

## ● To Our Shareholders ●

The 199th Period

# Year-end Report

April 1, 2022 to March 31, 2023



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## To Our Shareholders

With the delivery of this “Year-end Report for the 199th Period” to you, we would like to express our sincere appreciation for your continued support.

On May 12, 2023, we announced our consolidated financial results for the fiscal year ended March 31, 2023. I would also like to provide an overview of our business in FY2023 and our outlook for the future.

Representative Director, President Toshiya Maezuru

前鶴俊哉



## Interview with the President

# FY2023 Business Summary and Future Outlook

Pursuing the well-being (happiness, health, and smiles) of people by creating food for a new era

## Q Looking back at the first half of FY2023, what do you think of the business environment?

**A** In FY2023, the Japanese economy showed a gradual recovery trend as the COVID-19 pandemic subsided and economic activities were revitalized. On the other hand, manufacturing and logistics costs remained high due to geopolitical risks including the situation in Russia and Ukraine, as well as the rapid depreciation of the Japanese yen, labor shortages, and soaring prices of raw materials and energy, resulting in a business environment with an uncertain outlook.

Under such circumstances, the Group strived to strengthen its business foundation by reducing costs through operation improvement, as well as by enhancing its competitive advantage through sales promotion of its mainstay products and

high-value-added products. In addition, the Group strived to expand its business domain by strengthening its efforts in the frozen foods, ready-made meals, healthcare and overseas businesses, which it defines as growth areas, expanding sales of SOYL PRO, a plant-based food that uses bean curd processing technology, and reinforcing its e-commerce business.

## Q Please give us an overview of the performance in FY2023.

**A** Regarding consolidated business results for FY2023, net sales were ¥365.525 billion (113.8% year on year), operating income was ¥12.288 billion (108.9% year on year), ordinary income was ¥14.816 billion (103.8% year on year), and profit attributable to owners of the parent company was ¥10.26 billion (110.0% year on year).

While raw material and various other costs rose

repeatedly, and strategic costs for sales expansion also increased, we achieved higher sales and profits for the full year due to cost-based price revisions, increased shipments driven by a recovery in demand for restaurant and ready-made meals, improved productivity, and other factors.

With respect to the year-end dividend, in order to express our gratitude to our shareholders who have supported us to date, we have decided to pay a year-end dividend of ¥21 per share

(annual dividend of ¥40 per share) by adding an additional ¥2 per share.

## Q Please give us the update on your efforts toward the FY2023–2027 Medium-term targets?

**A** In order to continue to be a company that contributes to the realization of a better society and planet, our Group aims to grow its business scale to ¥500 billion in net sales and ¥25 billion in operating

income. As a milestone toward achieving this goal, the Group has established FY2023–2027 Medium-term targets, aiming to achieve ¥400 billion in net sales and ¥15 billion in operating income.

In the flour milling, food ingredients, and processed foods businesses, which are our core businesses, we will strive to achieve sustainable profit growth and stable cash generation through the enhancement of production capacity, further cost reductions, reinforcement of sales, etc. In addition, we will invest management resources intensively in our growth businesses, namely, frozen foods, ready-made meals, healthcare, and overseas business, while expanding supply bases, acquiring businesses, and reinforcing research and development, etc. In both our core and growth businesses, we will make solid efforts to achieve the medium-term targets by the end of FY2027, not only by leveraging existing management resources, but also through M&A and business alliances.

