

● To Our Shareholders ●

The 200th Period

Interim Report

April 1, 2023 to September 30, 2023



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To Our Shareholders

With the delivery to you of this “Interim Report for the 200th Period,” we would like to express our sincere appreciation for your continued support.

NIPPON CORPORATION (NIPPON) announced, on November 7, 2023, its consolidated financial results for the first half of the year ending March 31, 2024 (FY2024).

I will explain about our progress and about the outlook for the rest of FY2024.

Representative Director, President Toshiya Maezuru

前鶴俊哉



Interview with the President

FY2024 1H Business Summary and Future Outlook

Aim to increase profitability and improve corporate value through sustainable growth

Q Looking back at the first half of FY2024, what do you think of the business environment?

A In the first half of FY2024, the Japanese economy maintained a recovery trend due to rebound demand and the expansion of inbound consumption accompanying the subsidence of COVID-19, as well as an increase in capital investment, etc. On the other hand, the outlook for the business environment remains uncertain, as raw material and energy prices remain high and the current depreciation of the yen may lead to further cost increases.

In the food industry, companies have been revising product prices in response to these increases. Meanwhile, the fact that consumers are becoming increasingly budget conscious has raised concerns that this will put downward pressure on corporate earnings.

Q Please give us an overview of the consolidated performance in the first half of FY2024.

A Regarding consolidated business results for the first half of FY2024, net sales were ¥198.973 billion (112.7% year on year), operating income was ¥11.035 billion (189.3% year on year), ordinary income was ¥12.544 billion (173.9% year on year), and profit attributable to owners of the parent company was ¥8.489 billion (171.1% year on year).

Although prices of raw materials and energy remained high, we achieved higher sales and profits in the first half of FY2024 due to the positive impact of price revisions, an increase in the sales volume of frozen foods, and improved productivity in the ready-made meals business.

Q Please tell us about the Food segment, where net sales are growing.

A Our Food segment consists of four main businesses, which account for approximately 60% of total sales: food ingredients, which handles premixes, etc.; processed foods, which handles dry groceries; ready-made meals, which handles boxed lunches, dishes etc.; and frozen foods, which handles frozen pasta, rice, etc. Of these, the frozen foods business and the ready-made meals business are positioned as key areas of focus for the future and are expected to grow in particular. In the ready-made meals business, we are working to improve productivity and diversify our sales channels, which is contributing to higher profits in the Food segment. In the frozen foods business, in addition to frozen pasta, one-plate meals and individual rice meals in trays have been well received, resulting in a significant increase in sales volume.

In the Food segment, we have revised product prices in response to a series of increases in manufacturing and sales costs. In the first half of FY2024, we achieved operating income that exceeded that of the same period last fiscal year, partially due to the emerging positive impact of these price revisions.

Q Please tell us about your initiatives to raise your stock price.

A We recognize that our stock price continues to trade below net asset value per share and that our stock is not sufficiently valued by the securities market. In order to enhance our corporate value and achieve a further appreciation in our stock price, we will work to improve capital profitability through active investment in growing businesses, as well as to conduct efficient management of assets mainly by reducing strategic stock holdings.

Q Please tell us about your recent initiatives toward sustainability.

A Since the Group operates its businesses by benefiting from the blessings of nature, including grains and vegetables, we recognize that environmental issues are challenges that have a significant impact on our business activities. As specific initiatives to reduce our impact on the environment, we introduced solar power generation equipment at NIPPON (Thailand) Co., Ltd. following the introduction at the Isesaki Plant and the Ryugasaki Frozen Foods Plant in the previous term. In addition, we are expanding the use of paper containers

FY2024 1H Consolidated Financial Highlights

(April 1, 2023 to September 30, 2023)

Net Sales	¥198.9 billion (Up 12.7% y-o-y)	Net Income per Share	¥108.90
Operating Income	¥11.0 billion (Up 89.3% y-o-y)	Total Assets	¥365.4 billion
Ordinary Income	¥12.5 billion (Up 73.9% y-o-y)	Net Assets	¥208.3 billion
Profit Attributable to Owners of Parent	¥8.4 billion (Up 71.1% y-o-y)	Net Assets per Share	¥2,620.68

