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Consolidated Financial Results for FY2025 and Forecast for FY2026 [Japanese GAAP]

(May 13, 2025)

Listed company name: **NIPPON CORPORATION**
 Listing: The Prime Market of the Tokyo Stock Exchange
 Code number: 2001
 URL: <https://www.nippon.co.jp/en/index.html>
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 Date of the general meeting of shareholders: June 27, 2025
 Payment date of cash dividends: June 30, 2025
 Filing date of financial statements: June 27, 2025
 Supplementary materials prepared: Yes
 Results information meeting held: Yes

*Amounts less than one million yen have been rounded down.

1. Consolidated financial results for the year ended March 31, 2025 (From April 1 2024 to March 31, 2025)

(1) Consolidated operating results

(Millions of yen, percentage figures show the rate of change from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
FY2025	410,878	2.6%	21,486	5.6%	24,393	4.8%	24,757	(6.1)%
FY2024	400,514	9.6%	20,340	65.5%	23,280	57.1%	26,367	157.0%

(Note) Comprehensive income: FY2025: ¥23,779 million [(40.0%)]
 FY2024: ¥39,614 million [126.6%]

	Profit per Share (Yen)	Fully Diluted Profit per Share (Yen)	Return on Shareholders' Equity (%)	Ordinary Income to Total Assets (%)	Operating Income to Net Sales (%)
FY2025	317.27	276.75	10.6	6.2	5.2
FY2024	338.20	295.46	12.8	6.4	5.1

(Reference) Equity in earnings (losses) of affiliated companies: FY2025: ¥ (85) million
 FY2024: ¥136 million

(2) Consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
FY2025	399,226	246,484	60.7%	3,102.27
FY2024	386,692	228,285	58.0%	2,874.28

(Reference) Equity capital: FY2025: ¥242,140 million
 FY2024: ¥224,115 million

(3) Consolidated cash flows

(Millions of yen)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
FY2025	18,768	(7,807)	(10,533)	41,471
FY2024	24,022	(9,489)	(7,241)	40,728

2. Dividends

	Dividends per Share (Yen)					Total Amount of Cash Dividends (Millions of yen)	Dividend Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Full Year			
FY2024	—	28.00	—	38.00	66.00	5,172	19.5%	2.5%
FY2025	—	33.00	—	33.00	66.00	5,176	20.8%	2.2%
FY2026 (Forecast)	—	33.00	—	33.00	66.00		25.5%	

3. Forecast of consolidated financial results for FY 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen, percentage figures show the rate of changes from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Profit per Share (Yen)
Half year	211,500	3.2%	10,600	0.7%	12,100	0.1%	8,500	(39.5)%	108.90
Full Year	424,000	3.2%	21,500	0.1%	24,500	0.4%	20,200	(18.4)%	258.80

* Notes

(1) Significant changes in the scope of consolidation during the current quarter: Yes

New: 1 company (company name) NIPPON Vietnam Company Limited

(2) Changes in accounting policies, accounting estimates, and retrospective restatements

- 1) Changes in accounting policies due to revisions of accounting standards : None
- 2) Changes other than 1) : None
- 3) Changes in accounting estimates : None
- 4) Retrospective restatements : None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares outstanding at the end of each period (including treasury shares):	FY2025	78,824,009 shares	FY2024	78,824,009 shares
2) Number of treasury shares at the end of each period:	FY2025	771,273 shares	FY2024	848,032 shares
3) Average number of shares	FY2025	78,031,779 shares	FY2024	77,964,511 shares

(Note) The number of treasury shares at the end of the period includes our shares (225,900 shares at the end of FY2025, 240,000 shares at the end of FY2024) held by Custody Bank of Japan, Ltd. (Trust E Account). The number of treasury shares deducted in calculating the average number of shares during the period includes our shares (230,600 shares at the end of FY2025, 160,600 shares at the end of FY2024) held by Custody Bank of Japan, Ltd. (Trust E Account).

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated financial results for the year ended March 31, 2025 (From April 1 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Millions of yen, percentage figures show the rate of change from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit	
FY2025	253,240	2.0%	13,145	6.3%	18,719	19.4%	21,959	(0.9)%
FY2024	248,176	10.3%	12,368	38.3%	15,677	35.0%	22,159	548.9%

	Profit per Share (Yen)	Fully Diluted Profit per Share (Yen)
FY2025	280.86	245.04
FY2024	283.65	247.84

(2) Non-consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
FY2025	313,247	198,324	63.3%	2,534.42
FY2024	302,123	186,540	61.7%	2,384.84

(Reference) Equity capital: FY2025: ¥198,208 million

FY2024: ¥186,319 million

* These consolidated financial results are outside the scope of audit.

* Explanation regarding the appropriate use of projected financial results and other special instructions

Descriptions regarding the future, including the financial outlook contained in this material, are based on certain information currently available to us and particular assumptions, which are, at the discretion of us, deemed reasonable, and actual financial results may significantly vary due to various factors. Please refer to “1. Overview of Financial Results (1) Overview of business results for the fiscal year under review 2) Future outlook” on page 5 for information on preconditions underlying the above outlook and other related information.

