

For the Fiscal Year Ended March 31, 2022

Annual Report 2022

FUJICCO Co., Ltd.

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Corporate Profile

Fujicco was founded in 1960 in Kobe City, Hyogo Prefecture, and is a top manufacturer of traditional Japanese processed foods made from ingredients such as kombu (kelp) and beans. Since its founding, Fujicco has always made “putting customers first” the foundation of its management, and has been a trailblazer in the industry in producing safe and reliable products, including the voluntary labeling of manufacturing dates and the removal of synthetic preservatives, among other actions. In addition, Fujicco values customer feedback, and has worked to improve its products and services. Fujicco will continue to provide its customers with healthy, delicious, reliable and safe products under the Company Philosophy of “We aim to be a health creation company that appreciates nature’s blessings, continues to innovate great taste, and makes all people healthy and happy.”

Company Philosophy

フジッコの心

The Fujicco Spirit

Company Motto

創造 - 路

Always Be Creative

Create work, create products, create life

Our Vision

We aim to be a health creation company that appreciates nature’s blessings, continues to innovate great taste, and makes all people healthy and happy.

5 Action Guidelines

We will change in order for the Company to grow sustainably and to help realize a healthy society!

Passion

Get excited!

Passion motivates others and elicits awareness and action

Transformation

Welcome change!

Become more knowledgeable and heighten your sensitivity to be a step ahead of the times

Challenge

Don’t be afraid of failure, assume challenges!

Taking on challenges creates new value

Unity

Let’s have a common ambition!

Execute what has been decided

Respect

Listen to others with humility!

Mutual respect leads to new realizations

Make You Smile with Good Meals)



I. Summary of Selected Financial Data (Consolidated)

| | 58 th term Fiscal year ended March 31, 2018 | 59 th term Fiscal year ended March 31, 2019 | 60 th term Fiscal year ended March 31, 2020 | 61 st term Fiscal year ended March 31, 2021 | 62 nd term Fiscal year ended March 31, 2022 |
|--|--|--|--|--|--|
| Net sales (Millions of yen) | 62,917 | 64,145 | 66,171 | 64,204 | 55,074 |
| Ordinary profit (loss) (Millions of yen) | 5,728 | 5,546 | 4,838 | 4,711 | 3,506 |
| Profit (loss) attributable to owners of parent (Millions of yen) | 4,023 | 4,189 | 3,100 | 3,405 | 2,115 |
| Comprehensive income (Millions of yen) | 5,069 | 3,035 | 2,572 | 3,749 | 1,586 |
| Net assets (Millions of yen) | 64,972 | 66,938 | 68,376 | 70,905 | 69,634 |
| Total assets (Millions of yen) | 78,327 | 79,984 | 81,068 | 85,209 | 80,136 |
| Net assets per share (Yen) | 2,170.35 | 2,234.84 | 2,282.90 | 2,366.94 | 2,389.39 |
| Basic earnings (loss) per share (Yen) | 134.57 | 140.02 | 103.58 | 113.70 | 71.03 |
| Diluted earnings per share (Yen) | 134.42 | 139.89 | 103.53 | – | – |
| Equity-to-asset ratio (%) | 82.9 | 83.6 | 84.3 | 83.2 | 86.9 |
| Rate of return on equity (ROE) (%) | 6.4 | 6.4 | 4.6 | 4.9 | 3.0 |
| Price-earnings ratio (PER) (Times) | 17.8 | 15.4 | 18.8 | 17.2 | 27.2 |
| Net cash provided by (used in) operating activities (Millions of yen) | 4,525 | 6,018 | 5,427 | 6,105 | 5,101 |
| Net cash provided by (used in) investing activities (Millions of yen) | (6,216) | (2,552) | (4,419) | (5,604) | (3,330) |
| Net cash provided by (used in) financing activities (Millions of yen) | (1,076) | (1,110) | (1,625) | (1,233) | (2,867) |
| Cash and cash equivalents at end of period (Millions of yen) | 12,867 | 15,224 | 14,605 | 13,874 | 12,778 |
| Number of employees [Separately, average number of temporary workers] (Persons) | 1,066 [1,168] | 1,099 [1,220] | 1,176 [1,699] | 1,206 [1,510] | 1,187 [1,384] |

- Notes: 1. The number of common shares at the end of the period used to calculate the net assets per share, and the average number of common shares outstanding during the fiscal year, which is the basis for calculating basic earnings per share, have been calculated by treating the shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) established in conjunction with the introduction of a Japanese employee stock ownership plan (J - ESOP) as treasury shares, which are excluded. In addition, the average number of common shares outstanding during the fiscal year, which is the basis for calculating diluted earnings per share for the 58th term to the 60th term, has been calculated by treating the shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) established in conjunction with the introduction of a Japanese employee stock ownership plan (J - ESOP) as treasury shares, which are excluded.
2. Information on diluted earnings per share for the 61st term and the 62nd term is omitted due to an absence of potential shares.
3. The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the 59th term. Related principal management benchmarks for the 58th term have been adjusted to reflect the retrospective application of these accounting standards.
4. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and the key management indices for the fiscal year ended March 31, 2022 are those after applying the accounting standard and relevant ASBJ regulations.

