

..... To Our Shareholders



The 197th Period

Year-end Report

April 1, 2020 to March 31, 2021



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To Our Shareholders

With the delivery of this “Year-end Report for the 197th Period” to you, we would like to express our sincere appreciation for your continued support.

On May 14, 2021, we announced our consolidated financial results for the fiscal year ended March 31, 2021, and I would like to provide an overview of our business in FY2021 and our outlook for the future.

Representative Director, President and COO Toshiya Maezuru

前鶴俊哉



Interview with the President

FY2021 Business Summary and Future Outlook

NIPPON CORPORATION - Aiming to grow further into a diversified and comprehensive food company.

Q Looking back at FY2021, what is your opinion of the business environment?

A During the fiscal year ended March 31, 2021, the Japanese economy was greatly affected by the COVID-19 pandemic. Repeated implementation of measures to prevent the spread of COVID-19 infection has been affecting economic activities, and prospects for the Japanese economy have remained uncertain.

The food industry's business environment has changed significantly, including voluntary suspension of operation or shorter operating hours in the restaurant sector, growth of delivery services and an increase in eating at home, and an increase in demand for products to be consumed at home as

people refrain from going out. The situation remains unpredictable.

The Group maintained sustainable growth as a multifaceted food enterprise, and we endeavored to strengthen our business foundation by adopting a flexible approach under unprecedented conditions. We reinforced the existing business by reducing costs and fortifying sales while, at the same time making aggressive investment in promising fields.

Q Please give us an overview of your business performance for FY2021.

A Regarding consolidated business results for FY2021, net sales were ¥329.566 billion (95.6% year on year), operating income was ¥10.331 billion (93.1% year on year),

ordinary income was ¥12.62 billion (99.1% year on year), and profit attributable to parent company owners was ¥8.608 billion (96.3% year on year). Both sales and profits decreased for the full year due to the impact of the spread of the new coronavirus infection. The first half of the year was heavily affected by the declaration of a state of emergency, resulting in significant decreases in both sales and profits, but the second half of the year showed a notable recovery trend.

With respect to the year-end dividend, the Company changed its name to NIPPON CORPORATION and in order to express our gratitude to our shareholders, we have decided to pay a year-end dividend of ¥19 per share (annual dividend of ¥36 per share), including a commemorative dividend of ¥2 per share.

Q Please give us an overview of the food business's performance, which is playing a greater role in the group overall.

A Sales of products in the professional-use category declined compared to the previous fiscal year due to sluggish demand, mainly from the food service industry responding to requests to refrain from going out, requests to close various industries, shortened business hours, and the cancellation of large-scale events following the declaration of a state of emergency. The impact of changes in consumer behavior due to the spread of the new coronavirus infection also had a part to play. On the other hand, sales of products in the home-use product category, home-use premises, pasta, pasta sauce, and other products were strong owing to increased demand for consumption at home caused by requests to refrain from going out, resulting in a year-on-year increase in sales. Sales of frozen foods for household use also increased from the previous fiscal year due to strong sales of the Oh'my Premium series of frozen pasta and the Yokubari series packaged in single-serving trays, as a result of major

FY2021 Consolidated Financial Highlights (April 1, 2020 to March 31, 2021)			
Net Sales	¥329.5 billion (Down 4.4% y-o-y)	Net Income per Share	¥112.27
Operating Income	¥10.3 billion (Down 6.9% y-o-y)	Total Assets	¥308.0 billion
Ordinary Income	¥12.6 billion (Down 0.9% y-o-y)	Net Assets	¥169.1 billion
Profit Attributable to Owners of Parent	¥8.6 billion (Down 3.7% y-o-y)	Net Assets per Share	¥2,141.91

(Note) Since the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc. will be applied from the beginning of the fiscal year ending March 31, 2022, the forecast for the full year is based on applying the said standard. Hence, the rate of increase or decrease from the actual results of the previous fiscal year, which was before the application of the said standards, is not stated.

FY2022 Full-Year Forecasts (April 1, 2021 to March 31, 2022)	
Net Sales	¥320.0 billion
Operating Income	¥11.1 billion
Ordinary Income	¥12.7 billion
Profit Attributable to Owners of Parent	¥9.0 billion

changes in consumer behavior, including increased demand for eating at home. In the ready-made meals business, sales decreased from the previous fiscal year, largely affected by the decline in the number of customers visiting convenience stores due to the spread of the new coronavirus infection. With regard to the new coronavirus infection, the Group is taking thorough measures to prevent the spread of the infection, placing top priority on the safety and security of our customers and the health of our employees, continuing production activities at all of our manufacturing bases in Japan and overseas, and maintaining a business structure that fulfills our social responsibility as a food company.

