, general and administrative expenses	27	129,485	136,590	1,233,767
Gain on investments accounted for using the equity method		4,543	5,435	49,095
Other income	7,28	1,951	7,064	63,811
Other expenses	28	3,036	2,134	19,277
Operating profit		41,252	55,532	501,599
Finance income	29	2,544	1,895	17,120
Finance costs	29	1,147	1,193	10,783
Profit before tax		42,650	56,233	507,936
Income tax expense	18	11,528	12,893	116,461
Profit		31,122	43,340	391,474
Profit attributable to				
Owners of the parent		29,316	40,828	368,789
Non-controlling interests		1,805	2,511	22,685
Profit		31,122	43,340	391,474
Earnings per share	32			
Basic earnings per share (Yen)		281.45	391.94	3.54
Diluted earnings per share (Yen)		279.93	389.69	3.51

Consolidated Statement of Comprehensive Income

	Notes	FY 3/2020 (From April 1, 2019 To March 31, 2020) (Millions of yen)	FY 3/2021 (From April 1, 2020 To March 31, 2021) (Millions of yen)	FY 3/2021 (From April 1, 2020 To March 31, 2021) (Thousands of U.S. dollars)
Profit		31,122	43,340	391,474
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Net change in equity instruments measured at fair value through other comprehensive income	31	(11,692)	24,405	220,449
Remeasurements of defined benefit plans	31	91	2,923	26,403
Share of other comprehensive income of investments accounted for using the equity method	31	57	74	674
Total items that will not be reclassified to profit or loss		(11,543)	27,403	247,527
Items that may be reclassified to profit or loss				
Net change in debt instruments measured at fair value through other comprehensive income	31	(19)	15	137
Cash flow hedges	31	2	2	19
Foreign currency translation differences on foreign operations	31	(8,252)	3,551	32,081
Share of other comprehensive income of investments accounted for using the equity method	31	2,046	(3,625)	(32,748)
Total items that may be reclassified to profit or loss		(6,222)	(56)	(509)
Total other comprehensive income (loss)		(17,766)	27,347	247,018
Comprehensive income		13,355	70,687	638,492
Comprehensive income attributable to:				
Owners of the parent		12,444	66,894	604,232
Non-controlling interests		911	3,793	34,260
Comprehensive income		13,355	70,687	638,492

3. Consolidated Statement of Changes in Equity

Consolidated statement of changes in equity

(Millions of yen)

		Equity attributable to owners of the parent						
					Other components of equity			
	Notes	Share capital	Capital surplus	Treasury shares	Stock acquisition rights to shares	Foreign currency translation differences on foreign operations	Cash flow hedges	Net change in financial instruments measured at fair value through other comprehensive income
Balance at April 1, 2019		25,122	50,614	(6,718)	2,110	(4,656)	3	31,749
Profit		-	-	-	-	-	-	-
Other comprehensive income (loss)	31	-	-	-	-	(7,401)	14	(11,690)
Total comprehensive income		-	-	-	-	(7,401)	14	(11,690)
Acquisition of treasury shares	24	-	-	(6)	-	-	-	-
Disposal of treasury shares	24	-	24	64	(88)	-	-	-
Share-based payment transactions	33	-	-	-	270	-	-	-
Cash dividend paid	25	-	-	-	-	-	-	-
Changes in the ownership interest in subsidiary without a loss of control		-	0	-	-	-	-	-
Transfer from other components of equity to retained earnings		-	-	-	-	-	-	(179)
Other		-	-	-	-	-	-	-
Total transactions with owners of the parent		-	25	57	181	-	-	(179)
Balance at March 31, 2020		25,122	50,639	(6,660)	2,292	(12,057)	17	19,879
Profit		-	-	-	-	-	-	-
Other comprehensive income (loss)	31	-	-	-	-	2,414	0	24,374
Total comprehensive income		-	-	-	-	2,414	0	24,374
Acquisition of treasury shares	24	-	-	(4)	-	-	-	-
Disposal of treasury shares	24	-	0	7	(7)	-	-	-
Share-based payment transactions	33	-	-	-	368	-	-	-
Cash dividend paid	25	-	-	-	-	-	-	-
Change from business combination	7	-	-	-	-	-	-	-
Changes in the ownership interest in subsidiary without a loss of control		-	(3)	-	-	-	-	-
Transfer from other components of equity to retained earnings		-	-	-	-	-	-	(1,669)
Other		-	-	-	-	-	-	-
Total transactions with owners of the parent		-	(2)	2	360	-	-	(1,669)
Balance at March 31, 2021		25,122	50,636	(6,658)	2,653	(9,642)	18	42,584

(Millions of yen)

		Equity attributable to owners of the parent						
		Other components of equity						
	Notes	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Total	Retained earnings	Total	Non-controlling interests	Total
Balance at April 1, 2019		-	28	29,235	228,526	326,781	25,764	352,545
Profit		-	-	-	29,316	29,316	1,805	31,122
Other comprehensive income (loss)	31	100	2,103	(16,872)	-	(16,872)	(893)	(17,766)
Total comprehensive income		100	2,103	(16,872)	29,316	12,444	911	13,355
Acquisition of treasury shares	24	-	-	-	-	(6)	-	(6)
Disposal of treasury shares	24	-	-	(88)	-	0	-	0
Share-based payment transactions	33	-	-	270	-	270	0	270
Cash dividend paid	25	-	-	-	(11,457)	(11,457)	(913)	(12,371)
Changes in the ownership interest in subsidiary without a loss of control		-	-	-	-	0	313	314
Transfer from other components of equity to retained earnings		(100)	11	(268)	268	-	-	-
Other		-	-	-	(38)	(38)	(7)	(45)
Total transactions with owners of the parent		(100)	11	(87)	(11,226)	(11,230)	(607)	(11,838)
Balance at March 31, 2020		-	2,143	12,275	246,616	327,994	26,068	354,063
Profit		-	-	-	40,828	40,828	2,511	43,340
Other comprehensive income (loss)	31	2,827	(3,550)	26,065	-	26,065	1,281	27,347
Total comprehensive income		2,827	(3,550)	26,065	40,828	66,894	3,793	70,687
Acquisition of treasury shares	24	-	-	-	-	(4)	-	(4)
Disposal of treasury shares	24	-	-	(7)	-	0	-	0
Share-based payment transactions	33	-	-	368	-	368	-	368
Cash dividend paid	25	-	-	-	(11,458)	(11,458)	(986)	(12,444)
Change from business combination	7						8,328	8,328
Changes in the ownership interest in subsidiary without a loss of control		-	-	-	-	(3)	160	156
Transfer from other components of equity to retained earnings		(2,827)	11	(4,484)	4,484	-	-	-
Other		-	-	-	225	225	54	280
Total transactions with owners of the parent		(2,827)	11	(4,124)	(6,747)	(10,872)	7,557	(3,315)
Balance at March 31, 2021		-	(1,395)	34,217	280,697	384,016	37,419	421,435

(Thousands of U.S. dollars)

		Equity attributable to owners of the parent						
					Other components of equity			
	Notes	Share capital	Capital surplus	Treasury shares	Stock acquisition rights to shares	Foreign currency translation differences on foreign operations	Cash flow hedges	Net change in financial instruments measured at fair value through other comprehensive income
Balance at March 31, 2020		226,923	457,411	(60,161)	20,706	(108,909)	159	179,562
Profit		-	-	-	-	-	-	
Other comprehensive income (loss)	31	-	-	-	-	21,809	4	220,162
Total comprehensive income		-	-	-	-	21,809	4	220,162
Acquisition of treasury shares	24	-	-	(43)	-	-	-	-
Disposal of treasury shares	24	-	2	64	(65)	-	-	-
Share-based payment transactions	33	-	-	-	3,326	-	-	-
Cash dividend paid	25	-	-	-	-	-	-	-
Change from business combination	7	-	-	-	-	-	-	-
Changes in the ownership interest in subsidiary without a loss of control		-	(29)	-	-	-	-	-
Transfer from other components of equity to retained earnings		-	-	-	-	-	-	(15,078)
Other		-	-	-	-	-	-	-
Total transactions with owners of the parent		-	(26)	20	3,260	-	-	(15,078)
Balance at March 31, 2021		226,923	457,384	(60,141)	23,966	(87,100)	163	384,646

(Thousands of U.S. dollars)

		Equity attributable to owners of the parent						
		Other components of equity						
	Notes	Remeasurements of defined benefit plans	Share of other comprehensive income of investments accounted for using the equity method	Total	Retained earnings	Total	Non-controlling interests	Total
Balance at March 31, 2020		-	19,362	110,880	2,227,591	2,962,644	235,467	3,198,112
Profit		-	-	-	368,789	368,789	22,685	391,474
Other comprehensive income (loss)	31	25,539	(32,073)	235,442	-	235,442	11,575	247,018
Total comprehensive income		25,539	(32,073)	235,442	368,789	604,232	34,260	638,492
Acquisition of treasury shares	24	-	-	-	-	(43)	-	(43)
Disposal of treasury shares	24	-	-	(65)	-	0	-	0
Share-based payment transactions	33	-	-	3,326	-	3,326	-	3,326
Cash dividend paid	25	-	-	-	(103,503)	(103,503)	(8,906)	(112,409)
Change from business combination	7	-	-	-	-	-	75,230	75,230
Changes in the ownership interest in subsidiary without a loss of control		-	-	-	-	(29)	1,447	1,418
Transfer from other components of equity to retained earnings		(25,539)	107	(40,510)	40,510	-	-	-
Other		-	-	-	2,041	2,041	490	2,531
Total transactions with owners of the parent		(25,539)	107	(37,250)	(60,951)	(98,208)	68,262	(29,945)
Balance at March 31, 2021		-	(12,603)	309,072	2,535,429	3,468,668	337,991	3,806,659

4. Consolidated Statement of Cash Flows

Consolidated statement of cash flows

	Notes	FY 3/2020 (From April 1,2019 To March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 To March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 To March 31,2021) (Thousands of U.S. dollars)
Operating activities				
Profit before tax		42,650	56,233	507,936
Depreciation and amortization		25,191	25,363	229,098
Impairment losses		1,347	172	1,561
Increase (decrease) in defined benefit liabilities		172	(2,411)	(21,785)
Finance income and costs		(536)	(1,261)	(11,391)
(Gain) loss on investments accounted for using the equity method		(4,543)	(5,435)	(49,095)
(Gain) loss on sales of fixed assets		(123)	(11)	(100)
Gain from remeasurement due to business combination	7	-	(4,589)	(41,454)
(Increase) decrease in inventories		(951)	(6,180)	(55,823)
(Increase) decrease in trade and other receivables		(6,091)	3,346	30,223
Increase (decrease) in trade and other payables		3,405	10,016	90,475
Other		6,205	4,602	41,569
Subtotal		66,726	79,845	721,214
Interest and dividends received		4,720	4,401	39,760
Interest paid		(583)	(574)	(5,192)
Income taxes paid		(15,084)	(13,475)	(121,721)
Income taxes refunded		1,754	2,517	22,744
Cash flows from operating activities		57,533	72,714	656,804
Investing activities				
Payments into time deposits		(2,142)	(10,840)	(97,915)
Proceeds from redemption of time deposits		3,702	9,396	84,876
Payment for purchases of property, plant and equipment and others		(37,933)	(31,302)	(282,743)
Proceeds from sales of property, plant and equipment and others		484	575	5,197
Payment for acquisition of intangible assets		(745)	(1,589)	(14,353)
Payment for purchases of investments in securities		(1,061)	(780)	(7,049)
Proceeds from sales and redemption of investments in securities		996	4,012	36,243
Payment for purchases of marketable securities		(3,721)	-	-
Proceeds from sales of marketable securities		-	2,752	24,865
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation, net of cash acquired	7	-	1,230	11,110
Other		8	15	143
Cash flows from investing activities		(40,413)	(26,528)	(239,624)
Financing activities				
Net increase (decrease) in short-term borrowings	30	(21,375)	(551)	(4,979)
Proceeds from long-term borrowings	30	31,262	2,131	19,255
Repayment of long-term borrowings	30	(3,782)	(3,058)	(27,622)
Repayment of lease liabilities		(4,183)	(5,119)	(46,241)
Net increase in treasury shares		(6)	(4)	(43)
Cash dividends paid		(11,457)	(11,458)	(103,503)
Cash dividends paid to non-controlling-interest shareholders		(913)	(986)	(8,906)
Proceeds from payment from non-controlling interest shareholders		313	-	-
Other		0	-	-
Cash flows from financing activities		(10,142)	(19,046)	(172,040)
Effect of exchange rate changes on cash and cash equivalents		(3,939)	2,991	27,020
Net increase (decrease) in cash and cash equivalents		3,037	30,130	272,159
Cash and cash equivalents at the beginning of year	8	57,125	60,163	543,433
Cash and cash equivalents at the end of year	8	60,163	90,294	815,592

1. Reporting Entity

Nissin Foods Holdings Company Limited (hereinafter, the "Company") is a stock company domiciled in Japan. The addresses of its registered head office and main offices are disclosed on the Company's website (https://www.nissin.com/en_jp/).

The Company's consolidated financial statements comprise the Company and its subsidiaries (hereinafter, the "Group") and interests in the Company's associates.

Details of each business and principal activities of the Group are described in Note 6 "Segment Information."

2. Basis of Preparation

(1) Compliance with IFRSs

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

Since the requirements for "Specified Company of Designated International Accounting Standards" set forth in Article 1-2 of the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" are satisfied, the Group adopted the provisions of Article 93 of the same Ordinance.

The Group's consolidated financial statements were approved at the Board of Directors meeting held on June 25, 2021.

(2) Basis of measurement

The Group's consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value.

(3) Functional currency and presentation currency

The Group's consolidated financial statements are presented in Japanese yen, which is also the Company's functional currency.

Amounts presented in the consolidated financial statements are rounded down to the nearest million yen and thousand dollars.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the exchange rate of ¥110.71 to US$1.00, the approximate rate of exchange at March 31, 2021.

The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

3. Significant Accounting Policies

(1) Basis of consolidation

The consolidated financial statements include financial statements of the Company and its subsidiaries, and interests in investments in associates.

1) Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group considers that it has control over an entity when it has exposures to variable returns arising from its involvement with the entity, or when it has rights on the returns and has the ability to affect those returns through the exercise of its power over the entity.

The acquisition date of a subsidiary is the date on which the Group obtained control of the subsidiary, and the subsidiary is included in the consolidation from the date of acquisition until the date on which the Group loses control.

In cases where the accounting policies applied by a subsidiary are different from those applied by the Group, adjustments are made to the subsidiary's financial statements, if necessary.

The fiscal year-end date of some subsidiaries is different from that of the Group since, primarily due to local regulations and laws enforced in the regions where the subsidiaries are located, requiring fiscal year end-date other than that of the Company, it is impracticable to unify the fiscal year-end date.

In such cases, the financial figures of the subsidiaries based on provisional closing on the fiscal year end of the Company are used.

All material intragroup transactions, assets, liabilities and unrealized gains or losses arising from intragroup transactions are eliminated in consolidation.

Comprehensive income of the subsidiaries is attributed to owners of the parent and to the non-controlling interests even if non-controlling interests have a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any difference between the adjustment to the non-controlling interests and the fair value of the consideration is recognized directly in equity attributable to owners of the parent.

If the Group loses control over a subsidiary, gains or losses derived from such loss of control of the subsidiary shall be recognized in profit or loss.

2) Associates

An associate is an entity over which the Group has significant influence.

Investments in associates are accounted for using the equity method from the date on which the Group obtained the significant influence until the date on which it ceases to have the influence.

In cases where the accounting policies applied by an associate are different from those applied by the Group, adjustments are made to the associate's financial statements, if necessary.

The fiscal year-end date of the associates is different from that of the Group, since it is impracticable to unify the fiscal year-end date, primarily due to local regulations and laws enforced in the regions where the associates are located or where the stocks of the associates are listed or due to relations with other shareholders.

(2) Business combinations
Business combinations are accounted for using the acquisition method. Consideration transferred in a business combination is measured as the sum of the acquisition-date fair value of the assets transferred in exchange for control over an acquiree, the liabilities assumed and equity interests issued by the Company.

The identifiable assets acquired and the liabilities assumed in the acquiree are measured at their acquisition-date fair values, except:
1) Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, which are recognized and measured in accordance with International Accounting Standard (hereinafter, "IAS") 12 “Income Taxes,” and IAS 19 “Employee Benefits,” respectively.
2) Assets and disposal groups classified as held for sale at the acquisition date in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” (hereinafter, “IFRS 5”), which are measured in accordance with IFRS 5.
3) Liabilities or equity instruments related to share-based payment transactions of the acquiree or share-based payment transactions of the Company entered into to replace such transactions of the acquiree, which are measured in accordance with IFRS 2 “Share-based Payment” (hereinafter, “IFRS 2”).

The excess of the sum of the consideration transferred, the amount recognized for non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree over the acquisition-date fair value of the identifiable assets acquired and liabilities assumed is recorded as goodwill in the consolidated statement of financial position.

If the excess is negative, then a gain from a bargain purchase is recognized as profit in the consolidated statement of income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the items for which the accounting is incomplete are measured by provisional amounts.

Where new information obtained during the measurement period, which shall not exceed one year from the acquisition date, if known, would have affected measurement of the amounts recognized as of that date, the provisional amounts recognized at the acquisition date are retrospectively adjusted.