## FY2023 Consolidated Financial Highlights

(April 1, 2022 to March 31, 2023)

Net Sales	¥365.5 billion (Up 13.8% y-o-y)	Net Income per Share	¥132.16
Operating Income	¥12.2 billion (Up 8.9% y-o-y)	Total Assets	¥344.6 billion
Ordinary Income	¥14.8 billion (Up 3.8% y-o-y)	Net Assets	¥192.6 billion
Profit Attributable to Owners of Parent	¥10.2 billion (Up 10.0% y-o-y)	Net Assets per Share	¥2,421.48

## FY2023 Full-Year Forecasts

(April 1, 2023 to March 31, 2024)

Net Sales	¥387.0 billion (Up 5.9% y-o-y)
Operating Income	¥12.5 billion (Up 1.7% y-o-y)
Ordinary Income	¥14.6 billion (Down 1.5% y-o-y)
Profit Attributable to Owners of Parent	¥10.8 billion (Up 5.3% y-o-y)

**Q Please tell us about the U.S. flour milling company whose management you have recently participated in.**

**A** In May this year, we invested US\$25 million (approximately ¥3.3 billion) in Utah Flour Milling, LLC, a U.S. flour milling company (investment ratio: 25%, accounted for by the equity method). Utah Flour Milling, LLC is a flour milling company invested in by PHMBrands, LLC, which mainly operates flour milling business in the United States. When the company decided to build a new flour mill in Utah, we decided to participate in its operation as a business and strategic partner. In the U.S., we operate two companies, Pasta Montana, L.L.C., which manufactures and sells pasta and exports it to Japan, and NIPPN California Inc., which sells premixes and other products. This investment will allow us to realize business development including business expansion in North America and the promotion of

inorganic growth strategy, which is listed in our long-term vision, and will accelerate the speed of business growth in the U.S. through synergy with our two existing sites, leading to further expansion of our overseas business.

**Q Please tell us about the Company's commitment to sustainability.**

**A** In order to fulfill our corporate social responsibility, we have focused on the following sustainability issues in FY2023.

- Environmental protection initiatives: Endorsement of TCFD, installation of solar power generation equipment at plants, etc.
- Human capital initiatives: Promotion of diversity and inclusion, promotion of health management, etc.
- Initiatives to strengthen corporate governance: Establishment of Sustainability Committee and Risk Management Committee, etc.

In December last year, we published the Nippon Integrated Report 2022 in order that our stakeholders could have a broad understanding of our financial and non-financial information. The NIPPON Group will continue to make every effort to realize sustainability management while sincerely addressing social issues based on our management philosophy of “contributing to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people.”