Q Please tell us how the Company is strengthening its business structure.

A On April 1, 2021, we merged with Tofuku Flour Mills Co., Ltd. As a result, Tofuku Flour Mills Co., Ltd.

became the Fukuoka Nanotsu Plant, and our flour milling business now consists of eight plants nationwide. By improving the efficiency of manufacturing and logistics, we will further strengthen our competitiveness. In addition, in order to respond to the rapidly expanding demand in the frozen food market, we took over the production facilities of NIPPN Frozen Foods Co., Ltd. on April 1, 2021 and shifted to a system where we directly manufacture frozen food products while newly establishing the frozen food business division to strengthen our business structure.

Q Please tell us about the recent efforts to protect the environment.

A As part of our efforts to protect the environment, since March of this year we have been gradually changing the best-before date labeling on pasta for home use to “year and month” to help reduce food loss. We are also taking

various other initiatives, such as using paper trays made from environmentally friendly raw materials such as PEFC (forest certified) paper and eco paper trays made from unbleached wood pulp for home-use frozen foods. Another initiative since last fall has been to change the packaging material for some home-use flour to paper.

Q What is your outlook regarding performance in FY2022?

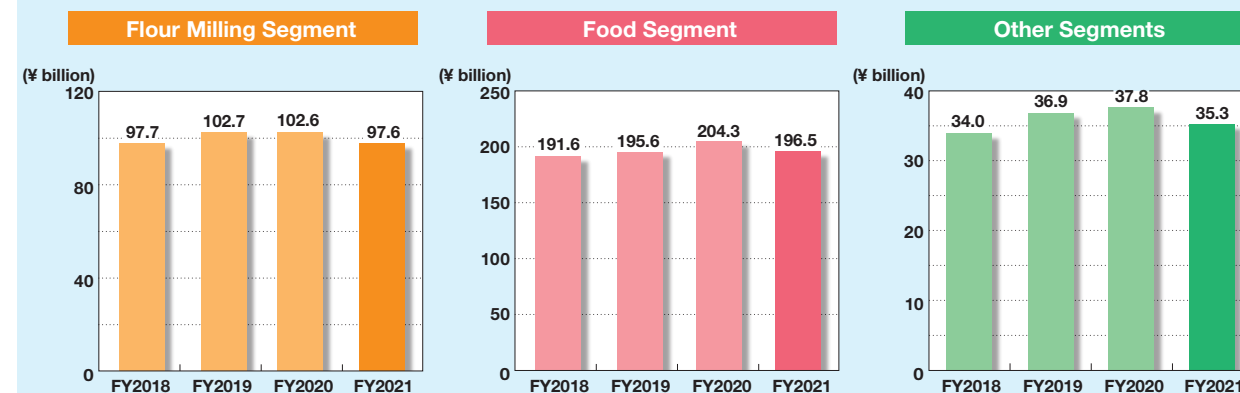
A Although there are some positive signs in the Japanese economy, such as the start of vaccinations for new coronavirus infections, the future is expected to remain more uncertain than ever due to concerns about the spread of so-called mutant strains. In the food industry, major changes in consumer behavior are expected to continue, including higher demand for products related to new lifestyles and demand arising from staying at home. For the fiscal year ending March 31, 2022, we forecast consolidated net sales of

¥320 billion, operating income of ¥11.1 billion, ordinary income of ¥12.7 billion, and profit attributable to parent company owners of ¥9 billion.

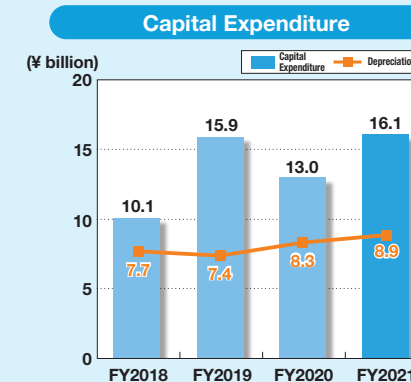
Q Finally, do you have any messages for shareholders?