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1. Overview of Financial Results

(1) Overview of business results for the fiscal year under review

1) Overview of business results

(Millions of yen)

	FY2024	FY2025	Difference	Change
Net sales	400,514	410,878	10,364	102.6%
Operating income	20,340	21,486	1,145	105.6%
Ordinary income	23,280	24,393	1,112	104.8%
Profit attributable to owners of parent	26,367	24,757	(1,610)	93.9%

During the fiscal year under review, the Japanese economy recovered gradually due to factors such as an expansion in domestic demand resulting from improvements in the employment and income environment, and an increase in inbound tourism. On the other hand, we continued to pay close attention to the impact on our business environment of factors such as high raw material and energy prices due to the yen's depreciation, rising consumer behavior of spending less due to inflation, and changes in US trade policy.

In these circumstances, we are striving to continuously improve our corporate value based on the management philosophy of “Contributing to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people.”

During FY2025, as part of efforts to strengthen profitability, we continued to work to expand sales of the Oh’ My Premium brand (dried pasta and frozen pasta) based on a marketing strategy enhanced through collaboration with Katana Inc. Additionally, the construction of our new flour mill in Chita City, Aichi Prefecture, which began in 2023, is progressing smoothly to start operations planned in February 2026. Furthermore, Utah Flour Milling, LLC, in which we invested in 2023, has started operations in February 2025.

In July 2024, as part of our efforts to expand into growth areas, we have established NIPPON Vietnam Company Limited in the Socialist Republic of Vietnam and are preparing to start operations by 2027. In September 2024, we have decided to acquire shares of HATANAKA FOODS Co., Ltd. in order to consolidate as a subsidiary and are preparing for the construction of a new frozen food plant. Furthermore, we have decided to establish a new research and development facility base, “NIPPON R&D Center,” in Tsuzuki-ku, Yokohama City, Kanagawa Prefecture in October 2026, in order to strengthen our R&D functions and improve convenience.

In April 2025, we implemented organizational reforms in the Food Business, and reorganized the departments previously separated by product temperature zones into “Retail Products Dept.” and “Food Service Products Dept.” This will enable us to achieve swift decision-making based on customer needs, previously based on product orientation. Concurrently, we established “Marketing Dept.” in order to implement product developments and sales support activities together

Consolidated results for FY2025 of NIPPON were as follows. Net sales increased by 2.6% year-on-year to ¥410,878 million, due to factors such as the expansion of food service demand and inbound tourism, price revisions implemented previous and current fiscal years, and growth in sales volume of the Oh’ My Premium brand products driven by the strengthening of marketing strategies. In terms of profit, despite an increase in various costs, including personnel and logistics costs, in each business, due to an increase in sales volume in the Flour Milling Business and the Food Business, operating income increased by 5.6% year-on-year to ¥21,486 million and ordinary income increased by 4.8% year-on-year to ¥24,393 million, and profit attributable to owners of parent decreased by 6.1% year-on-year to ¥24,757 million.

The performance of individual business segments was as follows.

Flour Milling

(Millions of yen)

	FY2024	FY2025	Difference	Change
Net sales	125,316	121,663	(3,652)	97.1%
Operating income	9,186	9,203	16	100.2%

In the Flour Milling Business, sales volume was higher year-on-year, due to continued problem-solving sales promotion that meets customer needs and dietary diversification.

In addition, we implemented price revisions in July last year and January this year following the reduction of the government selling price of foreign wheat in April and October last year.

As a result, net sales of the Flour Milling Business decreased by 2.9% year-on-year to ¥121,663 million but operating income increased by 0.2% year-on-year to ¥9,203 million.

Food

(Millions of yen)

	FY2024	FY2025	Difference	Change
Net sales	226,661	238,353	11,691	105.2%
Operating income	8,354	9,283	928	111.1%

In the professional-use food products category, net sales increased year-on-year, according to strong sales of premixes and other products, and due to increased demand from restaurants and the expansion of inbound tourism.

In the home-use food products category, net sales increased year-on-year, due to sales volume growth in of “Oh’ My Premium” series and other dried and frozen pasta products, as well as steady growth in sales volume of frozen food products such as “One Plate Meal” series and “Trendy Meal” series, which are ready to be served in a tray and can be used as a complete meal by itself. Additionally, price revisions implemented following the rise of various costs contributed the sales increase.

We are striving to further strengthen sales of household products as in February 2025, we launched “Exquisitely Al Dente Delicious Spaghetti,” and “Oh’ My” brand celebrated its 70th anniversary.

In the Nakashoku (Ready-made meal) business, net sales remained at the same level as the previous year.

As a result, net sales of the Food Business increased by 5.2% year-on-year to ¥238,353 million, and operating income increased by 11.1% year-on-year to ¥9,283 million.

Other

(Millions of yen)

	FY2024	FY2025	Difference	Change
Net sales	48,536	50,861	2,324	104.8%
Operating income	2,799	3,171	371	113.3%

In the pet food business, net sales increased year-on-year, due to sales volume growth of high-unit-price products, etc.

In the food service business, net sales increased year-on-year, due to strong sales by increase in customer traffic, and price revisions implemented current fiscal year.

As a result, net sales for the Other segment increased by 4.8% year-on-year to ¥50,861 million, and operating income increased by 13.3% year-on-year to ¥3,171 million.

2) Future Outlook

In order to achieve sustainable growth, we will focus on strengthening our brand power and developing differentiated products, as well as improving sales and earnings by developing and expanding production bases and promoting business acquisitions and alliances.

