With the delivery of this “Year-end Report for the 195th Period” to you, we would like to express our sincere appreciation for your continued support.

Nippon Flour Mills Co., Ltd. (NIPPN) announced, on May 10, 2019, its consolidated financial results for the fiscal year ended March 31, 2019 (FY2019). I will explain about the outcome in FY2019 and outlook of FY2020.

Achieving a revenue increase for the eighth consecutive year while continuing aggressive investment in growth areas, and expecting further revenue growth

Looking back at FY2019, what do you think of the business environment?

During the fiscal year ended March 31, 2019, the Japanese economy remained on a moderate recovery track, supported by improvements in corporate earnings and the labor market owing to the impact of the government’s economic policy and the Bank of Japan’s ongoing monetary easing. However, triggered by the change in the tone of the Chinese economy due to the U.S.-China trade war, concerns about possible slowing of the world economy increased, and the effect on the outlook of the Japanese economy is a concern.

The food industry is operating in a challenging environment due to labor shortages and an increase in logistics, materials and other costs, amid the prevailing frugality of consumers. In these circumstances, in order to respond to the unceasingly changing business environment, in Japan, the Group is strengthening its business foundation for the purpose of reducing costs. We are promoting vigorous investment in promising fields and re-establishment of production sites, with the aim of achieving sustainable growth.

Looking back at FY2019, what do you think of the business environment?

As a result, consolidated net sales for the fiscal year under review increased by 3.7% year on year to ¥335,399 million, operating income increased by 11.5% to ¥11,222 million, ordinary income increased by 10.1% to ¥13,065 million, and profit attributable to owners of parent increased by 10.5% to ¥8,455 million. The Flour Milling, Food and Other segments all reported increases in net sales and profits.

In line with the increase of government sales prices (tax inclusive) of imported wheat by 3.5% and by 2.2% on average for the five key products in April and October 2018, respectively, we revised the sales prices of commercial-use wheat flour in June and December 2018, respectively. As a result, both shipped volume and sales of wheat flour exceeded the level for the previous year. Shipped volume and sales of wheat bran, a byproduct, also exceeded the previous year’s level.

In the Food segment, net sales grew due to increased sales of food ingredients, processed food and frozen food products, as well as the expansion of the ready-made meals business. In the Other segments, net sales exceeded the previous year’s level as a result of an increase in inquiries about large-scale construction work in the engineering business.

Regarding the year-end dividend, we have decided to pay ¥17 per share (annual dividend of ¥32 per share), up ¥2 (ordinary dividend), to show our acknowledgement of continuous support from our shareholders.

Looking back at FY2019, what do you think of the business environment?

Achieving a revenue increase for the eighth consecutive year while continuing aggressive investment in growth areas, and expecting further revenue growth
Please tell us about how you are responding to the diversifying needs for food.

In the home-use product category, in the context of consumers’ increasing desire to spend less time cooking, we launched the Cho-hayayude series of short pasta that is ready after boiling for just 80 seconds, the fastest product of its kind in the industry. In the home-use frozen foods category, we introduced new products featuring distinctive ingredients in the Oh’my Premium series that has the biggest sales in the single-portion frozen pasta market. In addition, in the Yokubari Plate series of complete well-balanced meals consisting of a main dish and staples, we introduced products suitable for breakfast. As a result of offering of products corresponding to various dining scenarios, sales of home-use frozen foods greatly exceeded the level for the previous year.

In the ready-made meals business, the construction of new plants started in the previous year was completed, leading to higher sales.

Strong demand for flaxseed-related food products, which contribute to extension of healthy life expectancy, an important indicator in an aging society, continued, and we offered a wide range of products, from raw materials to processed foods.

Regarding the international business, the construction of a premix plant for Nippon Flour Mills (Shanghai, Jinshan) Co., Ltd. to meet growing demand for premix products in China was completed and it started operation. In Thailand, NIPPN (Thailand) Co., Ltd., a subsidiary, increased premix production capacity. Moreover, the construction of a frozen food production facility is planned.

Please tell us about the developments regarding the international business.

Regarding the international business, the construction of a premix plant for Nippon Flour Mills (Shanghai, Jinshan) Co., Ltd. to meet growing demand for premix products in China was completed and it started operation. In Thailand, NIPPN (Thailand) Co., Ltd., a subsidiary, increased premix production capacity. Moreover, the construction of a frozen food production facility is planned.