FY2024 Full-Year Forecasts

(April 1, 2023 to March 31, 2024)

Net Sales	¥400.0 billion (Up 9.4% y-o-y)
Operating Income	¥17.5 billion (Up 42.4% y-o-y)
Ordinary Income	¥20.0 billion (Up 35.0% y-o-y)
Profit Attributable to Owners of Parent	¥14.5 billion (Up 41.3% y-o-y)

and working to reduce the environmental impact caused by logistics, among other initiatives. We expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) in February of this year, and we are investigating measures to reduce CO₂ emissions in line with the TCFD’s recommendations as well.

We recognize that human resources are extremely important to the growth of our Group. We strive to promote health management and women’s empowerment so that our employees can be physically and mentally healthy to fully demonstrate their capabilities. We also focus on developing global and digital human resources and promote the sustainable growth of the Group by improving engagement and productivity of our employees.

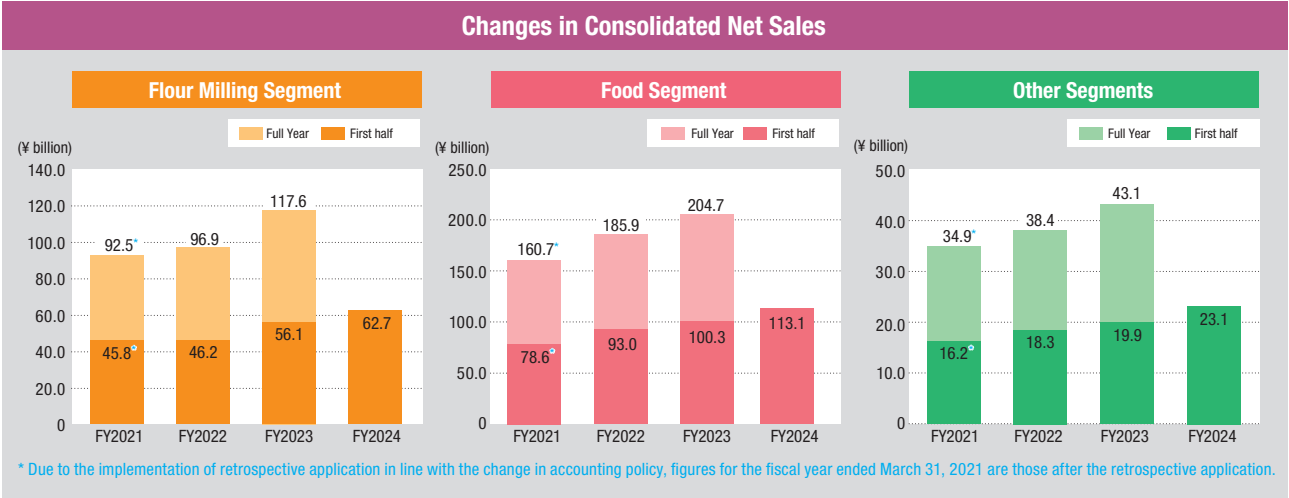
Q Please tell us about the outlook for the full-year consolidated financial results for FY2024.

A With an increase in sales due to the recovery of inbound and personal consumption, and an increase in sales volume of frozen foods, corporate earnings for the first half of FY2024 exceeded our initial

forecast. As for the third quarter and beyond, we expect earnings to be strong in each division due to a recovery in demand, etc., despite an expected increase in marketing expenses, etc. Therefore, we have revised our full-year earnings forecasts that were announced on May 12, 2023 upward, and now forecast net sales of ¥400.0 billion, operating income of ¥17.5 billion, ordinary income of ¥20.0 billion, and profit attributable to owners of the parent company of ¥14.5 billion.

Q Finally, please give a message to shareholders.

A To embody our management philosophy of “contributing to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people,” we will strive to provide safe and reliable products that satisfy our customers. At the same time, we will make utmost efforts to address sustainability issues, such as climate change, to fulfill our social responsibility as a corporation. We would like to sincerely ask our shareholders for their continued and further support.