Our “Long-term Vision 2030”, titled “As a comprehensive food company, we will continue to take on the challenge of solving social problems through food”, includes the sales and operating profit goals by FY2031. In Long-term Vision 2030, as a comprehensive food company, we have set our business growth strategy and social value creation strategy from the vision in order to understand social problems and customer needs, and pursue both of economic value and social value.

For FY2026, we forecast net sales to increase by 3.2% year on year to ¥424,000 million as consumer demand is expected to remain strong. As for profits, although various higher costs including personnel expenses, logistics costs, and raw material costs are expected to continue, as well as increased depreciation expenses related to the operation of new factories, we forecast operating income to increase 0.1% to ¥21,500 million, ordinary income to increase 0.4% to ¥24,500 million, and profit attributable to owners of parent to decrease 18.4% to ¥20,200 million, due to sales volume growth associated with sales promotion, etc.

Furthermore, we have established medium-term targets to achieve sales of ¥450,000 million, operating income of ¥21,000 million, ROE of 8% or higher, and ROIC of 5% or higher by FY2027 as a milestone toward achieving the sales of ¥500,000 million and operating income of ¥25,000 million set in our Long-term Vision 2030.

We will strive to achieve our medium-term targets by FY2027 by implementing strategies based on the five pillars: Strengthening earnings power of the core fields, Strategic investment in growth fields and new fields, Pursuing M&A and business partnership opportunities, Promoting sustainability management and Strengthening corporate competitiveness through DX promotion.

(2) Overview of financial position of fiscal year under review

1) Assets, liabilities and net assets

(Millions of yen)

	FY2024	FY2025	Difference
Current assets	157,759	159,014	1,254
Non-current assets	228,919	240,210	11,291
Deferred assets	13	1	(12)
Total assets	386,692	399,226	12,534
Current liabilities	84,403	104,407	20,003
Non-current liabilities	74,002	48,334	(25,667)
Total liabilities	158,406	152,742	(5,664)
Total net assets	228,285	246,484	18,198
Total liabilities and net assets	386,692	399,226	12,534

Total assets at the end of fiscal 2025 increased by ¥12,534 million from FY2024 to ¥399,226 million. This was mainly because the property, plant and equipment, the long-term loans receivable, the merchandise and finished goods, and the retirement benefit assets increased by ¥10,004 million, ¥4,280 million, ¥3,440 million, and ¥2,538 million, respectively, and the investment securities, and the notes and accounts receivable - trade and contract assets decreased by ¥5,088 million, and ¥2,427 million, respectively.

Total liabilities decreased by ¥5,664 million from FY2024 to ¥152,742 million. This was mainly because the deferred tax liabilities increased by ¥2,276 million, and the income taxes payable, the long-term loans payable, and the short-term loans payable decreased by ¥3,515 million, ¥2,521 million, ¥1,531 million, respectively.

Total net assets increased by ¥18,198 million from the previous fiscal year-end to ¥246,484 million. This was mainly because the retained earnings, the foreign currency translation adjustments, and the retirement benefit liability adjustments increased by ¥19,190 million, ¥2,016 million, ¥1,535 million, respectively, and the unrealized holding gains (losses) on securities decreased by ¥4,805 million.

2) Cash flows

(Millions of yen)

	FY2024	FY2025	Difference
Net cash provided by (used in) operating activities	24,022	18,768	(5,253)
Net cash provided by (used in) investing activities	(9,489)	(7,807)	1,682
Net cash provided by (used in) financing activities	(7,241)	(10,533)	(3,291)
Effect of exchange rate changes on cash and cash equivalents	293	315	22
Net increase (decrease) in cash and cash equivalents	7,584	743	(6,840)
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(13)	—	13
Cash and cash equivalents at end of period	40,728	41,471	743

The balance of cash and cash equivalents at the end of FY2025 stood at ¥41,471 million, an increase of ¥743 million compared with the end of FY2024. The conditions of cash flows were as follows.

[Net cash provided by (used in) operating activities]

Net cash provided by operating activities amounted to ¥18,768 million. This mainly reflected ¥36,879 million for the profit before income taxes, ¥10,894 million for the depreciation, ¥2,698 million for the decrease in notes and accounts receivable – trade, ¥12,291 million for the income taxes paid, ¥8,682 million for the sale of fixed assets, ¥5,192 million for the increase in inventories and ¥4,735 million for the gain on sale of investment securities.

[Net cash provided by (used in) investing activities]

Net cash used in investing activities amounted to ¥7,807 million. This mainly reflected ¥20,154 million for the purchase of fixed assets, ¥4,447 million for the payments of loans receivable, and ¥4,030 million for the purchase of securities, ¥8,506 million for the proceeds from sale of fixed assets, ¥6,342 million for the proceeds from sale and redemption of securities, and ¥5,183 million for the proceeds from sale and redemption of investment securities.

[Net cash provided by (used in) financing activities]

Net cash used in financing activities amounted to ¥10,533 million. This mainly reflected ¥5,566 million for the cash dividends paid and ¥3,495 million for the repayment of long-term loans payable.