What is your outlook regarding the performance in FY2020?

The food industry is facing various issues, among which labor shortages and the consequent rise in labor costs are particularly pressing. Meanwhile, in view of the shifting patterns of personal consumption, companies need to respond swiftly in a market environment undergoing structural change.

For the year ending March 31, 2020, management forecasts consolidated net sales of ¥350.0 billion (up 4.4% year on year), operating profit of ¥12.0 billion (up 6.9% year on year), ordinary profit of ¥13.5 billion (up 3.3% year on year) and profit attributable to owners of parent of ¥9.0 billion (up 6.4% year on year).

Finally, do you have messages for shareholders?

While striving to further strengthen competitiveness in each business field and expanding the international business, the Group will continue to embrace new challenges with the aim of becoming a multifaceted global food enterprise. We will also continue strengthening our systems ensuring food safety and reliability for consumers and stable distribution.

Your further support is greatly appreciated.

Please tell us about your initiatives for environmental protection.

In the frozen food operations, we are expanding use of paper trays made of environmentally friendly raw materials, such as PEFC-certified paper, for pasta and rice dishes. Moreover, we have expanded the scope of our ISO14001 certification for environmental management systems to cover our headquarters and all eight factories.

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Changes in Consolidated Net Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flour Milling Segment</td>
<td>¥102.7</td>
<td>¥103.4</td>
<td>¥103.9</td>
</tr>
<tr>
<td>Food Segment</td>
<td>¥36.9</td>
<td>¥37.7</td>
<td>¥38.4</td>
</tr>
<tr>
<td>Other Segment</td>
<td>¥19.1</td>
<td>¥18.7</td>
<td>¥18.2</td>
</tr>
</tbody>
</table>

Capital Expenditure and Depreciation

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditure</th>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>¥35.0 billion</td>
<td>¥10.1 billion</td>
</tr>
<tr>
<td>FY2017</td>
<td>¥37.4 billion</td>
<td>¥12.0 billion</td>
</tr>
<tr>
<td>FY2018</td>
<td>¥39.7 billion</td>
<td>¥10.8 billion</td>
</tr>
</tbody>
</table>

Net Sales by Segment (FY2019)

- Flour Milling Segment: ¥102.7 billion (31%)
- Food Segment: ¥195.6 billion (58%)
- Other Segment: ¥102.7 billion (31%)

* Figures are rounded down to the nearest billion yen.
Construction of the premix plant of Nippon Flour Mills (Shanghai) Co., Ltd. was completed and it started operation in October 2018. In Thailand, NIPPN (Thailand) Co., Ltd. (hereinafter “NPT”), a subsidiary, increased premix production capacity. Demand for premix products are growing in China, Thailand and other ASEAN countries. To meet such strong demand, the Group will continue to bolster other international businesses and expand our business operations overseas.
Our premium pasta brand REGALO lineup

REGALO means “gift” in Italian. Here, we introduce our products from the brand that makes your dining table more appealing, including pastas whose ingredients and manufacturing methods were carefully selected and pasta sauces created in painstaking pursuit of authentic flavors. One bite is all it takes to taste the difference.

REGALO’s brand colors of red, black and gold match with its pasta lineup. Food photos associated with a secluded restaurant in Italy appeal to consumers, giving rise to expectations regarding the taste. The product descriptions placed on top make the distinctive features of the product noticeable.

Key points in the package redesign
1. REGALO’s brand colors of red, black and gold match with its pasta lineup.
2. Food photos associated with a secluded restaurant in Italy appeal to consumers, giving rise to expectations regarding the taste.
3. The product descriptions placed on top make the distinctive features of the product noticeable.

REGALO pasta sauce series - more authentic taste and brand-new packages!

Single-serving retort pouch-type pasta sauces from REGALO premium pasta brand are made in pursuit of authentic flavors that Italians love.

Product Profiles

REGALO pasta sauce series - more authentic taste and brand-new packages!

Improved the recipes of 5 sauces

High-quality spaghetti created from our pursuit of quality ingredients and the optimum manufacturing method!

Made of Semolina, a course grind of endosperm, these noodles essentially have the flavor of durum wheat, a bouncy texture and a golden color.