Overview of Business

(April 1, 2023 to September 30, 2023)

Flour Milling Segment

In the Flour Milling business, sales were higher than the level for the same period of the previous year, mainly because of the wheat flour price revision and a robust trend in sales prices of wheat bran, a by-product.

In line with the increase of government sales prices (tax inclusive) of imported wheat by 5.8% on average for the five key products in April 2023, we revised the prices of wheat flour products for professional use from June 2023.

As a result, net sales of the Flour Milling segment increased by 11.7% year on year to ¥62,711 million, and operating income increased by 33.2% to ¥4,563 million.

Food Segment

In the professional-use category, demand increased mainly from restaurants owing to recovery of personal consumption and inbound consumption, and as a result, sales of products in this category were higher than the level for the same period of the previous year.

In the home-use product category, we continued price revisions from the previous year in line with cost increases, such as for raw materials, logistics, and energy, and as a result, sales of products in this category were higher than the level for the same period of the previous year.

In the frozen foods category, sales of home-use frozen foods, such as the One Plate Meal series of complete meals consisting of a main dish and staples and the Big series of large-portion dishes, were buoyant in response to increasing needs for “quick and easy” meals and the trend toward frugality, respectively. Sales of products in this category were higher than the level for the same period of the previous year, also reflecting price revisions.

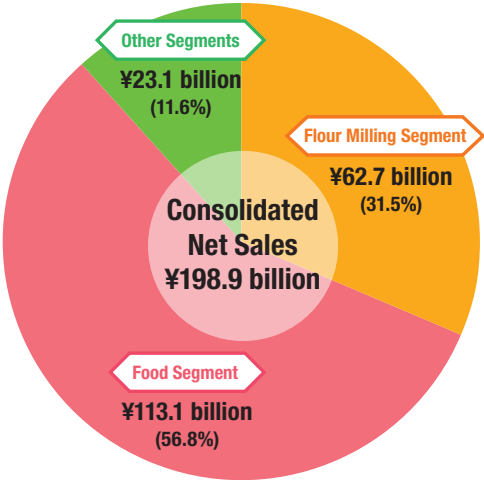
In the ready-made meals business, sales were higher than the level for the same period of the previous year because demand increased as more people were out and about, resuming their normal lifestyles, and also owing to price revisions.

As a result, net sales of the Food segment increased by 12.7% year on year to ¥113,107 million, and operating income increased by 168.9% to ¥5,488 million.

Other Segments

Sales of the pet food business were higher than the level for the same period of the previous year because of price revisions in line with cost increases, such as for raw materials, in addition to an increase in the volume of products shipped.

Net Sales by Segment (1H of FY2024)



* Figures are rounded down to the nearest billion yen.

Sales of the restaurant business were higher than the level for the same period of the previous year, reflecting buoyant sales of products in addition to an increase in demand as more people were out and about, resuming their normal lifestyles. As a result, net sales for the Other segments increased by 15.9% year on year to ¥23,154 million, and operating income increased by 197.0% to ¥990 million.

Capital Expenditure

Capital expenditure for the first half of FY2024 was ¥6,928 million (on an accrual basis).

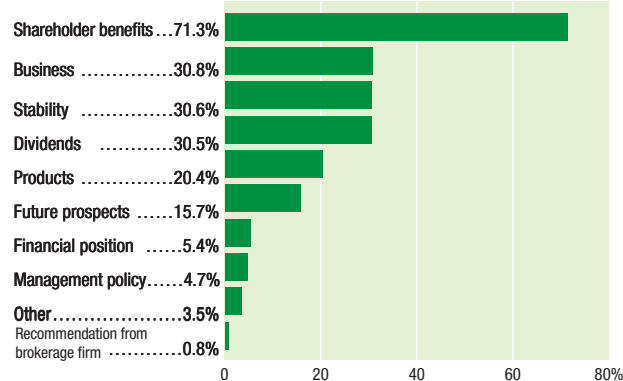
Report on the results of the questionnaire for our shareholders

We would like to express our gratitude for the fact that many of you responded to the questionnaire we conducted in the 199th Period Year-end Report. We will make use of the feedback we received to further enhance our IR activities.