II. Top Message



We will accomplish the creation of the “New Fujicco”!

Representative Director, President and CEO
Masakazu Fukui

Masakazu Fukui

The COVID-19 pandemic and market stagnation have affected the Group’s sales performance. In order to survive in uncertain times, we have boldly implemented the “New Fujicco” management reforms to achieve sustainable growth for the next generation and to enhance our corporate value over the medium- to long-term.

We have implemented the three pillars of the “New Fujicco” reforms: “Strengthen Brand Value,” “Increase Productivity,” and “Working-Style Reforms.” Although the current business results have been challenging with declines in both sales and profits, the “Working-Style Reforms” have produced some positive results.

We have also continued to improve our compliance system, strengthen corporate governance, and promote shareholder-conscious management. To improve capital efficiency (ROE), the Company sold unneeded assets, as well as retired and repurchased treasury stock, etc. In addition, we are now in the midst of a period of management reform, and we have increased our dividend with full consideration to shareholder returns.

Our new medium-term three-year management plan started in April 2022. We will work on “reform of factory operations” and “promotion of digital transformation (DX)” to accomplish the management reforms of the “New Fujicco.”

We would like to ask for the continued support of all of our stakeholders.

Progress and Results of “New Fujicco” Initiatives

[Initiative Results] ... Quantitative Results: ¥390 million

- | | |
|---|---|
| 1. Conversion to zero cash | 7. Sale of idle real estate |
| 2. Credit for replacement payment | 8. Reform of the decision-making system |
| 3. Abolition of employee special sales | 9. Halving the number of supplier and client accounts |
| 4. Abolition of Company-mediated brokerage services (property, insurance, etc.) | 10. Zero deposit |
| 5. Liquidation of unprofitable businesses | 11. 50% reduction in the number of product items (SKUs) |
| 6. Independence of delicatessen products business | 12. Zero overtime initiative |

[Future Initiatives]

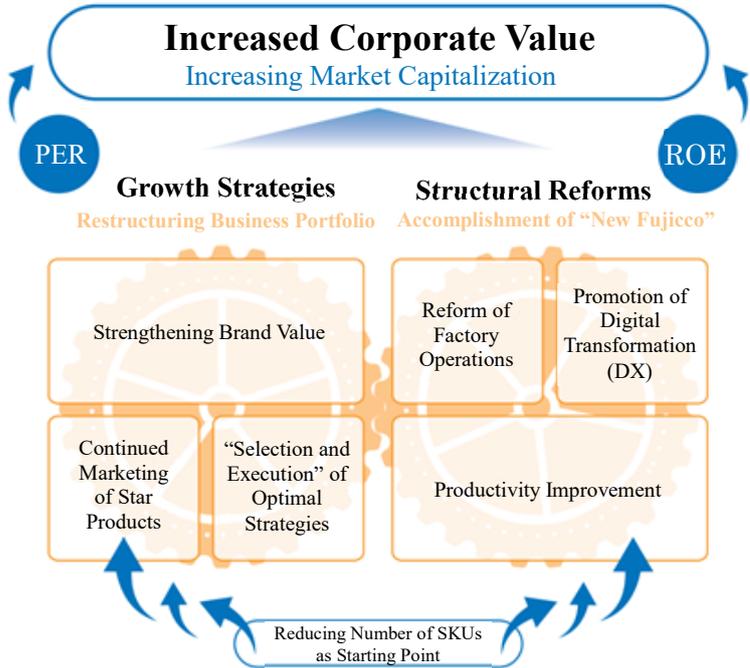
13. Reform of factory operations
14. Promotion of digital transformation (DX)

With the challenge goal of completing reforms in FY2023, we will engage in full-scale efforts to “develop new products and strengthen existing brands,” “reform of factory operations,” “promotion of digital transformation (DX),” and “strengthening corporate governance.”