—Cash flow indicator trends—

	FY2021	FY2022	FY2023	FY2024	FY2025
Equity Ratio (%)	53.3	53.4	54.8	58.0	60.7
Equity ratio at market value (%)	41.3	39.2	37.5	47.8	42.4
Ratio of interest-bearing debt to cash flows (%)	304.7	364.5	267.6	157.9	179.9
Interest coverage ratio (times)	71.7	60.8	74.4	126.5	71.8

Note: Equity ratio: (Net assets – Minority interests) / Total assets

Equity ratio at market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows from operating activities / Interest expense

* The consolidated financial figures constitute the basis for calculating these indicators.

* Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of shares outstanding at the end of the period (after the deduction of treasury shares).

* The basis for calculating the ratio of interest-bearing debt to cash flows is cash flows from operating activities in the consolidated statements of cash flows.

* Interest-bearing debt includes all debts recorded on the consolidated balance sheets on which interest is paid.

* The basis for interest expense is the amount of interest paid recorded in the consolidated statements of cash flows.

(3) Basic policy on profit distribution and dividends for the year ended March 31, 2025 and the year ending March 31, 2026

We consider returning profits to shareholders to be an important management issue. We determine the amounts of dividends by taking into consideration our business performance and future business environment, etc., with the aim of maintaining a consolidated dividend payout ratio of 30% or more, calculated by excluding "special and extraordinary income / loss from asset sales and other factors" while taking into consideration the strengthening of the corporate structure, future business development, and the business environment, as well as internal reserve.

We will make a proposal to the regular shareholders' meeting for the appropriation of surplus of ¥33 per share as the final dividend for the current fiscal year. As a result, the annual dividend will be ¥66 per share, including the interim dividend already paid. The consolidated dividend payout ratio will be 20.8%, but the consolidated dividend payout ratio calculated excluding the above "extraordinary and special gains and losses" will be 33.3%.

With regard to dividends, the annual dividends of ¥66 per share for FY2026 is planned to be paid, the same amount as FY2025.

Furthermore, we have implemented shareholder benefit programs to express our gratitude for the daily support of our shareholders and to promote a better understanding of us through the use of our products. Additionally, shareholders listed in our shareholder register as of March 31, 2025, will have the option to donate the amount equivalent their shareholder benefits to social contribution organizations instead of receiving the benefits.

2. Basic Approach to the Selection of Accounting Standards

We intend to prepare consolidated financial statements in conformity with the accounting principles and practices generally accepted in Japan (Japanese GAAP) for the time being, taking into consideration comparability of consolidated financial statements over time and comparability among companies.

Our policy is to respond to the application of the International Financial Reporting Standards (IFRS) in an appropriate manner, taking into consideration situations in Japan and abroad.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated balance sheets

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	45,594	44,945
Notes and accounts receivable - trade and contract assets	60,556	58,128
Merchandise and finished goods	23,185	26,626
Work in process	123	109
Raw materials and supplies	20,760	22,687
Other current assets	7,582	6,542
Allowance for doubtful accounts	(43)	(25)
Total current assets	157,759	159,014
Non-current assets		
Property, plant and equipment		
Buildings and structures	113,666	117,293
Accumulated depreciation	(66,282)	(68,755)
Buildings and structures, net	47,383	48,537
Machinery, equipment, and vehicles	133,847	137,754
Accumulated depreciation	(111,681)	(114,655)
Machinery, equipment, and vehicles, net	22,166	23,099
Land	45,694	45,862
Construction in progress	5,646	13,022
Other	15,250	16,213
Accumulated depreciation	(11,734)	(12,323)
Other, net	3,516	3,890
Total property, plant, and equipment	124,407	134,412
Intangible assets	2,423	2,023
Investments and other assets		
Investment securities	90,618	85,530
Long-term loans receivable	121	4,401
Deferred tax assets	1,846	1,862
Retirement benefit assets	5,590	8,129
Other	4,208	4,124
Allowance for doubtful accounts	(296)	(271)
Total investments and other assets	102,088	103,775
Total non-current assets	228,919	240,210
Deferred assets	13	1
Total assets	386,692	399,226

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	33,786	34,279
Short-term loans payable	18,873	17,341
Current portion of bonds	128	—
Current portion of convertible bond-type bonds with subscription rights to shares	—	25,002
Income taxes payable	7,513	3,998
Accrued expenses	9,139	9,154
Refund liabilities	7,543	7,794
Provision for bonuses	909	961
Other	6,510	5,876
Total current liabilities	84,403	104,407
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	25,020	—
Long-term loans payable	17,207	14,685
Deferred tax liabilities	22,468	24,744
Retirement benefit liabilities	3,808	3,641
Accrued retirement benefits for directors	379	361
Provision for share awards for directors (and other officers)	73	102
Other	5,045	4,798
Total non-current liabilities	74,002	48,334
Total liabilities	158,406	152,742
Net assets		
Shareholders' equity		
Capital stock	12,240	12,240
Capital surplus	9,762	9,758
Retained earnings	151,492	170,683
Treasury shares	(1,317)	(1,183)
Total shareholders' equity	172,177	191,499
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	46,122	41,317
Deferred gains (losses) on hedges	19	(23)
Foreign currency translation adjustments	3,131	5,148
Retirement benefit liability adjustments	2,663	4,199
Total accumulated other comprehensive income	51,937	50,641
Subscription rights to shares	221	115
Non-controlling interests	3,948	4,227
Total net assets	228,285	246,484
Total liabilities and net assets	386,692	399,226