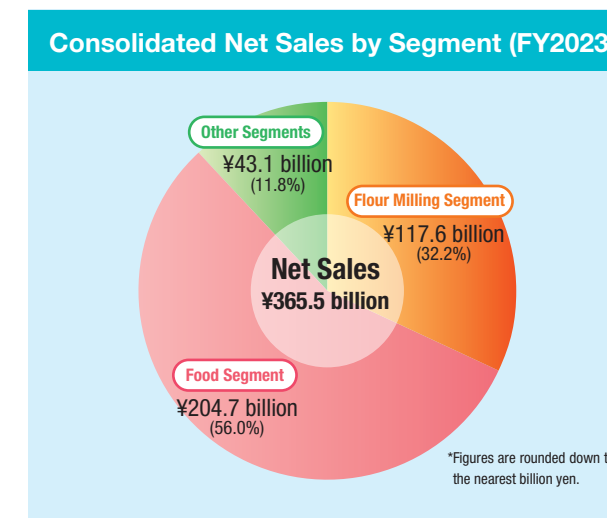
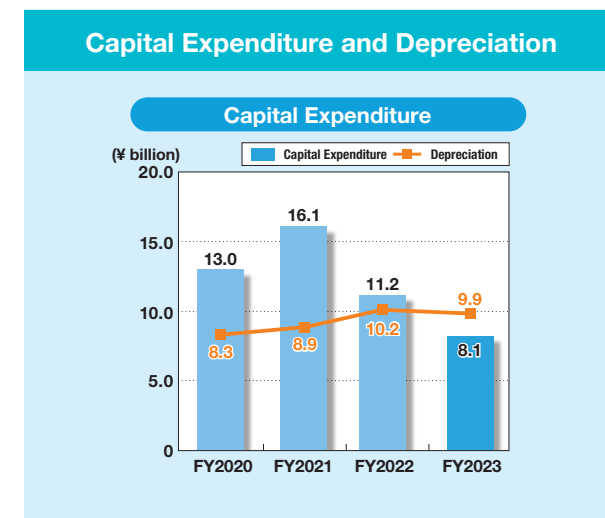
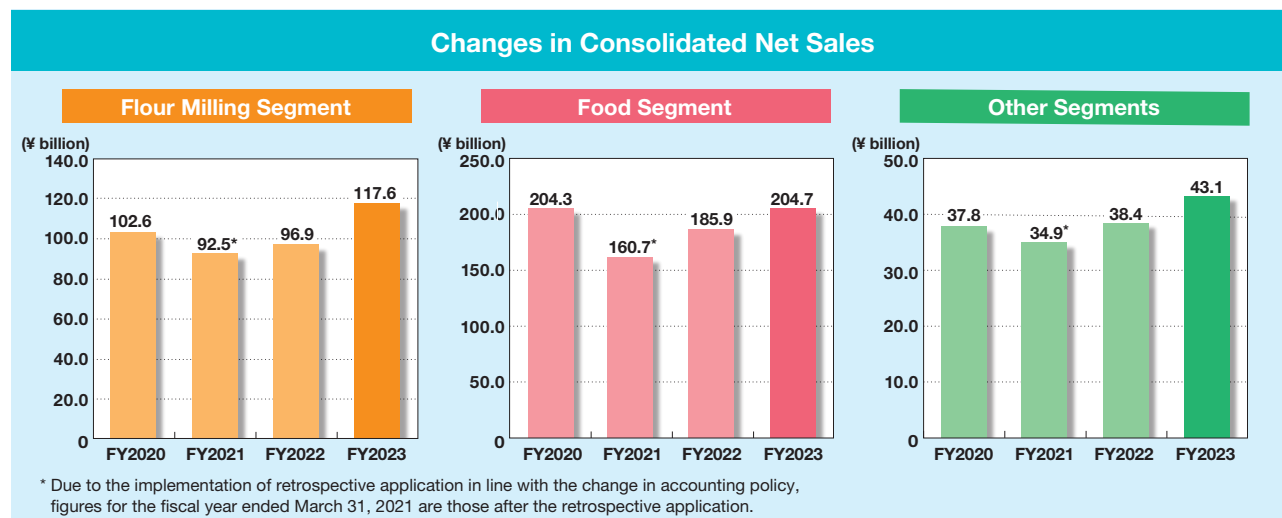
**Q What is your outlook regarding the performance in FY2024?**

**A** The domestic economy going forward is expected to move toward recovery as consumer spending and capital investment expand as a result of the subsidence of COVID-19. On the other hand, the impact on corporate earnings of geopolitical risks including the situation in Russia and Ukraine and the

dispute between the U.S. and China is uncertain, while energy and raw material prices remain high. Under these circumstances, the Company will implement price revisions to reflect costs, while further enhancing productivity and strengthening sales. For FY2024, we forecast consolidated net sales of ¥387.0 billion, operating income of ¥12.5 billion, ordinary income of ¥14.6 billion, and profit attributable to owners of the parent company of ¥10.8 billion.

**Q Finally, do you have any messages for shareholders?**

**A** In order to continue to be a company that contributes to people through food, we will achieve sustainable growth by expanding our business globally and creating new businesses. We would like to sincerely ask our shareholders for their continued and further support.



## 20th anniversary of the launch of Oh'my Premium Pasta, authentic frozen pasta

Oh'my Premium Pasta, which was launched in 2003, celebrated its 20th anniversary this spring. It features a rich variety of tastes that can be enjoyed every day and authenticity achieved by changing the amount of ingredients and the thickness of noodles depending on the type of pasta. Currently, 15 variations are available, including products on sale for a limited time.

