

November 17, 2025



The Second Quarter of FY2026 Briefing Session on Business Results

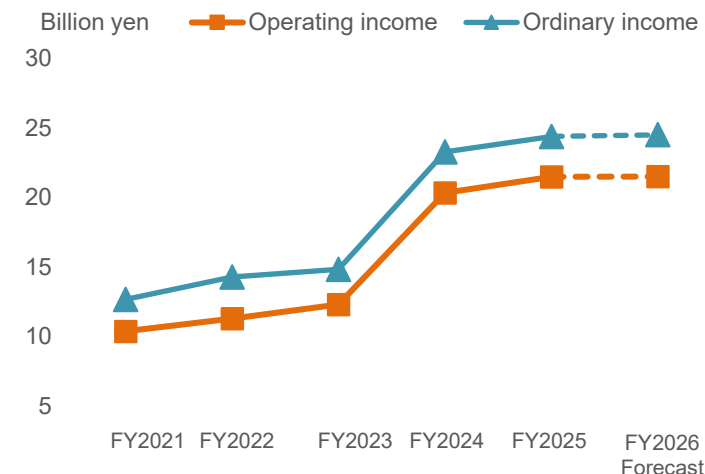
Code number: 2001

NIPPON CORPORATION
<https://www.nippon.co.jp/en/>

I	Digest	p.3
II	Overview of Business Results for the Second Quarter of FY2026 and FY2026 Performance Forecasts	p.4
III	Implementation of Strategies to Achieve Medium-term Targets	p.14
IV	Financial Strategy	p.26
V	Appendix	p.33

Overview of Business Results for the Second Quarter of FY2026 and FY2026 Performance Forecasts

- ▶ Consolidated net sales and operating income for the second quarter of FY2026 **both increased**, driven by growth in sales volume, etc.
- ▶ For FY2026, we expect consolidated net sales and operating income to **both increase** for the **fifth consecutive year**, driven by continued efforts to expand sales, etc.



Improving Capital Efficiency

- ▶ A resolution for acquisition of own shares was approved at the Board of Directors meeting held on October 14, 2025.
- ▶ Promote the improvement of capital efficiency and the strengthening of shareholder returns through the implementation of a flexible capital policy
- ▶ Plan to continue selling our cross-shareholdings

An orange circle containing the Roman numeral "II" in white, serif font.

II

Overview of Business Results for the Second Quarter of FY2026 and FY2026 Performance Forecasts

FY2026 Second Quarter Results



Net sales

Increased by ¥2.9 billion from the previous year, driven by the expansion of inbound demand, sales promotion utilizing enhanced marketing strategies, and price revisions implemented in response to rising costs.

Operating income

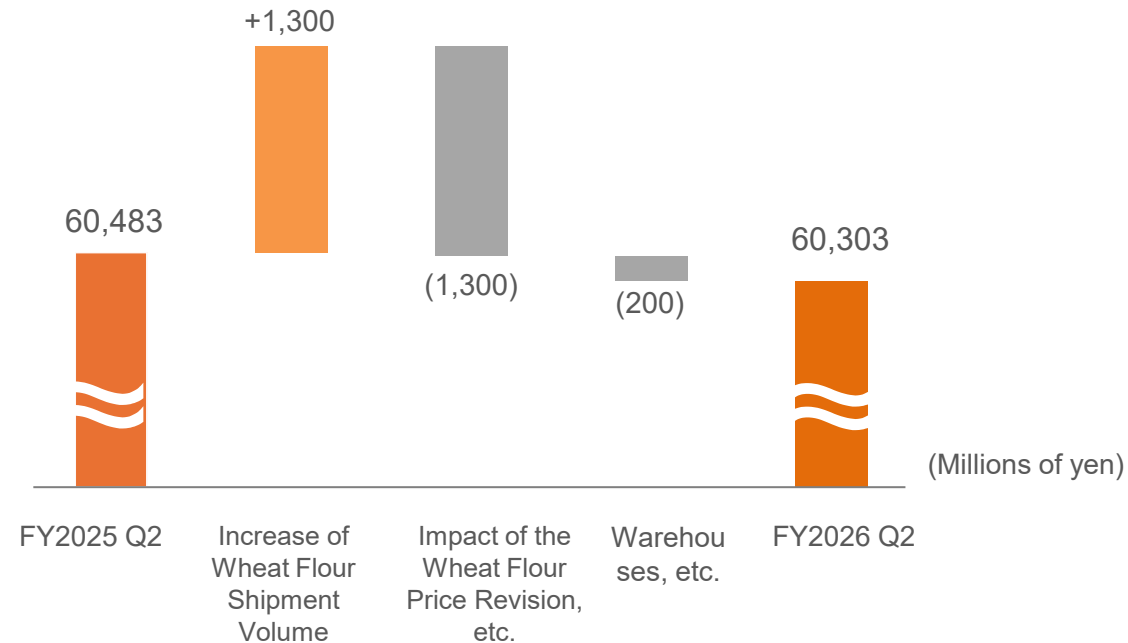
Increased by ¥0.33 billion from the previous year due to steady sales growth, despite increases in various costs across each business, including raw material, personnel, and logistics costs.

(Millions of yen)		FY2025 Q2		FY2026 Q2					
		Results	% of Net Sales	Results	% of Net Sales	YoY	YoY Change (%)	Compared to Forecast	Change (%) from Forecast
Net sales	Flour Milling	60,483	29.5%	60,303	29.0%	(179)	(0.3)%		
	Food	119,620	58.4%	122,203	58.8%	2,582	2.2%		
	Other	24,804	12.1%	25,396	12.2%	591	2.4%		
	Total	204,909	100.0%	207,903	100.0%	2,994	1.5%	(3,596)	(1.7)%
Operating income	Flour Milling	4,374	7.2%	4,677	7.8%	303	6.9%		
	Food	4,900	4.1%	4,875	4.0%	(24)	(0.5)%		
	Other, etc.	1,250	5.0%	1,301	5.1%	52	4.2%		
	Total	10,524	5.1%	10,855	5.2%	330	3.1%	255	2.4%
Operating income before depreciation		15,774	7.7%	16,112	7.7%	338	2.1%		
Ordinary income		12,092	5.9%	12,130	5.8%	37	0.3%	30	0.2%
Profit attributable to owners of parent		14,039	6.9%	9,269	4.5%	(4,769)	(34.0)%	770	9.1%

Analysis of Factors for Changes in Net Sales / Operating Income

Flour Milling

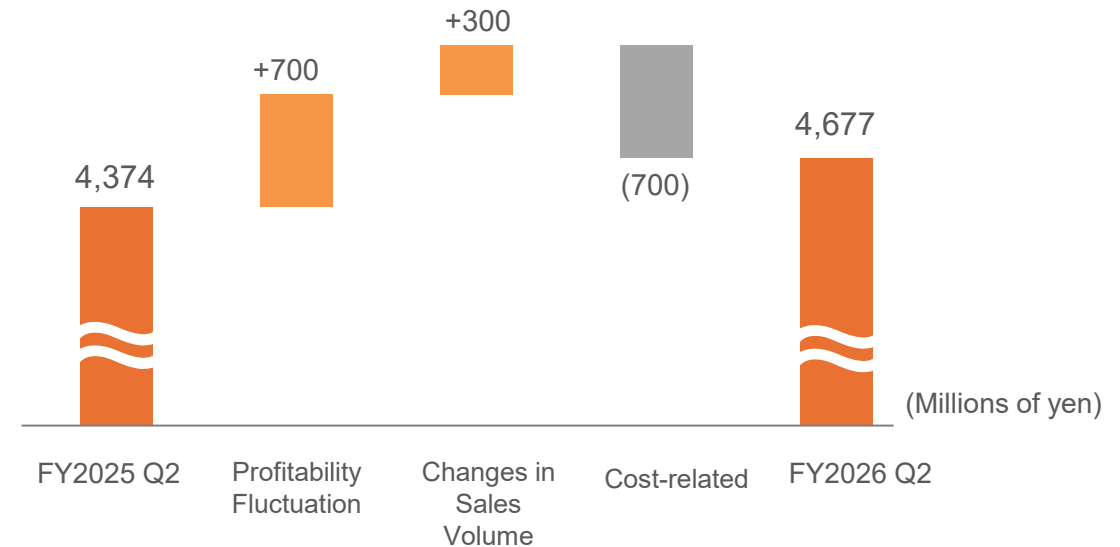
Analysis of factors for changes in net sales



Compared with the same period of FY2025: decrease of ¥179 million [(0.3)%]

Despite some positive factors, such as increased sales volume of wheat flour, net sales in the business segment decreased from the same period of the previous year due to the significant impact of wheat flour price revisions.

Analysis of factors for changes in operating income



Compared with the same period of FY2025: increase of ¥303 million [+6.9%]

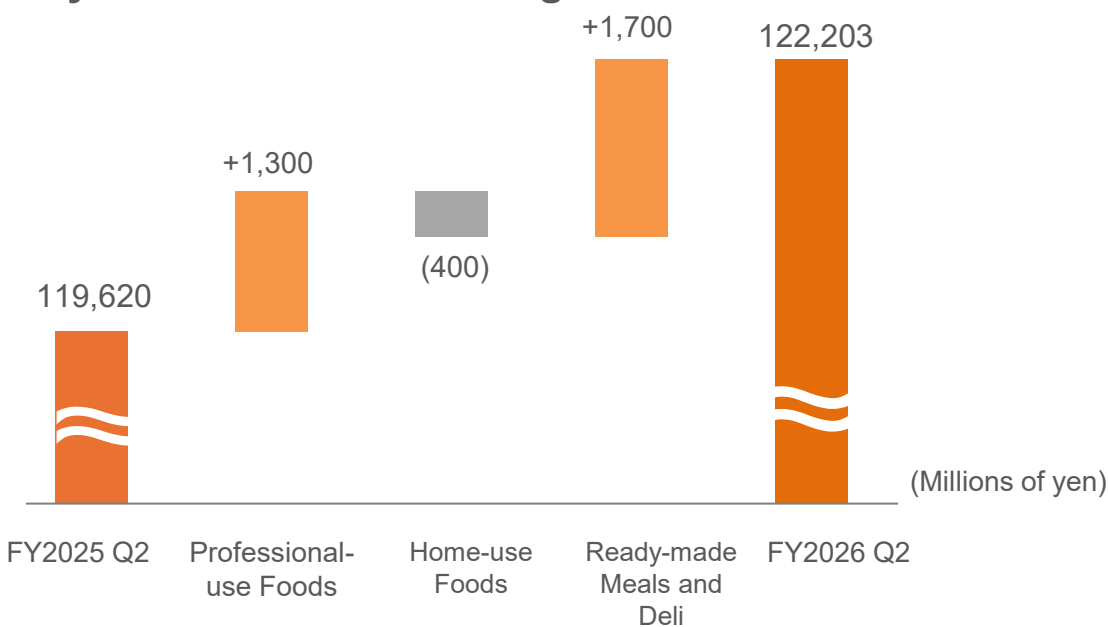
Despite higher costs in areas such as logistics and repair expenses, operating income rose from the same period of the previous year, driven by improved productivity and growth in sales volume.