III. New Medium-Term Three-Year Management Plan

The medium-term three-year management plan has started with the fiscal year ending March 31, 2023, as its first year. In this three-year medium-term management plan, we will work to achieve sustainable growth through “reform of factory operations,” “promotion of digital transformation (DX),” and “strengthening corporate governance” to create a “New Fujicco” management structure. At the same time, we will expand sales of Star products with high productivity and profitability after SKU reduction and promote “new product development and strengthening of existing brands” to achieve sustainable growth. While strengthening the earnings base of the kombu (kelp) and bean businesses, we will focus on expanding these businesses, with Fujicco’s delicatessen products business, yogurt business, and mail-order business as growth drivers.

Strategic Image of the New Medium-Term Three-Year Management Plan



Four Strategic Points

1. Strengthening Brand Value

Focus on increasing the distribution of Star products that are highly productive and profitable after SKU reduction. The key to restoring performance will be to expand sales of Star products. We will increase product volume down to individual items, refine taste and quality, and uncompromisingly manage progress in pursuit of improvements in profitability.

Fujicco’s core businesses and sources of revenue, kombu (kelp) and beans, are expected to expand their market share. Meanwhile, from the perspective of market size and growth, we have identified the delicatessen products business, yogurt business, and mail order business as growth drivers for the new medium-term three-year period.

2. Reform of Factory Operations (Productivity Improvement)

We regard SKU reduction as the starting point for all structural reforms, and will vigorously promote reform of factory operations, proper allocation of personnel, promotion of digital transformation (DX), and logistics reforms.

The seven plants that produce core product groups will be separated into a multi-product production plant and a single-product production plant to innovate food production, which until now has been

labor-intensive. We will improve the accuracy of the planned production system, connect the process from material loading to packaging and takeout with automation and continuity, and work on the design and realization of digitalized operations to complete the reform plan and move toward its realization.

3. Promotion of Digital Transformation (DX) (Working-Style Reforms)

The objective of DX is to realize sustainable management. In order to strongly promote DX in the new medium-term three-year period, we have established a “DX Promotion Committee” chaired by the President and Chief Executive Officer, and we are working at pace to connect and express the results of the “New Fujicco” management reforms through a digital network. Through the promotion of digital transformation (DX), we will also pursue flexibility in the way we work, freeing us from place, time, and routine tasks.

[Major DX Issues]

Business system reform, upgrading of production management system, introduction of SCM system, integration and linkage of various systems, construction of human resources database, and creation of standardized forms RPA, information sharing by creating departmental homepages

4. Strengthening Corporate Governance

In order to meet the expectations and earn the trust of shareholders and all other stakeholders of the Fujicco Group, the Directors as members of the Board of a listed company are responsible for formulating basic management policies, etc., overseeing internal controls, and supervising management (nomination and compensation) to further enhance transparency and effectiveness, promote sustainable growth and increase medium- to long-term corporate value as well as improve profitability and capital efficiency.

In addition, the newly established Corporate Governance Department will promote smooth operation as the secretariat of the Board of Directors and expansion of the support system for Directors (Board).

Quantitative Targets for the Fiscal Year Ending March 31, 2025

We will continue to improve productivity and restore the operating profit margin to the 7% level by the fiscal year ending March 31, 2025!

| | |
|---------------------------|-----------------------|
| Net sales | ¥57,000 million |
| Operating profit (margin) | ¥4,250 million (7.5%) |
| Profit | ¥3,150 million |
| ROE | 5% |