(2) Consolidated statements of income and comprehensive income

(Consolidated statements of income)

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Net sales	400,514	410,878
Cost of sales	306,513	311,288
Gross profit	94,000	99,590
Selling, general and administrative expenses		
Freight, sales commission and other expenses	24,337	26,518
Salaries and allowances	24,090	25,313
Retirement benefit expenses	649	490
Depreciation	1,526	1,675
Other	23,055	24,105
Total selling, general and administrative expenses	73,659	78,103
Operating income	20,340	21,486
Non-operating income		
Interest income	113	379
Dividend income	2,089	2,353
Rent income on fixed assets	179	379
Share of profit of entities accounted for using equity method	136	—
Foreign exchange gains	117	—
Other	698	408
Total non-operating income	3,335	3,520
Non-operating expenses		
Interest expenses	190	263
Cost of rent income	58	29
Foreign exchange losses	—	67
Share of loss of entities accounted for using equity method	—	85
Other	147	168
Total non-operating expenses	396	614
Ordinary income	23,280	24,393
Extraordinary income		
Gain on sale of fixed assets	49	8,692
Gain on sale of investment securities	13,504	4,707
Gain on sale of businesses	350	—
Other	9	—
Total extraordinary income	13,913	13,399
Extraordinary expenses		
Loss on sale and disposal of fixed assets	238	117
Impairment losses	25	695
Loss on sale of shares of subsidiaries and associates	245	—
Loss of valuation of investment securities	324	72
Loss of factory closure	129	—
Other	67	28
Total extraordinary expenses	1,030	913
Profit before income taxes	36,163	36,879
Income taxes - current	9,725	8,871
Income taxes - deferred	(203)	2,931
Total income taxes	9,522	11,802

Profit	26,641	25,077
Profit attributable to non-controlling interests	273	320
Profit attributable to owners of parent	26,367	24,757

(Consolidated statements of comprehensive income)

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Profit	26,641	25,077
Other comprehensive income		
Unrealized holding gains (losses) on securities	9,753	(4,814)
Deferred gains (losses) on hedges	39	(39)
Foreign currency translation adjustments	926	1,524
Retirement benefit liability adjustments	2,189	1,535
Share of other comprehensive income of entities accounted for using equity method	63	495
Total other comprehensive income	12,972	(1,298)
Comprehensive income	39,614	23,779
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	39,308	23,461
Comprehensive income attributable to non-controlling interests	305	318

(3) Consolidated statements of changes in net assets
FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,240	9,693	128,965	(1,287)	149,612
Changes of items during period					
Dividends of surplus			(3,834)		(3,834)
Profit attributable to owners of parent			26,367		26,367
Change in scope of consolidation			(6)		(6)
Purchase of treasury shares				(448)	(448)
Disposal of treasury shares		50		417	467
Change in treasury shares of parent arising from transactions with non-controlling shareholders		18			18
Net changes of items other than shareholders' equity					
Total changes of items during period	—	68	22,526	(30)	22,564
Balance at end of current period	12,240	9,762	151,492	(1,317)	172,177

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Retirement benefit liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of current period	36,462	(23)	2,161	473	39,074	226	3,699	192,613
Changes of items during period								
Dividends of surplus								(3,834)
Profit attributable to owners of parent								26,367
Change in scope of consolidation								(6)
Purchase of treasury shares								(448)
Disposal of treasury shares								467
Change in treasury shares of parent arising from transactions with non-controlling shareholders								18
Net changes of items other than shareholders' equity	9,659	43	970	2,189	12,862	(4)	249	13,107
Total changes of items during period	9,659	43	970	2,189	12,862	(4)	249	35,672
Balance at end of current period	46,122	19	3,131	2,663	51,937	221	3,948	228,285

FY2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,240	9,762	151,492	(1,317)	172,177
Changes of items during period					
Dividends of surplus			(5,566)		(5,566)
Profit attributable to owners of parent			24,757		24,757
Change in scope of consolidation					—
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(4)		136	132
Change in treasury shares of parent arising from transactions with non-controlling shareholders					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(4)	19,190	134	19,321
Balance at end of current period	12,240	9,758	170,683	(1,183)	191,499

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Retirement benefit liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of current period	46,122	19	3,131	2,663	51,937	221	3,948	228,285
Changes of items during period								
Dividends of surplus								(5,566)
Profit attributable to owners of parent								24,757
Change in scope of consolidation								—
Purchase of treasury shares								(1)
Disposal of treasury shares								132
Change in treasury shares of parent arising from transactions with non-controlling shareholders								—
Net changes of items other than shareholders' equity	(4,805)	(43)	2,016	1,535	(1,295)	(105)	278	(1,122)
Total changes of items during period	(4,805)	(43)	2,016	1,535	(1,295)	(105)	278	18,198
Balance at end of current period	41,317	(23)	5,148	4,199	50,641	115	4,227	246,484