Analysis of Factors for Changes in Net Sales / Operating Income

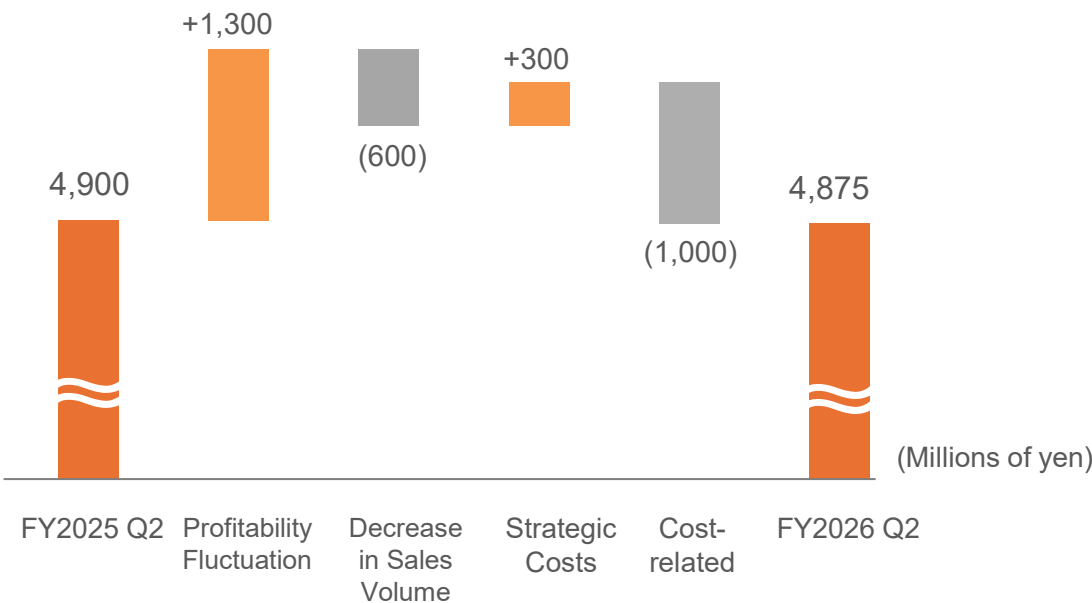


Food

Analysis of factors for changes in net sales



Analysis of factors for changes in operating income



Compared with the same period of FY2025: increase of ¥2,582 million [+2.2%]

Net sales of professional-use foods increased, driven by expanding inbound demand and steady performance in overseas business. Despite strengthened sales capabilities through marketing initiatives, net sales of home-use foods decreased due to a growing preference for thrift. Net sales of ready-made meals and deli increased, driven by steady sales and price revisions implemented in response to rising costs of raw materials, etc.



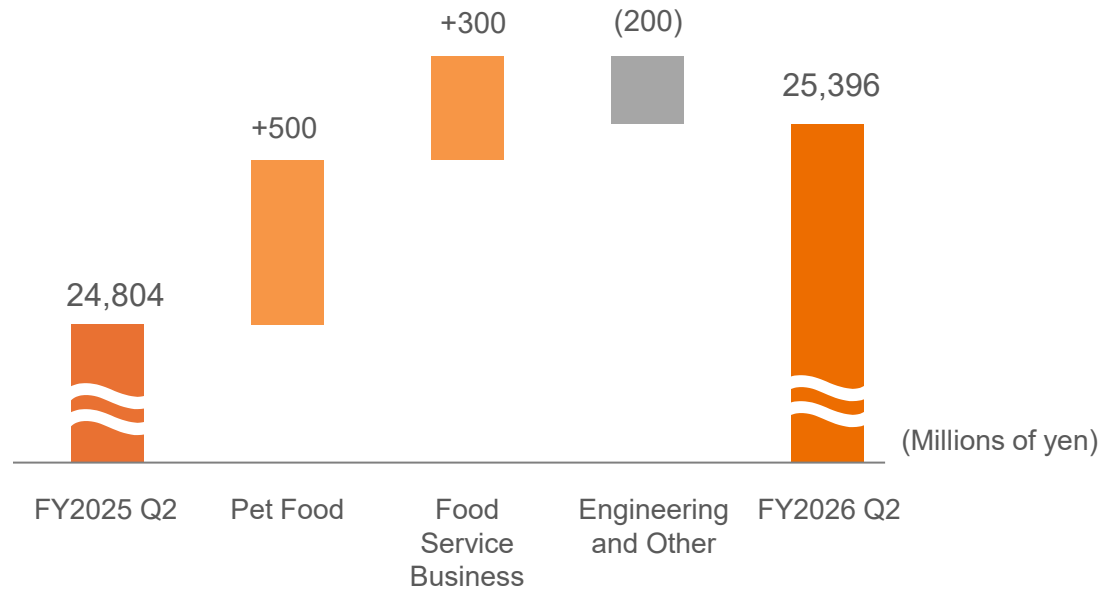
Compared with the same period of FY2025: decrease of ¥24 million [(0.5)%]

Despite efforts to implement price revisions in response to rising costs, operating income decreased from the same period of the previous year due to a rise in logistics and personnel costs, etc., and a decrease in sales volume.

Analysis of Factors for Changes in Net Sales / Operating Income

Other

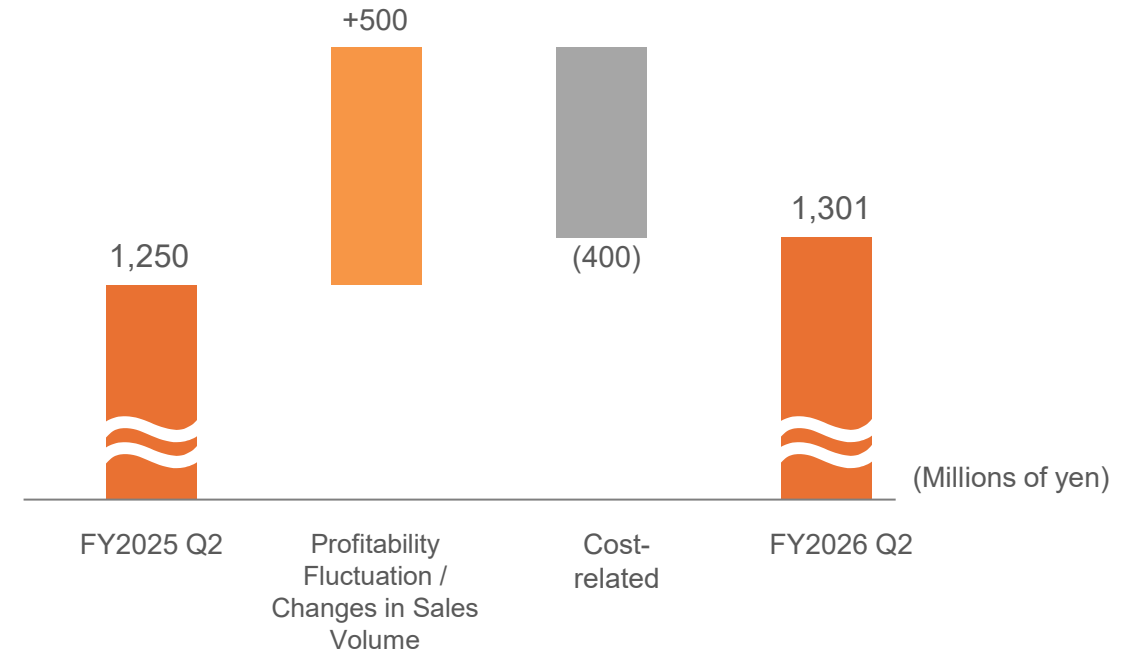
Analysis of factors for changes in net sales



Compared with the same period of FY2025: increase of ¥591 million [+2.4%]

The sales of pet food rose due to its growth in sales volume. Sales in the food service business increased due to strong sales and the implementation of price revisions.