A We changed the company name on January 1, 2021. By changing the name of the company that we have used since our founding to NIPPN CORPORATION, we are aiming to grow further into a diversified and comprehensive food company while promoting the safety and security of consumers and strengthening our system for stable supply. Your further support is greatly appreciated.

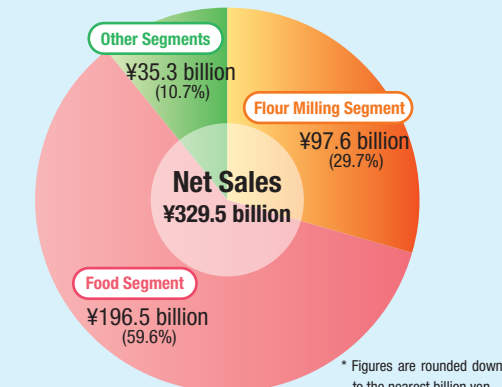
Changes in Consolidated Net Sales



Capital Expenditure and Depreciation



Consolidated Net Sales by Segment (FY2021)



* Figures are rounded down to the nearest billion yen.

FY2021 Aggressive capital investment

Fukuoka Premix Plant

Investment amount: ¥1.2 billion, Completed in October 2020



The Fukuoka Plant has been engaged in the stable supply of wheat flour as a flour mill, and has installed a new plant for high value-added premixing for professional-use. The Company's premix business in Japan now has three production bases: the Ryugasaki Plant, the Kobe Konan Plant, and the Fukuoka Plant, which has enabled the Company to increase its production capacity and establish a more efficient production and distribution system.

◀ The front part is the newly built pre-mix plant.

Isesaki (Frozen Foods No. 2) Plant

Investment amount: ¥4.4 billion, completed in November 2020



The new plant will manufacture frozen foods for home use, for which demand is increasing due to changes in lifestyles—particularly the Nippon Yokubari Series and Nippon Imadoki Gohan (Trendy Meal) Series of meal sets in trays, which are popular among many customers. Completion of the new plant will strengthen our supply system for these frozen foods for home use and accelerate the growth and expansion of our frozen food business.

NIPPN (Thailand) Co., Ltd. frozen dough manufacturing plant

Investment amount: ¥800 million, completed in November 2020



NIPPN (Thailand) Co., Ltd. was established in 2006 and has continued to grow by providing a stable supply of premixes that meet the needs of the times in a rapidly changing business environment where food is becoming increasingly diverse. Together with the sales company NIPPN FOODS CORPORATION (THAILAND) LTD. (established in 1996), we have been aggressively expanding our business in Thailand and neighboring countries. Based on our business activities to date, we have judged that there is sufficient market potential for frozen dough in addition to premixes, and have therefore decided to establish a new overseas frozen food factory for the Nippon Group.

Introducing frozen foods made with new ingredients and new materials!

Made with new wheat

Nippon 100% Japanese Wheat Pancake



Through many years of joint research with the National Agriculture and Food Research Organization, we have developed the world's first wheat that contains a starch with a low ratio of amylose and a simple amylopectin structure. Bread made from this wheat has the characteristic of being softer than usual and resists hardening even

after a long time (patented).

100% Japanese Wheat Pancake, a frozen food product made from a new type of wheat born in Japan, makes the most of its features, and our unique blending technology prevents the pancakes from becoming dry over time and to provide a fluffy, moist and delicious taste.

<Reference> The Company's press release dated May 27, 2016
https://www.nippon.co.jp/assets/images/ir/no16_noukenkyoudou_komugidenpun.pdf

Made with Soyl pro, a new material developed by our company

Oh'my Tofu Meat Bolognese Pasta



Soyl pro, which was introduced in the last issue of the Quarterly Letter, is a new material that differs from ordinary soybean meat. With a focus on health and taste, Soyl pro uses a patented manufacturing process to achieve an unobtrusive flavor and chewy elasticity while suppressing the unique aroma of soybeans. The "Tofu Meat Bolognese Pasta" using Soyl pro is a frozen spaghetti in a portion that is free

of animal ingredients, combining the taste and chewy texture of the tofu-derived meat with a mild sauce that makes the most of the flavor of vegetables. It has acquired the vegan certification mark from the NPO VegeProject Japan, and uses biomass ink made from plant-based materials for some of its packaging.