IV. Business Overview

FY2021 Results

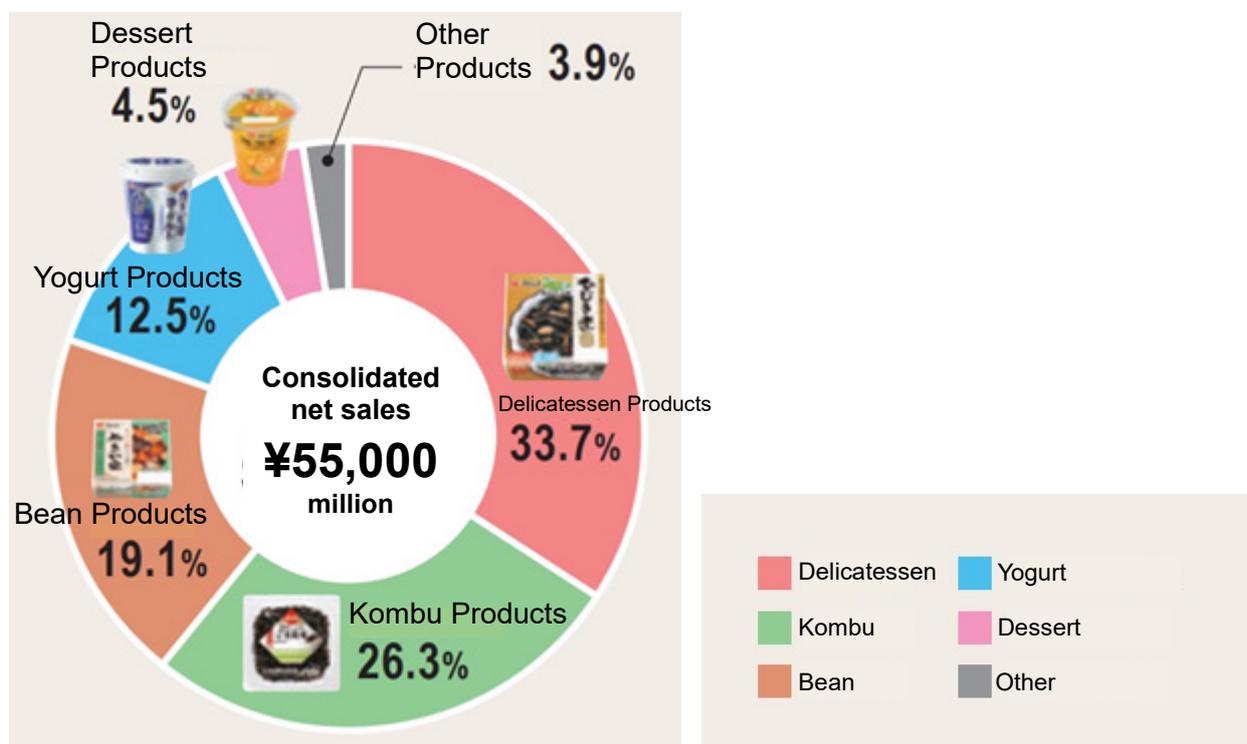
| | |
|---|--|
| Net sales | ¥55,074 million (*)(after the application of the new standard, down 3.9% year on year) |
| Operating profit | ¥3,152 million (down 27.0% year on year) |
| Ordinary profit | ¥3,506 million (down 25.6% year on year) |
| Profit attributable to owners of parent | ¥2,115 million (down 37.9% year on year) |

While the Group continues to be severely affected by the spread of COVID-19, we will maintain our efforts to create a “New Fujicco” with excellent quality management. We have made bold progress in initiatives such as “reducing the number of SKUs (number of product items) including unprofitable products,” “reorganizing suppliers (sales and purchases),” “eliminating cash and digitalize payment methods,” and “eliminating paper and stamps,” and “initiatives to become a company that does not do overtime work.”

In the Research and Development Division, the functional claim for black soybean polyphenol was accepted in November 2021 for “maintenance of vascular suppleness” and in December of the same year for “reduction of fatigue.” In addition, *Omamesan Tanbaguro Kuromame* was awarded three stars in the “Superior Taste Award” by the International Taste Institute in 2022.

Factors affecting the movements in sales after the application of the new standard (*) were that although sales of dessert products increased year-on-year, sales of delicatessen products, bean products, kombu (kelp) products, and yogurt products decreased year-on-year, and the stagnant market due to the impact of the COVID-19 pandemic also affected the Group’s sales results, resulting in net sales of ¥55,074 million for the fiscal year under review.

Sales Mix by Product Category



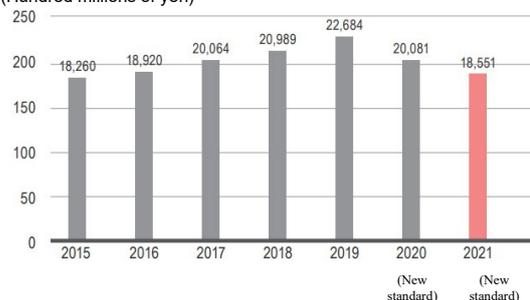
(*) Effective from the beginning of FY2021, the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied, and year-on-year comparisons are calculated by comparing FY2021 results with FY2020 results after applying the aforementioned accounting standard and others.

Sales by Product Category

(i) Delicatessen Products

For delicatessen products, Foods Palette Co., Ltd. recovered sales and the *Obanzai Kobachi* series performed well, but sales of delicatessen products delivered daily, for which we are working to improve profitability, were ¥1,111 million lower than the previous year's results due to policy measures such as the elimination of unprofitable business, etc. As a result, overall sales of delicatessen products amounted to ¥18,551 million.