Analysis of factors for changes in operating income

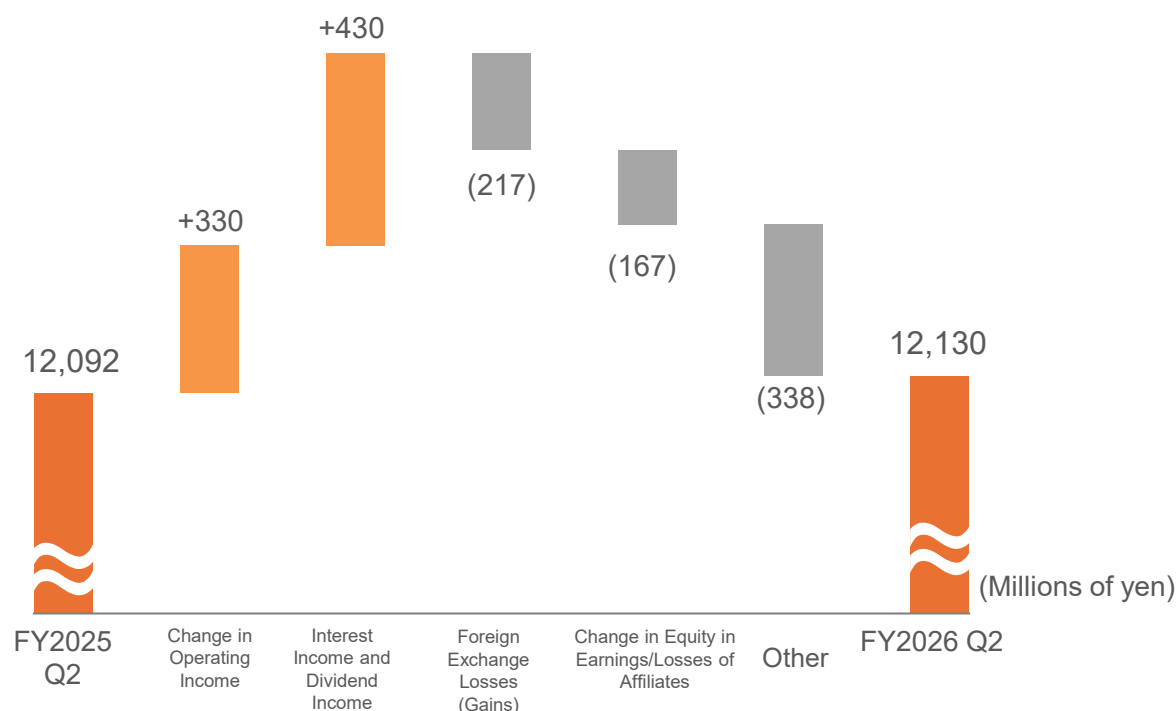


Compared with the same period of FY2025: increase of ¥52 million [+4.2%]

Although some costs increased, such as personnel costs, operating income in the business segment rose from the same period of the previous year due to increased sales volume and price revisions implemented in response to rising costs.

Analysis of Factors for Changes in Ordinary Income / Profit

Analysis of factors for changes in ordinary income

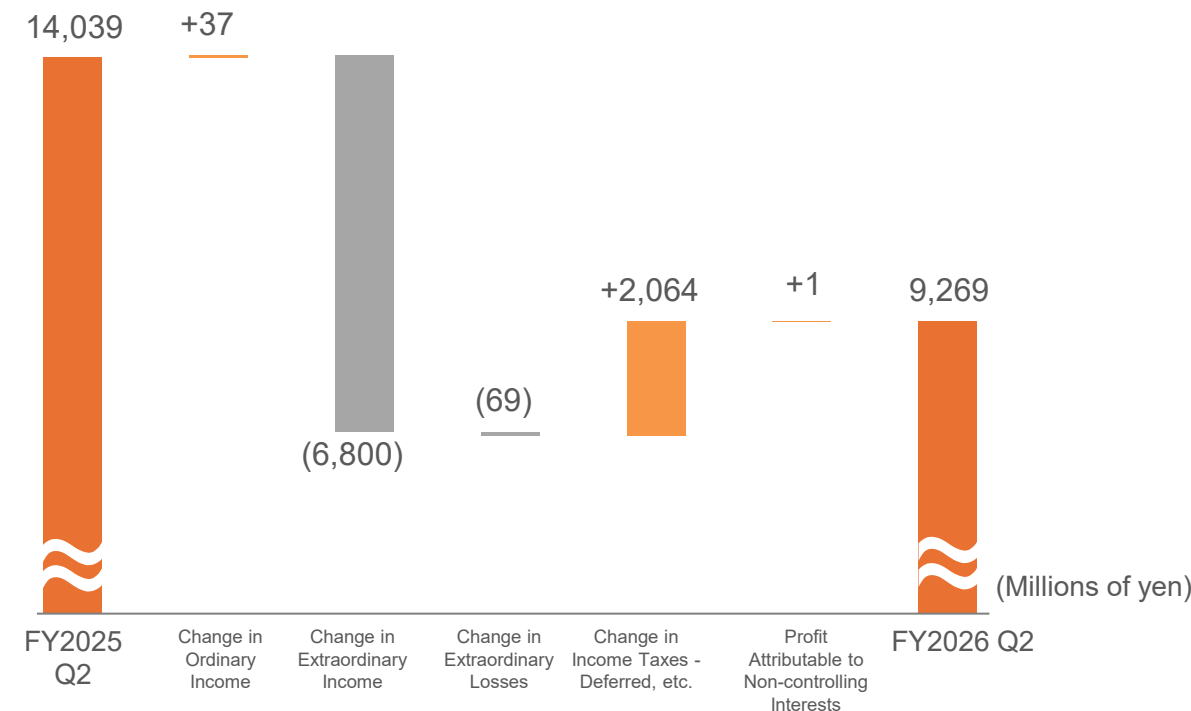


Compared with the same period of FY2025: increase of ¥37 million [+0.3%]

Ordinary income increased based on factors such as higher operating income and dividend income.

Analysis of factors for changes in profit(*)

(*) Profit attributable to owners of parent



Compared with the same period of FY2025: decrease of ¥4,769 million [(34.0)%]

Profit decreased due to a decrease gain on sales of non-current assets.

FY2026 Performance Forecasts



Net sales

Net sales are expected **to reach a record high of ¥424.0 billion**, with consumer demand projected to continue on a stable growth track.

Operating income

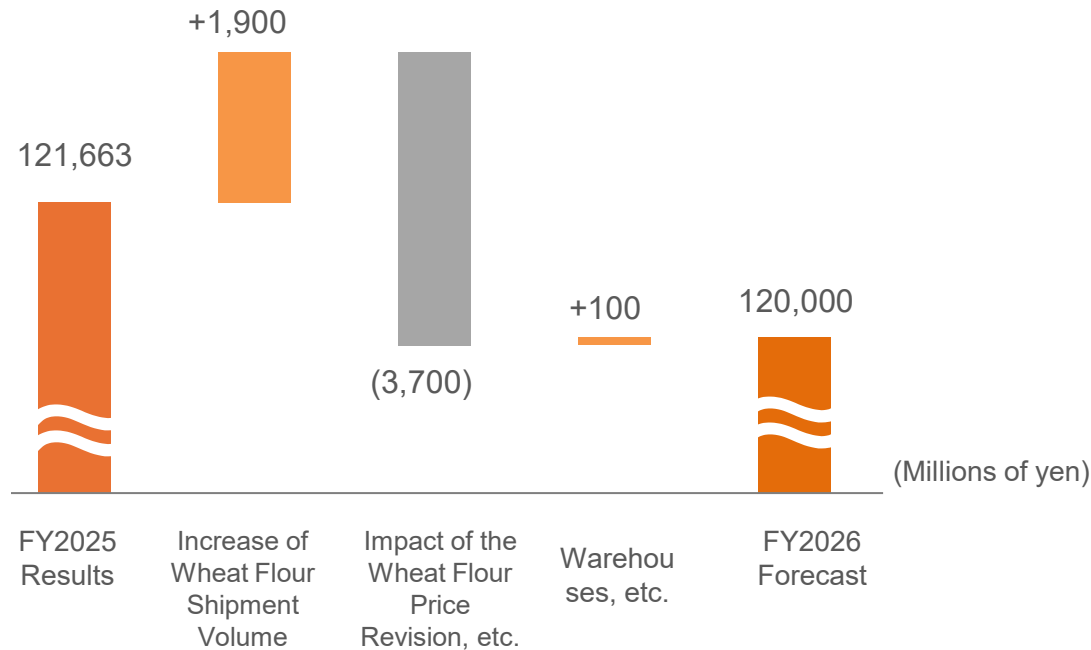
Operating income is expected **to mark a record high of ¥21.5 billion** mainly due to increased sales volume resulting from sales expansion, despite projected increases in various costs, including personnel, logistics, and raw material costs, as well as an increased depreciation burden associated with the operation of the new mill.

(Millions of yen)		FY2025		FY2026			
		Results	% of net sales	Forecast	% of net sales	YoY	YoY change (%)
Net sales	Flour Milling	121,663	29.6%	120,000	28.3%	(1,663)	(1.4)%
	Food	238,353	58.0%	249,500	58.8%	11,147	4.7%
	Other	50,861	12.4%	54,500	12.9%	3,639	7.2%
	Total	410,878	100.0%	424,000	100.0%	13,122	3.2%
Operating income	Flour Milling	9,203	7.6%	8,600	7.2%	(603)	(6.6)%
	Food	9,283	3.9%	9,600	3.8%	317	3.4%
	Other, etc.	3,000	5.9%	3,300	6.2%	300	10.0%
	Total	21,486	5.2%	21,500	5.1%	14	0.1%
Operating income before depreciation		32,381	7.9%	33,200	7.8%	819	2.5%
Ordinary income		24,393	5.9%	24,500	5.8%	107	0.4%
Profit attributable to owners of parent		24,757	6.0%	20,200	4.8%	(4,557)	(18.4)%

Analysis of Factors for Changes in Net Sales/ Operating Income Forecasts

Flour Milling

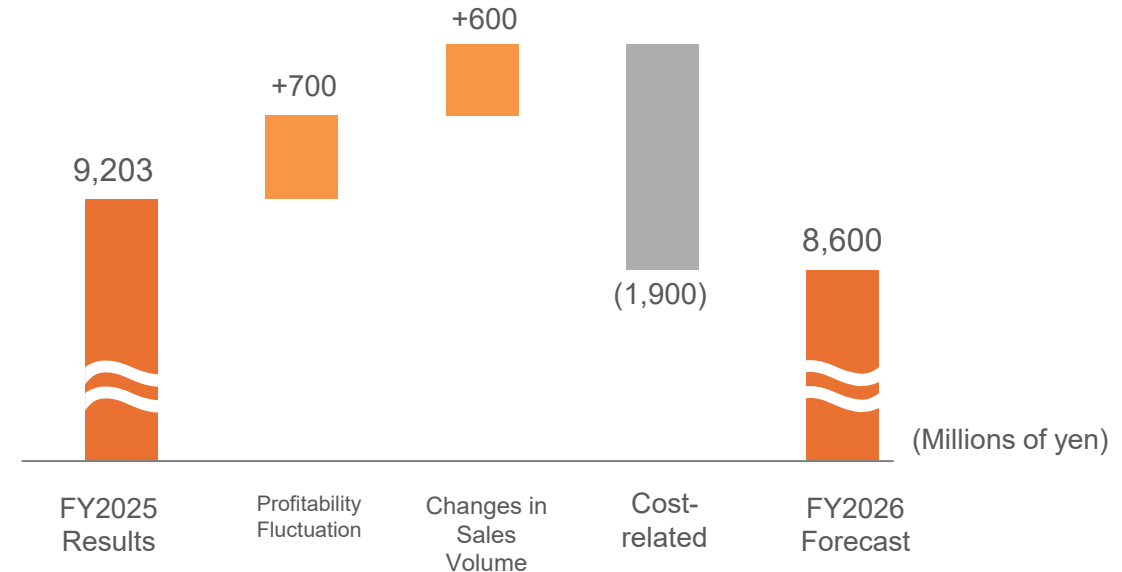
Analysis of factors for changes in net sales



**Compared with the same period of FY2025:
decrease of ¥1,663 million [(1.4)%]**

While sales volume is increasing, net sales in the business segment are expected to decrease due to price revisions for wheat flour for professional use following reductions in the government selling price for imported wheat.