Number of respondents 3,017 (collection rate 10.0%)

Q Please tell us why you own our stock.

(Multiple answers are acceptable.)



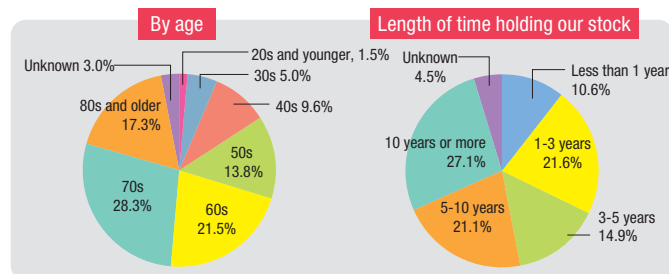
Q Have you ever visited our website?

1. Have visited it	45.2%
2. Use the Internet but have never visited it	33.1%
3. Do not use the Internet	19.6%

Q How do you feel about our shareholder benefit program?

1. Very satisfied	37.4%
2. Somewhat satisfied	34.2%
3. Normal	21.3%
4. Somewhat dissatisfied	4.2%
5. Very dissatisfied	1.6%

The details of the results of the questionnaire for shareholders are available on our website. <https://www.nippon.co.jp/ir/investors/enquete>



Q Please tell us your opinions and requests about our company.

We have received 1,016 comments on this question. The contents of the comments were diverse, and they were reported to senior management and the department in charge. We will make use of them in our future business activities.

The contents of the shareholder newsletters are very good because they are easy to understand. I also look forward to the introduction of new products.

Thank you very much. We will continue to improve the content of the newsletter to provide information that is useful to our shareholders.

The One-plate meal series of frozen foods is very convenient because it includes a staple meal and a main dish. I can host people at home if I add a salad, dessert, and coffee.

Thank you very much. We have received many similar comments. The One-plate meal series has been very well received. We will continue to develop products that are even more delicious and delightful.


Seeing a box full of gifts gives me a good impression of you as I can feel your sincere attitude. I feel like I've received a special gift.

Thank you very much. We have received many similar comments. On the other hand, we also received a comment, "I am dissatisfied because some products I don't use are also included." The benefit package is an assortment of products that we eagerly would like our shareholders to try. We would appreciate it if you could think of it as a chance to try out products that you would not usually use. We will continue to strive to provide you with products that will delight you.

Notice of "Cookery Workshops for Shareholders 2024 Osaka"

We will hold our cookery workshops, which have been well-received, for our shareholders in Osaka.

We invite our shareholders to attend and will accept up to 32 persons. We sincerely look forward to receiving your application.

Class name	A. Fluffy Bread Class (Morning)	B. Fluffy Bread Class (Afternoon)
Date & time	Friday, March 15, 2024 9:30 to 13:00 (Doors open at 9:10)	Friday, March 15, 2024 14:00 to 17:30 (Doors open at 13:40)
	* The ending time may slightly vary more or less.	
Capacity	16 participants	16 participants
Course details	Each person will make potato bread focaccia style. Even those who have never baked bread before can participate in this class without worrying. * We will offer an opportunity to enjoy a quick tasting of the bread.	
	Potato bread focaccia style ▶ 	
Venue	Osaka Gas Cooking School Yodoyabashi Osaka Gas Head Office Building 1F, 4-1-2 Hiranomachi, Chuo-ku, Osaka 3 minute walk from Yodoyabashi Station on the Midosuji Subway Line	
Items participants need to bring	Apron, hand towel, and something to write with	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 (Morning)," or "B. Fluffy Bread Class (Afternoon)"; * 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 CORPORATION 4-8 Kojimachi, Chiyoda-ku, Tokyo 102-0083	
Application deadline	Must arrive no later than Wednesday, January 10, 2024. * If there are too many applications, a lottery will be held.	
Notice of winners	Winners will receive a participation ticket by Thursday, February 15, 2024. * There will be no announcement of winners prior to the delivery of the ticket.	
Contact point	IR Office, NIPPON CORPORATION 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." Please understand this in advance.
- 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

郵便はがき
〒102-0083
102-0083
Send it to us at:
"Cookery Workshops for Shareholders" Section,
IR Office, NIPPON CORPORATION
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 autumn & winter 2023

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

Processed Food

REGALO Pasta Sauce

Totally renewed product under the theme of a luxurious taste you can experience from the first bite!