(4) Consolidated statements of cash flows

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	36,163	36,879
Depreciation	10,314	10,894
Increase (decrease) in net retirement benefit assets / liabilities	(178)	(425)
Increase (decrease) in provision for directors' retirement benefits	(27)	(18)
Increase (decrease) in provision for share awards for directors (and other officers)	73	28
Increase (decrease) in allowance for doubtful accounts	(44)	(44)
Impairment loss	25	695
Interest and dividend income	(2,202)	(2,733)
Interest expenses	190	263
Loss (gain) on sale of investment securities	(13,506)	(4,735)
Loss (gain) on valuation of investment securities	324	72
Foreign exchange losses (gains)	(51)	24
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(136)	85
Loss (gain) on sale of fixed assets	(22)	(8,682)
Loss (gain) on sale of businesses	(350)	—
Loss on disposal of fixed assets	220	123
Loss (gain) on sale of shares of subsidiaries and associates	245	—
Loss on plant closures	129	—
Decrease (increase) in notes and accounts receivable - trade	(6,284)	2,698
Decrease (increase) in inventories	3,611	(5,192)
Increase (decrease) in notes and accounts payable - trade	(3,068)	212
Increase (decrease) in accrued consumption taxes	(148)	(1,406)
Decrease (increase) in other receivables	(668)	(471)
Increase (decrease) in other payables	2,120	213
Other, net	124	96
Subtotal	26,852	28,579
Interest and dividend income received	2,227	2,742
Interest expenses paid	(189)	(261)
Income taxes paid	(4,868)	(12,291)
Net cash provided by (used in) operating activities	24,022	18,768

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Cash flows from investing activities		
Decrease (increase) in time deposits	(959)	1,931
Purchase of fixed assets	(21,157)	(20,154)
Proceeds from sale of fixed assets	409	8,506
Purchase of securities	(3,030)	(4,030)
Proceeds from sale and redemption of securities	1,016	6,342
Purchase of investment securities	(157)	(1,207)
Proceeds from sale and redemption of investment securities	16,275	5,183
Purchase of shares of subsidiaries and associates	(3,506)	—
Proceeds from sale of shares of subsidiaries and associates	979	—
Proceeds from sale of businesses	350	—
Payments of loans receivable	(98)	(4,447)
Collection of loans receivable	13	18
Other, net	375	51
Net cash provided by (used in) investing activities	(9,489)	(7,807)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	736	(834)
Proceeds from long-term loans payable	300	278
Repayment of long-term loans payable	(3,891)	(3,495)
Redemption of bonds	(221)	(128)
Purchase of treasury shares	(448)	(1)
Proceeds from sale of treasury shares	446	26
Cash dividends paid	(3,834)	(5,566)
Dividends paid to non-controlling interests	(37)	(39)
Repayments of finance lease obligations	(292)	(772)
Other, net	0	—
Net cash provided by (used in) financing activities	(7,241)	(10,533)
Effect of exchange rate changes on cash and cash equivalents	293	315
Net increase (decrease) in cash and cash equivalents	7,584	743
Cash and cash equivalents at beginning of period	33,157	40,728
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(13)	—
Cash and cash equivalents at end of period	40,728	41,471

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Significant matters underlying the preparation of consolidated financial statements)

1. Matters concerning the scope of consolidation

(1) Number and names of consolidated subsidiaries

40 Companies

Names of major consolidated subsidiaries

NIPPON Donuts Co., Ltd., Nippon Rich Co., Ltd., NIPPON Engineering Co., Ltd., NPF JAPAN Co., Ltd., OHMY Co., Ltd., Matsuya Flour Mills Co., Ltd., NIPPON SHOJI Co., Ltd., Fast Foods Co., Ltd., OK FOOD Industry Co., Ltd., Nagano Tomato Co., Ltd., Yamato Foods Co., Ltd.

(2) Names of major non-consolidated subsidiaries

NIPPON Logistics Co., Ltd., Chiba Grain Center Co., Ltd.

(Reasons for excluding non-consolidated subsidiaries from the scope of consolidation)

The 18 non-consolidated subsidiaries are all small-scale companies, and their total assets, revenue, net income (loss) for the period (proportionate to equity), and retained earnings (proportionate to equity) do not have a material impact on the consolidated financial statements.

2. Matters Related to the Application of the Equity Method

(1) Number of Non-Consolidated Subsidiaries and Affiliated Companies Subject to the Equity Method

13 Companies (6 non-consolidated subsidiaries and 7 affiliated companies)

Names of Major Company Names

NIPPON Logistics Co., Ltd.

(2) Names and Other Information of Major Non-Consolidated Subsidiaries and Affiliated Companies Not Subject to the Equity Method

Isesaki Foodworks Co., Ltd.

(Reason for Not Applying the Equity Method)

The 12 non-consolidated subsidiaries and 13 related companies to which the equity method is not applied are excluded from the scope of the equity method because their impact on the consolidated financial statements, as determined by their share of net income (loss) and retained earnings, is immaterial and insignificant on a consolidated basis.

3. Matters Related to the Fiscal Year of Consolidated Subsidiaries

The fiscal year-end dates of consolidated subsidiaries that differ from the consolidated fiscal year-end date are as follows.

Company Name	Fiscal Year-End Date
Pasta Montana, L.L.C. and 9 other companies	December 31

*

* We have used the financial statements of consolidated subsidiaries as of their respective balance sheet dates. However, we have made adjustments necessary for consolidation with respect to significant transactions that occurred between the balance sheet date of the consolidated financial statements and the balance sheet date of the consolidated subsidiaries.

(Notes on consolidated statements of income)

* Impairment losses

Impairment loss has been recorded for the following assets.