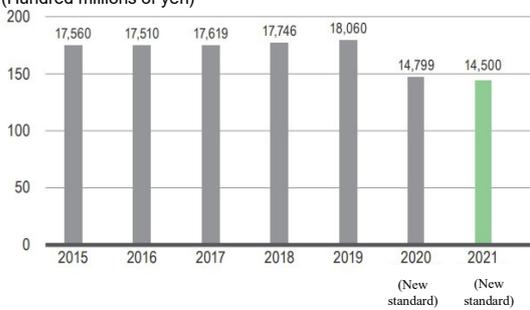
Changes in net sales (Millions of yen)
(Hundred millions of yen)



(ii) Kombu Products

For kombu (kelp) products, sales of tsukudani (kombu boiled in soy sauce) remained steady, but sales of dry products such as salted kombu, tororo-kombu (thin shaved dried kombu), and dashi-kombu (kombu soup stock) were lower than in the previous year. As a result, overall sales of kombu products were ¥14,500 million.

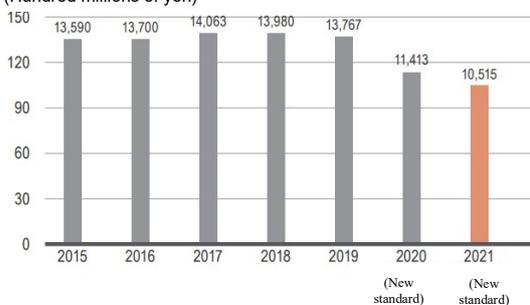
Changes in net sales (Millions of yen)
(Hundred millions of yen)



(iii) Bean Products

For bean products, the *Omamesan* series including Tanbaguro Kuromame performed well, but overall sales of bean products were ¥10,515 million due to the impact of item consolidation in simmered beans, the new product *Irodori Mame* did not achieve expected sales, and sales of boiled and steamed beans, for which profitability is being improved, were below the previous year's results. As a result, overall sales of bean products were ¥10,515 million.

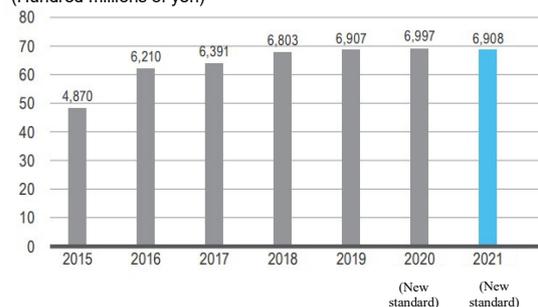
Changes in net sales (Millions of yen)
(Hundred millions of yen)



(iv) Yogurt Products

For yogurt products, Caspian Sea Yogurt series performed well and *Marugoto Soybean Yogurt* (yogurt made from soybeans) also grew, but sales of the supplement *The Power of Probiotics* through mail-order and e-commerce channels were lower than in the previous year, resulting in overall sales of ¥6,908 million for yogurt products.

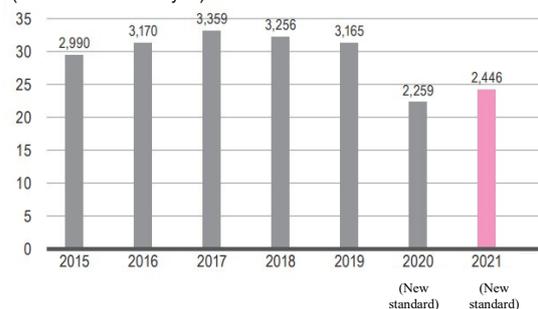
Changes in net sales (Millions of yen)
(Hundred millions of yen)



(v) Dessert Products

For dessert products, overall sales of dessert products totaled ¥2,446 million due to efforts to revitalize the entire group by introducing products such as limited time products in the *Fruits Therapy* series.

Changes in net sales (Millions of yen)
(Hundred millions of yen)



Note: (New standard) refers to the actual figures after applying the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of fiscal 2021. As reference information, actual sales figures are shown for the previous year in which the said accounting standards, etc. were also applied.

V. Outlook for the Next Fiscal Year

The outlook is expected to remain uncertain due to the resurgence of COVID-19 and soaring resource prices brought about by the global situation. The Group will raise the prices of some products in June 2022 to cope with soaring raw material prices and rising energy costs and to improve profitability.

For the next fiscal year, we forecast consolidated net sales of ¥55,300 million (an increase of 0.4% year-on-year). In terms of profit, the Company is still in a period of reform following the current fiscal year (ended March 31, 2022), and operating profit will remain at ¥3,200 million (an increase of 1.5% year-on-year). Ordinary profit is expected to be ¥3,450 million (a decrease of 1.6% year-on-year) and profit attributable to owners of parent is expected to be ¥2,400 million (an increase of 13.4% year-on-year).