◆ Bolognese Sauce



Experience an overwhelming sense of the ingredients achieved by using coarsely ground meat. This richly flavored sauce is made by slowly stewing coarsely minced meat that has been sautéed and herbs with tomatoes for a long time.

◆ Carbonara Sauce



A rich sauce that blends the tastes of cheese and egg yolk. A generous amount of sauce is mixed into the pasta, creating a luxurious appearance. The accompanying coarsely ground black pepper creates an authentic flavor and appearance.

◆ nipn Rice Flour Blend Soft Flour



By blending domestic wheat flour and domestic rice flour, we have achieved a texture that brings out the best taste. This product is contained in an easy-to-use, medium-sized package that is conveniently re-sealable.

◆ Oh'my Delicious and Tasty Aromatic Basil Sauce



This sauce has a rich cheese and garlic flavor of and the aromatic flavor of basil. The olive oil gives a sense of gorgeousness.

Frozen Foods

Oh'my Premium SHIGOKU Series

A new SHIGOKU Series that offers the highest levels of taste has been launched!

◆ SHIGOKU Series Cod Roe Pasta



Approximately 2.3 times more cod roe than Oh'my Premium Cod Roe and Squid! You can enjoy the separately included fresh-flavored sauce and the rough texture of the generous amount of grilled cod roe.

◆ SHIGOKU Series Bolognese Pasta



Approximately 1.8 times more meat than Oh'my Premium Ground Beef Bolognese! Coarsely ground beef, pork, and fresh bacon are used to create a luxurious texture and flavorful taste.

◆ SHIGOKU Series Pasta with Crab and Tomato Cream Sauce



Approximately 1.6 times more crab than Oh'my Premium Crab and Tomato Cream Sauce! Crab meat is added to the sauce to create a delicious crab flavor.

Limited time offer

◆ Oh'my Premium Tomato Cream Soup Pasta



The second Oh'my Premium limited time offer product is a warm soup pasta that is an autumn and winter favorite! It is a thick tomato cream soup full of umami and the richness of tomatoes, containing shrimp and three kinds of vegetables.

わたし、はればれ。
femgoo

Nipn has launched a plant-derived fem-tech brand

Nipn, which supports healthy lifestyles through safe and reliable food products by leveraging its long-cultivated expertise as a food manufacturer, has created “**femgoo**” which utilizes plant-derived ingredients.

“femgoo” is our femtec brand, which wants all women can live good lives. The message we have embedded in this brand is “We wish you good health and may your days from now on be healthy and fine.”



◆ Food with functional claims, Meguri Moist

As the first product under the “femgoo” brand, we launched a supplement containing ingredients to relieve dry skin, cold hands*, and swollen legs in the evening, which are common concerns among women.

* Decrease in skin surface temperature of hands due to cold

(Registration Number: I159)

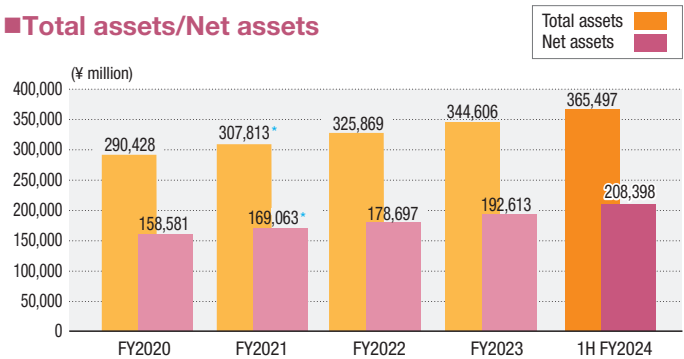
Registration labeling: This product contains glucosylceramide derived from rice and piperines derived from piper longum.