Acquisition-related costs are expensed when incurred. The Group accounts for the acquisition of additional non-controlling interests as an equity transaction, and accordingly, it does not recognize goodwill attributable to such transactions.

(3) Foreign currency translation
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions, or an approximation of the rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rates at the end of each reporting period.

Differences arising from the translation and settlement are recognized in profit or loss. However, exchange differences arising from translation or settlement of financial assets measured at fair value through other comprehensive income (hereinafter, “FVTOCI”) and cash flow hedges are recognized in other comprehensive income.

The assets and liabilities (including goodwill recognized in acquisition and adjustment of fair values) of foreign operations are translated into Japanese yen using the exchange rates at the end of each reporting period, while income and expenses of foreign operations are translated into Japanese yen using the average exchange rate for the period, unless there was significant change in the exchange rate during the period. Differences arising from the translation are recognized in other comprehensive income.

On the disposal of the interest in a foreign operation, the cumulative amount of the foreign currency translation difference related to the foreign operation is reclassified to profit or loss in the same period.

(4) Financial instruments
1) Non-derivative financial assets
(A) Classification
The Group classifies financial assets other than derivatives into financial assets measured at amortized cost, financial assets measured at FVTOCI and financial assets measured at fair value through profit or loss (hereinafter, “FVTPL”).

(a) Financial assets measured at amortized cost
Investments in debt instruments with contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and which are held in order to collect the contractual cash flows are measured at amortized cost.

(b) Debt instruments measured at FVTOCI
Financial assets are classified as debt instruments measured at FVTOCI if both of the following conditions are met:
・The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and sell the asset.
・The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Equity instruments measured at FVTOCI
Financial assets, other than those measured at amortized cost or debt instruments at FVTOCI, whose subsequent changes in the fair value were irrevocably designated at initial recognition as measured at FVTOCI are classified as financial assets measured at FVTOCI.

(d) Financial assets measured at FVTPL
Financial assets, other than those measured at amortized cost or FVTOCI, are classified as financial assets measured at FVTPL. Financial assets measured at FVTPL are measured at fair value at initial recognition, and transaction costs are recognized in profit or loss when incurred.

(B) Initial recognition and measurement
The Group recognizes financial assets when the Group becomes a party to the contractual provisions for the financial assets.

(C) Subsequent measurement
Financial assets are measured according to their classification after initial recognition.

(a) Financial assets measured at amortized cost
Financial assets measured at amortized cost are measured at amortized cost using the effective interest method. Interest incurred is included in finance income in the consolidated statement of income.

(b) Financial assets measured at FVTOCI
(b-1) Debt instruments measured at FVTOCI
Changes in the fair value of debt instruments measured at FVTOCI are recognized in other comprehensive income, except impairment gain or loss and currency exchange difference, until the instruments are derecognized.

When the asset is derecognized, the amount previously recognized in other comprehensive income is transferred to profit or loss.

(b-2) Equity instruments measured at FVTOCI
Changes in the fair value of equity instruments measured at FVTOCI are recognized in other comprehensive income. When the asset is derecognized, or its fair value declines significantly, the amount previously recognized in other comprehensive income is transferred directly to retained earnings.

Dividends from the financial assets are recognized in profit or loss.

(c) Financial assets measured at FVTPL
Financial assets measured at FVTPL are measured at fair value after initial recognition, and the changes in the fair value are recognized in profit or loss.

(D) Derecognition
Financial assets are derecognized when the contractual rights to the cash flow expire or are transferred, or when substantially all the risks and rewards of ownership are transferred. Financial assets are derecognized on the date of the sale when sold in a normal manner.

(E) Impairment loss of financial assets
The Group recognizes an allowance for doubtful accounts on expected credit loss of financial assets measured at amortized cost and debt instruments measured at FVTOCI.

(Determining significant increases in credit risks)
The Group assesses at the end of each reporting period whether the credit risks of financial instruments have significantly increased after initial recognition.

The Group determines whether the credit risk has significantly increased based on changes in the risk of a default occurring after initial recognition, and in assessing whether there is any change in the risk of default, the Group takes into account the following matters:
・Deterioration of the counterparty's financial condition
・Past due information
・Significant changes in credit ratings provided by third-party agencies

(Expected credit loss approach)
Expected credit losses are the present value of the difference between contractual cash flows the Group has a right to receive pursuant to a contract and the cash flows expected to be received by the Group.

If the credit risk on a financial asset has increased significantly after initial recognition, the Group measures the allowance for doubtful accounts for the financial asset at an amount equal to the lifetime expected credit loss.

If the credit risk has not increased significantly, the Group measures the allowance for doubtful accounts for that financial asset at an amount equal to the 12-month expected credit loss.

Notwithstanding the above, the Group measures the allowance for doubtful accounts at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component.

The provision for the allowance for doubtful accounts for financial assets is recognized in profit or loss.

2) Non-derivative financial liabilities
Financial liabilities are classified into financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost at initial recognition.

The Group recognizes financial liabilities measured at amortized cost on the issue date and other financial liabilities on the transaction date when the Group becomes a party to the contractual provisions.

The Group derecognizes financial liabilities when they are extinguished, i.e., when the obligation specified in the contract is discharged or cancelled or expires.

(A) Financial liabilities measured at fair value through profit or loss
Financial liabilities measured at fair value through profit or loss are measured at fair value at initial recognition and thereafter. The subsequent changes in fair value are recognized in profit or loss.

(B) Financial liabilities measured at amortized cost
Financial liabilities other than those measured at fair value through profit or loss are classified as financial liabilities measured at amortized cost. Financial liabilities measured at amortized cost are measured at the fair value less transaction costs that are directly attributable to the issue of the financial liabilities at initial recognition.

Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method after initial recognition, and interest incurred is included in finance costs in the consolidated statement of income.

3) Derivatives and hedge accounting
Derivatives are initially measured at fair value at the date the contract is entered into, and are subsequently remeasured at fair value at the end of each reporting period.

The Group utilizes derivatives, including forward foreign exchange contracts and interest rate swap contracts to mitigate risks such as foreign exchange and interest rate risks.

If derivatives are designated as hedging instruments, the nature of the hedged item determines how gain or loss resulting from remeasurement is recognized.

The Group designates derivatives as hedging instruments of cash flow hedges (i.e., hedging exposure to changes in cash flows from recognized assets or liabilities, or specific risks related to highly probable forecasted transactions).

At the inception of hedges, the Group documents the hedging relationship between a hedging instrument and hedged item to which hedge accounting is applied and the objectives and strategies of risk management for undertaking the hedge.

When a derivative used for hedging offsets the fair value of a hedged item or changes in cash flows, the Group assesses and documents at the inception of the hedging relationship and on an ongoing basis whether the hedging relationship meets the hedge effectiveness requirements.

The Group performs ongoing assessment of hedge effectiveness at the end of each reporting period or, if earlier, upon a significant change in circumstances affecting the hedge effectiveness requirements.

Hedges that qualify for stringent requirements for hedge accounting are accounted for as follows:

(A) Fair value hedges
Gains or losses on hedging instruments are recognized in profit or loss. Gains or losses on hedged items are recognized in profit or loss with adjusting carrying amounts of the hedged items.

(B) Cash flow hedges
The effective portion of gain or loss on hedging instruments is recognized in other comprehensive income, while the ineffective portion is recognized immediately in profit or loss.

The amounts of hedging instruments recognized in other comprehensive income are reclassified to profit or loss when the transactions of the hedged items affect profit or loss.

In cases where hedged items result in the recognition of non-monetary assets or liabilities, the amounts recognized in other comprehensive income are accounted for as adjustments to the original carrying amount of nonmonetary assets or liabilities.

When hedged future cash flow is no longer expected to occur, any related cumulative gain or loss that has been recognized in equity as other comprehensive income is reclassified to profit or loss.

When hedged future cash flow is still expected, any related cumulative gain or loss that has been recognized in equity as other comprehensive income remains in equity until the future cash flow occurs.

4) Offsetting financial assets and financial liabilities
A financial asset and a financial liability is offset and presented as a net amount in the consolidated statement of financial position only when the Group has a legally enforceable right to set off recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5) Fair value of financial instruments
Fair value of financial instruments that are being traded in active financial markets at the end of each reporting period refers to quoted prices or dealer quotations. If there is no active market, fair value of financial instruments is determined using appropriate valuation models.

Determined fair value is classified into three levels according to observability of the inputs of valuation techniques used to measure the fair value.

Level 1 is measured at quoted prices in active markets for identical assets or liabilities.

Level 2 is the fair value of assets or liabilities other than those measured at Level 1, and is measured with inputs that are observable for the asset or liability, either directly or indirectly.

Level 3 is measured with inputs that are unobservable for the asset or liability.

6) Finance income and finance costs
Finance income mainly consists of interest income, dividend income and derivative gain, excluding gains on hedging instruments which are recognized in other comprehensive income. Interest income is recognized upon occurrence using the effective interest method.

Finance costs mainly consist of interest expense and derivative loss, excluding losses on hedging instruments which are recognized in other comprehensive income.

(5) Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments that are readily convertible into known amounts of cash and subject to insignificant risk of change in value, and due within three months from the date of acquisition.

(6) Inventories
The acquisition cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are measured at the lower of acquisition cost or net realizable value, and the costs are determined by primarily using the weighted-average method. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(7) Property, plant and equipment
Property, plant and equipment is measured by using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses.

The acquisition cost includes any costs directly attributable to the acquisition of the asset; and dismantlement, removal and restoration costs; as well as borrowing costs eligible for capitalization.

Except for assets that are not subject to depreciation, such as land, assets are depreciated using the straight-line method over their estimated useful lives. The estimated useful lives of major asset items are as follows:
- Buildings and structures: 15 to 50 years
- Machinery: 10 years
- Tools and fixtures: 2 to 22 years

The estimated useful lives and depreciation method are reviewed at each fiscal year end, with the effect of any changes in estimate being accounted for on a prospective basis.

Upon derecognition of property, plant and equipment, net proceeds from disposal or sales less the carrying amount are recognized in profit or loss.

(8) Investment property
Investment property is property held to earn rentals or for capital appreciation or both.

Investment property is measured by using the cost model for property, plant and equipment and is stated at cost less accumulated depreciation and accumulated impairment losses.

Except for land, assets are depreciated using the straight-line method over their estimated useful lives.

(9) Goodwill and intangible assets
1) Goodwill
Goodwill is not amortized and is stated at acquisition cost less accumulated impairment losses. Goodwill is allocated to assets, cash-generating units or groups of cash-generating units that are identified according to location and type of business and tested for impairment annually or more frequently if there is any indication of impairment.

Impairment losses on goodwill are recognized in profit or loss, and no subsequent reversal is made.

2) Intangible assets
Intangible assets are measured by using the cost model and are stated at cost less accumulated amortization and impairment losses.

Separately acquired intangible assets are measured at cost at initial recognition, and the costs of intangible assets acquired in business combinations are recognized at fair value at the acquisition date.

Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives.

The estimated useful lives of major intangible assets with finite useful lives are as follows:
- Software: 5 years
- Trademark: 10 to 20 years

The estimated useful lives and amortization method of intangible assets are reviewed at each fiscal year end, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are not amortized, but they are tested for impairment annually or more frequently if there is any indication of impairment.

Expenditures on research activities to obtain new scientific or technical knowledge are recognized as expenses when they are incurred.

Expenditures on development activities are capitalized as intangible assets, if, and only if, they are reliably measurable, they are technically and commercially feasible, it is highly probable that they will generate future economic benefits, and the Group intends and has adequate resources to complete their development and use or sell them.

(10) Lease
(Lessee)
Lease liabilities are initially measured at the present value of the accrued lease payments. Right-of-use assets are measured at the initial amount of the lease liabilities adjusted for any initial direct costs and any prepaid lease payments, plus any costs including restoration obligation and other factors under lease contracts.

The lease term is determined by adjusting a estimated reasonably certain option term to the non-cancelable term under the lease agreement.

Right-of-use assets are depreciated using the straight-line method over their estimated useful lives or the lease term, whichever is shorter.

Lease payments are apportioned between financial costs and the reduction of the outstanding liability using the interest method. Financial costs are recognized in the consolidated statements of income.

The Group does not recognize right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases for which the underlying asset is of low-value assets. The Group recognizes the lease payments associated with these leases as expenses on either a straight-line basis or another systematic basis over the lease term.

(Lessor)
Lease payments under operating leases as income are recognized on a straight-line basis over the lease term. Rent income from subleased property is recognized as income.

(11) Impairment loss of non-financial assets
The Group assesses at the end of each fiscal year whether there is any indication that each asset, or the cash-generating unit (or the group of cash-generating units) to which the asset belongs, may be impaired.

When there is any indication of impairment, the recoverable amount of the asset is estimated. The recoverable amount of goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use are estimated at the same time of every fiscal year.

The recoverable amount of an asset or cash-generating unit is measured at the higher of its fair value less costs of disposal or its value in use.

In determining the value in use, estimated future cash flows are discounted to the present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset.

In determining the fair value less costs of disposal, the Group uses an appropriate valuation model supported by available fair value indicators. Only if the recoverable amount of an asset or cash-generating unit falls below its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss recognized.

The Group assesses whether there is any indication that an impairment loss recognized for an asset other than goodwill in prior years may no longer exist or may have decreased, such as if there are any changes in assumptions used for the determination of the recoverable amount.

If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated. In cases where the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, impairment loss is reversed up to the lower of the estimated recoverable amount, or the carrying amount (net of depreciation) that would have been determined if no impairment loss had been recognized in prior years.

(12) Assets held for sale
An asset or asset group that is expected to be recovered through a sale transaction rather than through continuing use is classified as a non-current asset or into a disposal group held for sale when the following conditions are met:

it is highly probable that the asset or asset group will be sold within one year, the asset or asset group is available for immediate sale in its present condition and Group management is committed to the sale plan. In such cases, the non-current asset is not depreciated or amortized and is measured at the lower of its carrying amount and its fair value less costs of disposal.

(13) Employee benefits
1) Post-employment benefits
The Group has corporate pension fund plans, employee pension fund plans and lump-sum payment plans as defined benefit pension plans. Also, the Company and certain consolidated subsidiaries have defined contribution plans, in addition to defined benefit pension plans.

Regarding defined benefit plans, current service costs are calculated using the projected unit credit method in actuarial calculations made at the consolidated fiscal year-end date, and service costs and net interest are recognized in profit or loss when incurred.

As for the discount rate, the discount period is determined based on the period until the expected date of benefit payments in each fiscal year, and the discount rate is determined by reference to market yields on high-quality corporate bonds at the end of the fiscal year corresponding to the discount period.

All of the actuarial gains/losses incurred in the period are recognized in other comprehensive income, and the cumulative amount that is recognized as other components of equity is immediately reclassified to retained earnings. Net retirement benefit liabilities are the present value of defined benefit obligations less fair value of plan assets.

Regarding defined contribution plans, the amount of contributions by the Group is recognized as expenses at the time employees render services that give entitlement to the benefit.

2) Other employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis, and are recognized as an expense when the related services are rendered.

For bonuses, when there is a present legal or constructive obligation to make payments of bonuses, and a reliable estimate of the obligation can be made, the estimated amount to be paid is accounted for as a liability.

For paid absence obligations, when there is a legal or constructive obligation with respect to accumulating paid absence systems and a reliable estimate of the obligation can be made, the estimated amount to be paid based on those systems is accounted for as a liability.

(14) Share-based payments
The Group has implemented share option plans as equity-settled share-based payment plans. The fair value of the share option at the grant date is recognized as an expense over the vesting period, and the corresponding amount is recognized as an increase in other components of equity.

The fair value of options granted is determined using the Black-Scholes model, taking into account the terms and conditions of the options.

(15) Provisions
Provisions are recognized if the Group has present obligations (i.e., legal or constructive obligations) as a result of past events, if it is probable that settling the obligations will require outflows of resources embodying economic benefits and if the obligations can be estimated reliably.

Where the effect of the time value of money is material, the amount of provisions is measured at the present value of the expenditures expected to be required to settle the obligations.

In calculating the present value, the Group uses the pretax discount rate reflecting current market assessments of the time value of money and the risks specific to the liability. Increases due to passage of time are recognized as finance costs.

(Asset retirement obligations)
Costs for restoring of leased property used by the Group to its original condition or removal of hazardous materials associated with the property are estimated based on historical experience and recognized as a provision for asset retirement obligations.

While these costs are expected to be incurred after more than one year, they will be affected by future business plans.

(Provision for losses on lawsuits)
For provisions for losses due to payment of compensation for damages that could arise as a result of lawsuits, the estimated loss resulting from the payment of compensation for damages is recognized if a lawsuit is filed and if it is probable that compensation for damages to an outside third party will have to be paid.

(Restructuring provisions)
Provision for restructuring is recognized at the expected amount of losses on the businesses to be restructured. The provision is recognized when there is a detailed formal plan, and implementation or announcement of such a plan creates valid expectations in other affected parties that the execution of the liquidation plan will be virtually certain.