The coarse surface of these traditional noodles holds sauce well.

Long pastas

Short pastas

Pasta sauces in jars

Made of Semolina, a course grind of endosperm, these noodles essentially have the flavor of durum wheat, a bouncy texture and a golden color.

Spaghetti 1.7 mm 200 g

Spaghetti 1.5 mm 200 g

Spaghetti 1.7 mm bunches 400 g

Spaghetti 1.5 mm bunches 400 g

Spaghetti 1.7 mm bunches 400 g

Spaghetti 1.5 mm bunches 400 g

Penne Regale

Each noodle is cute, small shape that is easy to eat and good with a wide range of sauces.

Farfalle

It has a distinctive butterfly shape and is perfect for salads. It goes well with vegetables such as fava beans as well as tomato sauce.

Fusilli

Its spiral shape holds sauce well. Oil-based sauce are recommended.

Taste of Italian ripe tomatoes, even great as a base for stews and soups.

This authentic sauce features a rich tomato flavor with a hint of basil and oregano, finished with white wine.

This is a rich tomato sauce with a savory anchovy flavor, finished with aromatic white wine.

The sauce features a rich tomato flavor and fragrant garlic, and has a robust red wine flavor.

This is a rich tomato sauce with a savory anchovy flavor, finished with aromatic white wine.

The course surface of these traditional noodles holds sauce well.

BEET TOMATO

This noodle, with a cute, small shape is easy to eat and good with a wide range of sauces.

Garlic Tomato

The sauce features a rich tomato flavor and fragrant garlic, and has a robust red wine flavor.

Anchovy Tomato

This is a rich tomato sauce with a savory anchovy flavor, finished with aromatic white wine.

Concerto of Vongole Bianco

This is a rich tomato sauce with a savory anchovy flavor, finished with aromatic white wine.

Rustica of Squid Ink

This is a rich tomato sauce with a savory anchovy flavor, finished with aromatic white wine.

Sauce of Tomato Cream

It has a distinctive butterfly shape and is perfect for salads. It goes well with vegetables such as fava beans as well as tomato sauce.

Oil-based sauces are recommended.

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Oil-based sauces are recommended.

REGALO means “gift” in Italian. Here, we introduce our products from the brand that makes your dining table more appealing, including pastas whose ingredients and manufacturing methods were carefully selected and pasta sauces created in painstaking pursuit of authentic flavors. One bite is all it takes to taste the difference.
Consolidated Financial Results

- **Total assets/Net assets**
  - Total assets: ¥298,511,316 (FY2018: ¥272,052,823)
  - Net assets: ¥112,000,000 (FY2018: ¥100,000,000)

- **Net sales**
  - ¥230,466,415 (FY2018: ¥223,495,412)

- **Equity ratio**
  - FY2018: 35.6%

- **Ordinary income**
  - FY2018: ¥11,862,000

- **Profit attributable to owners of parent / Net income per share**
  - FY2018: ¥8.45

Company Overview

- **Company Name**: Nippon Flour Mills Co., Ltd.
- **Head Office**: 4-6 Kameyama, Chiyodaku, Tokyo
- **Established**: December 1918
- **Capital**: ¥12,142 billion
- **Number of Employees**: 9,002 (non-consolidated basis)
- **Major Businesses**: Manufacturing and marketing of wheat flour and secondary processed foods, including pastries, pastes and frozen foods, deli (packaged lunch), pet food products, health care products, biotechnology business, etc.
- **Locations**: Head office (Tokyo), two administrative divisions, eight branches, eight plants, laboratory (Atsugi)

Major Group Companies

- **Tobiko Flour Mills Co., Ltd.**
- **Matsuya Flour Mills Co., Ltd.**
- **NIPPON SHOJU Co., Ltd.**
- **OK Food Industry Co., Ltd.**
- **Nippon Rich Co., Ltd.**
- **NIPPN SHOJI Co., Ltd.**
- **MITSUKOSHI CORP., LTD.**
- **MITSUI & CO., LTD.**
- **Daishin Life Insurance Co., Ltd.**
- **DUSKIN CO., LTD.**
- **Nippon Flour Mills Clients Shareholding Association**
- **Nippon Flour Mills Co., Ltd.**
- **Nippon Rich Co., Ltd.**
- **NIPPN Frozen Foods Co., Ltd.**