Analysis of factors for changes in operating income



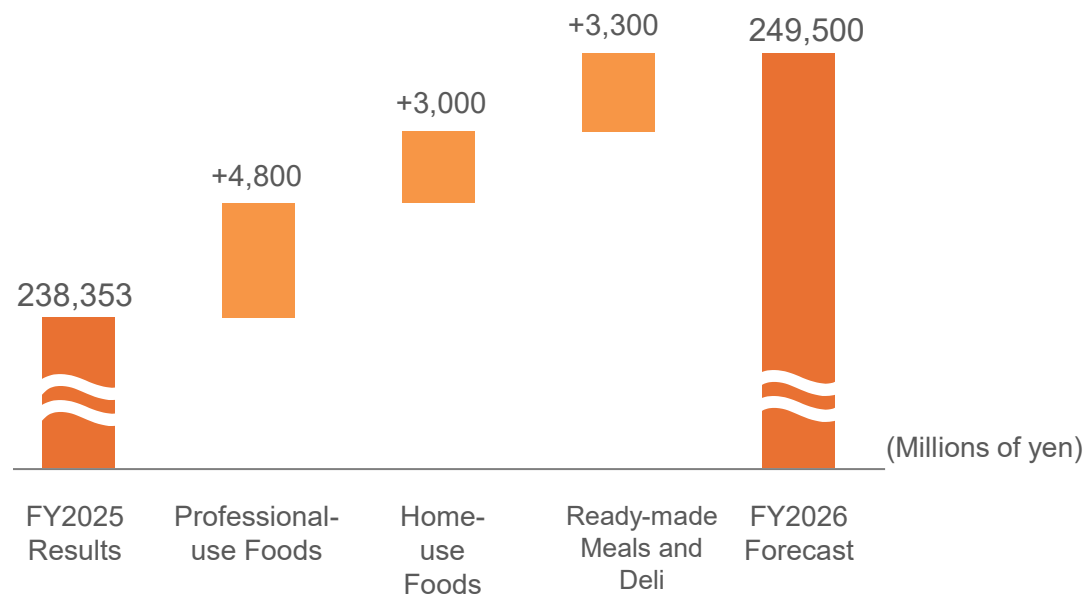
**Compared with the same period of FY2025:
decrease of ¥603 million [(6.6)%]**

Despite some positive factors associated with enhancing productivity and increasing sales volume of wheat flour, operating income in the business segment is expected to decline, mainly due to higher depreciation associated with the operation of the new Chita mill.

Analysis of Factors for Changes in Net Sales/ Operating Income Forecasts

Food

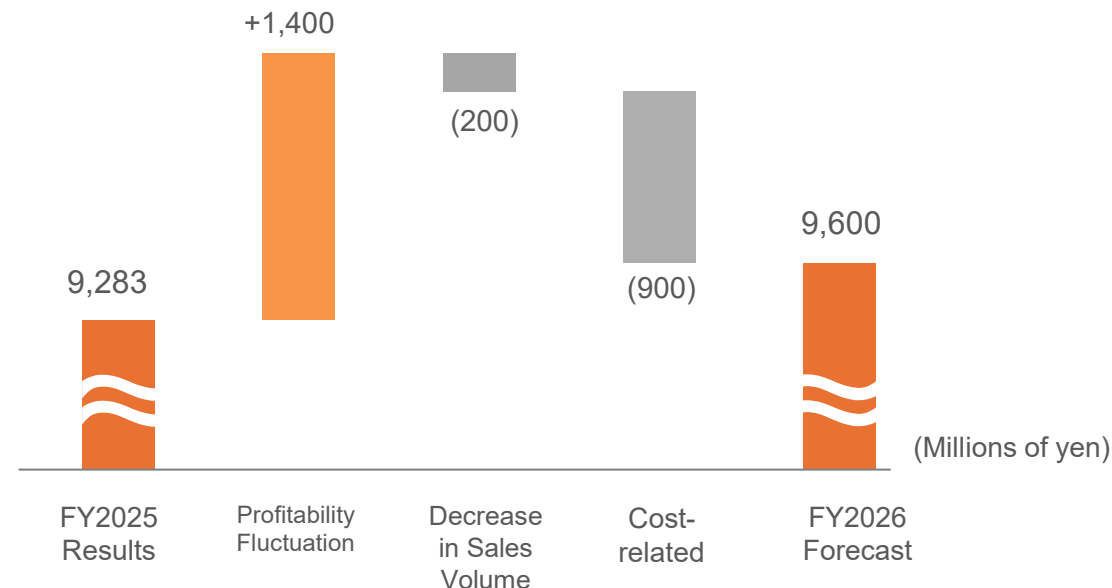
Analysis of factors for changes in net sales



**Compared with the same period of FY2025:
increase of ¥11,147 million [+4.7%]**

The sales of professional-use foods are expected to increase, with the higher sales volumes of premix products and frozen foods and price revisions associated with rising costs; the sales of home-use foods are also expected to increase due to a projected rise in the sales volume of processed foods and frozen foods, as well as price revisions associated with increasing costs; and the sales of ready-made meals and deli are expected to increase based on stable sales growth.

Analysis of factors for changes in operating income



**Compared with the same period of FY2025:
increase of ¥317 million [+3.4%]**

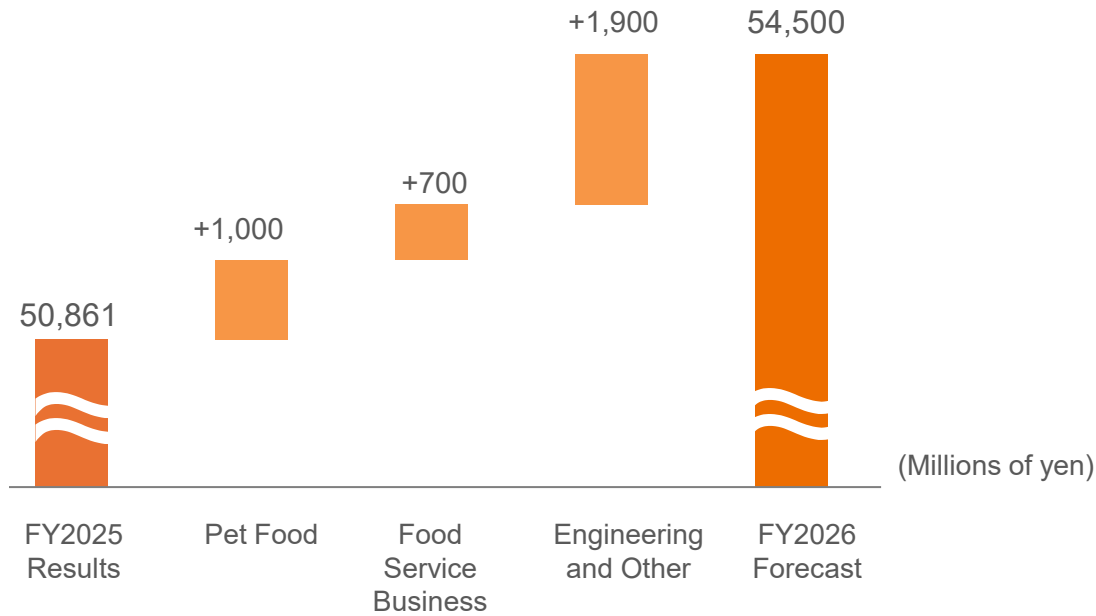
While costs, including those for logistics and personnel are projected to rise, operating income is forecast to increase due to strengthened sales of high-value-added products.