It has been reported that rice-derived glucosylceramide prevents moisture from being lost from the skin of people who tend to have dry skin, and enhances the function of protecting the skin from drying out (barrier function). It has been reported that piperines derived from piper longum have the ability to normalize blood flow (peripheral blood flow), which is reduced due to cold and to reduce the decrease in peripheral (hand) skin surface temperature due to cold. It has also been reported that it has the function of reducing swelling of the legs in the evening (non-pathological and transient swelling) in healthy women who are concerned about swelling of the legs.

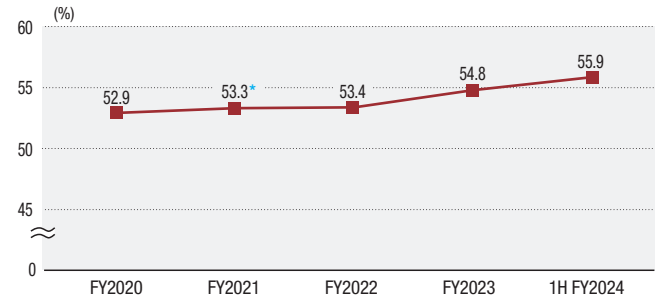
● For more information, please visit our website: <https://www.nippon.co.jp/en/ir/highlight/>

Consolidated Financial Results

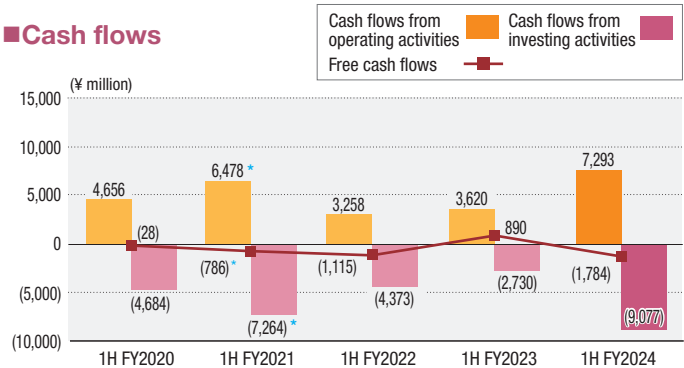
■Total assets/Net assets



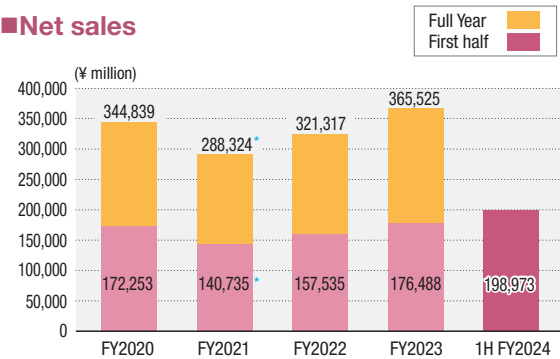
■Equity ratio



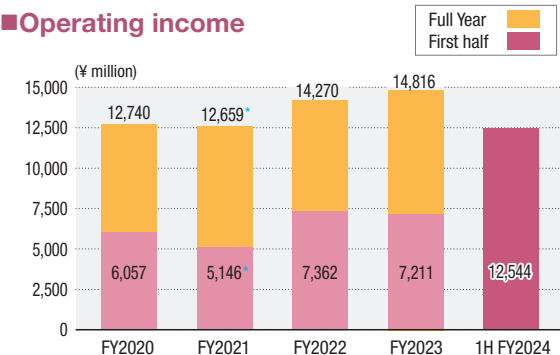
■Cash flows



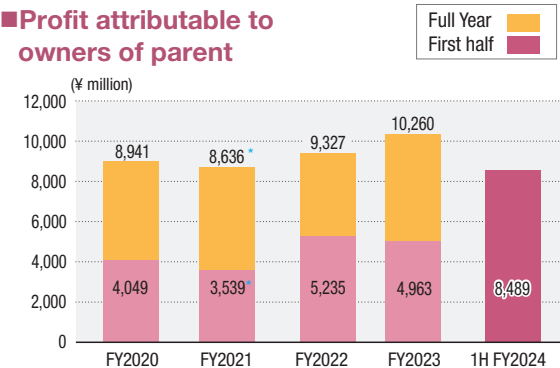
■Net sales



■Operating income



■Profit attributable to owners of parent



Company Overview

Company Name:	NIPPON CORPORATION
Head Office:	4-8 Kojimachi, Chiyoda-ku, Tokyo
Established:	December 1896
Capital:	¥12.24 billion
Number of Employees:	1,175 [non-consolidated basis]
Major Businesses:	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	29,078
● Major Shareholders	