### Current Lineups



To commemorate the 20th anniversary of the launch, a commemorative icon with a strong presence has been added to the brand logo printed on all lineups in the series, except products on sale for a limited time.

\*Intage SCI (15–79 years old) Frozen pasta Market, April 2019–November 2022, based on cumulative purchases by brand

## 20 years of Oh'my Premium Pasta

2003



Launched Oh'my Premium Pasta, spaghetti of a higher grade with more volume and seasoning!

2010



Paper trays with lid seals enhanced convenience. Use of PEFC-certified paper enhanced our commitment to both convenience and eco-friendliness.

2013



Celebrated the 10th anniversary of the launch of Oh'my Premium Pasta. The Colorful Vegetables Pasta series, a new lineup featuring plenty of vegetables, was launched.

2016



The product was completely renewed under the theme of enjoying the luxury of authentic pasta. The packaging was completely changed to a stately black color to convey a sense of luxury and high quality!

2019



The product was completely renewed to make it a stronger brand. The tray design was also changed to two colors and six different designs that will make meals more enjoyable and colorful.

2023



Celebrated the 20th anniversary of its launch after continuously being chosen for its delicious taste!

Oh'my Premium Pasta has gone through numerous improvements in terms of pasta, sauce, and packaging. The series continues to be loved by many customers because of these improvements. Oh'my Premium Pasta will continue to evolve.

## Notice of “Cookery Workshops for Shareholders 2023 Tokyo”

We are pleased to announce the resumption of cooking classes for our shareholders, which had been suspended due to the spread of COVID-19. We will be inviting 36 shareholders. Although the number of participants will be limited, we sincerely look forward to receiving your application. \*During the holding of the classes, we will thoroughly comply with the rules of infection prevention measures.

Class name	A. Fluffy Bread Class	B. Fluffy Bread Class
Date & time	Friday, September 15, 2023 12:30 to 16:00 (Doors open at 12:10)	Wednesday, September 27, 2023 12:30 to 16:00 (Doors open at 12:10)
	The ending time may slightly vary more or less.	
Capacity	18 participants	18 participants
Course details	<p>Each person will make Pain aux noix, walnut bread. Even those who have never baked bread before can participate in this class without worrying. *You will not be able to sample the bread you bake in the class. Please take it home with you.</p>	



Pain aux noix ▶

**Venue** Happy Cooking  
1F Takebashi 3-3 Building, 3-3 Kanda Nishiki-cho, Chiyoda-ku, Tokyo  
Takebashi Station (Tokyo Metro Tozai Line) 4-minute walk from Exit 3b  
Jimbocho Station (Tokyo Metro Hanzomon Line, Toei Subway Shinjuku Line, and Mita Line)  
4-minute walk from Exit A9

\*For more information, please visit the Happy Cooking website: <https://www.happycooking.jp/>

**Items participants need to bring** Apron, hand towel, something to write with, and a bag for taking the bread home

**Tuition** Free of charge

**How to apply for** Paste the triangular “token” on a postcard with the information shown below.

(1) zip code; (2) mailing address; (3) name; (4) phone number; (5) cellphone number (Only if you have one); (6) name of desired workshop (either “A. Fluffy Bread Class,” or “B. Fluffy Bread Class,”);

\*As the event to be held will have a limited capacity, only the shareholders themselves will be eligible to apply and attend.

Send it to us at: “Cookery Workshops for Shareholders” Section, IR Office, Nippon Flour Mills Co., Ltd. 4-8 Kojimachi, Chiyoda-ku, Tokyo 102-0083

**Application deadline** Must arrive no later than Tuesday, July 25, 2023.

\*If there are too many applications, a lottery will be held.

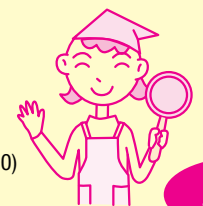
**Notice of winners** Winners will receive a participation ticket by Friday, August 18, 2023.