Analysis of Factors for Changes in Net Sales/ Operating Income Forecasts

Other



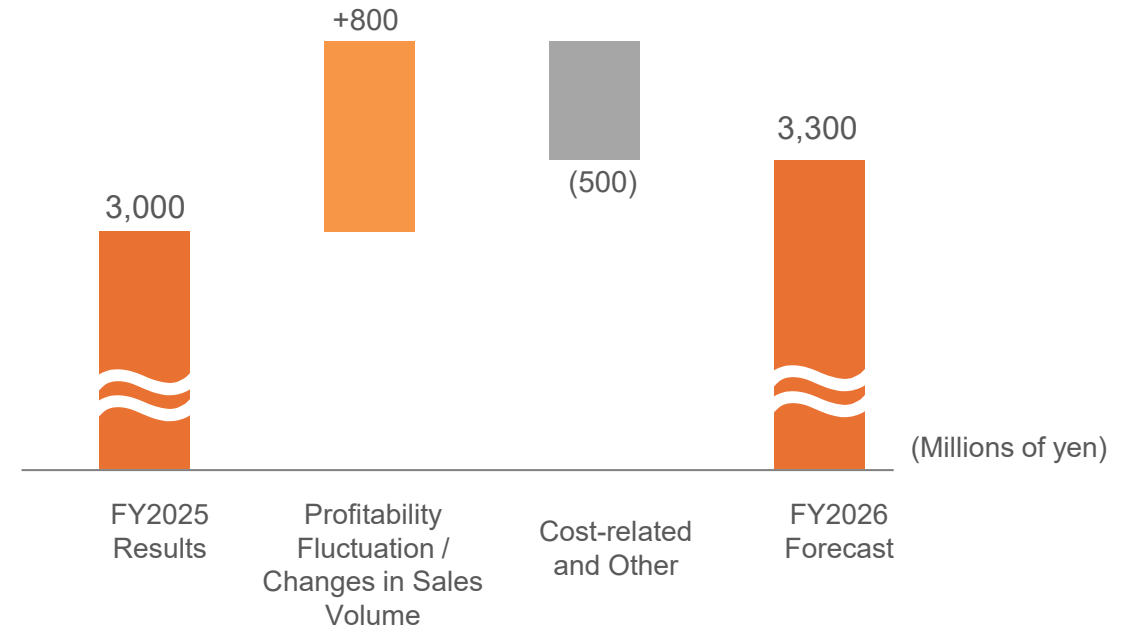
Analysis of factors for changes in net sales



**Compared with the same period of FY2025:
increase of ¥3,639 million [+7.2%]**

Increased sales are expected for the pet food and food service businesses based on stable sales growth.
Increased sales are also expected in the engineering and healthcare businesses and other businesses.

Analysis of factors for changes in operating income



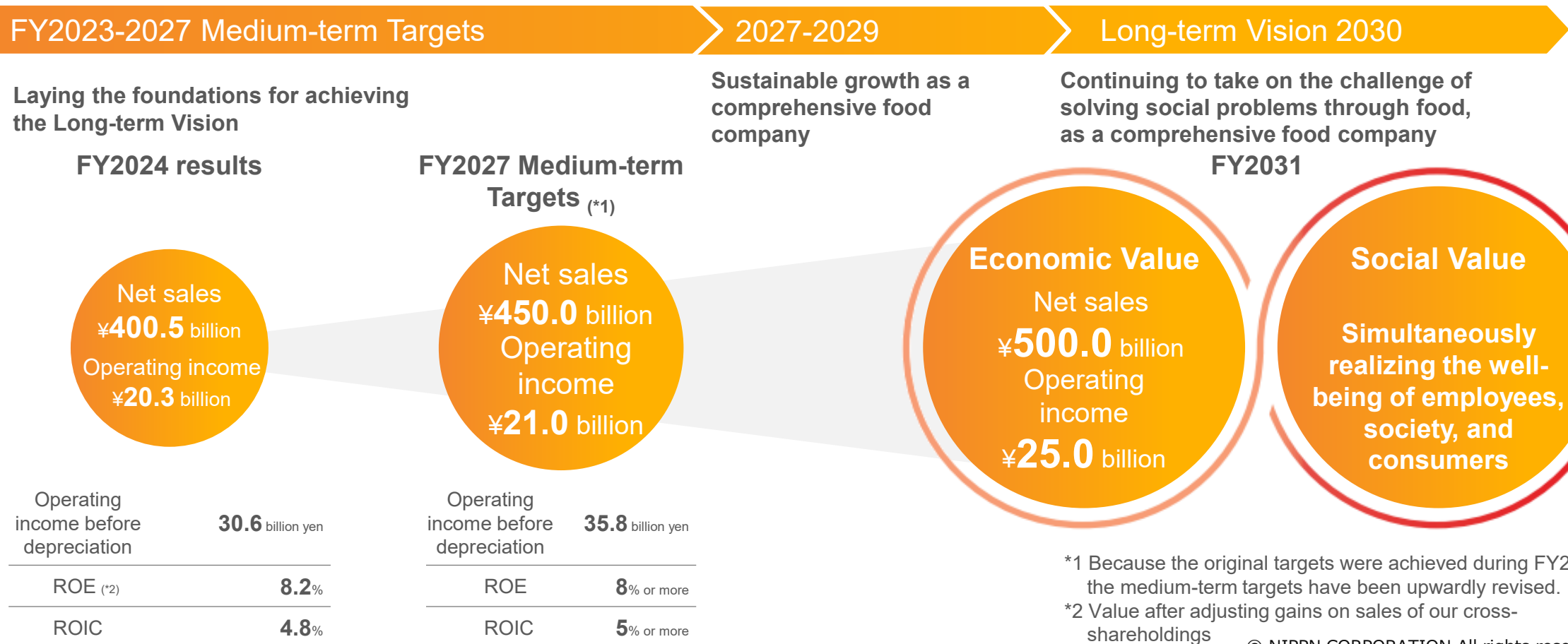
**Compared with the same period of FY2025:
increase of ¥300 million [+10.0%]**

Despite increasing fixed costs such as personnel costs, operating income in the business segment is expected to grow with increased sales volume of pet food and increased sales in the engineering business, etc.

Implementation of Strategies to Achieve Medium-term Targets

Steps Toward Long-term Vision 2030

In order to accomplish the Management Philosophy, the Long-Term Vision 2030 was formulated in May 2024.
 At the same time, upward revisions were made to the FY2023-2027 Medium-term Targets, which are regarded as the milestones for realizing the economic value of the vision.
 We are aiming to further strengthen the profitability of our core fields to generate cash on a stable and continuous basis, while also expanding our business areas in growth fields.



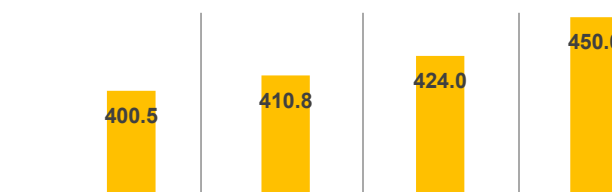
Breakdown of Medium-term Targets by Segment

		FY2024 results	FY2025 results	FY2026 performance forecast	FY2027 Medium-term Target
Net sales	Flour Milling	125.3	121.6	120.0	139.0
	Food	226.6	238.3	249.5	261.0
	Other	48.5	50.8	54.5	50.0
	Total	400.5	410.8	424.0	450.0
Operating income	Flour Milling	9.1	9.2	8.6	6.8
	Food	8.3	9.2	9.6	11.4
	Other, etc.	2.7	3.0	3.3	2.8
	Total	20.3	21.4	21.5	21.0
Depreciation		10.3	10.8	11.7	14.8
Operating income before depreciation		30.6	32.3	33.2	35.8
ROE		8.2%(*1)	6.6%(*1)	-	8% or more
ROIC		4.8%	4.7%	-	5% or more

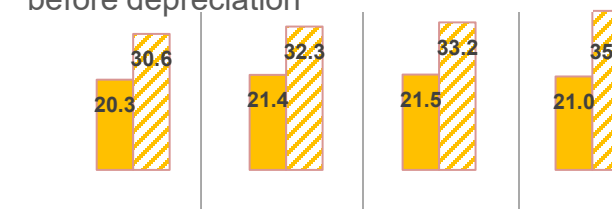
(Billions of yen)

*1 Value after adjusting gains on sales of our cross-shareholdings

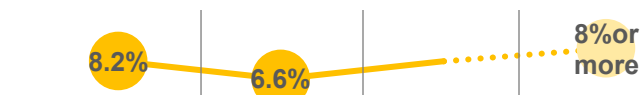
Net sales



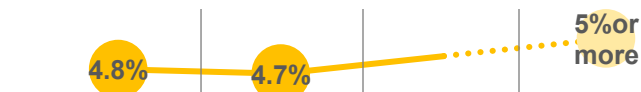
Operating income / Operating income before depreciation



ROE



ROIC



FY2024 FY2025 FY2026 FY2027

Basic Strategy Policies for Medium-term Targets and Organizational Structure

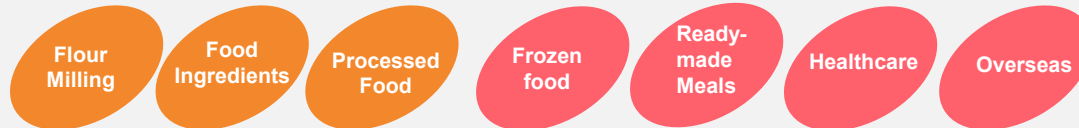
Basic Strategy Policies for Medium-term Targets

① Strengthening profitability in core fields

- ▶ Promoting marketing strategies
- ▶ Developing manufacturing facilities
- ▶ Promoting improvements in production efficiency and logistics

② Strategic investment in growth fields and new business fields

- ▶ Expanding sales channels
- ▶ Enhancing production capacity
- ▶ Developing/Providing value-added products