Name	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	7,104	9.1
NIPPON Clients Shareholding Association	4,574	5.8
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
Sanuki Maruichi Seimen Co., Ltd.	1,755	2.2

Note: The calculation of the shareholding ratios excludes 457,000 treasury shares.

Directors and Executive Officers

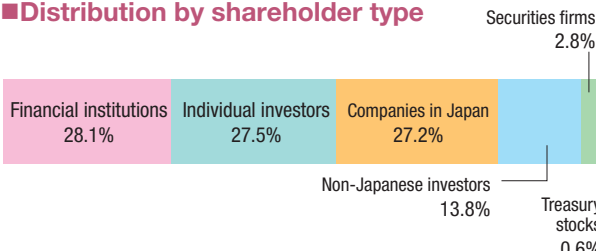
Representative Director, President:	Toshiya Maezuru	Senior Executive Officer:	Hiroyuki Hidaka
Representative Director, Executive Vice President:	Toshifumi Horiuchi	Senior Executive Officer:	Motonao Takahashi
Representative Director, Senior Managing Director:	Atsuo Ouchi	Senior Executive Officer:	Hiroyuki 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
Managing Director Executive Officer:	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]

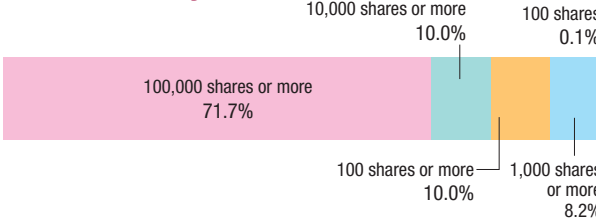
Director (Outside Director):	Akio Okuyama
Director (Outside Director):	Kazuhiko Yoshida
Director (Outside Director):	Kentaro Naruse
Director:	Etsuzo Tamagawa

Distribution of Shares

■Distribution by shareholder type



■Distribution by shareholder size



* 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.

Payment of Interim Dividend

The board of directors resolved at its meeting on November 7, 2023 that the interim dividend per share would be ¥28. You can receive your dividend payment at a nearby branch of JP Bank or post office in exchange for the enclosed “Interim Dividend Warrant” form.

“Payee’s Bank Account Information” and “How to Receive Your Dividend Payment” forms are enclosed for those who have chosen direct deposit and those who have chosen the share-count-based proportional distribution method (to receive dividends through accounts at securities companies in proportion to the number of shares held in the accounts), respectively.

Please note that we have sent everyone the “Statement of Dividend,” which you may use to subsequently check the amount of your dividend payment. (If you chose the share-count-based proportional distribution method, please check with your securities company.)

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/procedure/agency/

nippon

NIPPN CORPORATION

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

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

2024 Calendar Free Gift

We will send calendars to 2,000 shareholders selected by lottery as usual. Calendars have been popular among our investors as annual gifts.

The 150th Anniversary Collection of
Works of the Impressionists



How to apply

If you would like to get a calendar, please write your name, address and postal code on a postcard, **cut out the application ticket on the bottom left corner, paste it securely on the postcard**, and send it to the address below. Please attach one application ticket per postcard. After a strictly conducted draw, we will send calendars to the winners without announcing the results by the end of the year on or after Friday, December 22, 2023.

Application deadline

Must arrive no later than Wednesday,
December 13, 2023

Mail to:

Calendar Section, Legal Group
NIPPON CORPORATION
4-8 Kojimachi, Chiyoda-ku,
Tokyo 102-0083