There will be no announcement of winners prior to the delivery of the ticket.

**Contact point** IR Office, Nippon Flour Mills Co., Ltd. at 03-3511-5316 (phone) (Weekdays 9:00 to 17:00)

### Notes

- Paste one token per postcard.
- No parking space available. (Use public transportation.)
- Refrain from bringing children.
- Note that we will take pictures at the venue on the day and use them on our website or “To Our Shareholders.”
- Pay transportation cost to and from the venue.
- Applications from non-shareholders will not be accepted.
- Online or telephone applications will not be accepted.



Paste this token

Postcard  
1020083

Send it to us at:  
“Cookery Workshops for Shareholders”  
Section, IR Office,  
Nippon  
Flour Mills Co., Ltd.  
4-8 Kojimachi,  
Chiyoda-ku, Tokyo

(1) zip code  
(2) mailing address  
(3) name  
(4) phone number  
(5) cellphone number  
(6) name of desired workshop

## New products for spring & summer 2023

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

### Processed Food

#### ◆ nippn Super Easy Microwave Crepes Mix



nippn Super Easy Custard Cream Mix

As part of the Super Easy series, which enables you to easily enjoy baking sweets at home, a new product is now on sale that allows you to cook crepes in a microwave oven without using a frying pan! Just prepare milk and salad oil, and you can enjoy delicious crepes with a chewy texture. Super Easy Custard Cream Mix, which allows you to make custard cream simply by adding milk to the bag and mixing, is now available as well. It is perfectly suitable as a topping for crepes.



##### Developer's voice

Planning & Development Div.,  
Research & Development Dept.  
**Chisa Masuda**

Crepes have become popular sweets to eat while walking, but many people have never made crepes at home or have difficulty baking them successfully even if they do. We have developed this product to eliminate worries about failing. Since this product does not use fire, it is safe for small children. Even those who are inexperienced in baking can make it without panicking. Please enjoy it with your favorite ingredients!

### Frozen Foods

#### ◆ Oh'my Lunch Box Series



Oh'my Cod Roe Spaghetti for Lunch Box

Gelatin (which is equivalent to a specified ingredient) is not used.



Oh'my Assorted Noodles for Lunch Box Neapolitan & Yakisoba

Eggs, milk, and shrimp (which are specified ingredients) and bananas (which are equivalent to specified ingredients) are not used.



Oh'my Neapolitan Spaghetti for Lunch Box

Eggs and milk (which are specified ingredients) and bananas (which are equivalent to specified ingredients) are not used.



##### Developer's voice

Food Development Div.,  
Research & Development Dept.  
(At time of development:  
Planning & Development Div.)  
**Hikariko Wada**

Facing declining opportunities to make lunch boxes due to COVID-19, we renewed the long-selling Oh'my Spaghetti for Lunch Box series as part of our efforts to revitalize the frozen food market for lunch boxes. We changed the paper cups to more colorful and cute ones so that people can enjoy their lunch boxes more, and we reduced allergens while maintaining the taste so that even children with food allergies can eat the products. We hope these products will be of help to those who prepare lunch boxes every day!

We have reviewed the allergens and launched a renewed Oh'my Lunch Box Series, making the products safer for many people to eat. The colors and patterns previously applied to the outside of the paper cups are now printed on the inside. The five brightly designed checkered patterns add color and brightness to lunch boxes. Check out the cute animal illustrations that become visible when you finish eating!

#### ◆ Oh'my Natural Series Plant Based Bolognese Sauce



A new pasta sauce free of animal-derived ingredients made with plant-based food has been added to the Oh'my Natural Series, which is good for both people and the Earth. Instead of ground meat, we use our proprietary plant-based food, SOYL PRO, to achieve the gentle taste of tofu and a chewy texture. The microwave-safe pouch makes cooking easy. Compared to cooking in hot water, energy consumption is reduced by approximately 80%, making this product eco-friendly.