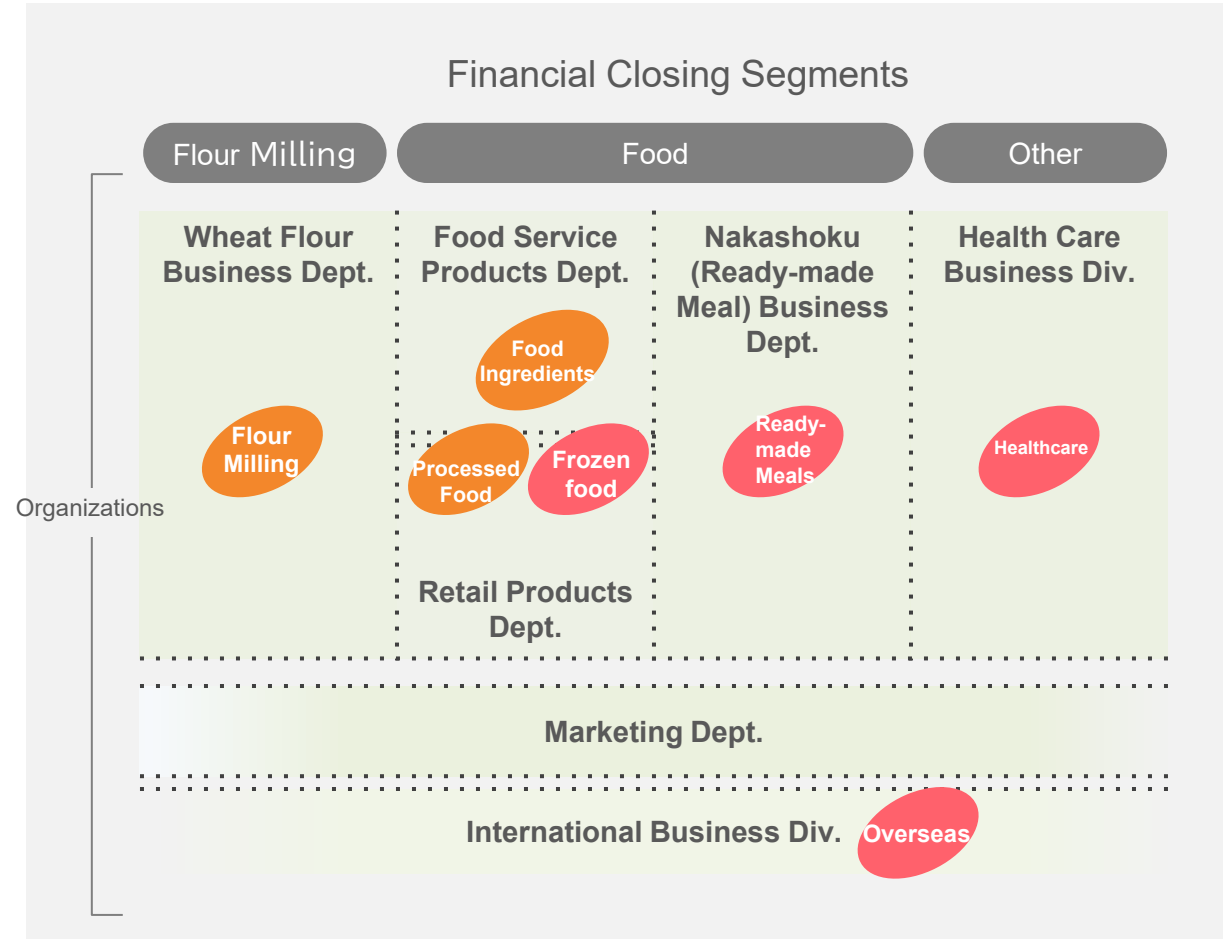


③ Pursuing M&A and business partnership opportunities

④ Strengthening corporate competitiveness through DX promotion

⑤ Promoting sustainability management

Financial Closing Segments, Connection Between Each Business



Progress on Key Strategies (1)

Construction of a New Flour Mill

Flour
Milling

Overseas

Developing
manufacturing facilities

Enhancing production
capacity



We will establish a stable supply framework for wheat flour-related products, enhance cost competitiveness, strengthen our profit base, and achieve further sales and profit growth with a view toward the global market.

Domestic | Chita Mill

Daily processing capacity:
600 tons*1

- ▶ Construction work is progressing smoothly toward operation in February 2026.
- ▶ Reduce raw material procurement costs through a location where large grain vessels can berth (raising the share of coastal flour mills from 83% to 95%).
- ▶ Achieve higher efficiency through proprietary automation technologies and DX.
- ▶ A cutting-edge flour mill with strong resilience against natural disasters and consideration given to the BCP and the environment.



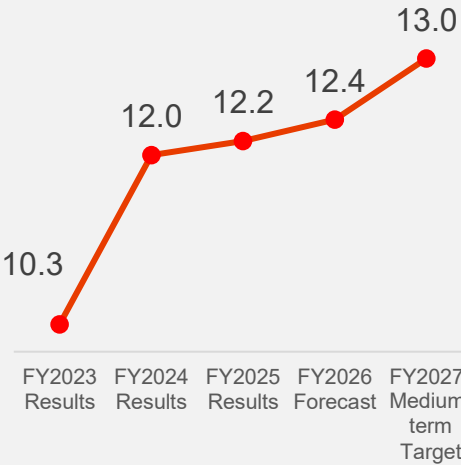
Overseas | Utah Flour Milling

Daily processing capacity:
340 tons*1

- ▶ The new plant of Utah Flour Milling, LLC, in which we hold a 25% stake and participate in its operations, has begun full-scale operation.
- ▶ Concluded a long-term supply agreement with the group company of major US food manufacturer Campbell's, enabling direct delivery of flour via pipeline.
- ▶ Utilizing Utah Flour Milling's know-how and adding our Company's expertise, realize expansion of sales in the US market and the supply of products with competitiveness.



Changes in Operating Income before Depreciation in the Flour Milling Segment (Billion yen)



*1 Based on raw wheat

Progress on Key Strategies (2)

Marketing Strategies

Processed
Food

Frozen
Food

Promoting marketing strategies

nippon

April 2025 Food Business Organizational Reform

- Established the **Marketing Dept.**, integrating product development and sales support functions
- Rolled out marketing know-how transferred from Katana Inc. across our company to build a framework for creating consistent consumer value

Marketing Dept.

Deepening consumer insights
Branding (strategy planning, advertising and sales promotion)
Professional-use business support

Solution Sales Dept.

Solving issues from a consumer-centric perspective
Strengthening partnerships with retailers

Product Development Dept.

Consumer-driven product development
New concept creation based on emerging seeds



Master Brand Strategy

- Launched a new strategy in fall 2023 with “Oh’mmy Premium,” Pasta that makes your usual meal special
- Achieved efficient growth through focused investment in both frozen and dried product categories

*Pasta (frozen + dried) market growth rate *1

106%

Entire market

123%



Limited-time Oh’mmy Premium taste guarantee campaign



Appealing the product’s great taste across temperature ranges to attract new users.

Renewal of the Shigoku series for fall/winter 2025



“Enhanced focus on ingredient finishing” made even more delicious with refreshed packaging that better conveys its value.

Future expansion

- Continued strengthening of the master brand and development of new master brands
- Expanding consumer-driven marketing also to professional-use products
- Accumulating and passing on marketing know-how through internal training

*1 Macromill QPR, ages 15 to 79 market (amount per 100 people), period: July 2024 to June 2025 (year-on-year comparison)

Progress on Priority Businesses (1)

Frozen Food Business

Frozen Food

Developing/Providing value-added products

Enhancing production capacity



Capturing the steadily expanding demand for frozen foods, aim to **realize net sales of ¥65 billion in FY2027 and ¥90 billion in FY2031.**

Market trends

Home use: Continued market expansion driven by needs for time savings, convenience, and improved quality
Rapid growth in the market for frozen prepared set-meals, including one-plate offerings

Professional use: Demand remains steady due to food services and inbound demand

Our products and sales strategies

Home use: Rebuilding the supply system and promoting the “Master Brand Strategy”
Continuing to provide high-value-added products without compromising on quality

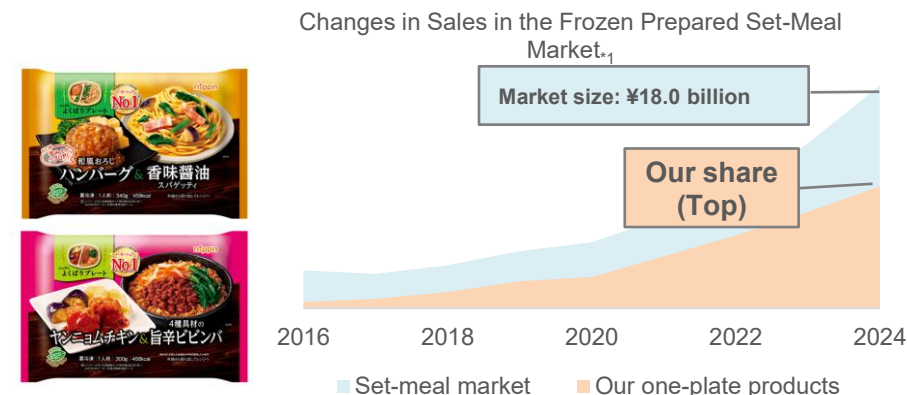
Professional use: Expanding the marketing know-how accumulated in the home-use category

Establishment of new production site: New Hatanaka Foods Plant (for home use)



▶ Begin operations at the end of FY2027 (scheduled)

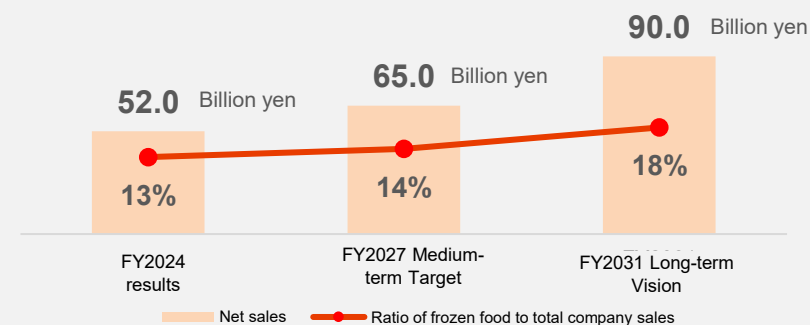
- ▶ Our Group’s largest frozen foods plant in terms of production capacity
Adding new production lines for rice and one-plate products
- ▶ Promoting further labor savings through the introduction of automation technologies at each production stage
Enabling highly efficient production even for high-value-added products



A one-plate, complete meal combining a staple and a main dish

^{*1} Source: Intage SCI ^{*}Market size estimated based on the former SCI purchase amount per 100 people 2015/4-2019/3: SCI covering consumers up to their 60s, 2019/4-2025/3: SCI covering consumers up to their 70s

Sales of the Frozen Food Business / Ratio to Total Company Sales



Progress on Priority Businesses (2)

Overseas Business

Overseas

Expanding sales channels



Through market development both within and outside our bases and proactive investment overseas, aim to **achieve net sales of ¥40.0 billion in FY2027 and ¥60.0 billion in FY2031.**

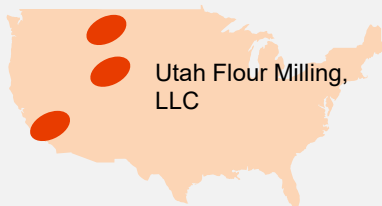
Business expansion in North America and Asia

North America

Expansion of sales channels following the construction of the new Utah Flour Milling plant

Create synergies with our two U.S. bases (Pasta Montana, L.L.C. and NIPPON California Inc.)