Efforts to reduce food loss: Changing expiration date to "year and month" labeling

The best-before date labeling on Oh'my spaghetti and REGALO spaghetti has been changed from "year, month, and date" to "year and month" starting with products manufactured in March 2021. *Excluding some products and frozen foods

Our company is taking steps to solve social issues surrounding food products, such as implementing "reuse of food residues" (a recycling business plan implemented in December 2013 based on the Food Recycling Law, with certification obtained for the Food Recycling Loop) for food waste, and adopting paper trays made of PEFC-certified paper for many of our frozen foods. In addition, since the fall of 2020, we have started using paper as a packaging material for some of our home-use flour.

This change in labeling is expected to further reduce food loss and improve distribution efficiency.

Details of the labeling change

Before change
(labeling with year,
month, and date)賞味期限
2024.3.1After change
(labeling with year
and month)賞味期限
2024年03月

*Images are for reference only.

New products for spring & summer 2021

More convenient and easier to use! Introducing products designed to meet customers' needs.

Processed Foods

◆nipn Peanut Cream with Flaxseed



Our flaxseed products are certified by the Flaxseed Association of Japan.



Banana Peanut Toast with Flaxseed

A new product, "Peanut Cream with Flaxseed" using flaxseed paste (Patent No. 6712169*) made from roasted flaxseeds and flaxseed oil, is now available. This whipped product is easy to apply and spread on bread as a way to consume flaxseed. All Nipn's flaxseed products, including this one, carry the Japan Flaxseed Association Certification Mark as proof that they have passed the strict screening process conducted by the Flaxseed Association of Japan.

*Pasting and oxidation inhibition by pasting

◆Oh'my One Pan Baked Napolitan (Japanese Style Ketchup Pasta) Kit



Baked Neapolitan with chicken and asparagus

A new product on the market, "Baked Neapolitan Kit" makes it easy to make

Neapolitan, a favorite of both adults and children, with just one frying pan. The set includes a base sauce and *casarecce*, an easy-to-eat short pasta with a glutinous texture that does not require separate boiling. Enjoy it with your favorite ingredients such as sausage, onions, green peppers, etc. This product answers the calls of those who find themselves in a rut with their menu at home!

◆Oh'my Pasta Sauce Soy Meat Bolognese Sauce



Soy Bolognese with mixed mushrooms

A new Bolognese sauce made with soy meat known as "meat from the fields," a tasty source of vegetable protein, has been added to more and more enriched Oh'my retort pasta sauce. It features the texture of coarsely ground meat and the rich taste of tomatoes and savory vegetables.



Developer's voice

Central Technology Center
Fukuoka Technology Center
(At the time of development:
Business Development Dept.,
Development Headquarters)
Ryunosuke Kuriyama

This product was developed to bring our flaxseed to even more customers by putting it in a spread. The problem of oxidation arose when we added flaxseed in the form of grains or oil in a spread, but we were able to overcome this problem with our patented paste technology. This is a product that everyone can enjoy, and we hope it will become popular. Why not give it a try?

Frozen Foods

◆nipn Exotic Meal Plate Sichuan Meal Plate



A hearty 420-g meal! The "Exotic Meal Plate" series, which satisfies the needs of customers who want both quantity and taste, now includes "Sichuan Meal Plate." You can enjoy three kinds of spicy food on one plate: the numbingly spicy tantanmen without soup, the lingering spicy mapo tofu rice bowl, and the Chinese-style fried chicken with sweet and spicy sauce. Enjoy three kinds of alluring spiciness.



Developer's voice

Development Headquarters
Product Development Dept.
Mie Ogawa

I was especially particular about the soup-less tantanmen. The spiciness and the texture of the glutinous flat noodles give it an exquisite finish. The spiciness is varied by using several kinds of spices and flavored oil, and for the Chinese noodles, we spent lots of time selecting and blending the flour to create the elastic texture that only frozen foods can provide. We also recommend the tasty and spicy mapo tofu rice bowl made with Chinese chili bean sauce and the satisfying sweet and spicy fried chicken. We hope you enjoy them.

◆nipn Trendy Meal Hamburg Steak Loco Moco



Served in convenient trays

A mild-tasting hamburg steak loco moco featuring the combination of a runny fried egg-style omelet and a rich demiglace sauce is now available in Trendy Meal range. This series of meals comes served in convenient trays that allow you to eat fashionable restaurant-style meals simply just by cooking them in a microwave oven. The rich and juicy hamburg steak is topped with cheddar cheese, and the rice contains five grain types: barley, black rice, sprouted brown rice, foxtail millet, and pilled millet.