#### ◆ nippn One Plate Meal Hamburg Steak with Ripe Tomato Sauce & Meat Sauce Rice Gratin



A new nippn One Plate Meal, which offers a good balance of staple and main dishes, includes a new dish that allows you to enjoy two popular standard dishes at one time! The hamburger steak is served with a rich tomato sauce made from ripe tomatoes and a generous amount of cheese. The accompanying spinach and French fries add color and a sense of satisfaction. The meat sauce rice gratin features a perfect combination of creamy white and sweet meat sauce.

### Health Food

#### ◆ nippn Flaxseed Oil Effective

Food with Functional Claims  
(Registration Number: G1361)

(Registration labeling) This product contains  $\alpha$ -linolenic acid.  $\alpha$ -linolenic acid has been reported to have the function of lowering the low-density lipoprotein (LDL) cholesterol level in the blood and to be suitable for people with high blood pressure.



Only Canadian golden flaxseed of specified origin is used, and the carefully pressed and refined high quality flaxseed oil is individually packaged. This product contains more than 60%  $\alpha$ -linolenic acid, a functional ingredient. As it is a portable and single-use product, you can enjoy fresh flaxseed oil at any time.



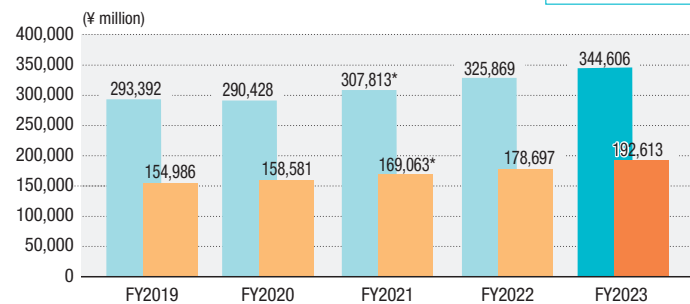
##### Developer's voice

Development Team  
Health Care Business Div.  
**Megumi Ito**

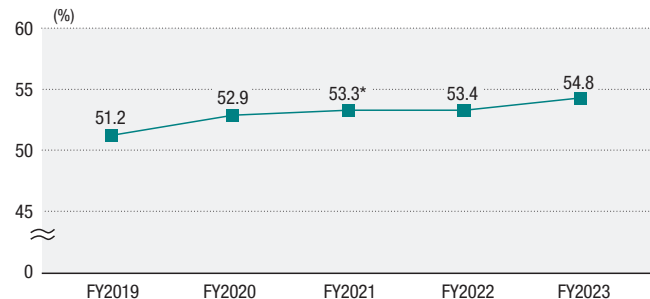
We have been conducting research into flaxseed oil for a long time and have been working on the development of foods that are labeled with their function. As for our individually packaged flaxseed oil products that are already on the market, we have received positive comments such as they are convenient to carry around and that it is easy to understand the recommended daily intake amount. We are pleased to announce the release of a new product with dual functions of  $\alpha$ -linolenic acid for those with a high LDL cholesterol level and high blood pressure. We hope you will bring this product with you at lunch time every day and try out an enjoyable healthy oil lifestyle!