NIPPON Group's business in the US



Existing businesses in the US

- ▶ Pasta Montana, L.L.C.
Manufacture and sale of pasta
- ▶ NIPPON California Inc.
Sale of premix products, etc.

Asia

Expansion into Vietnam and business expansion

In Vietnam, where high GDP growth continues, we established a local subsidiary in July 2024, and a new premix plant is scheduled to begin operations in 2027.

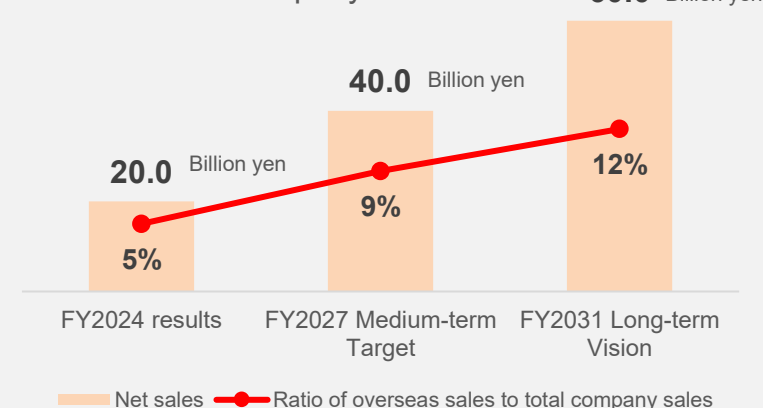
We will promote expansion of our sales and business in the Vietnamese market, enhance our supply system within the ASEAN region, and accordingly ensure a more stable supply.



Expansion of exports of Japanese products

- ▶ Make efforts to expand the sale of high-quality wheat flour mainly in rapidly economically developing Asian countries
- ▶ Develop sales channels for food ingredients, frozen foods, etc., tailored to the needs of each country
- ▶ Utilizing existing distribution channels for wheat flour export sales and strengthen collaboration with Group companies, etc.

Sales of the Overseas Business / Ratio to Total Company Sales



Social Recognition of NIPPON Products (FY2026 awards received)



Flour
Milling

The 55th Food Industrial Technical Award
Product/Technology Category
FY2025 Private Sector Category
Award for Outstanding Contributions to
Agriculture, Forestry and Fisheries Research &
Development
Award by the Chairman of the Agriculture,
Forestry and Fisheries Research Council

Wheat flour using "Yawara wheat®"



Features

- ▶ Slows the progression of starch retrogradation, helping processed products maintain softness and retain a freshly prepared texture over time.
- ▶ Delivers the same performance not only in ambient-temperature products but also in chilled and frozen dough applications.

Processed
Food

The 6th Japan
Child-rearing
Support Grand Prize

nippn Super Easy Series



Evaluation points

- ▶ Enables easy confectionery preparation while facilitating parent-child communication.
- ▶ Time-saving products that maintain high quality.
- ▶ Products within the series can be combined, offering strong variation.

Processed
Food

The 87th Japan
Food Selection
Grand Prix

"nippn Delicious Flaxseed Oil in Dressing"
series



Evaluation points

- ▶ A dressing series that delivers both functionality and excellent taste.
- ▶ The use of NIPPON's flaxseed oil provides a strong sense of safety and reliability.
- ▶ A well-balanced sweet-and-sour flavor profile that appeals to a wide range of consumers.

Frozen
Food

2025 Japan
Packaging Contest
Packaging Category
Award

"Trendy Meal Soup Curry with Vegetables/ Trendy Meal Sundubu with 6 Ingredients"



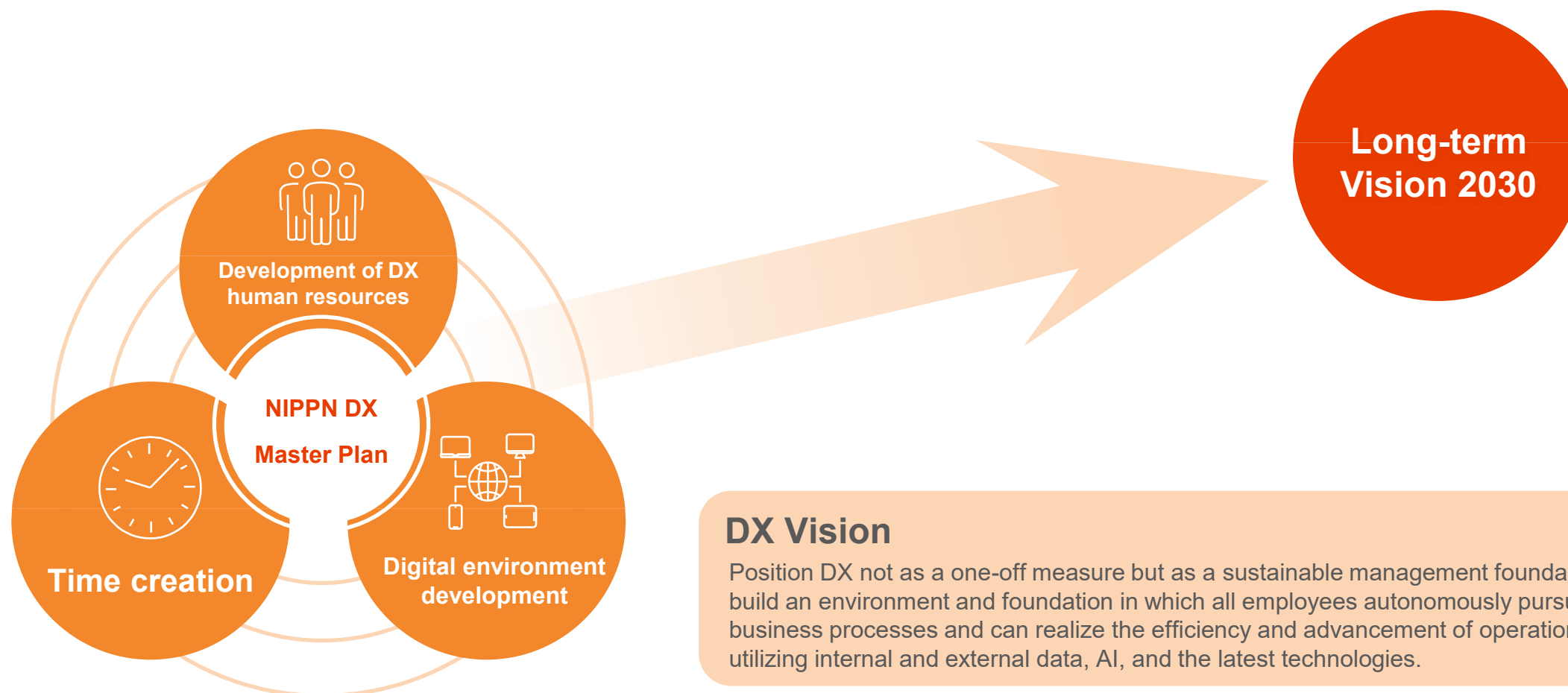
Features

- ▶ Utilizes a newly developed molded tray.
- ▶ Minimal plastic usage* with consideration for the environment.
- ▶ The paper material's inherent heat-retention properties help maintain an optimal serving temperature.

*Approx. 85% reduction in plastic usage.
(Compared with plastic containers in the same series)

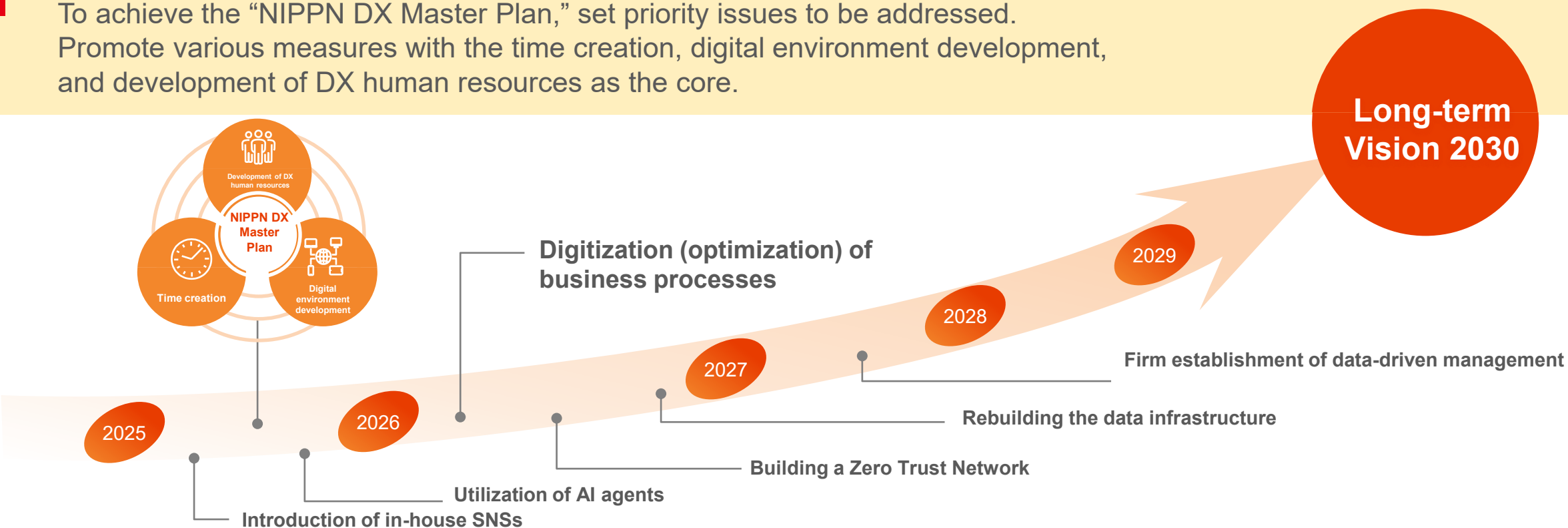
NIPPON DX Master Plan

Our group has been steadily advancing the digitization of analog data (digitization) and the automation and visualization of operations (digitalization). To further shift toward full-scale DX, we established a DX Strategy Office within the Information System Promotion Department in 2024, and furthermore, in 2025, we formulated the “NIPPON DX Master Plan.”