FY2022 Plan

| | |
|---|---|
| Net sales | ¥55,300 million (up 0.4% year on year) |
| Operating profit | ¥3,200 million (up 1.5% year on year) |
| Ordinary profit | ¥3,450 million (down 1.6% year on year) |
| Profit attributable to owners of parent | ¥2,400 million (up 13.4% year on year) |

Basic Policy on Profit Distribution

Among the Group's most important tasks is to improve profitability and strengthen its financial position, steadily improve its business performance, and enhance returns to shareholders. Our current dividend policy is to maintain a dividend payout ratio of 40% or more, and we will strive to meet the expectations of our shareholders.

The Company will also actively consider the repurchase and retirement of treasury stock, taking into consideration the improvement of capital efficiency (ROE).

VI. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 13,874 | 12,778 |
| Notes and accounts receivable - trade | 9,185 | - |
| Accounts receivable - trade | - | 8,901 |
| Merchandise and finished goods | 1,169 | 1,145 |
| Work in process | 243 | 245 |
| Raw materials and supplies | 7,599 | 8,499 |
| Other | 807 | 308 |
| Allowance for doubtful accounts | (1) | (1) |
| Total current assets | 32,877 | 31,877 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 40,868 | 42,576 |
| Accumulated depreciation | (24,998) | (25,386) |
| Buildings and structures, net | 15,870 | 17,189 |
| Machinery, equipment and vehicles | 33,488 | 31,954 |
| Accumulated depreciation | (20,271) | (20,586) |
| Machinery, equipment and vehicles, net | 13,217 | 11,367 |
| Tools, furniture and fixtures | 2,235 | 2,302 |
| Accumulated depreciation | (1,733) | (1,698) |
| Tools, furniture and fixtures, net | 501 | 603 |
| Land | 13,656 | 13,190 |
| Construction in progress | 2,800 | 46 |
| Total property, plant and equipment | 46,046 | 42,398 |
| Intangible assets | 374 | 356 |
| Investments and other assets | | |
| Investment securities | 4,411 | 3,611 |
| Deferred tax assets | 171 | 692 |
| Other | 1,334 | 1,206 |
| Allowance for doubtful accounts | (5) | (5) |
| Total investments and other assets | 5,912 | 5,504 |
| Total non-current assets | 52,332 | 48,259 |
| Total assets | 85,209 | 80,136 |

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 3,599 | 3,547 |
| Accounts payable - other | 7,157 | 2,956 |
| Income taxes payable | 833 | 701 |
| Accrued consumption taxes | 10 | 356 |
| Provision for bonuses | 541 | 483 |
| Deposits received | 151 | 78 |
| Other | 582 | 453 |
| Total current liabilities | 12,876 | 8,577 |
| Non-current liabilities | | |
| Retirement benefit liability | 1,178 | 1,150 |
| Provision for employee stock ownership plan trust | 50 | 38 |
| Other | 199 | 735 |
| Total non-current liabilities | 1,428 | 1,924 |
| Total liabilities | 14,304 | 10,502 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 6,566 | 6,566 |
| Capital surplus | 7,499 | 1,006 |
| Retained earnings | 62,291 | 62,873 |
| Treasury shares | (6,898) | (1,728) |
| Total shareholders' equity | 69,458 | 68,717 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,513 | 957 |
| Remeasurements of defined benefit plans | (67) | (40) |
| Total accumulated other comprehensive income | 1,446 | 916 |
| Total net assets | 70,905 | 69,634 |
| Total liabilities and net assets | 85,209 | 80,136 |

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**

(Consolidated Statements of Income)

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 64,204 | 55,074 |
| Cost of sales | 37,891 | 36,935 |
| Gross profit | 26,313 | 18,139 |
| Selling, general and administrative expenses | 21,995 | 14,986 |
| Operating profit | 4,317 | 3,152 |
| Non-operating income | | |
| Interest income | 0 | 0 |
| Dividend income | 186 | 204 |
| Rental income | 94 | 66 |
| Electricity sale income | 53 | 49 |
| Other | 120 | 85 |
| Total non-operating income | 455 | 406 |
| Non-operating expenses | | |
| Interest expenses | 0 | 0 |
| Rental expenses | 28 | 24 |
| Electricity sale expenses | 22 | 21 |
| Other | 10 | 5 |
| Total non-operating expenses | 61 | 52 |
| Ordinary profit | 4,711 | 3,506 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 28 | 110 |
| Gain on sale of investment securities | 150 | 521 |
| A state government subsidy income | 117 | 65 |
| Total extraordinary income | 296 | 696 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 166 | 440 |
| Loss on sale of investment securities | 0 | - |
| Impairment losses | 11 | 636 |
| Loss on liquidation of subsidiaries and associates | 52 | - |
| Loss on sale of shares of subsidiaries and associates | 56 | - |
| Total extraordinary losses | 288 | 1,077 |
| Profit before income taxes | 4,720 | 3,126 |
| Income taxes - current | 1,295 | 1,298 |
| Income taxes - deferred | 18 | (287) |
| Total income taxes | 1,314 | 1,010 |
| Profit | 3,405 | 2,115 |
| Profit attributable to non-controlling interests | - | - |
| Profit attributable to owners of parent | 3,405 | 2,115 |