## Consolidated Financial Results

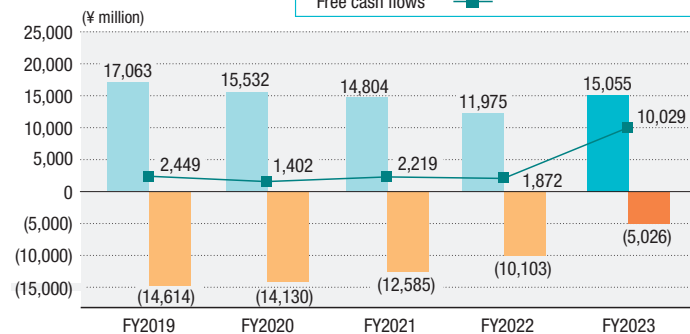
### ■Total assets/Net assets



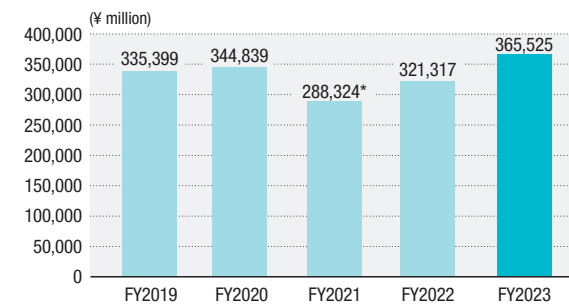
### ■Equity ratio



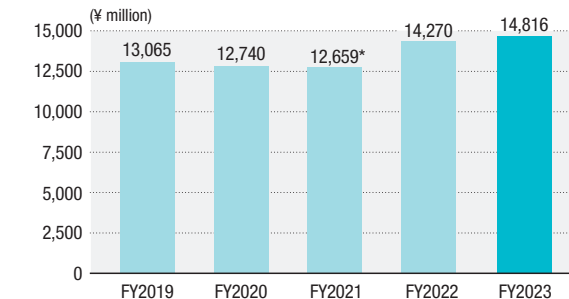
### ■Cash flows



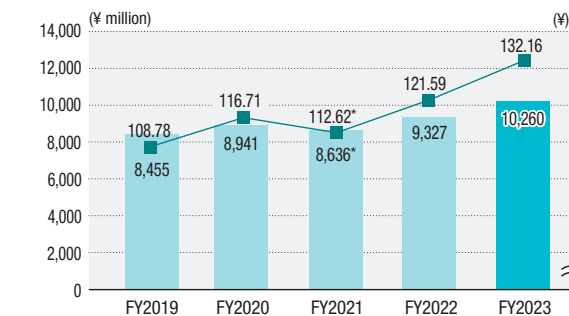
### ■Net sales



### ■Operating income



### ■Profit attributable to owners of parent/Net income per share



\*A change to accounting policies was applied retrospectively to figures for the fiscal year ended March 31, 2021. Therefore, the figures presented are after the retrospective application.

## Company Overview

Company Name:	NIPPON CORPORATION
Head Office:	4-8 Kojimachi, Chiyoda-ku, Tokyo
Established:	December 1896
Capital:	¥12.24 billion
Number of Employees:	1,156 [non-consolidated basis]
Major Businesses:	Manufacturing and marketing of wheat flour and secondary processed foods, including premixes, pastas and frozen foods, deli (packaged lunch), pet food products, health care products, biotechnology business, etc.
Locations:	Head office (Tokyo), nine branches, eleven plants, laboratory (Atsugi)

## Major Group Companies

Matsuya Flour Mills Co., Ltd.	NIPPON SHOJI Co., Ltd.
OHMY 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)	

## Shares

● Number of Authorized Shares	300,000,000 shares	
● Number of Outstanding Shares	78,824,009 shares	
● Number of Shareholders	30,053	
● Major Shareholders		
Name	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	7,786	10.0
NIPPON Clients Shareholding Association	4,604	5.9
Taiju Life Insurance Co., Ltd.	3,497	4.5
MITSUI & CO., LTD.	3,349	4.3
DUSKIN CO., LTD.	2,510	3.2
Itochu Corporation	2,250	2.9
Sumitomo Mitsui Banking Corporation	2,246	2.9
The Norinchukin Bank	2,060	2.6
Mitsui Sumitomo Insurance Co., Ltd.	1,879	2.4
Custody Bank of Japan, Ltd. (trust account)	1,793	2.3

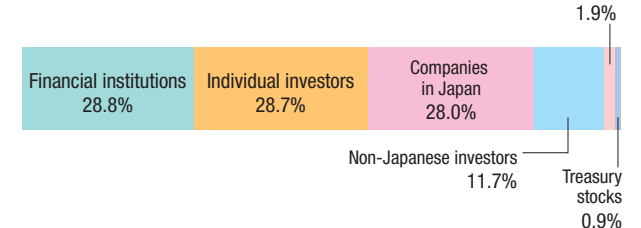
Note: The calculation of the shareholding ratios excludes 710,000 treasury shares.