(16) Revenue from contracts with customers
The Group recognizes revenue in the amount that reflects a consideration to which the Group expects to be entitled in exchange for the transfer of goods and services to customers, based on the following five-step approach:
Step 1: Identify the contracts with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to separate performance obligations
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group sells consumer products, including instant noodles, chilled noodles, frozen noodles, confectionery, and beverages. For sales of such products, because the customer obtains control over the products upon delivery, the performance obligation is judged to have been satisfied and revenue is therefore recognized upon delivery of the products.

Revenue is measured at the consideration promised in a contract with a customer, less discounts, rebates, returned products and other items.

(17) Government grants
Government grants are recognized at fair value when there is a reasonable assurance that the Group will comply with the conditions attached to them and receive the grants. With regard to government grants related to an acquisition of assets, the amount of grants is deducted from the acquisition cost of the assets.

(18) Income tax expenses
Income tax expenses consist of current income taxes and deferred income taxes. Income tax expenses are recognized in profit or loss, except for taxes related to business combinations and taxes related to items that are recognized directly in equity or in other comprehensive income.

1) Current income tax
Tax expenses for the period are measured at the amount of income taxes payable in respect of the taxable profit for a period. These tax amounts are calculated based on tax rates that have been enacted or substantially enacted at the end of the period.

2) Deferred income tax
Deferred income taxes are calculated based on the temporary differences between the tax base of assets and liabilities and the carrying amount at the end of each reporting date.

A deferred tax asset is recognized for deductible temporary differences, carryforward of unused tax losses and tax credits that will reduce future tax obligations to the extent that it is probable that future taxable profit will be available against which they can be utilized. A deferred tax liability is recognized for all taxable temporary differences in principle.

The deferred tax asset or liability is not recognized for the following temporary differences from:
(A) Goodwill
(B) The initial recognition of assets or liabilities in transactions that are not business combinations and that at the time of transaction, affect neither accounting profit nor taxable profit or loss

The deferred tax liability for the taxable temporary differences associated with investments in subsidiaries and associates is not recognized to the extent that it is highly probable that the timing of the reversal of the temporary difference is able to be controlled, and the temporary difference will not reverse in the foreseeable future.

The deferred tax asset for the deductible temporary differences arising from investments in subsidiaries and associates is recognized, to the extent that it is highly probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the fiscal year in which the related temporary differences will reverse, based on tax rates that have been enacted or substantially enacted by the fiscal year end.

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and income taxes are levied by the same taxation authority on the same taxable entity, or income taxes are levied on different taxable entities but these entities intend to settle the current tax assets and liabilities on a net basis or these current tax assets and liabilities will be realized simultaneously.

(19) Equity
1) Ordinary shares
For ordinary shares, their issue prices are recorded in share capital and share surplus. Cost (net of tax) associated with the issue of ordinary shares is deducted from share capital and capital surplus.

2) Treasury shares
When the Group acquires shares of the Company, the amount of the consideration paid, including transaction costs directly attributable to the acquisition, is deducted from equity. When the Group disposes of treasury shares, the difference between the carrying amount and the consideration received from the disposal is recognized in equity.

(20) Earnings per share
Basic earnings per share are calculated by dividing profit or loss for a period attributable to ordinary shareholders of the parent company by the weighted-average number of ordinary shares issued, adjusted by the number of treasury shares during the period.

Diluted earnings per share are calculated by adjusting the effects of dilutive potential ordinary shares.

4. Significant Accounting Estimates and Judgements on Estimates

In preparing the consolidated financial statements in accordance with IFRSs, management is required to apply accounting policies and make judgements, estimates and assumptions that affect the amounts of assets, liabilities, income and expenses.

These estimates and assumptions are reviewed continuously.

The effects of changes in estimates are recognized in the period of the change and in future periods.

Furthermore, due to uncertainties in the estimates and assumptions such as coronavirus disease 2019 (COVID-19), significant adjustments to the carrying amount of assets or liabilities may be required in future periods.

The following are significant accounting estimates and judgements associated with estimates in the consolidated financial statements of the Group.
(A) Financial Instruments (3. Significant Accounting Policies (4) Financial Instruments, 11. Other Financial Assets and 34. Financial Instruments)
(B) Impairment Loss of Non-financial Assets (3. Significant Accounting Policies (11) Impairment loss of non-financial assets and 15. Impairment Loss of Non-financial Assets)
(C) Recoverability of deferred tax assets (3. Significant Accounting Policies (18) Income tax expenses and 18. Income Taxes)
(D) Accounting and valuation of provisions (3. Significant Accounting Policies (15) Provisions and 21. Provisions)
(E) Measurement of defined benefit liabilities (3. Significant Accounting Policies (13) Employee benefits and 23. Employee Benefits)
(F) Estimates of useful life and residual value of property, plant and equipment and intangible assets (3. Significant Accounting Policies (7) Property, plant and equipment, (9) Goodwill and intangible assets, 13. Property, Plant and Equipment and 14. Goodwill and Intangible Assets)
(G) Estimates of the fair value of the assets acquired and liabilities assumed in the business combination (3. Significant Accounting Policies (2) Business combination, 7. Business Combination)

5. New Standards and Interpretations Not Yet Adopted

None of the new accounting standards and interpretations that have been issued or amended by the date of approval of the consolidated financial statements has a material impact on the Group's consolidated financial statements.

6. Segment Information

(1) Outline of reportable segments
The Group's reportable segments are components of the Group for which separate financial information is available and regular evaluation by the Board of Directors is performed in order to make decisions about resources to be allocated and assess its performance.

As the quantitative significance of the "Confectionery and beverages", which was included in "Others", increased from the current consolidated fiscal year, the Group discloses "Confectionery and beverages" reportable segment.

Segment information for the previous consolidated fiscal year is disclosed based on the classification of reportable segments for the current consolidated fiscal year.

The Group employs a holding company system of eight operating companies in Japan and four overseas business regions as strategy platforms. The reportable segments consist of "NISSIN FOOD PRODUCTS," "MYOJO FOODS," "Chilled and frozen foods," "Confectionery and beverages," "The Americas" and "China."

The segments of "NISSIN FOOD PRODUCTS," "MYOJO FOODS," "The Americas" and "China" are mainly operating the business of manufacturing and selling cup and bag-type noodles. The "Chilled and frozen foods" segment is operating the business of manufacturing and selling chilled and frozen foods.

The "Confectionery and beverages" segment is operating the business of manufacturing and selling confectionery and beverages.

(2) Revenues and performances of reportable segments

The accounting methods for the operating segments that are reported are generally the same as described in Note 3 “Summary of significant accounting policies.”

Reportable segment profit is on an operating profit basis. Intersegment revenue and transfers are based on market prices.

Fiscal Year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segments							Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	Confectionery and beverages	The Americas	China	Subtotal				
Revenue											
Sales to external customers	201,314	36,532	57,306	41,934	65,922	43,083	446,094	22,785	468,879	-	468,879
Intersegment sales	1,488	6,543	444	59	6	1,079	9,621	31,843	41,465	(41,465)	-
Total	202,803	43,076	57,751	41,993	65,928	44,162	455,715	54,629	510,344	(41,465)	468,879
Segment profit (Operating profit)	27,573	2,193	1,410	2,193	4,080	4,865	42,317	4,425	46,743	(5,490)	41,252
Finance income	-	-	-	-	-	-	-	-	-	-	2,544
Finance costs	-	-	-	-	-	-	-	-	-	-	1,147
Profit before tax	-	-	-	-	-	-	-	-	-	-	42,650
Other items											
Depreciation and amortization	11,807	1,903	1,344	2,674	1,032	1,938	20,701	4,443	25,144	47	25,191
Impairment losses (non-financial assets)	143	185	-	-	-	-	328	1,018	1,347	-	1,347
Gain on investments accounted for using the equity method	-	-	-	159	-	-	159	4,383	4,543	-	4,543
Capital expenditures	25,488	1,491	1,732	1,801	2,394	4,373	37,281	3,104	40,386	(587)	39,799

Note 1: “Others” consists of the business segments not included in reportable segments such as domestic other business, Europe and Asia.

2: Operating profit under “Reconciliations” amounted to minus ¥ 5,490 million, consisting of minus ¥ 100 million from elimination of intersegment transactions and minus ¥ 5,389 million from group expenses.

3: Segment profit is adjusted to operating profit in the consolidated statement of income.

Fiscal Year ended March 31, 20201(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments							Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	Confectionery and beverages	The Americas	China	Subtotal				
Revenue											
Sales to external customers	205,624	37,551	61,869	56,918	70,873	48,177	481,014	25,092	506,107	-	506,107
Intersegment sales	1,473	5,310	583	56	11	1,145	8,582	31,769	40,352	(40,352)	-
Total	207,097	42,861	62,453	56,975	70,885	49,323	489,597	56,862	546,459	(40,352)	506,107
Segment profit (Operating profit)	32,196	3,183	2,890	3,337	4,047	5,763	51,418	5,958	57,377	(1,845)	55,532
Finance income	-	-	-		-	-	-	-	-	-	1,895
Finance costs	-	-	-		-	-	-	-	-	-	1,193
Profit before tax	-	-	-		-	-	-	-	-	-	56,233
Other items											
Depreciation and amortization	12,879	2,011	1,360	2,845	1,010	2,010	22,118	3,205	25,323	39	25,363
Impairment losses (non-financial assets)	103	-	68	-	-	1	172	-	172	-	172
Gain on investments accounted for using the equity method	-	-	-	362	-	-	362	5,073	5,435	-	5,435
Capital expenditures	13,945	3,392	1,059	3,913	3,639	3,115	29,065	5,193	34,259	(226)	34,032

(Thousands of U.S. dollars)

	Reportable segments							Others (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	NISSIN FOOD PRODUCTS	MYOJO FOODS	Chilled and frozen foods	Confectionery and beverages	The Americas	China	Subtotal				
Revenue											
Sales to external customers	1,857,322	339,184	558,842	514,123	640,174	435,172	4,344,819	226,648	4,571,467	-	4,571,467
Intersegment sales	13,308	47,970	5,270	512	107	10,349	77,518	286,965	364,484	(364,484)	-
Total	1,870,630	387,154	564,113	514,636	640,281	445,521	4,422,338	513,613	4,935,952	(364,484)	4,571,467
Segment profit (Operating profit)	290,819	28,758	26,104	30,146	36,562	52,055	464,447	53,825	518,272	(16,673)	501,599
Finance income	-	-	-		-	-	-	-	-	-	17,120
Finance costs	-	-	-		-	-	-	-	-	-	10,783
Profit before tax	-	-	-		-	-	-	-	-	-	507,936
Other items											
Depreciation and amortization	116,335	18,165	12,292	25,705	9,123	18,161	199,784	28,953	228,737	360	229,098
Impairment losses (non-financial assets)	931	-	615	-	-	15	1,561	-	1,561	-	1,561
Gain on investments accounted for using the equity method	-	-	-	3,272	-	-	3,272	45,823	49,095	-	49,095
Capital expenditures	125,964	30,643	9,570	35,345	32,872	28,144	262,540	46,914	309,455	(2,050)	307,405

Note 1: “Others” consists of the business segments not included in reportable segments such as domestic other business, Europe and Asia.

2: Operating profit under “Reconciliations” amounted to minus ¥ 1,845 million, consisting of minus ¥ 590 million from elimination of intersegment transactions, ¥ 4,589 million from gain from remeasurement due to business combination and minus ¥ 5,845 million from group expenses.

3: Segment profit is adjusted to operating profit in the consolidated statement of income.

(3) Information by product and service

Sales to external customers

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Instant noodles and associated businesses	403,659	425,223	3,840,874
Other businesses	65,219	80,884	730,593
Total	468,879	506,107	4,571,467

Note 1: Classification of the business is based on the type, nature, etc., of products.

2: Main products in each business

(1) Instant noodles and associated businesses: Bag-type noodles, cup-type noodles, chilled foods and frozen foods

(2) Other businesses: Instant rice, confectionery and beverages

(4) Geographical Information (Note1)

Sales to external customers

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Japan	340,636	364,638	3,293,632
The Americas (Note 2)	65,928	70,875	640,194
Other areas	62,315	70,594	637,648
Total	468,879	506,107	4,571,467

Note 1: Revenue is based on the location of the customers, classified by country or region.

2: Major countries of the Americas are the United States and Brazil.

Non-current assets (Note 3)

	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Japan	203,559	223,680	2,020,415
The Americas (Note 4)	16,235	18,079	163,308
Other areas	31,433	35,603	321,592
Total	251,229	277,363	2,505,316

Note 3: Non-current assets are based on the location of the assets and exclude financial instruments, deferred tax assets and retirement benefit assets.

4: Major countries of the Americas are the United States and Brazil.

(5) Major customers

Major customer accounting for 10% or more of consolidated revenue for the year ended March 31, 2020 and 2021 is as follows:

	Main reportable segment	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Mitsubishi Shokuhin Co., Ltd.	NISSIN FOOD PRODUCTS	71,850	73,380	662,814

7. Business Combination

(1) Outline of business combination
(a) Name and description of acquired business
Name of acquired business . . . . KOIKE-YA Inc.
Description of business . . . . Confectionery manufacturing and marketing

(b) Acquisition date
November 20, 2020

(c) Percentage of voting equity interest acquired
Voting equity interests prior to the business combination: 34.54%
Additional voting equity interests acquired at the business combination date: 10.57%
Percentage of equity voting interests after the acquisition: 45.12%

(d) Primary reason for business combination
After the business and capital alliance in May 2011, the Group has continued to strengthen its relationship with KOIKE-YA Inc. by acquiring additional shares in KOIKE-YA Inc. and making it an affiliate in August 2012. Synergies were realized through the establishment of collaborative relationships, such as the launch of joint ventures in overseas businesses, in addition to collaboration in product development, marketing, sales and logistics. The acquisition aims to further promote our efforts to improve corporate value both the Group and KOIKE-YA Inc.

(e) Legal form of the business combination
Cash consideration for the acquisition of shares

(2) Consideration for the acquisition

	(Millions of yen)	(Thousands of U.S. dollars)
	Amount	Amount
Cash	2,255	20,373
Acquisition－date fair value of the acquirer's previously held equity interest in the acquiree	9,063	81,868
Contingent consideration (Note)	(126)	(1,145)
Total	11,192	101,096

Note: The payment amount changes according to the performance of the acquired company. The fair value hierarchy of the contingent consideration is classified as level 3.

(3) Gain from remeasurement due to business combination
Gain from the remeasurement of the acquirer's previously held equity interest in the acquiree due to the business acquisition achieved in the stage of ¥4,589 million ($41,454 thousand) was recognized in "Other income" in the consolidated statement of income.

(4) Fair values of assets acquired and liabilities assumed, non-controlling interests and goodwill at acquisition date

	(Millions of yen)	(Thousands of U.S. dollars)
	Amount	Amount
Current assets		
Cash and cash equivalents	3,485	31,483
Trade and other receivables	6,192	55,938
Inventories	1,977	17,860
Others	1,213	10,957
Non-current assets		
Property, plant and equipment	10,482	94,681
Intangible assets (Note 1)	3,251	29,369
Others	1,291	11,661
Total assets	27,893	251,952
Current Liabilities	9,280	83,823
Non-current liabilities	3,540	31,982
Total liabilities	12,820	115,805
Net asset	15,072	136,147
Non-controlling interests (Note 2)	8,328	75,225
Goodwill (Note 3)	4,447	40,174

Note 1: Intangible assets mainly consist of "trademarks" of ¥2,920 million ($26,375 thousand). The Group measured the trademarks using the Relief from Royalty Method, which uses inputs such as the future business plan and discount rate.
2: Non-controlling interests of acquiree are measured on the proportionate share of the net of identifiable assets and assumed liabilities.
3: Goodwill has mainly arisen from expected future synergy. None of the recognized goodwill is expected to be deductible for tax purposes.

(5) Net cash flows for the acquisition

	(Millions of yen)	(Thousands of U.S. dollars)
	Amount	Amount
Consideration for the acquisitions paid in cash	2,255	20,373
Less: Cash and cash equivalents owned by subsidiaries acquired	(3,485)	(31,483)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation, net of cash acquired	1,230	11,110

(6) Acquisition-related costs
Acquisition-related costs of ¥ 26 million ($234 thousand). are included in "Selling, general and administrative expenses" in the consolidated statement of income.
(7) Impact on the group's financial results
Profit or loss information related to the business combination after the acquisition date and profit or loss information assuming that the business combination took place at the beginning of the reporting period are omitted because the impact on the consolidated statement of income is not material.
Profit or loss information assuming the business combination took place at the beginning of the reporting period has not been audited by the Company's independent auditor.

8. Cash and Cash Equivalents

The details of cash and cash equivalents are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Cash and deposits	60,163	90,294	815,592
Total	60,163	90,294	815,592

9. Trade and Other Receivables

The details of trade and other receivables are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Trade accounts receivable	75,745	78,692	710,800
Trade notes receivable	9	15	136
Accounts receivable - other	2,597	6,596	59,584
Allowance for doubtful accounts	(535)	(581)	(5,252)
Others	114	114	1,038
Total	77,932	84,837	766,306

Note 1: Trade and other receivables is presented net of allowance for doubtful accounts in the consolidated statement of financial position.
2: Trade and other receivables is classified as a financial asset measured at amortized cost.

10. Inventories

The details of inventories are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Merchandise and finished goods	14,522	19,757	178,464
Raw materials and supplies	17,931	21,143	190,979
Total	32,454	40,901	369,444

Note: There is no significant difference between the amount of inventories recognized as expense or cost and cost of sales for the fiscal years ended March 31, 2020 and 2021.