FY2024 (From April 1, 2023 to March 31, 2024)

Location	Intended use	Type of assets
Oyama City, Tochigi	Business assets	Buildings, etc.

In assessing the possibility of impairment, we categorize our assets into business assets that are grouped by branches and factories and based on certain regions, etc. according to mutual complementarity in cash flows, an asset group for common use, leased assets, and idle assets. The book value of some of the abovementioned asset group has been reduced to a recoverable amount. The amount recorded as impairment loss is ¥25 million.

Although the recoverable amount is measured by value in use, it is stated as zero, as no future cash flow is expected.

FY2025 (From April 1, 2024 to March 31, 2025)

Location	Intended use	Type of assets
Indonesia	Business assets	Other(Property, plant and equipment), etc.

In assessing the possibility of impairment, we categorize our assets into business assets that are grouped by branches and factories and based on certain regions, etc. according to mutual complementarity in cash flows, an asset group for common use, leased assets, and idle assets. The book value of some of the abovementioned asset group has been reduced to a recoverable amount. The amount recorded as impairment loss is ¥687 million.

The recoverable amount is measured by value in use, which is calculated based on 13.83% discount rate.

Location	Intended use	Type of assets
Tachikawa City, Tokyo	Business assets	Buildings, etc.

In assessing the possibility of impairment, we categorize our assets into business assets that are grouped by branches and factories and based on certain regions, etc. according to mutual complementarity in cash flows, an asset group for common use, leased assets, and idle assets. The book value of some of the abovementioned asset group has been reduced to a recoverable amount. The amount recorded as impairment loss is ¥7 million.

Although the recoverable amount is measured by value in use, it is stated as zero, as no future cash flow is expected.

** Loss on plant closures

FY2024 (From April 1, 2023 to March 31, 2024)

This is a loss associated with the closure of Osaka Mill of the Company. The breakdown is as follows.

Details	Amount (Millions of yen)
Loss relating to impairment loss	63
Other miscellaneous expenses (Equipment removal costs, etc.)	65
Total	129

Details of impairment loss are as follows.

Location	Intended use	Type of assets
Osaka City, Osaka	Business assets	Machinery and equipment, etc.

For the abovementioned asset groups, the book value of relevant assets has been reduced to a recoverable amount following the decision to close the mill.

The recoverable amount is stated as zero, as no future cash flow is expected because the impairment loss is attributable to the closure of the mill.

(Segment information, etc.)

a. Segment information

1. Overview of reportable segments

Our reportable segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

We consist of three main business units classified by product types—Flour Milling, Food and Other. Each business unit formulates business strategies and promotes business activities.

Accordingly, we have two reportable segments: Flour Milling and Food.

The Flour Milling segment covers wheat flour, bran, and buckwheat flour, while the Food segment covers wheat flour for home-use, premixes, pasta, frozen foods, nakashoku (ready-made meals), and rice flour.

2. Calculation methods for sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting method for reported business segments is the same as the method used to prepare the consolidated financial statements.

Profit figures reported for business segments are based on operating income. Inter-segment sales and transfers are based on prevailing market prices.

3. Information on sales, profit (loss), assets, liabilities and other items by reportable segment and information on disaggregation of revenue

FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Other	Total	Adjustments	Amount recorded in consolidated financial statements
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	125,316	226,615	351,931	47,574	399,506	—	399,506
Other revenue	—	46	46	961	1,008	—	1,008
Net sales to external customers	125,316	226,661	351,977	48,536	400,514	—	400,514
Internal sales or transfers between segments	3,099	1,233	4,332	4,462	8,795	(8,795)	—
Total	128,415	227,894	356,310	52,999	409,310	(8,795)	400,514
Segment profit (loss)	9,186	8,354	17,541	2,799	20,340	0	20,340
Segment assets	123,403	143,311	266,715	27,113	293,828	92,863	386,692
Other items							
Depreciation	2,881	5,655	8,536	1,294	9,831	483	10,314
Increase in property, plant and equipment and intangible assets	7,014	7,304	14,319	1,385	15,704	6,448	22,153

Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including pet food, health food, engineering, food service business, and real estate business.

2. Segment profit (loss) adjustment of ¥0 million refers to elimination of inter-segment transactions and corporate expenses.

3. Corporate assets included in adjustments of segment assets amounted to ¥90,234 million and mainly comprise our surplus funds (cash and deposits, and securities) and property, plant and equipment concerning administrative operations.

4. Adjustments amounting to ¥ 6,448 million for the Increase in property, plant and equipment and intangible assets mainly relate to capital investment by the administrative departments and elimination of inter-segment

transactions.

5. Segment profit (loss) is adjusted to reflect operating income as recorded in the consolidated financial statements.
6. Depreciation and Increase in property, plant and equipment and intangible assets includes an increase in long-term prepaid expenses and amortization thereof.
7. The standards for allocation of fixed assets to segments are different from the standards for allocation of related depreciation.