◆Oh'my Premium Squid Ink Pasta with Squid

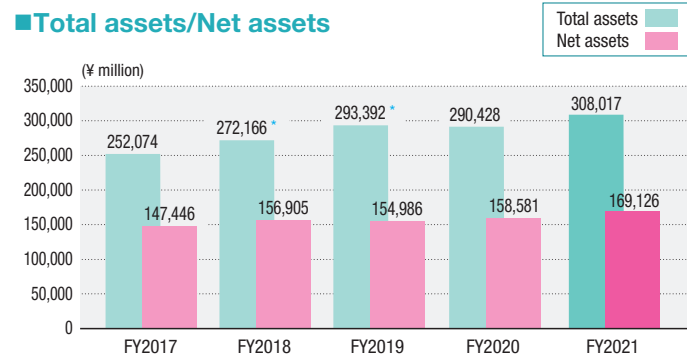


No need for a separate plate!
eco paper tray

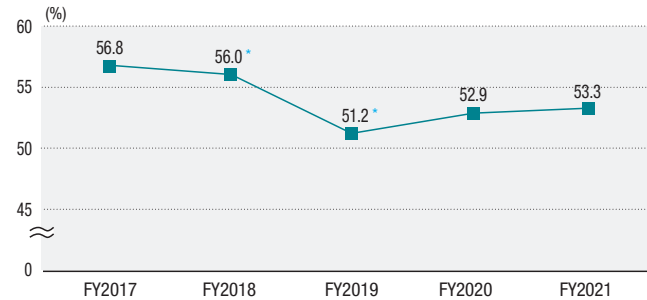
A new taste joins the Oh'my Premium series. Squid ink sauce and chopped squid are simmered together to create a rich seafood flavor. Two squid rings are placed on the top for a more filling texture, and the black squid ink and bright-red ripe tomato sauce accentuate the colors.

Consolidated Financial Results

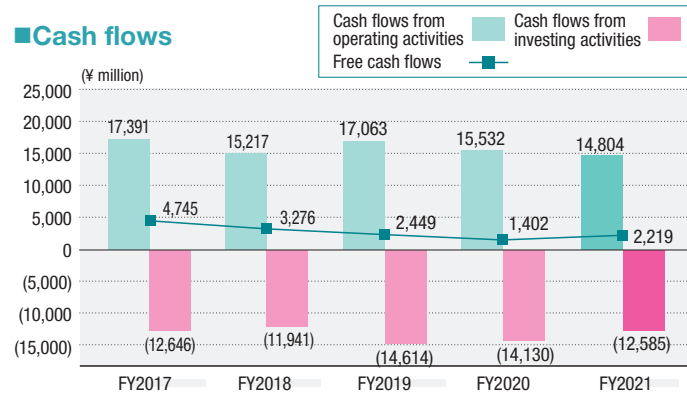
Total assets/Net assets



Equity ratio

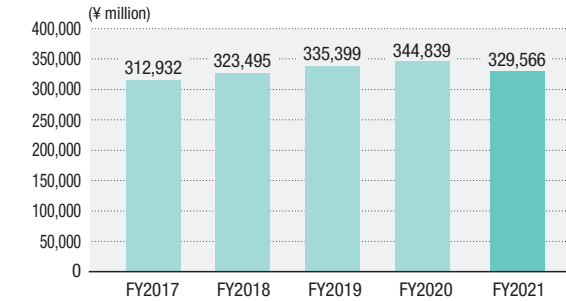


Cash flows

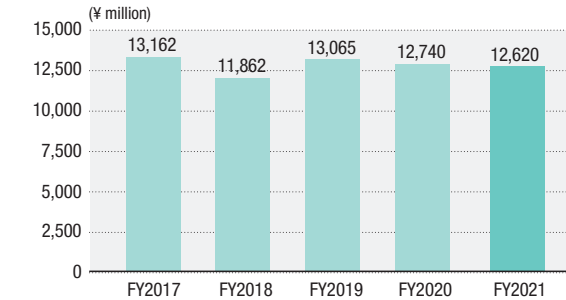


*Effective from the fiscal year ended March 31, 2019, the Company has applied the partial amendments to the "Accounting Standard for Tax Effect Accounting" and other standards, and the figures for total assets and the equity ratio for the previous fiscal year (FY2018) are presented after the retrospective application of these accounting standards.