11. Other Financial Assets

(1) Other financial assets

The details of other financial assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Derivative assets	44	39	356
Equity securities	70,341	93,467	844,257
Investment trusts	5,972	3,249	29,348
Bonds	7,369	5,762	52,048
Deposits	2,352	3,975	35,910
Other	1,401	1,387	12,530
Total	87,483	107,881	974,451
Current assets	10,273	6,890	62,241
Non-current assets	77,209	100,990	912,210
Total	87,483	107,881	974,451

Note: Derivative assets and investment trusts are classified as financial assets measured at FVTPL.
Equity securities and bonds are classified as financial assets measured at FVTOCI.
Deposits are classified as financial assets measured at amortized cost.

(2) Equity instruments measured at FVTOCI

The details of major equity instruments measured at FVTOCI and their fair values are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Premier Foods Plc	5,295	23,837	215,318
ONO PHARMACEUTICAL CO., LTD	10,118	11,763	106,252
HOUSE FOODS GROUP INC.	5,992	6,188	55,893
Ezaki Glico Co., Ltd.	9,534	5,974	53,961
Kagome Co., Ltd.	4,372	5,479	49,497
ITOCHU Corporation	2,849	4,557	41,164
SAHA PATHANAPIBUL Pub. Co., Ltd.	2,464	3,544	32,019

Note 1: Equity securities are mainly held for strategic purposes, and thus designated as equity financial assets measured at FVTOCI.
2: The Group derecognizes some financial assets measured at FVTOCI by sale for reasons including asset efficiency and changes in business relationships.

(3) The fair value at the date of sale and cumulative gains or losses on sales of equity instruments sold during the year are as follows:

(Millions of yen)				(Thousands of U.S. dollars)	
FY 3/2020 (From April 1, 2019 to March 31, 2020)		FY 3/2021 (From April 1, 2020 to March 31, 2021)		FY 3/2021 (From April 1, 2020 to March 31, 2021)	
Fair value	Cumulative gains or losses recognized as other comprehensive income (Note)	Fair value	Cumulative gains or losses recognized as other comprehensive income (Note)	Fair value	Cumulative gains or losses recognized as other comprehensive income (Note)
290	220	7,013	1,995	63,353	18,026

Note: The Group transfers the cumulative gains or losses recognized as other comprehensive income in equity to retained earnings.

12. Other Assets

The details of other assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Other current assets			
Prepaid expenses	1,465	1,292	11,679
Advance payments	1,296	1,531	13,837
Consumption tax receivables	4	115	1,041
Other	1,492	1,623	14,663
Total	4,258	4,563	41,222
Other non-current assets			
Prepaid expenses	56	24	221
Retirement benefit assets	117	1,551	14,011
Other	194	357	3,228
Total	368	1,933	17,461

13. Property, Plant and Equipment

(1) Property, Plant and Equipment

The changes in acquisition costs, accumulated depreciation and accumulated impairment losses, and carrying amounts of property, plant and equipment are as follows:

(Millions of yen)

Acquisition Cost	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at March 31, 2019	171,256	204,807	17,296	28,604	13,240	7,520	442,726
Effect of change in accounting policy	-	-	-	-	-	15,355	15,355
Balance at April 1, 2019 (after adjustment)	171,256	204,807	17,296	28,604	13,240	22,875	458,081
Additions	2,126	5,699	846	3	23,982	5,751	38,409
Reclassifications from construction in progress	6,612	20,361	474	3	(27,452)	-	-
Sales and disposals	(1,713)	(9,943)	(597)	(8)	(152)	(798)	(13,214)
Exchange differences on translation of foreign operations	(3,595)	(3,801)	(432)	(390)	(420)	(95)	(8,736)
Other	58	316	(0)	1	(597)	67	(154)
Balance at March 31, 2020	174,743	217,440	17,586	28,213	8,601	27,799	474,386
Additions	2,311	4,894	1,082	180	19,548	3,749	31,766
Additions on business combination	2,047	3,008	94	1,622	2,260	1,447	10,482
Reclassifications from construction in progress	6,732	13,364	565	546	(21,526)	-	(317)
Sales and disposals	(1,148)	(9,404)	(870)	(4)	(879)	(1,248)	(13,555)
Exchange differences on translation of foreign operations	1,303	1,545	156	234	347	132	3,720
Other	(58)	(296)	0	0	144	(793)	(1,002)
Balance at March 31, 2021	185,930	230,553	18,616	30,794	8,496	31,087	505,478

(Millions of yen)

Accumulated depreciation and accumulated impairment losses	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at March 31, 2019	78,640	130,956	13,096	42	905	2,251	225,894
Effect of change in accounting policy	-	-	-	-	-	-	-
Balance at April 1, 2019 (after adjustment)	78,640	130,956	13,096	42	905	2,251	225,894
Depreciation	5,429	12,501	1,281	-	-	4,091	23,304
Sales and disposals	(1,540)	(9,438)	(564)	-	(152)	(80)	(11,775)
Impairment losses	468	498	0	-	-	-	967
Exchange differences on translation of foreign operations	(853)	(1,935)	(279)	-	(14)	(6)	(3,090)
Other	2	386	0	-	(509)	(857)	(977)
Balance at March 31, 2020	82,148	132,968	13,534	42	229	5,398	234,322
Depreciation	5,685	13,100	1,206	-	-	4,146	24,139
Sales and disposals	(898)	(8,217)	(819)	-	-	(848)	(10,783)
Impairment losses	-	170	2	-	-	-	172
Exchange differences on translation of foreign operations	439	1,070	172	-	(5)	23	1,700
Other	(176)	(521)	0	-	(197)	(314)	(1,209)
Balance at March 31, 2021	87,198	138,571	14,097	42	26	8,406	248,343

(Millions of yen)

Carrying amount	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at April 1, 2019	92,615	73,851	4,199	28,561	12,335	5,268	216,831
Balance at March 31, 2020	92,595	84,471	4,051	28,170	8,372	22,401	240,063
Balance at March 31, 2021	98,732	91,982	4,518	30,751	8,469	22,681	257,135

(Thousands of U.S. dollars)

Acquisition Cost	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at March 31, 2020	1,578,393	1,964,057	158,855	254,844	77,691	251,105	4,284,945
Additions	20,875	44,214	9,779	1,628	176,572	33,868	286,935
Additions on business combination	18,496	27,176	855	14,658	20,422	13,076	94,681
Reclassifications from construction in progress	60,809	120,714	5,110	4,940	(194,441)	-	(2,869)
Sales and disposals	(10,378)	(84,945)	(7,863)	(38)	(7,942)	(11,278)	(122,444)
Exchange differences on translation of foreign operations	11,774	13,956	1,416	2,120	3,139	1,198	33,602
Other	(527)	(2,676)	9	0	1,304	(7,167)	(9,058)
Balance at March 31, 2021	1,679,440	2,082,496	168,159	278,152	76,744	280,802	4,565,793

(Thousands of U.S. dollars)

Accumulated depreciation and accumulated impairment losses	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at March 31, 2020	742,013	1,201,056	122,256	387	2,069	48,764	2,116,546
Depreciation	51,359	118,328	10,901	-	-	37,458	218,046
Sales and disposals	(8,114)	(74,224)	(7,401)	-	-	(7,660)	(97,400)
Impairment losses	-	1,542	19	-	-	-	1,562
Exchange differences on translation of foreign operations	3,966	9,669	1,559	-	(46)	212	15,360
Other	(1,596)	(4,712)	7	-	(1,781)	(2,845)	(10,928)
Balance at March 31, 2021	787,628	1,251,658	127,341	387	242	75,929	2,243,185

(Thousands of U.S. dollars)

Carrying amount	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Right-of-use assets	Total
Balance at March 31, 2020	836,380	763,001	36,599	254,456	75,621	202,342	2,168,399
Balance at March 31, 2021	891,812	830,837	40,818	277,765	76,502	204,874	2,322,607

14. Goodwill and Intangible Assets

(1) Goodwill and intangible assets

The changes in acquisition costs, accumulated amortization and accumulated impairment losses, and carrying amounts of goodwill and intangible assets are as follows:

(Millions of yen)

Acquisition cost	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2019	31,694	3,219	10,092	4,339	49,346
Effect of change in accounting policy	-	-	-	35	35
Balance at April 1, 2019 (after adjustment)	31,694	3,219	10,092	4,375	49,382
Additions	-	0	487	844	1,333
Sales and disposals	-	-	(517)	(6)	(523)
Reclassification	-	-	614	(614)	-
Exchange differences on translation of foreign operations	(6,820)	(713)	(85)	(902)	(8,520)
Other	-	-	0	359	360
Balance at March 31, 2020	24,874	2,506	10,592	4,056	42,030
Additions	346	0	356	1,365	2,069
Additions on business combination	4,447	2,920	314	16	7,698
Sales and disposals	-	-	(56)	(1)	(57)
Reclassification	-	-	1,113	(1,113)	-
Exchange differences on translation of foreign operations	(1,424)	(141)	(0)	(139)	(1,705)
Other	-	(299)	17	50	(231)
Balance at March 31, 2021	28,244	4,986	12,339	4,235	49,805

(Millions of yen)

Accumulated amortization and accumulated impairment losses	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2019	31,254	2,826	6,865	3,930	44,876
Effect of change in accounting policy	-	-	-	-	-
Balance at April 1, 2019 (after adjustment)	31,254	2,826	6,865	3,930	44,876
Amortization	-	0	1,793	92	1,887
Sales and disposals	-	-	(115)	(4)	(120)
Exchange differences on translation of foreign operations	(6,817)	(709)	(70)	(880)	(8,477)
Other	-	44	-	13	58
Balance at March 31, 2020	24,437	2,162	8,473	3,152	38,225
Amortization	-	1	958	206	1,167
Sales and disposals	-	-	(39)	-	(39)
Exchange differences on translation of foreign operations	(1,430)	(141)	(0)	(175)	(1,747)
Other	-	36	15	(328)	(276)
Balance at March 31, 2021	23,006	2,058	9,407	2,855	37,328

(Millions of yen)

Carrying amount	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2019	440	393	3,226	409	4,470
Balance at March 31, 2020	437	344	2,119	905	3,806
Balance at March 31, 2021	5,237	2,927	2,931	1,380	12,476

(Thousands of U.S. dollars)

Acquisition cost	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2020	224,679	22,644	95,679	36,645	379,648
Additions	3,130	5	3,223	12,337	18,696
Additions on business combination	40,174	26,375	2,839	150	69,539
Sales and disposals	-	-	(507)	(12)	(520)
Reclassification	-	-	10,058	(10,058)	-
Exchange differences on translation of foreign operations	(12,863)	(1,282)	-	(1,260)	(15,406)
Other	-	(2,701)	160	452	(2,087)
Balance at March 31, 2021	255,121	45,041	111,453	38,253	449,870

(Thousands of U.S. dollars)

Accumulated amortization and accumulated impairment losses	Goodwill	Trademarks	Software	Others	Total
Balance at April 1, 2020	220,730	19,531	76,539	28,471	345,272
Amortization	-	17	8,659	1,869	10,546
Sales and disposals	-	-	(357)	-	(357)
Exchange differences on translation of foreign operations	(12,918)	(1,282)	-	(1,585)	(15,786)
Other	-	328	137	(2,965)	(2,499)
Balance at March 31, 2021	207,811	18,595	84,978	25,790	337,175

(Thousands of U.S. dollars)

Carrying amount	Goodwill	Trademarks	Software	Others	Total
Balance at March 31, 2020	3,949	3,113	19,140	8,174	34,376
Balance at March 31, 2021	47,310	26,446	26,474	12,466	112,698

Note 1: Amortization of intangible assets is included in cost of sales and selling, general and administrative expenses in the consolidated statement of income.

2: Research and development expenditure expensed for the years ended March 31, 2020 and 2021 are ¥ 7,549 million and ¥ 7,852 million ($70,932 thousand), respectively.

(2) Significant intangible assets

Intangible assets included in the consolidated statement of financial position are goodwill (carrying amount: ¥4,447 million($ 40,174 thousand)) and trademarks (carrying amount: ¥2,920 million($ 26,375 thousand)) recognized in connection with the acquisition of KOIKE-YA Inc. in FY2021.

Trademarks recognized through the acquisition of KOIKE-YA Inc. are deemed to be intangible assets with indefinite useful lives, as there is no foreseeable limit to the period over which intangible assets are expected to generate net cash inflows.

(3) Impairment test of goodwill

In the current consolidated fiscal year, the book value of the major goodwill allocated to each cash-generating unit is the goodwill of ¥4,447 million($ 40,174 thousand) recognized through the acquisition of KOIKE-YA Inc. As a result of the impairment test of goodwill, no impairment loss of goodwill was recognized.

Because recoverable amounts are measured at net realizable value based on quoted market prices, the hierarchy of fair value is classified as Level 1.

15. Impairment Loss of Non-financial Asset

The Group allocates property, plant and equipment into cash-generating units based on the smallest identifiable group of assets that generate cash inflows that are largely independent.

The details of impairment losses recognized for assets are as follows:

The impairment losses are included in "Other expenses" in the consolidated statement of income.

FY 3/2020 (from April 1,2019 to March 31,2020)

(Millions of yen)

Segment	Location	Category	Component	FY 3/2020 (From April 1,2019 to March 31,2020)
NISSIN FOOD	Shimonoseki,Yamaguchi prefecture	Idle assets	Machinery and equipment	143
MYOJO FOOD	Ranzan, Saitama prefecture	Business assets	Buildings	12
			Machinery and equipment	173
Others	Uji, Kyoto prefecture	Business assets	Structure	34
			Other assets	320
	Vietnam	Business assets	Buildings	422
			Other assets	235
	Hungary	Idle assets	Machinery and equipment	5
			Tools, furniture and fixtures	0
		Total		1,347

Details of the impairment losses

The Group's business assets are grouped according to manufacturing unit or usage, and the Group's idle assets are grouped on an individual asset basis.

The carrying amount of the relevant assets were reduced to their net recoverable amounts when it was determined that it was not possible that the book values of such assets would be recovered due to a downturn in profitability. As a result, the Group recorded loss on impairment in the consolidated statement of income.

The recoverable value of idle asset is valued at zero as memorandum value, measured at value in use. The recoverable value of business asset is measured at its fair value less costs of disposal or value in use.

Certain business assets are mainly measured at fair value determined by real estate appraisers. The fair value is categorized under Level 3 in the fair value hierarchy since significant unobservable inputs are included.

FY 3/2021 (from April 1,2020 to March 31,2021)

				(Millions of yen)	(Thousands of U.S. dollars)
Segment	Location	Category	Component	FY 3/2021 (From April 1,2020 to March 31,2021)	FY 3/2021 (From April 1,2020 to March 31,2021)
NISSIN FOOD	Shimonoseki, Yamaguchi prefecture	Business assets	Machinery and equipment	103	931
Chilled and frozen foods	Nabari, Mie prefecture	Business assets	Machinery and equipment	66	596
			Tools, furniture and fixtures	2	19
China	China	Business assets	Machinery and equipment	1	15
		Total		172	1,561

Details of the impairment losses

The Group's business assets are grouped according to manufacturing unit or usage, and the Group's idle assets are grouped on an individual asset basis.

The carrying amount of the relevant assets were reduced to their net recoverable amounts when it was determined that it was not possible that the book values of such assets would be recovered due to a downturn in profitability. As a result, the Group recorded loss on impairment in the consolidated statement of income.

The recoverable value of business asset is measured at its fair value less costs of disposal or value in use.

16. Leases

As a lessee, the Group leases assets, including Business Offices.

1. Items that related to right-of-use assets

Depreciation charge, additions, and book values of right-of-use assets are as follows:

(Millions of yen)

Depreciation charge	Buildings and structures	Machineries and vehicles	Tools, furniture and fixtures	Land	Others	Total
FY 3/2020 (From April 1, 2019 to March 31, 2020)	2,690	962	101	308	102	4,165
FY 3/2021 (From April 1, 2020 to March 31, 2021)	2,751	1,016	120	201	163	4,254

(Thousands of U.S. dollars)

Depreciation charge	Buildings and structures	Machineries and vehicles	Tools, furniture and fixtures	Land	Others	Total
FY 3/2021 (From April 1, 2020 to March 31, 2021)	24,855	9,183	1,089	1,821	1,480	38,429

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (From April 1, 2019 to March 31, 2020)	FY 3/2021 (From April 1, 2020 to March 31, 2021)	FY 3/2021 (From April 1, 2020 to March 31, 2021)
Additions to right-of-use assets	6,123	5,218	47,140

(Millions of yen)

Book values	Buildings and structures	Machineries and vehicles	Tools, furniture and fixtures	Land	Others	Total
FY 3/2020 (From April 1, 2019 to March 31, 2020)	11,222	6,323	269	4,458	458	22,731
FY 3/2021 (From April 1, 2020 to March 31, 2021)	11,272	6,057	187	5,066	479	23,063

(Thousands of U.S. dollars)

Book values	Buildings and structures	Machineries and vehicles	Tools, furniture and fixtures	Land	Others	Total
FY 3/2021 (From April 1, 2020 to March 31, 2021)	101,820	54,716	1,696	45,768	4,328	208,327

2. Expenses relating to leases and cash-out-flows

Expenses relating to leases are as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (From April 1, 2019 to March 31, 2020)	FY 3/2021 (From April 1, 2020 to March 31, 2021)	FY 3/2021 (From April 1, 2020 to March 31, 2021)
Interest expenses on lease liabilities	264	256	2,320
Expenses relating to short-term leases accounted for applying the optional recognition exemption	218	169	1,527
Expenses relating to leases of low-value assets accounted for applying the optional recognition exemption	80	73	664

Total amount of cash-out flows incurred by lease are as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2020 (From April 1, 2019 to March 31, 2020)	FY 3/2021 (From April 1, 2020 to March 31, 2021)	FY 3/2021 (From April 1, 2020 to March 31, 2021)
Total cash outflow for leases	4,183	5,119	46,241

Maturity analysis of lease liabilities is described at " Notes to the consolidated financial statements, 34. Financial assets (4) Liquidity risks management".