## Directors and Executive Officers

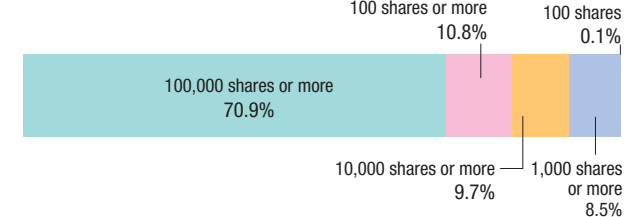
Representative Director, President:	Toshiya Maezuru	Senior Executive Officer:	Hiroyuki Hidaka
Representative Director, Executive Vice President:	Toshifumi Horiuchi	Senior Executive Officer:	Motono Takahashi
Representative Director, Senior Managing Director:	Atsuo Ouchi	Senior Executive Officer:	Hiroyuki Matsumoto
Senior Managing Director:	Takaaki Aonuma	Executive Officer:	Itsuo Hayashi
Managing Director:	Keizo Kagawa	Executive Officer:	Toru Otao
Managing Director:	Yasunori Tanaka	Executive Officer:	Naoki Abe
Managing Director:	Tomio Kimura	Executive Officer:	Masahiko Korematsu
Managing Director:	Hiroaki Kawasaki	Executive Officer:	Ryo Ikeo
Director:	Hiroshi Koura	Executive Officer:	Takahiro Sato
Director (Outside Director):	Naotaka Kawamata	Executive Officer:	Kazuhiko Aida
Director (Outside Director):	Hitomi Kumagai	Executive Officer:	Tsuyoshi Shinagawa
[Directors who are Audit & Supervisory Committee Members]			
Director (Outside Director):	Akio Okuyama		
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 199th Annual Shareholders Meeting: Notice of Resolutions

We are pleased to inform you that the following matters were reported and resolved at our 199th Annual Shareholders Meeting held on June 29, 2023.

## Details

### Matters reported

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 199th period (April 1, 2022 through March 31, 2023).
  2. Non-consolidated financial statements for the 199th period (April 1, 2022 through March 31, 2023).
- 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 ¥21 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 Toshiya Maezuru, Toshifumi Horiuchi, Atsuo Ouchi, Takaaki Aonuma, Keizo Kagawa, Yasunori Tanaka, Tomio Kimura, Hiroaki Kawasaki, Naotaka Kawamata, and Hitomi Kumagai were reappointed and assumed office as directors (excluding Directors who are Audit & Supervisory Committee members), and Hiroshi Koura was newly appointed and assumed office as a director.
- Proposal 3:** Introduction of a performance-based stock compensation plan for Directors (excluding Directors who are Audit & Supervisory Committee members and Outside Directors)  
This matter was approved and adopted as originally proposed, and it was decided to introduce a performance-based stock compensation plan for Directors (excluding Directors who are Audit & Supervisory Committee members and Outside Directors).

## Request for cooperation with our questionnaire

We have decided to conduct a questionnaire in order to better communicate with our shareholders. We would appreciate it if you could fill out the enclosed questionnaire postcard and return it to us, or answer the questionnaire via the URL indicated on the postcard.

The results of this survey will be used in future IR activities and in the planning and publishing of To Our Shareholders. We look forward to receiving your answers to our questionnaire. (Please respond by end of August 2023)



## NIPPON CORPORATION

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

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

## 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:	<a href="https://www.smtb.jp/personal/procedure/agency/">https://www.smtb.jp/personal/procedure/agency/</a>