FY2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Other	Total	Adjustments	Amount recorded in consolidated financial statements
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	121,663	238,307	359,971	49,931	409,902	—	409,902
Other revenue	—	46	46	930	976	—	976
Net sales to external customers	121,663	238,353	360,017	50,861	410,878	—	410,878
Internal sales or transfers between segments	3,144	1,093	4,238	3,706	7,944	(7,944)	—
Total	124,808	239,446	364,255	54,568	418,823	(7,944)	410,878
Segment profit (loss)	9,203	9,283	18,486	3,171	21,657	(171)	21,486
Segment assets	133,862	146,299	280,161	28,526	308,688	90,538	399,226
Other items							
Depreciation	3,008	6,070	9,078	1,333	10,412	482	10,894
Increase in property, plant and equipment and intangible assets	13,960	6,236	20,196	1,481	21,678	(371)	21,307

- Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including pet food, health food, engineering, food service business, and real estate business.
2. Segment profit (loss) adjustment of (¥171) million refers to elimination of inter-segment transactions and corporate expenses.
3. Corporate assets included in adjustments of segment assets amounted to ¥85,675 million and mainly comprise our surplus funds (cash and deposits, and securities) and property, plant and equipment concerning administrative operations.
4. Adjustments amounting to (¥ 371) million for the Increase in property, plant and equipment and intangible assets mainly relate to capital investment by the administrative departments and elimination of inter-segment transactions.
5. Segment profit (loss) is adjusted to reflect operating income as recorded in the consolidated financial statements.
6. Depreciation and Increase in property, plant and equipment and intangible assets includes an increase in long-term prepaid expenses and amortization thereof.
7. The standards for allocation of fixed assets to segments are different from the standards for allocation of related depreciation.

(Per share information)

(Yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Net Assets per Share	2,874.28	3,102.27
Profit per Share	338.20	317.27
Fully Diluted Profit per Share	295.46	276.75

(Note) Basis for the calculation of profit per share and fully diluted profit per share is as follows.

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Profit per Share		
Profit attributable to owners of parent (Millions of yen)	26,367	24,757
Amount not attributable to common shareholders (Millions of yen)	—	—
Amount pertaining to common stock (Millions of yen)	26,367	24,757
Average member of shares of common stock in the fiscal year (Thousands of shares)	77,964	78,031
Fully Diluted Profit per Share		
Amount attributable to owners of parent (Millions of yen)	(12)	(12)
<of which interest income (after deducting the amount equivalent to tax)> (Millions of yen)	< (12) >	< (12) >
Increase in common stock (Thousands of shares)	11,237	11,378
Summary of residual securities not included in calculation of fully diluted profit per share because of no dilutive effect	—	—

(Note) We have introduced a Board Benefit Trust (BBT). Our shares held by the Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the said Board Benefit Trust (BBT) are included in treasury shares to be deducted from the calculation of the average number of shares during the period in the calculation of Net Assets per Share (Yen), Profit per Share and Fully Diluted Profit per Share (Yen).

The average number of our shares held by the Trust during the current consolidated fiscal year was 230,600 shares at the end of FY2025, 160,000 shares at the end of FY2024.

(Important subsequent events)**(Business combination by acquisition)**

Our Board of Directors has resolved at a meeting held on September 26, 2024 to acquire shares of HATANAKA FOODS Co., Ltd. through a private placement and make it a consolidated subsidiary (hereinafter referred to as the “Matter”), and we have concluded an agreement regarding the Matter on October 1, 2024. Based on this agreement, we have acquired shares in HATANAKA FOODS Co., Ltd. on April 1, 2025.

1. Overview of the business combination**(1) Name of acquired company and its business**

Name of acquired company	HATANAKA FOODS Co., Ltd.
Business	Manufacture and sale of frozen foods
Capital	¥10 million

(2) Main reason for the business combination

We position the frozen foods business as one of our growth areas, and sees strengthening the supply system in anticipation of future demand growth as an important business issue. To ensure a stable supply of high-quality frozen foods, we have been making capital investments in our own plants and working with contract manufacturers. We have decided to acquire shares of HATANAKA FOODS Co., Ltd. through a private placement because we believe that the production capacity and processing technology of HATANAKA FOODS Co., Ltd. will contribute to strengthening our competitiveness.

HATANAKA FOODS Co., Ltd. is a food manufacturer with extensive expertise in the production of frozen foods, and we believe that the Matter will enable us to increase our production capacity and further stabilize our procurement environment. Through the Matter, we will further accelerate the growth of our frozen foods business, thereby ensuring the achievement of mid-term targets.

(3) Date of the business combination

April 1, 2025

(4) Legal form of the business combination

Share acquisition through a private placement

(5) Name of company after the business combination

Same before the business combination

(6) Voting rights ratio after the share acquisition

62.02%

(7) Main basis for determining acquired company

The acquired company was determined by share acquisition in exchange for cash.

2. Cost of the acquisition of the acquired company and the breakdown thereof

(Millions of yen)

Consideration for acquisition:	Cash	6,000
Cost of the acquisition:		6,000

3. Details of major expenses related to the acquisition and amount

Advisory Fee etc. About ¥9 million

4. Amount of goodwill to be recognized,

It has not been decided yet.

5. Amount of acquired assets and assumed liabilities on the date of the business combination, and the major breakdown thereof

It has not been decided yet.

6. Financing and payment methods of share acquisition

Cash reserves

Notes to consolidated statements of comprehensive income, lease transactions, financial instruments, securities, derivative transactions, retirement benefits, stock options, tax effect accounting, business combinations, and related party information are omitted because the need to disclose such information in the financial report is not considered significant.