3. Lessor

The group contracts buildings as operating leases.

Revenues incurred by operating lease contacts are as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	FY2020 (From April 1, 2019 to March 31, 2020)	FY 3/2021 (From April 1, 2020 to March 31, 2021)	FY 3/2021 ((From April 1, 2020 to March 31, 2021)
Lease income (excluding variable leases)	33	33	303
Variable lease payments that do not depend on an index or a rate	-	-	-
Variable lease payments that depend on an index or a rate	-	-	-
Total	33	33	303

Maturity analysis

Due date wise balances of operating leases at each fiscal year end are as follows.

FY 3/2020 (As of March 31, 2020)

(Millions of yen)

	Within 1 year	More than 1 year up to 2 years	More than 2 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	Above 5 years	Total
Total undiscounted lease payments	33	33	33	33	33	1,195	1,363

FY 3/2021 (As of March 31, 2021)

	Within 1 year	More than 1 year up to 2 years	More than 2 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	Above 5 years	Total
Total undiscounted lease payments	33	33	33	33	33	1,162	1,330

(Thousands of U.S. dollars)

	Within 1 year	More than 1 year up to 2 years	More than 2 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	Above 5 years	Total
Total undiscounted lease payments	303	303	303	303	303	10,495	12,013

17. Investment Property

(1) Investment property

The changes in acquisition costs, accumulated depreciation and accumulated impairment losses, and carrying amounts of investment properties are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
Acquisition cost	FY 3/2020 (From April 1, 2019 to March 31, 2020)	FY 3/2021 (From April 1, 2020 to March 31, 2021)	FY 3/2021 (From April 1, 2020 to March 31, 2021)
Beginning balance	8,624	8,624	77,902
Reclassifications from construction in progress	-	317	2,869
Disposals	-	(56)	(510)
Ending balance	8,624	8,885	80,260

	(Millions of yen)		(Thousands of U.S. dollars)
Accumulated depreciation and impairment losses	FY 3/2020 (From April 1, 2019 to March 31, 2020)	FY 3/2021 (From April 1, 2020 to March 31, 2021)	FY 3/2021 (From April 1, 2020 to March 31, 2021)
Beginning balance	1,467	1,515	13,690
Depreciation	48	56	505
Disposals	-	(55)	(497)
Ending balance	1,515	1,516	13,699

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Carrying amount	7,108	7,369	66,561

(2) Fair value

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Investment property	6,968	6,961	62,878

Note 1: Fair value of investment property is mainly determined by external real estate appraisers referring to market prices of similar assets.
2: The fair value is categorized under Level 3 in the fair value hierarchy, as significant unobservable inputs are included.

(3) Income and expense from investment properties

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (From April 1, 2019 to March 31, 2020)	FY2021 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2020 to March 31, 2021)
Rent income	425	438	3,963
Direct expenses	146	160	1,452

18. Income Taxes

(1) Income tax expense
1. Income tax expense

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (From April 1,2019 to March 31,2020)	FY 3/2021 (From April 1,2020 to March 31,2021)	FY 3/2021 (From April 1,2020 to March 31,2021)
Current tax expense			
Tax expense in current year	11,895	13,871	125,299
Total current tax expense	11,895	13,871	125,299
Deferred tax expense			
Occurrence and reversal of temporary differences	(367)	(1,095)	(9,897)
Net changes on unrecognized deferred tax assets	-	117	1,060
Total deferred tax expense	(367)	(978)	(8,837)
Total	11,528	12,893	116,461

2. Reconciliation of effective tax rate

(%)

	FY 3/2020 (From April 1,2019 to March 31,2020)	FY 3/2021 (From April 1,2020 to March 31,2021)
Effective statutory tax rate	30.62	30.62
Gain on investments accounted for using the equity method	(3.26)	(2.96)
Tax credits	(1.72)	(1.70)
Non-deductible permanent items such as dividends received	(1.06)	(0.74)
Gain from remeasurement due to business combination	-	(2.50)
Net changes on unrecognized deferred tax assets	(1.55)	2.48
Other	3.99	(2.27)
Average effective tax rate	27.03	22.93

(2) Deferred tax assets and deferred tax liabilities
1. Deferred tax assets and deferred tax liabilities
Balances and movements of deferred tax assets and deferred tax liabilities by nature are as follows:

(Millions of yen)

	FY 3/2019 (As of April 1, 2019)	Recognized through profit or loss	Recognized in other comprehensive income	Business combination	FY 3/2020 (As of March 31, 2020)
Deferred tax assets					
Net defined benefit liability	1,141	-	(41)	-	1,099
Accounts payable	2,299	532	-	-	2,832
Accrued bonuses	1,255	240	-	-	1,496
Long-term accounts payable	90	8	-	-	98
Property, plant and equipment and intangible assets	5,667	(284)	-	-	5,383
Unused tax losses of subsidiaries	9	37	-	-	47
Other	8,141	(1,453)	-	-	6,688
Total deferred tax assets	18,606	(918)	(41)	-	17,646
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(6,134)	511	-	-	(5,623)
Other financial assets	(13,427)	-	3,459	-	(9,968)
Other	(2,887)	1,282	-	-	(1,604)
Total deferred tax liabilities	(22,449)	1,794	3,459	-	(17,195)
Net amount	(3,843)	875	3,418	-	450

(Millions of yen)

	FY 3/2020 (As of April 1, 2020)	Recognized through profit or loss	Recognized in other comprehensive income	Business combination	FY 3/2021 (As of March 31, 2021)
Deferred tax assets					
Net defined benefit liability	1,099	-	(1,307)	399	191
Accounts payable	2,832	219	-	324	3,377
Accrued bonuses	1,496	214	-	74	1,785
Long-term accounts payable	98	11	-	100	210
Property, plant and equipment and intangible assets	5,383	(171)	-	20	5,231
Unused tax losses of subsidiaries	47	(45)	-	-	1
Other	6,688	(293)	-	83	6,478
Total deferred tax assets	17,646	(64)	(1,307)	1,003	17,276
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(5,623)	(993)	-	-	(6,616)
Other financial assets	(9,968)	-	(5,190)	(5)	(15,163)
Other	(1,604)	1,561	-	(0)	(44)
Total deferred tax liabilities	(17,195)	567	(5,190)	(6)	(21,824)
Net amount	450	502	(6,497)	996	(4,547)

(Thousands of U.S. dollars)

	FY 3/2020 (As of April 1, 2020)	Recognized through profit or loss	Recognized in other comprehensive income	Business combination	FY 3/2021 (As of March 31, 2021)
Deferred tax assets					
Net defined benefit liability	9,935	-	(11,813)	3,607	1,729
Accounts payable	25,586	1,984	-	2,933	30,505
Accrued bonuses	13,518	1,935	-	674	16,127
Long-term accounts payable	888	106	-	908	1,904
Property, plant and equipment and intangible assets	48,623	(1,548)	-	180	47,256
Unused tax losses of subsidiaries	424	(410)	-	-	14
Other	60,414	(2,653)	-	757	58,519
Total deferred tax assets	159,391	(584)	(11,813)	9,062	156,056
Deferred tax liabilities					
Property, plant and Equipment and Intangible assets	(50,792)	(8,975)	-	-	(59,768)
Other financial assets	(90,037)	-	(46,880)	(49)	(136,966)
Other	(14,492)	14,101	-	(8)	(399)
Total deferred tax liabilities	(155,322)	5,126	(46,880)	(57)	(197,134)
Net amount	4,068	4,541	(58,693)	9,005	(41,078)

2. Net amounts of deferred tax assets and deferred tax liabilities included in the consolidated statement of financial position

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Deferred tax assets	12,844	12,174	109,970
Deferred tax liabilities	(12,393)	(16,722)	(151,049)
Net amount	450	(4,547)	(41,078)

(3) Deductible temporary differences and unused tax losses and others for which no deferred tax assets are recognized

Deductible temporary differences and unused tax losses and others for which no deferred tax assets are recognized are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Deductible temporary differences	26,570	25,617	231,393
Carry forwards of unused tax losses	27,677	23,929	216,146
Carry forwards of tax credits	332	211	1,910
Total	54,580	49,758	449,449

Tax loss carryforwards for which no deferred tax assets are recognized will expire as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
1st year	3,092	2,104	19,005
2nd year	2,034	2,170	19,603
3rd year	2,653	1,172	10,595
4th year	1,696	661	5,978
5th year and thereafter	18,201	17,820	160,963
Total	27,677	23,929	216,146

(4) Taxable temporary differences for investments in subsidiaries and affiliates for which no deferred tax liabilities are recognized.

Taxable temporary differences for which no deferred tax liabilities are recognized regarding investments in subsidiaries amount to ¥ 113,654 million, and ¥ 148,522 million ($1,341,545 thousand) as of March 31, 2020 and 2021, respectively.

19. Trade and Other Payables

The details of trade and other payables are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)
Trade payables	54,319	58,856	531,629
Notes payable	1,102	1,106	9,992
Non-trade payables	43,472	52,339	472,765
Other	5,920	6,972	62,978
Total	104,815	119,275	1,077,365

Note: Trade and other payables are classified as financial liabilities measured at amortized cost.

20. Borrowings and Other Financial Liabilities

(1) Details of financial liabilities

The details of borrowings and other financial liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)		
	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	FY 3/2021 (As of March 31, 2021)	Average interest rate	Date of maturity
Derivative liabilities	28	19	176		
Short-term borrowings	3,893	4,285	38,709	0.10%	
Current portion of long-term borrowings	2,738	5,361	48,428	0.34%	
Long-term borrowings	41,630	38,283	345,801	0.30%	2022~2033
Lease liabilities	21,427	21,601	195,117	1.53%	2021~2056
Long-term guarantee deposit	313	624	5,637		
Other	-	212	1,917		
Total	70,030	70,388	635,788		
Current liabilities	10,050	13,502	121,966		
Non-current liabilities	59,980	56,885	513,822		
Total	70,030	70,388	635,788		

Note 1: The average interest rate is the weighted-average interest rate on the balance of borrowings as of March 31, 2021.
2: Derivative liability is classified as financial liability measured at FVTPL, and borrowing is classified as financial liability measured at amortized cost.
3: There are no financial covenants on borrowings that have a significant effect on the Group's financial activities.

(2) Pledged assets for liabilities

1. Pledged assets

	(Millions of yen) FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	(Thousands of U.S. dollars) FY 3/2021 (As of March 31, 2021)
Land	2,188	2,188	19,768
Building and structure	5,128	4,811	43,462
Machinery and vehicle	0	0	0
Total	7,317	7,000	63,232

2. Liabilities related to the pledged assets

	(Millions of yen) FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	(Thousands of U.S. dollars) FY 3/2021 (As of March 31, 2021)
Short-term borrowings	500	-	-
Current portion of long-term borrowings	1,636	1,303	11,776
Long-term borrowings	7,956	6,783	61,271
Total	10,093	8,087	73,047

21. Provisions

The changes in provisions are as follows:

(Millions of yen)

	Provision for asset retirement obligations	Provision for losses on lawsuit	Provision for restructuring	Total
Balance at April 1, 2019	78	279	746	1,104
Increase	-	29	-	29
Decrease (provision used)	-	(71)	(456)	(528)
Decrease (provision reversed)	-	(2)	-	(2)
Increase due to passage of time	0	17	-	17
Exchange differences on translation of foreign operations	-	(74)	-	(74)
Balance at March 31, 2020	78	176	289	544
Increase	-	11	-	11
Decrease (provision used)	-	(6)	(85)	(92)
Decrease (provision reversed)	-	(55)	-	(55)
Increase due to passage of time	0	4	-	4
Exchange differences on translation of foreign operations	-	(5)	-	(5)
Balance at March 31, 2021	78	124	204	407

(Thousands of U.S. dollars)

	Provision for asset retirement obligations	Provision for losses on lawsuit	Provision for restructuring	Total
Balance at March 31, 2020	709	1,592	2,618	4,921
Increase	-	106	-	106
Decrease (provision used)	-	(63)	(775)	(838)
Decrease (provision reversed)	-	(498)	-	(498)
Increase due to passage of time	0	38	-	39
Exchange differences on translation of foreign operations	-	(50)	-	(50)
Balance at March 31, 2021	709	1,125	1,843	3,679

The following table presents the carrying amount of provisions recognized in the consolidated statement of financial position.

	(Millions of yen) FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	(Thousands of U.S. dollars) FY 3/2021 (As of March 31, 2021)
Current liabilities	337	204	1,843
Non-current liabilities	207	203	1,836
Total	544	407	3,679

22. Other Liabilities

The details of other liabilities are as follows:

	(Millions of yen) FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	(Thousands of U.S. dollars) FY 3/2021 (As of March 31, 2021)
Other current liabilities			
Accrued bonuses	4,723	5,770	52,121
Deposits payable	2,750	2,843	25,682
Consumption tax payables	2,712	1,217	10,995
Obligation for unused paid absences	3,969	4,005	36,182
Refund liabilities (accrued rebates)	5,420	4,786	43,232
Other	606	995	8,987
Total	20,183	19,617	177,201
Other non-current liabilities			
Accrued long-term expenses	2,064	2,064	18,644
Other	403	417	3,773
Total	2,467	2,481	22,418

23. Employee Benefits

The Group has adopted funded and unfunded defined benefit pension plans, and defined contribution plans to cover employee retirement benefits.

Funded defined benefit plans have been operated by a corporate pension fund that is legally separated from the Group in accordance with laws and regulations, including the Defined-Benefit Corporate Pension Act.

Certain consolidated subsidiaries have adopted lump-sum payment plans.

Additionally, certain consolidated subsidiaries have also adopted corporate defined contribution plans based on the Defined Contribution Pension Act.

The benefits of the plans are determined based on years of service and salary levels of employees.

The Group, the Board of representatives of corporate pension fund and the pension fund management institutions are legally required to act in the best interests of plan participants in executing their responsibilities for managing the plan assets.

The main defined benefit plan of the Group is exposed to the following actuarial risks.

Investment risk	The discount rate used to determine present value of defined benefit plan obligations is based on market yields on instruments of high-quality corporate bonds. If the profit of plan assets is below the market yields, there is a possibility of a shortage of funds.
Interest rate risk	Interest rate risk involves the potential for an increase in defined benefit plan obligations if market yields on instruments of high-quality corporate bonds decrease. However, it will be partially offset by the increase in fair values of debt instruments or plan assets.
Longevity risk	The present value of the defined benefit plan obligations is calculated based on the mortality rate based on best estimate of the scheme participants during and after employment. Longer life expectancy for scheme participants will result in an increase in defined benefit plan obligations.