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|--|-------------------------------------|-------------------------------------|
| Profit | 3,405 | 2,115 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 322 | (556) |
| Remeasurements of defined benefit plans, net of tax | 21 | 26 |
| Total other comprehensive income | 343 | (529) |
| Comprehensive income | 3,749 | 1,586 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,749 | 1,586 |
| Comprehensive income attributable to non-controlling interests | - | - |

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 6,566 | 7,499 | 60,118 | (6,910) | 67,273 |
| Changes during period | | | | | |
| Dividends of surplus | | | (1,232) | | (1,232) |
| Profit attributable to owners of parent | | | 3,405 | | 3,405 |
| Purchase of treasury shares | | | | (0) | (0) |
| Disposal of treasury shares by stocks payment trust | | | | 11 | 11 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | – | 2,173 | 11 | 2,185 |
| Balance at end of period | 6,566 | 7,499 | 62,291 | (6,898) | 69,458 |

| | Accumulated other comprehensive income | | | Total net assets |
|--|---|---|--|------------------|
| | Valuation difference on available-for-sale securities | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 1,191 | (88) | 1,102 | 68,376 |
| Changes during period | | | | |
| Dividends of surplus | | | | (1,232) |
| Profit attributable to owners of parent | | | | 3,405 |
| Purchase of treasury shares | | | | (0) |
| Disposal of treasury shares by stocks payment trust | | | | 11 |
| Net changes in items other than shareholders' equity | 322 | 21 | 343 | 343 |
| Total changes during period | 322 | 21 | 343 | 2,528 |
| Balance at end of period | 1,513 | (67) | 1,446 | 70,905 |

Fiscal year ended March 31, 2022

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 6,566 | 7,499 | 62,291 | (6,898) | 69,458 |
| Changes during period | | | | | |
| Dividends of surplus | | | (1,292) | | (1,292) |
| Profit attributable to owners of parent | | | 2,115 | | 2,115 |
| Purchase of treasury shares | | | | (1,575) | (1,575) |
| Cancellation of treasury shares | | (6,493) | (242) | 6,735 | - |
| Disposal of treasury shares by stocks payment trust | | | | 11 | 11 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (6,493) | 581 | 5,170 | (741) |
| Balance at end of period | 6,566 | 1,006 | 62,873 | (1,728) | 68,717 |

| | Accumulated other comprehensive income | | | Total net assets |
|--|---|---|--|------------------|
| | Valuation difference on available-for-sale securities | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 1,513 | (67) | 1,446 | 70,905 |
| Changes during period | | | | |
| Dividends of surplus | | | | (1,292) |
| Profit attributable to owners of parent | | | | 2,115 |
| Purchase of treasury shares | | | | (1,575) |
| Cancellation of treasury shares | | | | - |
| Disposal of treasury shares by stocks payment trust | | | | 11 |
| Net changes in items other than shareholders' equity | (556) | 26 | (529) | (529) |
| Total changes during period | (556) | 26 | (529) | (1,270) |
| Balance at end of period | 957 | (40) | 916 | 69,634 |