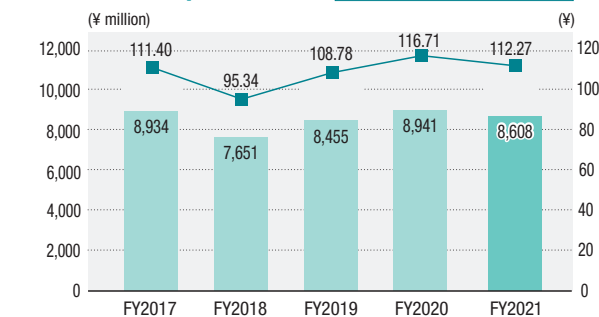
Net sales



Ordinary income



Profit attributable to owners of parent/ Net income per share



(As of March 31, 2021)

Company Overview

Company Name:	NIPPON CORPORATION
Head Office:	4-8 Kojimachi, Chiyoda-ku, Tokyo
Established:	December 1896
Capital:	¥12.24 billion
Number of Employees:	1,070 [non-consolidated basis]
Major Businesses:	Manufacturing and marketing of wheat flour and secondary processed foods, including premixes, pastas and frozen foods, deli items (packaged lunches), pet food products, health care products, biotechnology business, etc.
Locations:	Head office (Tokyo), eight branches, eight plants (From April 1, eleven plants), laboratory (Atsugi)

Major Group Companies

Matsuya Flour Mills Co., Ltd.	Tofuku Flour Mills Co., Ltd.
NIPPON SHOJI Co., Ltd.	OHMY Co., Ltd.
NIPPON Frozen Foods Co., Ltd.	Nippon Rich Co., Ltd.
Fast Foods Co., Ltd.	OK Food Industry Co., Ltd.
NAGANO TOMATO Co., Ltd.	NPF Japan Co., Ltd.
NIPPON Donut Co., Ltd.	Nippon Engineering Co., Ltd.

Overseas (United States, China, Thailand, and Indonesia)

*Status after April 1

- The Company merged with Tofuku Flour Mills Co., Ltd. on April 1.
- NIPPON Frozen Foods Co., Ltd. transferred its business on April 1.

(As of March 31, 2021)

Shares

- Number of Authorized Shares 300,000,000 shares
- Number of Outstanding Shares 78,824,009 shares
- Number of Shareholders 22,205
- Major Shareholders

Name	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	5,311	6.9
NIPPON Flour Mills Clients Shareholding Association	4,557	5.9
Taiju Life Insurance Co., Ltd.	3,497	4.5
MITSUMI & CO., LTD.	3,349	4.4
Custody Bank of Japan, Ltd. (trust Account)	2,533	3.3
DUSKIN CO., LTD.	2,510	3.3
Itochu Corporation	2,250	2.9
Sumitomo Mitsui Banking Corporation	2,246	2.9
The Norinchukin Bank	2,060	2.7
Mitsui Sumitomo Insurance Co., Ltd.	2,004	2.6

Note: The calculation of the shareholding ratios excludes 1,942,000 treasury shares.

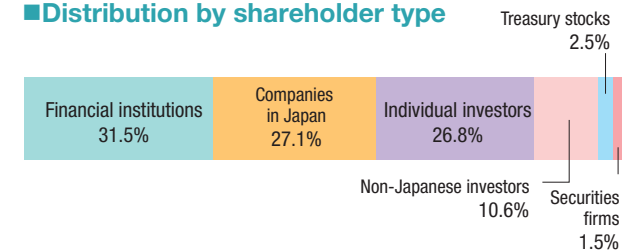
(As of June 29, 2021)