(1) Defined Benefit Plans

1. Defined benefit obligations and plan assets

The details of the retirement benefit liabilities and assets recognized in the consolidated statement of financial position are as follows:

	(Millions of yen) FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)	(Thousands of U.S. dollars) FY 3/2021 (As of March 31, 2021)
Present value of the defined benefit obligations	41,422	42,733	385,993
Fair value of plan assets	(35,711)	(39,133)	(353,473)
Net defined benefit liabilities	5,711	3,600	32,519
Amounts recognized in the consolidated statement of financial position			
Retirement benefit liabilities	5,828	5,151	46,531
Retirement benefit assets	117	1,551	14,011

2. Present value of defined benefit obligations

The changes in the present value of defined benefit obligations are as follows:

	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Balance at the beginning	41,914	41,422	374,151
Current service expense	1,859	1,847	16,685
Interest expense	244	285	2,577
Remeasurements			
Actuarial gains and losses arising from changes in demographic assumptions	(38)	(359)	(3,251)
Actuarial gains and losses arising from changes in financial assumptions	(552)	(970)	(8,765)
Actuarial gains and losses arising from experience adjustments	(16)	414	3,746
Benefits paid	(1,964)	(1,677)	(15,151)
Increase by business combination	-	1,758	15,882
Other	(23)	12	117
Balance at the end	41,422	42,733	385,993

3. Fair values of plan assets

The changes in the fair values of plan assets are as follows:

	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Balance at the beginning	36,376	35,711	322,564
Interest income	185	259	2,343
Remeasurements			
Return on plan assets (excluding amounts included in interest income)	(475)	3,246	29,322
Contributions provided by employer	1,407	1,424	12,862
Benefits paid	(1,782)	(1,507)	(13,619)
Balance at the end	35,711	39,133	353,473

4. Details of defined benefit cost

The details of defined benefit cost are as follows:

	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Service cost			
Current service cost	1,859	1,847	16,685
Interest expense	244	285	2,577
Interest income	(185)	(259)	(2,343)
Total defined benefit cost recognized in profit or loss	1,918	1,873	16,919
Remeasurements			
Return on plan assets (excluding amounts included in interest income)	475	(3,246)	(29,322)
Actuarial gains and losses arising from changes in demographic assumptions	(38)	(359)	(3,251)
Actuarial gains and losses arising from changes in financial assumptions	(552)	(970)	(8,765)
Actuarial gains and losses arising from experience adjustments	(16)	414	3,746
Total defined benefit cost recognized in other comprehensive income	(132)	(4,161)	(37,592)
Total	1,785	(2,288)	(20,672)

5. Components of plan assets

The details of plan assets by category are as follows:

FY 3/2020 (As of March 31, 2020)

(Millions of yen)

	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities (Domestic)	2,842	-	2,842
Equity securities (Overseas)	2,773	-	2,773
Bonds (Domestic)	8,589	1,008	9,598
Bonds (Overseas)	2,299	-	2,299
General account for life insurance companies (Note 1)	-	6,041	6,041
Alternative investments (Note 2)	-	9,507	9,507
Other	2,648	-	2,648
Total	19,154	16,556	35,711

FY2021 (As of March 31, 2021)

	(Millions of yen)			(Thousands of U.S. dollars)		
	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities (Domestic)	3,473	-	3,473	31,377	-	31,377
Equity securities (Overseas)	3,708	-	3,708	33,492	-	33,492
Bonds (Domestic)	9,760	-	9,760	88,159	-	88,159
Bonds (Overseas)	2,546	-	2,546	23,003	-	23,003
General account for life insurance companies (Note 1)	-	6,078	6,078	-	54,907	54,907
Alternative investments (Note 2)	-	9,839	9,839	-	88,879	88,879
Other	3,725	-	3,725	33,653	-	33,653
Total	23,214	15,918	39,133	209,685	143,787	353,473

Note 1: A certain interest rate and principal for the general account of life insurance are guaranteed by life insurance companies.

2: Alternative investments include hedge funds and others.

6. Matters related to actuarial assumptions

The significant actuarial assumptions used to measure present value of defined benefit obligations are as follows:

	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)
Discount rate (%)	0.7	0.8
Life expectancy (years)	26.0	26.4

7. Sensitivity analysis of actuarial assumptions

With an assumption of all other actuarial assumptions being constant, changes in the defined benefit obligations calculated according to changes in each significant actuarial assumption arising as of March 31, 2020 and March 31, 2021 are as follows. Sensitivity analysis results may not actually represent changes accurately in defined benefit obligations since other interrelated actuarial assumptions also change.

	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Discount rate increases by 0.5%	(2,789)	(2,761)	(24,941)
Life expectancy increase by 1 year	617	629	5,684

8. Impact on future cash flows
(i) Funding policy for plan assets and expected contributions to plan assets
The funding policies for plan assets of the Group are as follows.

The purpose of the corporate pension fund which is the major component of the Group's plan, is to secure necessary returns over the long term within limits of acceptable risk in assets management in order to ensure benefit and lump-sum payments in the future.

In particular, we set the target return rate and asset composition ratio by investment asset within the allowable risk range specified by the fiscal year, and manage the assets by maintaining that proportion.

For asset composition ratio, we discuss the introduction of plan assets highly correlated with changes in the defined benefit obligation when necessary.

Also, when unforeseen circumstances occur in the market environment, it is possible to temporarily adjust the weight of risk assets according to internal regulations.

In relation to funding the corporate pension fund, rules stipulate that the amount of contributions as of the last day of a fiscal year (i.e., reference date) should be recalculated every five years in order to maintain the balance of the pension financing.

Also, as for the corporate pension reserve as of each fiscal year, the amount of premium contribution will be recalculated if the amount of pension fund falls below the reserve fund after deduction of allowable deficiency carried forward.

During the year ending March 31, 2022, ¥ 1,373 million ($12,401 thousand) will be paid to plan assets as contributions.

(ii) Maturity analysis for the defined benefit obligations
The weighted-average durations of the defined benefit obligations were 15.0 years and 14.6 years as of March 31, 2020 and March 31, 2021, respectively.

(2) Employee benefit expenses
The amounts recognized as cost of sales and selling, general and administrative expenses related to the Employee benefit expenses were ¥ 71,196 million and ¥ 71,203 million ($643,148 thousand) for the years ended March 31, 2020 and 2021, respectively.

24. Equity and Other Equity Items

(1) Equity and treasury shares
1. Shares authorized

(Shares)

	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)
Authorized		
Ordinary shares	500,000,000	500,000,000
Issued		
Beginning balance	105,700,000	105,700,000
Change during the year	-	-
Ending balance	105,700,000	105,700,000

Note:1. All of the issued shares of the Company are ordinary shares that have no par value.

2. Treasury shares

(Shares)

	FY 3/2020 (As of March 31, 2020)	FY 3/2021 (As of March 31, 2021)
Treasury shares		
Beginning balance	1,543,266	1,529,320
Change during the year	(13,946)	(1,084)
Ending balance	1,529,320	1,528,236

Note: The Company adopts share option plans and utilizes treasury shares for delivery of shares due to its exercise. Contract conditions and amounts are described in Note 33. "Share-based payments."

(2) Capital surplus
The Companies Act requires that more than half of the payment or contribution upon issuance of shares must be appropriated as share capital and the rest be appropriated as capital reserve which is included in capital surplus.

Capital reserve may be appropriated to share capital by resolution of the General Meeting of Shareholders.

(3) Retained earnings
The Companies Act requires that an amount equal to one-tenth of dividends must be appropriated as capital reserve or as legal reserve until the total of the aggregate amount of capital reserve and legal reserve equals a quarter of share capital. Legal reserve may be appropriated to reduce a deficit, and also may be reversed by resolution of the General Meeting of Shareholders.

(4) Other components of equity
1. Net gain (loss) on revaluation of financial assets measured at FVTOCI
Net gain (loss) on revaluation of financial assets measured at FVTOCI is the accumulated amount of changes in the fair value of financial assets measured at FVTOCI.

2. Remeasurements of defined benefit plans
Remeasurements of defined benefit plans include the effect of any variances between actuarial assumptions at the beginning of the year and actual results and the effects of changes in actuarial assumptions.

Remeasurements of defined benefit plans are recognized in other comprehensive income and immediately reclassified from other components of equity to retained earnings in the period when they occur.

3. Share of other comprehensive income of investments accounted for using the equity method
Share of other comprehensive income of investments accounted for using the equity method includes net gain (loss) on revaluation of financial assets measured at FVTOCI, remeasurements of defined benefit plans and exchange differences on translation of foreign operations.

4. Exchange differences on translation of foreign operations
Foreign currency translation differences arise from the translation of financial statements of foreign operations prepared in foreign currencies.

5. Cash flow hedges
Cash flow hedge is the portion of the change in the fair value of the hedging instrument that meets the hedge effectiveness requirements under hedge accounting.

25. Dividends

The details of dividends are as follows:

FY 3/2020(From April 1, 2019 to March 31, 2020)
1. Dividend paid

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
General Meeting of Shareholders held on June 26,2019	5,728	55	Mar 31, 2019	Jun 27, 2019
Board of Directors meeting held on November 7,2019	5,729	55	Sep 30, 2019	Nov 28, 2019

2. Dividends with an effective date after the fiscal year end are as follows:

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
General Meeting of Shareholders held on June 25,2020	5,729	55	Mar 31, 2020	Jun 26, 2020

FY 3/2021(From April 1, 2020 to March 31, 2021)
1. Dividend paid

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	(Thousands of U.S. dollars)	(U.S. dollars)
General Meeting of Shareholders held on June 25,2020	5,729	55	Mar 31, 2020	Jun 26, 2020	51,751	0.5
Board of Directors meeting held on November 6,2020	5,729	55	Sep 30, 2020	Nov 27, 2020	51,751	0.5

2. Dividends with an effective date after the fiscal year end are as follows:

Resolution	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	(Thousands of U.S. dollars)	(U.S. dollars)
General Meeting of Shareholders held on June 25,2021	6,771	65	Mar 31, 2021	Jun 28, 2021	61,161	0.6

26. Revenue

The disaggregation of revenue for each product or geographical segment of our reportable segments is as follows:
As the quantitative importance of the "Confectionery and beverages", which was included in "Others", increased from the current consolidated fiscal year, the Group discloses "Confectionery and beverages" reportable segment.
Segment information for the previous consolidated fiscal year is disclosed based on the classification of reportable segments for the current consolidated fiscal year.

Reportable segment	Revenue segment	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
NISSIN FOOD PRODUCTS	Instant noodles	187,296	189,022	1,707,365
	Other	14,017	16,601	149,956
	Total	201,314	205,624	1,857,322
MYOJO FOODS	Instant noodles	35,851	36,801	332,410
	Chilled and frozen products	681	749	6,773
	Total	36,532	37,551	339,184
Chilled and frozen foods	Chilled and frozen products	57,128	61,697	557,286
	Other	178	172	1,555
	Total	57,306	61,869	558,842
Confectionery and beverages	Confectionery and beverages	41,918	56,912	514,067
	Other	16	6	56
	Total	41,934	56,918	514,123
The Americas	Instant noodles	64,318	69,518	627,937
	Chilled and frozen products	1,603	1,354	12,236
	Total	65,922	70,873	640,174
China	Hong Kong	17,618	17,550	158,529
	Mainland China	25,464	30,627	276,642
	Total	43,083	48,177	435,172
Other	Instant noodles	18,187	21,137	190,922
	Beverages and confectionery	355	541	4,891
	Other	4,241	3,413	30,834
	Total	22,785	25,092	226,648
Revenue in the consolidated financial statements		468,879	506,107	4,571,467

27. Selling, General and Administrative Expenses

The details of selling, general and administrative expenses are as follows:

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Advertising expenses	14,078	16,262	146,892
Freight and storage charges	37,267	41,906	378,526
Employee salaries	22,057	22,390	202,240
Promotion expenses	12,670	11,884	107,350
Commissions and charges	9,458	10,812	97,663
Other	33,952	33,334	301,094
Total	129,485	136,590	1,233,767

28. Other Income and Other Expenses

The details of other income are as follows:

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Other income			
Gain on sales of fixed assets	592	397	3,590
Subsidy	356	1,111	10,035
Gain from remeasurement due to business combination (Note)	-	4,589	41,454
Other	1,003	966	8,731
Total	1,951	7,064	63,811

Note: Details of gain from remeasurement due to business combination are described in Note 7 “Business Combination.”

The details of other expenses are as follows:

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Other expenses			
Loss on disposal and sales of fixed assets	468	386	3,489
Impairment losses (Note)	1,347	172	1,561
Loss on liquidation of associates	383	-	-
Other	837	1,574	14,226
Total	3,036	2,134	19,277

Note: Details of impairment losses are described in Note 15 “Impairment Loss of Non-financial Assets.”

29. Finance Income and Finance Costs

The details of finance income are as follows:

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Finance income			
Dividend income			
Financial assets measured at FVTOCI			
Investments derecognized during the year	5	127	1,148
Investments held at the end of the year	1,469	1,231	11,121
Subtotal	1,474	1,358	12,270
Interest income			
Financial assets measured at amortized cost	981	514	4,648
Subtotal	981	514	4,648
Derivative income	39	-	-
Other	47	22	201
Total	2,544	1,895	17,120

The details of finance costs are as follows:

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Finance costs			
Interest expense			
Borrowings	319	309	2,795
Lease liabilities	264	256	2,320
Subtotal	583	566	5,115
Foreign exchange loss	501	399	3,607
Commissions and charges	-	212	1,917
Other	61	15	142
Total	1,147	1,193	10,783

30. Cash Flow

Reconciliation of liabilities arising from financing activities

The changes in liabilities arising from financing activities are as follows:

FY 3/2020(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Long-term borrowings (Note 1)	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at April 1, 2019	17,030	25,370	19,558	29
Movement by cash inflow/outflow from financing activities	27,480	(21,375)	(4,183)	-
Acquisition	-	-	6,123	-
Exchange differences on translation of foreign operations	(141)	(102)	(70)	-
Fair value movement	-	-	-	(1)
Balance at March 31, 2020	44,368	3,893	21,427	28

FY 3/2021(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Long-term borrowings (Note 1)	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at April 1, 2020	44,368	3,893	21,427	28
Movement by cash inflow/outflow from financing activities	(926)	(551)	(5,119)	-
Acquisition	-	-	3,771	-
Acquisition by business combination	-	500	1,417	-
Exchange differences on translation of foreign operations	202	443	104	-
Fair value movement	-	-	-	(8)
Balance at March 31, 2021	43,645	4,285	21,601	19

(Thousands of U.S. dollars)

	Long-term borrowings	Short-term borrowings	Lease liabilities	Derivative liabilities
Balance at April 1, 2020	400,765	35,164	193,546	253
Movement by cash inflow/outflow from financing activities	(8,366)	(4,979)	(46,241)	-
Acquisition	-	-	34,064	-
Acquisition by business combination	-	4,516	12,805	-
Exchange differences on translation of foreign operations	1,831	4,007	942	-
Fair value movement	-	-	-	(76)
Balance at March 31, 2021	394,229	38,709	195,117	176

Note 1: Long-term borrowings include long-term borrowings due within one year.

31. Other Comprehensive Income

The details of other comprehensive income and the amount arising during the current year, reclassification adjustments to profit or loss and the related tax effects are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (From April 1,2019 to March 31,2020)	FY 3/2021 (From April 1,2020 to March 31,2021)	FY 3/2021 (From April 1,2020 to March 31,2021)
Items that will not be reclassified to profit or loss			
Equity instruments measured at FVTOCI			
Amount arising during the year	(15,146)	29,602	267,388
Before income tax effect	(15,146)	29,602	267,388
Income tax effect	3,453	(5,196)	(46,938)
Equity instruments measured at FVTOCI	(11,692)	24,405	220,449
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	57	74	674
Share of other comprehensive income of investments accounted for using the equity method	57	74	674
Remeasurements of defined benefit plans			
Amount arising during the year	132	4,230	38,216
Before income tax effect	132	4,230	38,216
Income tax effect	(41)	(1,307)	(11,813)
Remeasurements of defined benefit plans	91	2,923	26,403
Total items that will not be reclassified to profit or loss	(11,543)	27,403	247,527
Items that may be reclassified to profit or loss			
Debt instruments measured at FVTOCI			
Amount arising during the year	(36)	(6)	(57)
Reclassification adjustments	7	29	266
Before income tax effect	(28)	23	209
Income tax effect	9	(7)	(71)
Debt instruments measured at FVTOCI	(19)	15	137
Foreign currency translation differences on foreign operations			
Amount arising during the year	(8,252)	3,551	32,081
Reclassification adjustments	-	-	-
Before income tax effect	(8,252)	3,551	32,081
Income tax effect	-	-	-
Foreign currency translation differences on foreign operations	(8,252)	3,551	32,081
Cash flow hedges			
Amount arising during the year	52	37	340
Reclassification adjustments	(45)	(34)	(312)
Before income tax effect	6	3	28
Income tax effect	(3)	(0)	(8)
Cash flow hedges	2	2	19
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	2,046	(3,625)	(32,748)
Reclassification adjustments	-	-	-
Share of other comprehensive income of investments accounted for using the equity method	2,046	(3,625)	(32,748)
Items that may be reclassified to profit or loss	(6,222)	(56)	(509)
Total of other comprehensive income (loss)	(17,766)	27,347	247,018

32. Earnings per Share

(1) Basic earnings per share

	FY 3/2020 (From April 1,2019 to March 31,2020)	FY 3/2021 (From April 1,2020 to March 31,2021)	(Thousands of U.S. dollars) FY 3/2021 (From April 1,2020 to March 31,2021)
Profit for the year attributable to owners of the parent (Millions of yen)	29,316	40,828	368,789
Weighted-average number of ordinary shares outstanding (One hundred shares)	1,041,650	1,041,716	
Basic earnings per share (Yen)	281.45	391.94	3.54

(2) Diluted earnings per share

	FY 3/2020 (From April 1,2019 to March 31,2020)	FY 3/2021 (From April 1,2020 to March 31,2021)	FY 3/2021 (From April 1,2020 to March 31,2021)
Profit for the year attributable to owners of the parent (Millions of yen)	29,316	40,828	368,789
Profit adjustments (Millions of yen)	-	-	-
Diluted profit for the year (Millions of yen)	29,316	40,828	368,789
Weighted-average number of ordinary shares outstanding (One hundred shares)	1,041,650	1,041,716	
Adjustment due to stock acquisition rights to shares (One hundred shares)	5,643	6,001	
Diluted weighted-average number of ordinary shares (One hundred shares)	1,047,293	1,047,718	
Diluted earnings per share (Yen)	279.93	389.69	3.51
Outline of dilutive shares without dilutive effect that were not included in the calculation of diluted profit	-	-	-

33. Share-Based Payments

(1) Outline of share-based payments

The Company issues stock acquisition rights as stock options to directors, executive officers and employees in order to motivate and inspire the recipients to enhance the Company's results and value of shares.

Exercise periods are defined in allocation contracts, and options expire if they are not exercised within the period.

The options will also be forfeited if a person granted options retires from the Company, unless permitted in allocation contracts (e.g., expiration of the term).