Shares

- **Number of Authorized Shares**: 300,000,000 shares
- **Number of Outstanding Shares**: 78,824,009 shares
- **Number of Shareholders**: 18,786
- **Number of Outstanding Shares**: 78,824,009 shares

Distribution by shareholder type

- **Financial institutions**: 33.1%
- **Individual investment**: 25.5%
- **Companies in Japan**: 26.4%
- **Non-Japanese investors**: 11.4%

Distribution by shareholder size

- **100,000 shares or more**: 83.9%
- **1,000 shares or more**: 2.6%
The 195th Annual Shareholders Meeting: Notice of Resolutions

We are pleased to inform you that the following matters were reported and resolved at our 195th Annual Shareholders Meeting held on June 27, 2019.

Details

1. Business report, consolidated financial statements and audit reports on the consolidated financial statements by accounting auditor and the board of corporate auditors for the 195th period (April 1, 2018 through March 31, 2019).
2. Non-consolidated financial statements for the 195th period (April 1, 2018 through March 31, 2019).

The details of the above items were reported.

Matters reported

Proposal 1: Appropriation of retained earnings
This matter was approved and adopted as originally proposed, and the year-end dividend was determined to be ¥17 per share.

Proposal 2: Election of eleven directors
This proposal was approved and adopted as originally proposed, and Hiroshi Sawada, Masayuki Kondo, Toshifumi Horiuchi, Toshiya Maezuru, Mitsuhiro Takeuchi, Toyokazu Saotome, Atsuo Ouchi, and Naotaka Kawamata were re-appointed as Directors while Takaaki Aonuma, Takashi Eshima, and Akiko Kimura were newly appointed as Directors.

Proposal 3: Election of a corporate auditor
This matter was approved and adopted as originally proposed.
Noboru Sekine was newly elected and assumed office.

Matters resolved

Shareholder Information

<table>
<thead>
<tr>
<th>Fiscal Year:</th>
<th>April 1 to March 31</th>
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</thead>
<tbody>
<tr>
<td>General Meeting of Shareholders:</td>
<td>June</td>
</tr>
<tr>
<td>Record Date:</td>
<td>March 31 for the General Meeting of Shareholders and Year-end Dividend</td>
</tr>
<tr>
<td></td>
<td>September 30 for the Interim Dividend</td>
</tr>
<tr>
<td>Administrator of Shareholder Registry Manager of Special Account</td>
<td>Sumitomo Mitsui Trust Bank, Limited.</td>
</tr>
<tr>
<td></td>
<td>4-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo</td>
</tr>
</tbody>
</table>

Mailing Address: Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited. 8-4 Izumi 2-chome, Suginami-ku, Tokyo 168-0063

(Telephone Contact): 0120-782-031 (toll free in Japan)

Website: https://www.smtb.jp/personal/agency/index.html

Procedural matters relating to shares

The shares recorded in accounts at securities companies and recorded in special accounts are handled by different agents. Please contact the following for any inquiry regarding various procedures related to shares:

<table>
<thead>
<tr>
<th>Shares recorded in the general account (account at a securities company)</th>
<th>Shares recorded in the special account (account at a trust bank)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procedures / Inquiries</strong></td>
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<tr>
<td>• Request for purchase of odd lot shares or sale of additional shares</td>
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<tr>
<td>• Change of name, address, etc.</td>
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<tr>
<td>• Specification of dividend receipt method</td>
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</tr>
<tr>
<td>• Inquiries regarding delivery and return of mail</td>
<td>• Application for transfer from special account to general account</td>
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<tr>
<td>• Inquiries regarding dividends after payment period</td>
<td>• Inquiries regarding delivery and return of mail</td>
</tr>
<tr>
<td>• General inquiries regarding the administration of shares</td>
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<tr>
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</tbody>
</table>

Contact

<table>
<thead>
<tr>
<th>Securities company at which you have an account</th>
<th>Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited. 0120-782-031 (toll free in Japan)</th>
</tr>
</thead>
</table>

Contact

4-8 Kojimachi, Chiyoda-ku, Tokyo 102-0083

Phone: 03-3511-5301 (General)  Website: https://e-nippn.com/