Directors and Executive Officers

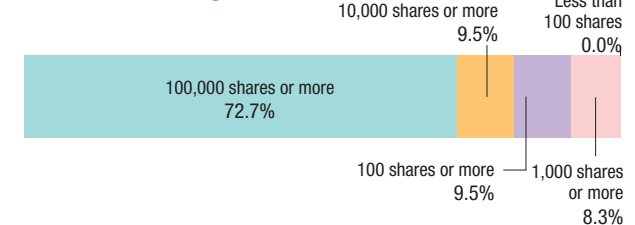
Representative Director, Chairman and CEO:	Hiroshi Sawada	Senior Executive Officer	Takashi Eshima
Representative Director, President and COO:	Toshiya Maezuru	Senior Executive Officer	Tomio Kimura
Representative Director, Executive Vice President:	Toshifumi Horiuchi	Senior Executive Officer	Hiroaki Kawasaki
Senior Managing Director:	Atsuo Ouchi	Senior Executive Officer	Akira Higashino
Senior Managing Director:	Yuzuru Kogiso	Senior Executive Officer	Akihisa Miyata
Managing Director:	Takaaki Aonuma	Senior Executive Officer	Miharu Kobayashi
Managing Director:	Akiko Kimura	Executive Officer:	Hideki Okusu
Managing Director:	Keizo Kagawa	Executive Officer:	Hiroshi Koura
Managing Director:	Yasunori Tanaka	Executive Officer:	Motono Takahashi
Director (Outside Director):	Yoshio Kumakura	Executive Officer:	Hirofumi Matsumoto
Director (Outside Director):	Naotaka Kawamata	Executive Officer:	Hisayasu Soejima
[Directors who are Audit & Supervisory Committee Members]		Executive Officer:	Shigeyuki Ookanda
Director (Outside Director):	Akio Okuyama	Executive Officer:	Itsuo Hayashi
Director (Outside Director):	Kazuhiko Yoshida		
Director (Outside Director):	Kentaro Naruse		
Director:	Etsuzo Tamagawa		

Distribution of Shares

Distribution by shareholder type



Distribution by shareholder size



The 197th Annual Shareholders Meeting: Notice of Resolutions

We are pleased to inform you that the following matters were reported and resolved at our 197th Annual Shareholders Meeting held on June 29, 2021.

Details

Matters reported

1. Business report, consolidated financial statements and audit reports on the consolidated financial statements by the accounting auditor and the board of corporate auditors for the 197th period (April 1, 2020 through March 31, 2021).
2. Non-consolidated financial statements for the 197th period (April 1, 2020 through March 31, 2021).
The details of the above items were reported.

Matters resolved

- Proposal 1:** Appropriation of retained earnings
This matter was approved and adopted as originally proposed, and the year-end dividend was determined to be ¥19 per share.
- Proposal 2:** Election of eleven directors (excluding directors who are Audit & Supervisory Committee Members)
This matter was approved and adopted as originally proposed, and Hiroshi Sawada, Toshiya Maezuru, Toshifumi Horiuchi, Atsuo Ouchi, Yuzuru Kogiso, Takaaki Aonuma, Akiko Kimura, Keizo Kagawa, Yoshio Kumakura, and Naotaka Kawamata were reappointed and assumed office as directors (excluding directors who are Audit & Supervisory Committee Members), and Yasunori Tanaka was newly appointed and assumed office as a director.
- Proposal 3:** Determination of the terms and conditions of stock options as share-based compensation for directors (excluding directors who are Audit & Supervisory Committee members and/or outside directors)
This matter was approved and adopted as originally proposed, and the Company decided on the terms and conditions of the subscription rights to shares in accordance with the “Act for Partial Revision of the Companies Act (Act No. 70 of 2019)” enacted on March 1 of this year, in order to continue the current stock options as share-based compensation.

Shareholder Information

Fiscal Year:	April 1 to March 31
General Meeting of Shareholders:	June
Record Date:	March 31 for the General Meeting of Shareholders and Year-end Dividend September 30 for the Interim Dividend
Administrator of Shareholder Registry:	Sumitomo Mitsui Trust Bank, Limited.
(Manager of Special Account)	4-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo

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 inquiries about various procedures related to shares:

Shares recorded in the general account (account at a securities company)

Procedures / Inquiries	Contact
<ul style="list-style-type: none"> ● Request for purchase of odd-lot shares or sale of additional shares ● Change of name, address, etc. ● Specification of dividend receipt method 	Securities company at which you have an account
<ul style="list-style-type: none"> ● Inquiries regarding delivery and return of mail, etc. ● Inquiries regarding dividends after the payment period ● General inquiries regarding the administration of shares 	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited. 0120-782-031 (toll-free in Japan)

Shares recorded in the special account (account at a trust bank)

Procedures / Inquiries	Contact
<ul style="list-style-type: none"> ● Request for purchase of odd-lot shares or sale of additional shares ● Change of name, address, etc. ● Specification of dividend receipt method ● Application for transfer from special account to general account ● Inquiries regarding delivery and return of mail, etc. ● Inquiries regarding dividends after the payment period ● General inquiries regarding the administration of shares 	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited. 0120-782-031 (toll-free in Japan)



NIPPON CORPORATION

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

Phone: 03-3511-5301 (General) Website: <http://e-nippon.com/>