The options granted are accounted for as equity-settled share-based payments.

Expenses arising from equity-settled share-based payment transactions recorded in selling, general and administrative expenses of the consolidated statement of income and amounted to ¥ 270 million and ¥ 368 million ($3,323thousand) for the years ended March 31, 2020 and 2021, respectively.

The details of the Group's stock option plan are as follows:

	Grant date	Options granted (Shares)	Due date for exercise	Exercise price (Yen)	Fair value at grant date (Yen)	Fair value at grant date (U.S. dollars)
2nd	Jun 26, 2009	74,300	Jun 26, 2049	1	2,325	21
3rd	Jun 26, 2009	3,155	Jun 26, 2049	1	2,677	24
4th	Jun 26, 2009	11,284	Jun 26, 2049	1	2,677	24
6th	Jun 29, 2010	73,200	Jun 29, 2050	1	2,616	23
7th	Jun 29, 2010	5,710	Jun 29, 2050	1	3,003	27
8th	Jun 29, 2010	21,329	Jun 29, 2050	1	3,003	27
9th	Jun 29, 2011	73,200	Jun 29, 2051	1	2,141	19
10th	Jun 29, 2011	11,049	Jun 29, 2051	1	2,614	23
11th	Jun 29, 2011	22,677	Jun 29, 2051	1	2,614	23
13th	Jun 28, 2012	85,900	Jun 28, 2052	1	2,244	20
14th	Jun 28, 2012	8,666	Jun 28, 2052	1	2,709	24
15th	Jun 28, 2012	26,477	Jun 28, 2052	1	2,709	24
17th	Jun 26, 2013	80,000	Jun 26, 2053	1	3,003	27
18th	Jun 26, 2013	7,990	Jun 26, 2053	1	3,461	31
19th	Jun 26, 2013	26,914	Jun 26, 2053	1	3,461	31
21st	Jun 26, 2014	56,500	Jun 26, 2054	1	4,323	39
22nd	Jun 26, 2014	7,179	Jun 26, 2054	1	4,805	43
23rd	Jun 26, 2014	19,837	Jun 26, 2054	1	4,805	43
24th	Jun 25, 2015	52,300	Jun 25, 2055	1	4,692	42
25th	Jun 25, 2015	7,284	Jun 25, 2055	1	5,162	46
26th	Jun 25, 2015	17,141	Jun 25, 2055	1	5,162	46
28th	Jun 28, 2016	39,500	Jun 28, 2056	1	4,830	43
29th	Jun 28, 2016	4,249	Jun 28, 2056	1	5,322	48
30th	Jun 28, 2016	9,627	Jun 28, 2056	1	5,322	48
33rd	Jun 28, 2017	35,500	Jun 28, 2057	1	6,027	54
34th	Jun 28, 2017	11,048	Jun 28, 2057	1	6,841	61
35th	Jun 28, 2017	10,893	Jun 28, 2057	1	6,841	61
36th	Jun 27, 2018	33,600	Jun 27, 2058	1	7,247	65
37th	Jun 27, 2018	10,007	Jun 27, 2058	1	8,098	73
38th	Jun 27, 2018	9,377	Jun 27, 2058	1	8,098	73
40th	Jun 27, 2019	29,700	Jun 26, 2059	1	5,768	52
41st	Jun 27, 2019	7,120	Jun 26, 2059	1	6,749	60
42nd	Jun 27, 2019	7,537	Jun 26, 2059	1	6,749	60
43rd	Jun 25, 2020	30,000	Jun 25, 2060	1	8,195	74
44th	Jun 25, 2020	5,252	Jun 25, 2060	1	9,134	82
45th	Jun 25, 2020	7,481	Jun 25, 2060	1	9,134	82
46th	Mar 31, 2021	212	Mar 31, 2061	1	8,208	74
47th	Mar 31, 2021	532	Mar 31, 2061	1	8,208	74

(2) Number of stock options and weighted-average exercise price

	FY 3/2020 (From April 1,2019 to March 31,2020)		FY 3/2021 (From April 1,2020 to March 31,2021)	
	Number of shares (Shares)	Weighted-average exercise price (Yen)	Number of shares (Shares)	Weighted-average exercise price (Yen)
Beginning balance of outstanding shares	536,177	1	565,769	1
Granted	44,357	1	43,477	1
Exercised	14,765	1	1,617	1
Expired	-	-	-	-
Expired at maturity	-	-	-	-
Ending balance of outstanding shares	565,769	1	607,629	1
Ending balance of exercisable shares	565,769	1	607,629	1

As of March 31, 2020, the exercise price of outstanding stock options was 1 yen and the weighted-average remaining contractual life was 33.95 years.

The weighted-average share price on the date of exercise for the fiscal year ended March 31, 2020 was ¥ 7,192.09 ($64.96).

As of March 31, 2021, the exercise price of outstanding stock options was 1 yen and the weighted-average remaining contractual life was 33.40 years.

The weighted-average share price on the date of exercise for the fiscal year ended March 31, 2021 was ¥ 9,342.81 ($84.38).

(3) Fair value measurement of stock options

The weighted-average fair value at the measurement date of the stock options granted during the years ended March 31, 2020 and March 31, 2021 was ¥ 6,092.15 and ¥ 8,470.23 ($76.50), respectively.

To determine the expenses for share-based payments, the Black-Sholes option-pricing model is used to evaluate options.
The assumptions used for the Black-Sholes option-pricing model are as follows:

FY 3/2020(From April 1, 2019 to March 31, 2020)

	40th	41st	42nd
Stock price at grant date (Yen)	7,000	7,000	7,000
Volatility of stock price (%) (Note 1)	23.06	19.62	19.62
Estimated remaining outstanding period (Years) (Note 2)	12.4	2.3	2.3
Estimated dividend (Yen per share) (Note 3)	110	110	110
Risk free interest rate (%) (Note 4)	(0.05)	(0.23)	(0.23)

FY 3/2021(From April 1, 2020 to March 31, 2021)

	43rd	44th	45th	46th	47th	43rd (U.S. dollars)	44th (U.S. dollars)	45th (U.S. dollars)	46th (U.S. dollars)	47th (U.S. dollars)
Stock price at grant date (Yen)	9,400	9,400	9,400	8,210	8,210	84	84	84	74	74
Volatility of stock price (%) (Note 1)	23.30	24.45	24.45	0.90	0.90					
Estimated remaining outstanding period (Years) (Note 2)	11.8	2.5	2.5	0.0	0.0					
Estimated dividend (Yen per share) (Note 5)	110	110	110	110	110	0.99	0.99	0.99	0.99	0.99
Risk free interest rate (%) (Note 4)	0.11	(0.15)	(0.15)	(0.05)	(0.05)					

Note 1: The volatility of stock prices is determined based on the stock price history in the most recent period that corresponds with the expected remaining outstanding period from grant date.
2: The estimated remaining outstanding period is determined mainly based on the average duration of service.
3: The estimated dividend is determined based on the dividend during the period ended March 31, 2019.
4: The risk free interest rate is determined based on the average compound rate of long-term government bonds whose maturity is close to the estimated remaining outstanding period.
5: The estimated dividend is determined based on the dividend during the period ended March 31, 2020.

34. Financial Instruments

(1) Capital management

The Group manages its capital in accordance with finance policy focused on financial health, equity profitability and equity efficiency in order to maximize enterprise value with continuous growth as a going concern.

Comparison between net liabilities and equity of the Group is as follows.

	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Interest-bearing debts	69,689	69,532	628,056
Cash and cash equivalents	60,163	90,294	815,592
Interest-bearing debts (Net)	9,525	(20,762)	(187,536)
Equity (Equity attributable to owners of the parent)	327,994	384,016	3,468,668

(2) Financial risk management

The Group is exposed to a variety of risks, such as credit risk, liquidity risk and market risk (foreign exchange risk and interest rate risk).

The Group utilizes derivatives, including forward foreign exchange contracts and interest rate swap contracts to hedge market risk.

Derivative transactions are used according to the authorization policy set by the Group, and the Group does not have a policy to execute speculative transactions by utilizing derivative assets.

The Group funds required capital (mainly by bank loan) in accordance with the capital expenditure plan. Temporary surplus cash is invested in highly secured financial instruments, and short-term working capital is funded by bank loan.

The Group is always exposed to financial risks during corporate operation. The Group enters into risk management in order to minimize financial risks. The Group prevents the sources of the risks and tries to minimize risks when they are not avoidable.

(3) Credit risk management

Credit risk is the financial loss risk that a customer or counterparty of financial instruments will default on contractual obligations.

The Group is exposed to credit risks of customers associated with trade accounts receivable, trade notes receivable and other receivables (loan receivables to customers).

The sales management and accounting departments of the Group monitor the financial situations of major customers on a regular basis in accordance with the Group's policy for trade receivables, and also control due dates and outstanding balances for each customer.

The Group also identifies indications of concern regarding collections from the parties whose financial situations worsen and minimizes such risks. Concentration of credit risks on specific customer does not exist.

There is counterparty risk when the Group utilizes derivative transactions. The Group enters into derivative transaction generally with highly rated financial institutions in order to reduce credit risk.

For financial assets, the maximum exposure of the Group is the total of carrying amount after impairment disclosed in the consolidated financial statements and the balance of guarantee liabilities.

There is no material balance of overdue receivables which has not been impaired.

Receivables with carrying amounts that are expected to be difficult to collect are recognized as impairment loss for the amount between the carrying and recoverable amount.

The changes of allowance for doubtful accounts are as follows:

(Millions of yen)

	Expected credit losses in 12 months	Expected credit losses in lifetime: Trade receivables	Expected credit losses in lifetime: Financial assets whose credit losses increased significantly	Expected credit losses in lifetime: Credit-impaired financial assets	Total
Balance at April 1, 2019	1	372	122	3	499
Increase	1	74	-	1	77
Decrease	(0)	(108)	(1)	-	(109)
Direct write-offs	-	(7)	-	-	(7)
Foreign exchange	-	(9)	-	(1)	(10)
Other	0	75	-	11	87
Balance at March 31, 2020	2	396	121	15	535
Increase	35	138	-	0	174
Decrease	(1)	(89)	-	-	(91)
Direct write-offs	-	(3)	-	-	(3)
Foreign exchange	-	4	-	0	4
Other	-	(34)	-	(3)	(37)
Balance at March 31, 2021	35	411	121	12	581

(Thousands of U.S. dollars)

	Expected credit losses in 12 months	Expected credit losses in lifetime			Total
		Trade receivables	Financial assets whose credit losses increased significantly	Credit-impaired financial assets	
Balance at March 31, 2020	19	3,581	1,094	142	4,837
Increase	316	1,253	-	4	1,573
Decrease	(13)	(811)	-	-	(825)
Direct write-offs	-	(30)	-	-	(30)
Foreign exchange	-	37	-	0	37
Other	-	(311)	-	(31)	(342)
Balance at March 31, 2021	322	3,718	1,094	116	5,252

(4) Liquidity risk management

Liquidity risk is the risk that the Group will encounter troubles in cash control due to changes in market environment or deterioration of financial results of the subsidiaries of the Group, or that the Group will have no alternative but to raise funds with costs substantially higher than usual.

Trade and other payables, interest-bearing debts and other non-current payables are exposed to liquidity risk. The Group controls the risk by preparing and updating its cash flow plans on a timely basis and maintaining enough liquidity.

Maturity analysis of financial liabilities (including derivative financial instruments) is as follows.

FY 3/2020(As of March 31, 2020)

(Millions of yen)

	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Non-derivative financial liabilities								
Trade and other payables	104,815	104,815	104,815	-	-	-	-	-
Borrowings	48,261	48,261	6,631	4,722	7,597	7,515	7,153	14,641
Lease obligations	21,427	23,901	3,799	3,129	2,307	2,154	1,888	10,620
Non-current guarantee deposit received	314	314	-	-	0	-	-	314

(Millions of yen)

	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year
Derivative financial liabilities				
Interest rate swap contracts	28	28	-	28

FY 3/2021(As of March 31, 2021)

(Millions of yen)

	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Non-derivative financial liabilities								
Trade and other payables	119,275	119,275	119,275	-	-	-	-	-
Borrowings	47,930	48,028	9,647	8,568	8,483	8,084	7,632	5,611
Lease liabilities	21,601	24,185	4,466	3,301	2,625	2,304	1,850	9,636
Non-current guarantee deposit received	624	624	-	3	-	0	-	620
Other financial liabilities	212	212	-	-	212	-	-	-

(Millions of yen)

	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year
Derivative financial liabilities				
Interest rate swap contracts	19	19	-	19

(Thousands of U.S. dollars)

	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Non-derivative financial liabilities								
Trade and other payables	1,077,365	1,077,365	1,077,365	-	-	-	-	-
Borrowings	432,939	433,821	87,138	77,399	76,628	73,022	68,944	50,688
Lease liabilities	195,117	218,455	40,345	29,819	23,715	20,816	16,711	87,046
Non-current guarantee deposit received	5,637	5,637	-	28	-	1	-	5,606
Other financial liabilities	1,917	1,917	-	-	1,917	-	-	-

(Thousands of U.S. dollars)

	Carrying amount	Contractual cash flow	Within 1 year	More than 1 year
Derivative financial liabilities				
Interest rate swap contracts	176	176	-	176

(5) Market risk management

Market risk is the risk that fair value of financial instruments or future cash flows will fluctuate due to changes in market prices. Market risk consists of foreign exchange risk, interest rate risk and other price risk.

1. Foreign exchange risk control

Foreign exchange risk is the risk that fair value of financial instruments or future cash flows will fluctuate due to changes in foreign exchange rates.

In terms of imports in foreign currencies, the Group utilizes forward foreign exchange contracts to reduce risk. However, cost fluctuations greater than those expected may temporarily occur due to foreign exchange rate fluctuations.

The principal foreign exchange risk of the Group is the rise of purchase prices due to fluctuations in foreign exchange rates.

Sensitive analysis of foreign exchange rates

Assuming that the Japanese yen appreciates by 1% against the US dollar, the effect on income before tax is as follows.

The effect of translation of financial instruments based on functional currency and assets, liabilities, income and expenses of foreign operations are not included.

And it is assumed that other currencies which are not used in this calculation remain constant.

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (From April 1, 2019 to March 31, 2020)	FY 3/2021 (From April 1, 2020 to March 31, 2021)	FY 3/2021 (From April 1, 2020 to March 31, 2021)
Income before tax	44	(386)	(3,495)

2. Interest rate risk management

Interest rate risk is the risk that fair values of financial instruments or future cash flows will fluctuate due to changes in market interest rate.

The Group is exposed to interest rate risk due to borrowing funds from financial institutions.

The Group is exposed to interest rate risk because the Group borrows funds with fixed interest rates and variable interest rates.

The Group reduces such risk by maintaining a balance of borrowings with fixed interest rates and variable interest rates, and also utilizes interest rate swap contracts.

Sensitivity analysis of interest rates

Assuming that interest rates increase by 1% for the borrowings with variable interest rates and the expected original principal remains constant, the effect on income before tax of the Group is as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (From April 1, 2019 to March 31, 2020)	FY 3/2021 (From April 1, 2020 to March 31, 2021)	FY 3/2021 (From April 1, 2020 to March 31, 2021)
Income before tax	230	171	1,551

(6) Fair value of financial instruments

1. Measurement of fair value of financial instruments

The measurements of major financial instruments are as follows.

(a) Equity securities
Marketable securities are measured using market prices at the end of each fiscal year.
Non-marketable securities are measured in accordance with valuation techniques including the net assets approach, market comparable approach and the discounted cash flow approach.
The market comparable approach calculates the share value of the investee by selecting listed companies that belong to similar industries and analyzing their financial indicators.
Under the discounted cash flow approach, the fair value is calculated by capital cost and earnings.

(b) Investment trusts and bonds
Investment trusts and bonds are calculated based on the quoted price obtained from the financial institutions with which the Company has transactions.

(c) Derivatives
Derivatives are calculated based on the quoted price obtained from the financial institutions with which the Company has transactions.

(d) Borrowings
Borrowings with variable interest rates are stated at their book values because their fair values are deemed to be nearly equal to their book values.
The fair value of borrowings is the present value of remaining principal and interest discounted using a deemed interest rate on equivalent new borrowings.

2. Financial instruments measured at fair value on a recurring basis
The fair value hierarchy of financial instruments measured at fair value on a recurring basis in the consolidated statement of financial position is as follows:

FY 3/2020(As of March 31, 2020)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	-	44	-	44
Equity securities	67,637	-	2,704	70,341
Investment trusts	112	5,808	-	5,921
Bonds	50	5,090	-	5,140
Total	67,799	10,943	2,704	81,447
Financial liabilities:				
Derivative liabilities	-	28	-	28
Total	-	28	-	28

FY 3/2021(As of March 31, 2021)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	-	39	-	39
Equity securities	90,523	-	2,943	93,467
Investment trusts	172	3,076	-	3,249
Bonds	50	5,712	-	5,762
Total	90,746	8,828	2,943	102,518
Financial liabilities:				
Derivative liabilities	-	19	-	19
Other	-	-	212	212
Total	-	19	212	231

(Thousands of U.S. dollars)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative assets	-	356	-	356
Equity securities	817,667	-	26,590	844,257
Investment trusts	1,555	27,793	-	29,348
Bonds	451	51,596	-	52,048
Total	819,674	79,746	26,590	926,010
Financial liabilities:				
Derivative liabilities	-	176	-	176
Other	-	-	1,917	1,917
Total	-	176	1,917	2,094

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2020 and 2021.
The changes in financial instruments categorized as Level 3 are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (From April 1,2019 to March 31,2020)	FY 3/2021 (From April 1,2020 to March 31,2021)	FY 3/2021 (From April 1,2020 to March 31,2021)
Beginning balance	3,007	2,704	24,427
Gains and losses			-
Other comprehensive income (Note)	52	21	194
Purchases	50	62	567
Sales and settlements	(405)	(0)	(4)
Increase from business combination	-	155	1,405
Ending balance	2,704	2,943	26,590

Note: Gains and losses recognized in other comprehensive income are included in “Financial assets measured at FVTOCI” in the consolidated statement of comprehensive income.