(4) Consolidated Statements of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 4,720 | 3,126 |
| Depreciation | 3,176 | 3,698 |
| Increase (decrease) in allowance for doubtful accounts | (1) | (0) |
| Increase (decrease) in provision for bonuses | 48 | (57) |
| Increase (decrease) in retirement benefit liability | 33 | 12 |
| Interest and dividend income | (186) | (204) |
| Interest expenses | 0 | 0 |
| Loss (gain) on disposal of non-current assets | 102 | 330 |
| Impairment losses | 11 | 636 |
| Loss (gain) on liquidation of subsidiaries and associates | 52 | - |
| Loss (gain) on sale of shares of subsidiaries and associates | 56 | - |
| Loss (gain) on sale of investment securities | (150) | (521) |
| Decrease (increase) in trade receivables | 627 | 283 |
| Decrease (increase) in inventories | (523) | (878) |
| Increase (decrease) in trade payables | (481) | (60) |
| Increase (decrease) in accounts payable - other | 330 | (740) |
| Increase (decrease) in accrued consumption taxes | (441) | 807 |
| Increase (decrease) in deposits received | (4) | (72) |
| Other, net | 25 | (68) |
| Subtotal | 7,396 | 6,291 |
| Interest and dividends received | 186 | 204 |
| Interest paid | (0) | (0) |
| Income taxes paid | (1,476) | (1,393) |
| Net cash provided by (used in) operating activities | 6,105 | 5,101 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (6,163) | (4,922) |
| Proceeds from sale of property, plant and equipment | 355 | 459 |
| Purchase of intangible assets | (122) | (80) |
| Purchase of investment securities | (16) | (26) |
| Proceeds from sale of investment securities | 215 | 676 |
| Purchase of shares of subsidiaries and associates | (55) | (128) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (46) | - |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation | 180 | - |
| Other, net | 49 | 692 |
| Net cash provided by (used in) investing activities | (5,604) | (3,330) |
| Cash flows from financing activities | | |
| Purchase of treasury shares | (0) | (1,575) |
| Dividends paid | (1,232) | (1,291) |
| Net cash provided by (used in) financing activities | (1,233) | (2,867) |
| Effect of exchange rate change on cash and cash equivalents | - | - |
| Net increase (decrease) in cash and cash equivalents | (731) | (1,096) |
| Cash and cash equivalents at beginning of period | 14,605 | 13,874 |
| Cash and cash equivalents at end of period | 13,874 | 12,778 |

VII. Corporate Data

Basic Information (as of March 31, 2022)

| | |
|----------------------------|---|
| Trade name: | FUJICCO Co., Ltd. |
| Established: | November 1960 |
| Listed market: | Prime Market of Tokyo Stock Exchange (Securities Code: 2908) |
| Listed: | September 1997 |
| Business year: | From April 1 to March 31 |
| Share capital: | 6,566 million yen |
| Number of employees: | 2,486 persons (Consolidated) |
| Head office: | 6-13-4 Minatojima-Nakamachi, Chuo-Ku, Kobe 650-8558, JAPAN |
| Consolidated subsidiaries: | FUJICCO NEW DELICA Co., Ltd. Foods Palette Co., Ltd. |

Directors (as of June 23, 2022)

| | |
|--|------------------|
| Representative Director, President and CEO | Masakazu Fukui |
| Director and Senior Managing Executive Officer | Yoshitaka Ishida |
| Director and Senior Executive Officer | Kazuyuki Arata |
| Director and Senior Executive Officer | Hiromi Terajima |
| Director* | Akira Oze |
| Director* | Junko Ikeda |
| Director (Audit and Supervisory Committee Member) | Akira Fujisawa |
| Director* (Audit and Supervisory Committee Member) | Akira Ishida |
| Director* (Audit and Supervisory Committee Member) | Yoshihiro Uetani |

* Independent Outside Director

Stock Status (as of March 31, 2022)

| | |
|------------------------------------|--------------------|
| Total number of authorized shares: | 108,000,000 shares |
| Total number of issued shares: | 30,050,759 shares |
| Number of shareholders: | 24,472 |

Major shareholders (Top 10)

| Name | Number of shares held (Thousands) | Shareholding ratio (excluding treasury shares) (%) |
|--|--------------------------------------|--|
| Minimal Corporation | 6,194 | 21.18 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 3,133 | 10.71 |
| Masakazu Fukui | 1,021 | 3.49 |
| MUFG Bank, Ltd. | 895 | 3.06 |
| SUMITOMO LIFE INSURANCE COMPANY | 854 | 2.92 |
| Custody Bank of Japan, Ltd. (Trust Account) | 581 | 1.98 |
| Nippon Life Insurance Company | 550 | 1.88 |
| Sumitomo Mitsui Banking Corporation | 494 | 1.69 |
| FUJICCO Employees Shareholding Association | 402 | 1.37 |
| Tomoaki Shigehata | 365 | 1.24 |

* In addition to shares described above, the Company holds 818 thousand shares as treasury shares.

* This document follows the Annual Select format for English-language disclosure developed by ZAIHON, INC. to increase the level of convenience of investors outside Japan based on Japanese-language statutory disclosure material, timely disclosure material prescribed by securities exchanges and voluntarily disclosed IR material. Annual Select is a registered trademark of ZAIHON, INC. Reproduction or copying without prior permission is prohibited.

* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.