The changes in financial liabilities categorized as Level 3 are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	FY 3/2020 (From April 1,2019 to March 31,2020)	FY 3/2021 (From April 1,2020 to March 31,2021)	FY 3/2021 (From April 1,2020 to March 31,2021)
Beginning balance	-	-	-
Gains and losses (Note)	-	212	1,917
Ending balance	-	212	1,917

Note: The gains and losses included in profit or loss relate to financial liabilities measured at fair value through profit or loss at the balance sheet date. These gains and losses are included in "Other expenses" in the consolidated statements of income.

If the unobservable inputs have been changed to reflect reasonably possible alternative assumptions, the effect is expected to be insignificant.

3. Financial instruments measured at amortized cost
The carrying amount and fair value of major financial instruments measured at amortized cost are as follows:

	(Millions of yen)				(Thousands of U.S. dollars)	
	FY 3/2020 (As of March 31, 2020)		FY 3/2021 (As of March 31, 2021)		FY 3/2021 (As of March 31, 2021)	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities						
Borrowings (Note)	44,368	44,401	43,645	43,618	394,229	393,987
Total	44,368	44,401	43,645	43,618	394,229	393,987

Note: Borrowings including current portion of long-term borrowings are mainly classified into Level 3. The fair value of borrowings is the present value of remaining principal and interest discounted using a deemed interest rate on equivalent new borrowings.

4. Valuation process
Fair values of financial instruments are measured in accordance with valuation policies and procedures approved by appropriate authorities and the valuation method for each asset and liability is determined by the appraiser in the Group.

(7) Offsetting financial assets and financial liabilities

The following table presents the amount of financial assets and liabilities offset in the consolidated statement of financial position and the amount of financial assets and liabilities that are under enforceable master netting arrangements or similar agreements, but are not offset because they do not meet a part or all criteria for offsetting.

Rights to offset based on enforceable master netting arrangements or similar agreements are enforceable only in certain circumstances, such as default on obligations by counterparties due to bankruptcy or other reasons.

FY2020 (As of March 31, 2020)

(Millions of yen)

	Gross amount of financial assets	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial assets:					
Trade and other receivables	1,132	67	1,064	-	1,064
Total	1,132	67	1,064	-	1,064

(Millions of yen)

	Gross amount of financial liabilities	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial liabilities:					
Trade and other payables	149	67	81	-	81
Total	149	67	81	-	81

FY2021 (As of March 31, 2021)

(Millions of yen)

	Gross amount of financial assets	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial assets:					
Trade and other receivables	415	54	361	-	361
Total	415	54	361	-	361

(Thousands of U.S. dollars)

	Gross amount of financial assets	Gross amount of financial liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial assets:					
Trade and other receivables	3,757	490	3,266	-	3,266
Total	3,757	490	3,266	-	3,266

(Millions of yen)

	Gross amount of financial liabilities	Gross amount of financial assets and liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial liabilities:					
Trade and other payables	127	54	73	-	73
Total	127	54	73	-	73

(Thousands of U.S. dollars)

	Gross amount of financial liabilities	Gross amount of financial assets offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments not offset in the consolidated statement of financial position	Net amount
Financial liabilities:					
Trade and other payables	1,154	490	663	-	663
Total	1,154	490	663	-	663

(8) Derivatives and hedge accounting

The Company designates forward foreign exchange contracts as hedging instruments to hedge the variability of cash flows concerning foreign currency-denominated liabilities or forecasted transactions in foreign currencies, and designates interest rate swap contracts as hedging instruments to hedge fluctuations in cash flows related to borrowings with variable interest rates. Derivatives are managed according to the Company's internal rules, which stipulate authorization and limitation of transactions.

In order to reduce credit risk, the counterparties to these derivatives are limited to highly rated financial institutions.

Carrying amount and changes in fair values of hedging instruments by type of hedge accounting are as follows:

FY 3/2020 (As of March 31, 2020)

(Millions of yen)

Hedge type	Risk type	Hedging instrument	Notional amount	Carrying amount (fair value) (Note)	
				Assets	Liabilities
Cash flow hedges	Foreign exchange risk	Forward exchange transactions Buying contracts USD	1,088	44	-
	Interest rate risk	Interest rate swaps Fixed-rate payment, variable rate receipt	1,323	-	28
		Total	2,411	44	28

The average rate applied to the forward foreign exchange contracts is ¥103.4 per US dollar. The average interest rate applied to the interest rate swap contracts is 0.7%.

FY 3/2021(As of March 31, 2021) (Millions of yen)

Hedge type	Risk type	Hedging instruments	Notional amount	Carrying amount (fair value) (Note)	
				Assets	Liabilities
Cash flow hedges	Foreign exchange risk	Forward exchange transactions Buying contracts USD	553	39	-
	Interest rate risk	Interest rate swaps Fixed-rate payment, variable rate receipt	1,207	-	19
	Total		1,761	39	19

(Thousands of U.S. dollars)

Hedge type	Risk type	Hedging instruments	Notional amount	Carrying amount (fair value)	
				Assets	Liabilities
Cash flow hedges	Foreign exchange risk	Forward exchange transactions Buying contracts USD	5,000	356	-
	Interest rate risk	Interest rate swaps Fixed-rate payment, variable rate receipt	10,910	-	176
	Total		15,910	-	176

The average rate applied to the forward foreign exchange contracts is ¥102.6 per US dollar. The average interest rate applied to the interest rate swap contracts is 0.7%.

Note: The amount on the consolidated statement of financial position of each current and non-current assets and liabilities are recorded in "Other financial assets" or "Other financial liabilities" based on their maturity dates.

The cash flows in cash flow hedges are expected to be generated in one month to one year for the forward foreign exchange contracts and one month to fifteen years for interest rate swap contracts, and are expected to have an effect on profit or loss in the same period.
The changes in cash flow hedges arising from hedge instruments designated as cash flow hedge are as follows:

FY 3/2020 (From April 1,2019 to March 31,2020)

(Millions of yen)

	Foreign exchange risk	Interest rate risk	Total
Balance at April 1, 2019	18	(9)	8
Amount arising during the year (Note 1)	74	(22)	52
Reclassification adjustments (Note 2)	(53)	7	(45)
Income tax effect	(8)	4	(3)
Balance at March 31, 2020	31	(19)	11

FY 3/2021 (From April 1,2020 to March 31,2021)

	Foreign exchange risk (Millions of yen)	Interest rate risk (Millions of yen)	Total (Millions of yen)	Foreign exchange risk (Thousands of U.S. dollars)	Interest rate risk (Thousands of U.S. dollars)	Total (Thousands of U.S. dollars)
Balance at March 31, 2020	31	(19)	11	280	(176)	104
Amount arising during the year (Note 1)	36	1	37	326	14	340
Reclassification adjustments (Note 2)	(41)	6	(34)	(374)	62	(312)
Income tax effect	1	(2)	(0)	14	(23)	(8)
Balance at March 31, 2021	27	(13)	13	247	(122)	124

Note 1: Changes in fair value of hedged items used as the basis for recognition of the ineffective portion of hedges match with the changes in fair value of hedged instruments.
2: Reclassifications adjustment attributed to effects of hedged items on profit or loss are recognized under finance income or costs in the consolidated statement of income.

35. Related-Party Transactions

(1) Related-party transactions

FY 3/2020(From April 1, 2019 to March 31, 2020)

Type	Name	Transaction	Transaction amount (Millions of yen)	Account	Outstanding balance (Millions of yen)
Other related party	Intech Lease K.K.	Lease of vending machines	514	Lease liabilities	278

FY 3/2021(From April 1, 2020 to March 31, 2021)

Type	Name	Transaction	Transaction amount (Millions of yen)	Account	Outstanding balance (Millions of yen)	Transaction amount (Thousands of U.S. dollars)	Outstanding balance (Thousands of U.S. dollars)
Other related party	Intech Lease K.K.	Lease of vending machines	481	Lease liabilities	280	4,350	2,534

Note: Leases are executed after comparing quotations on general lease operations with other lease companies.

(2) Compensation of key management personnel
Compensation for the Group's directors and other executives is as follows:

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Remuneration and bonuses	872	959	8,665
Share-based payments	251	334	3,022
Total	1,124	1,294	11,688

36. Subsidiaries and Associates

(1) The Group's subsidiaries and associates are summarized in the "Business areas of consolidated subsidiaries and associates."
The Company does not own the majority of voting rights of KOIKE-YA Inc. However, the Company determined that it has control over KOIKE-YA Inc. and included it in the scope of consolidation, considering the fact that the Company holds 45.12% of the voting rights of KOIKE-YA Inc., the dispersion of voting rights in KOIKE-YA Inc. and the voting patterns exercised in KOIKE-YA Inc's past shareholders meetings.

(2) Consolidated subsidiaries with material non-controlling interests
Summarized financial information on the consolidated subsidiary with material non-controlling interests is as follows:
Summarized financial information is based on amounts before elimination in consolidation.

NISSIN FOODS CO., LTD. (NISSIN FOODS CO., LTD. and its group companies)

1. General information

	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Non-controlling interests held by non-controlling owner (%)	30.00	30.00	30.00
Accumulated non-controlling interests of the subsidiary	16,949	18,846	170,232

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Profit allocated to the non-controlling interests of the subsidiary	1,479	1,668	15,070

2. Summarized statements of financial position

	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Current assets	42,716	47,243	426,728
Non-current assets	23,398	26,720	241,360
Current liabilities	12,414	14,592	131,806
Non-current liabilities	979	1,017	9,190
Equity	52,722	58,354	527,091

3. Summarized statements of income and comprehensive income

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Revenue	44,162	49,323	445,521
Profit	3,971	4,485	40,517
Comprehensive income	2,288	6,627	59,862

4. Summarized statements of cash flows

	FY 3/2020 (From April 1,2019 to March 31,2020) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Millions of yen)	FY 3/2021 (From April 1,2020 to March 31,2021) (Thousands of U.S. dollars)
Net cash from operating activities	7,736	7,466	67,440
Net cash from investing activities	(5,345)	(1,869)	(16,887)
Net cash from financing activities	(1,411)	(1,560)	(14,094)
Effect of exchange rate changes on cash and cash equivalents	(1,735)	2,700	24,395
Net increase (decrease) in cash and cash equivalents	(756)	6,737	60,853

37. Commitments

Commitments on payment after the end of each reporting period are as follows:

	FY 3/2020 (As of March 31, 2020) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Millions of yen)	FY 3/2021 (As of March 31, 2021) (Thousands of U.S. dollars)
Commitments to purchase property, plant and equipment	6,355	3,986	36,006

38. Subsequent events

Acquisition of treasury shares
In accordance with Article 156 of the Companies Act of Japan applicable pursuant to Article 165, Paragraph 3 of the said Act, the Company resolved the acquisition of the treasury shares at the meeting of the Board of Directors held on May 11, 2021, as follows.

1. Reason for acquisition of treasury shares
To improve capital efficiency

2. Details of the acquisition
(1) Type of shares to be acquired: Ordinary shares of the Company
(2) Total number of shares to be acquired: 1,875,000 shares (Maximum) (1.8% of the total number of shares outstanding (excluding treasury shares))
(3) Total amount of consideration: 12,000,000,000 yen (Maximum)
(4) Period: From May 12, 2021 to March 31, 2022
(5) Method: Market purchase

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
NISSIN FOODS HOLDINGS CO., LTD.:

Opinion

We have audited the consolidated financial statements of NISSIN FOODS HOLDINGS CO., LTD. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of March 31, 2021, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition (Note 6. Segment Information and Note 25. Revenue)	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
As disclosed in "Note 6. Segment Information" and "Note 25. Revenue" to the consolidated financial statements, revenue recognized for the NISSIN FOOD PRODUCTS segment amounted to ¥205,624 million for the year ended March 31, 2021, which accounted for 40% of the Group's total consolidated revenue. The NISSIN FOOD PRODUCTS segment mainly consists of NISSIN FOOD PRODUCTS CO., LTD. ("Nissin Food Products") which manufactures a wide variety of bag-type and cup-type noodles in their domestic five factories and sells to both wholesalers and retailers through Japanese trading companies. The revenue is calculated by multiplying the unit price registered in the Enterprise Resource Planning ("ERP") system by sales quantities entered into the ERP system based on orders received and fixed upon shipment. Nissin Food Products constantly launches new products, which causes Nissin Food Products to register new unit prices in the ERP system frequently. Nissin Food Products also sells a wide variety of products in large quantities on a daily basis, which generates a large volume of shipment and sales data. There are automated internal controls in place to mitigate risks of material misstatements in the sales process such as order receipt, shipping, recording of sales, billing and cash collection, which are all processed in the same ERP system. However, the Nissin Food Product's revenue process also includes manual controls, and as such, as more unit prices are registered in the ERP system and shipping increase, the higher the possibility that revenue is inaccurately recognized due to inappropriate unit price and sales quantities entered into the system. Accordingly, we determined the accuracy of revenue recognition to be a key audit matter.	In order to evaluate the accuracy of revenue recognition, we performed the following audit procedures, among others: • We tested the design and operating effectiveness of controls over sales processes related to order receipt, shipping, billing and recording of sales, specifically processes to ensure that the sales information was complete and accurate in the ERP system. • With the assistance of our Information Technology ("IT") specialists of our network firm, we tested the effectiveness of general IT controls such as access controls, change management controls and IT operation controls of the ERP system which support the sales processes. • We analyzed revenues by department and by customer in order to identify unusual transactions or trends such as unexpected achievement of profit targets, significant fluctuations and high-margin transactions. • We analyzed revenues by product brand based on sales quantities in order to identify unusual transactions or trends. • We selected a sample of revenue transactions using a non-statistical method and inspected supporting documents such as details of payment issued by customers and bank statements in order to test the accuracy of revenue.

2. Purchase price allocation ("PPA") for business combination of KOIKE-YA Inc. ("KOIKE-YA") (Note 7. Business Combination)	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
As disclosed in "Note 7. Business Combination" to the consolidated financial statements, NISSIN FOODS HOLDINGS CO., LTD. (the "Company") acquired an additional equity interest of KOIKE-YA on November 20, 2020. KOIKE-YA was originally accounted for using the equity method; however, with the additional acquisition, KOIKE-YA became a consolidated subsidiary of the Company. The total consideration for the acquisition was ¥11,192 million including the fair value of the previously held equity interest in KOIKE-YA of ¥9,063 million as of the additional acquisition date. The Group engaged third-party valuation experts to assist with the PPA process, including the identification and valuation of the intangible assets and the assumed liabilities. As a result, the Group recognized trademarks of ¥2,920 million and goodwill of ¥4,447 million. As there is no foreseeable limit to the period over which the trademarks are expected to generate net cash inflows, the Group has determined that the useful life of the trademarks is indefinite. The Group measured the trademarks using the Relief from Royalty Method, which uses inputs such as the future business plan and discount rate. The determinations of the inputs in the valuation model and the useful lives of the identifiable intangible assets require estimates that depend on management's significant judgment. If the identification of the intangible assets, the determination of the useful lives of the intangible assets, the measurement of fair value or the allocation of the consideration to assets and liabilities are not executed appropriately, there is a possibility that there may be a significant impact to the net profit or loss included in the consolidated statement of income. Given the quantitative significance of the trademarks and goodwill and the significant impact management's judgments and estimates related to the PPA have on the consolidated financial statements, we determined the appropriateness of the PPA for the business combination of KOIKE-YA to be a key audit matter.	In order to evaluate the appropriateness of the PPA, we performed the following audit procedures, among others: • We tested the design and operating effectiveness of controls over financial closing and reporting process related to the PPA, specifically processes to ensure that the accounting treatment is in line with IFRSs accurately. • We evaluated the adequacy, competence and objectivity of management's valuation experts. • We assessed whether the intangible assets were identified completely by the Group based on IFRSs. • With the assistance of our valuation specialists, we assessed the valuation model and the discount rate used in the fair value measurement of the trademarks identified by the Group. • We compared the future business plan used in the fair value measurement of the identifiable assets and liabilities with actual results and market circumstances, and assessed whether the assumptions used in the future business plan fell within a reasonable range. • With the assistance of our valuation specialists, we independently developed a reasonable range of fair values of the Group's trademarks using third-party's reports and assessed whether the fair value of the trademarks developed by the Group were within those ranges.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRSs and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRSs, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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Designated Engagement Partner
Certified Public Accountant

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Deloitte Touche Tohmatsu LLC

June 25, 2021