Challenges in NIPPN's DX Initiatives

To achieve the “NIPPN DX Master Plan,” set priority issues to be addressed. Promote various measures with the time creation, digital environment development, and development of DX human resources as the core.



Challenges in NIPPN's DX Initiatives

Time creation

Promote “business reform,” which optimizes operations across the organization using digital technologies without relying on the current business processes.

Digital environment development

Reorganize the data infrastructure that links accumulated internal data in order to make future-developing digital technologies usable.

Development of DX human resources

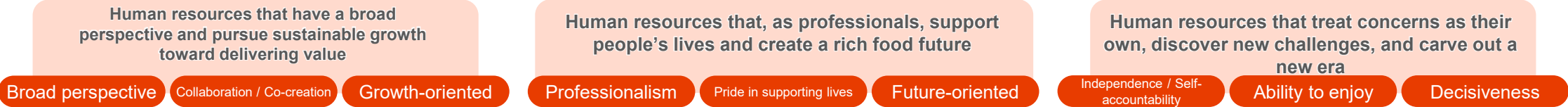
Define DX human resources into three levels and support their growth through both training and practical experience.

Initiatives for Human Capital

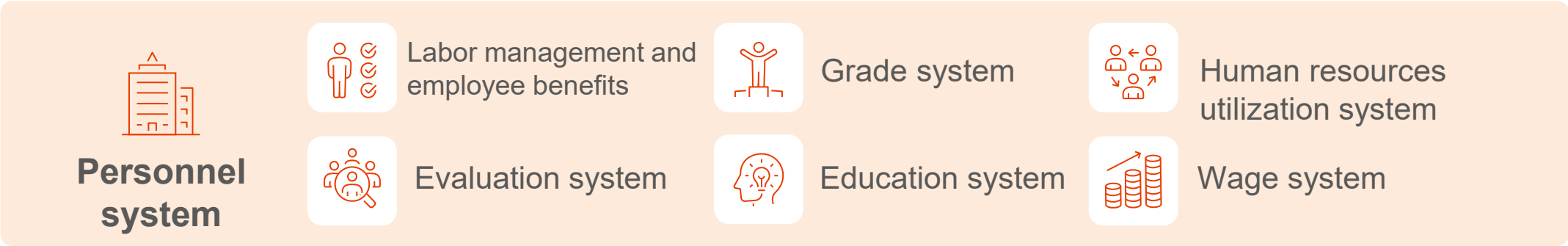
To achieve the well-being of “employees,” who are the source of corporate value creation, formulate a “Human Resources Vision” to align management strategy and human resources strategy. Based on the Human Resources Vision as the core, work on human resource development, revisions to personnel systems, and fostering organizational culture that leads to the creation of the required human resources.

In addition, by linking the personnel system with the Human Resources Vision, realize further growth of the organization and individuals.

Human Resources Vision “Professionals who continuously take on the challenge of delivering value for an exciting future”



Link the personnel system with the Human Resources Vision



Realize the growth of the organization and individuals based on the proper operation of the personnel system.

Financial Strategy

Basic Policy of Financial Strategy



Promote the enhancement of corporate value through the efficient operation of assets and financing that balances financial soundness and capital efficiency, while striving to maintain and expand shareholder returns.

Pursuit of the ability to earn efficiently

Pursuit of ROIC-oriented management
Set hurdle rates through a combination of ROI, DCF, and IRR

Optimize the business portfolio with an awareness of ROE

Reduce inventories through the promotion of DX and improvement of logistics efficiency

Financing that balances financial soundness and capital efficiency

Utilize external fund procurement and increase financial leverage

Financial indicators

(With the premise of maintaining ratings to ensure financial soundness)

Equity capital ratio: **54%** or higher
Net D/E ratio: **0.34 times** or lower

As a basic policy, funds obtained from asset sales are preferentially allocated to investments based on the business strategy

Maintaining and strengthening shareholder returns

Shareholder return policy

Maintain a stable and sustainable dividend, with a target consolidated payout ratio of 30% or more excluding extraordinary gains and losses

Flexible acquisition of own shares

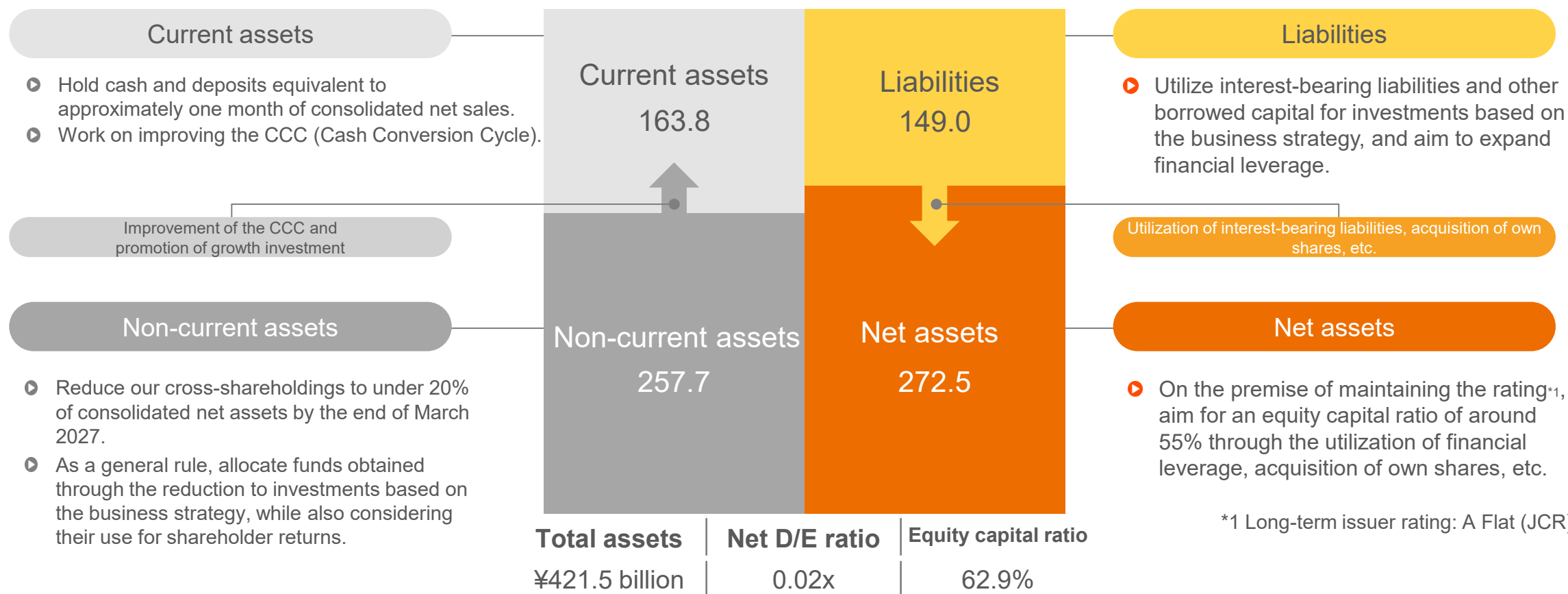
Acquire **¥4 billion** in shares (**maximum**) by the end of FY2026

(Increase in corporate value)

Balance Sheet Management

Promote the reduction of the equity ratio through the utilization of financial leverage and acquisition of own shares and, by allocating funds obtained from the sale of non-business assets to investments based on the business strategy to expand profits, improve the efficiency of the balance sheet.

End of September 2025 Unit: Billions of yen



Cash Allocation During the Period of the Medium-term Targets



- 01 Allocate funds obtained from cash flows from operating activities and sales of assets to growth investment and renewal/enhancement investment and aim to maximize corporate value from a medium- to long-term perspective.
- 02 While maintaining financial soundness, utilize new borrowings as well and increase financial leverage.
- 03 With regard to shareholder returns, while maintaining stable and sustainable dividends, strive to improve the total payout ratio.

Cash-in

	FY2025 Results	FY2026 Forecast	FY2027 Forecast
Cash Flows from Operating Activities	¥22.0 billion	¥21.0 billion	¥21.0 billion
Sale of Assets	¥13.5 billion	¥7.0 billion	¥10.0 billion
Procurement of Funds	Not procured	¥30.0 billion	¥35.0 billion

Cash-out

		FY2025 Results	FY2026 Forecast	FY2027 Forecast
Investments Based on the Business Strategy	Investment for growth	Investment and loans for Utah Flour Milling, etc.: ¥5.0 billion	New frozen food plant, etc.: ¥8.0 billion	New frozen food plant: ¥10.0 billion Other growth investment: ¥10.0 billion
	Facility renewal/enhancement	Chita mill: Facility renewal/enhancement: ¥9.0 billion ¥11.0 billion	Chita mill: Facility renewal/enhancement: ¥14.0 billion ¥10.0 billion	Production system reallocation: ¥15.0 billion Facility renewal/enhancement: ¥15.0 billion
	Strategic investment	Investment in DX, advertising, and marketing: ¥3.0 billion	Investment in DX, advertising, and marketing: ¥5.0 billion	R&D Center: Investment in DX, advertising, and marketing: ¥6.0 billion ¥4.0 billion
	Total	¥28.0 billion	¥37.0 billion	¥60.0 billion
Shareholder Returns	Dividends:	¥5.5 billion	Dividends: ¥5.3 billion Acquisition of own shares: ¥4.0 billion	Dividends and flexible acquisition of own shares: ¥5.4 billion or more
Redemption of Bonds			¥11.6 billion	

Regarding Shareholder Returns (1) ... Acquisition of Own Shares (Resolution on October 14, 2025)

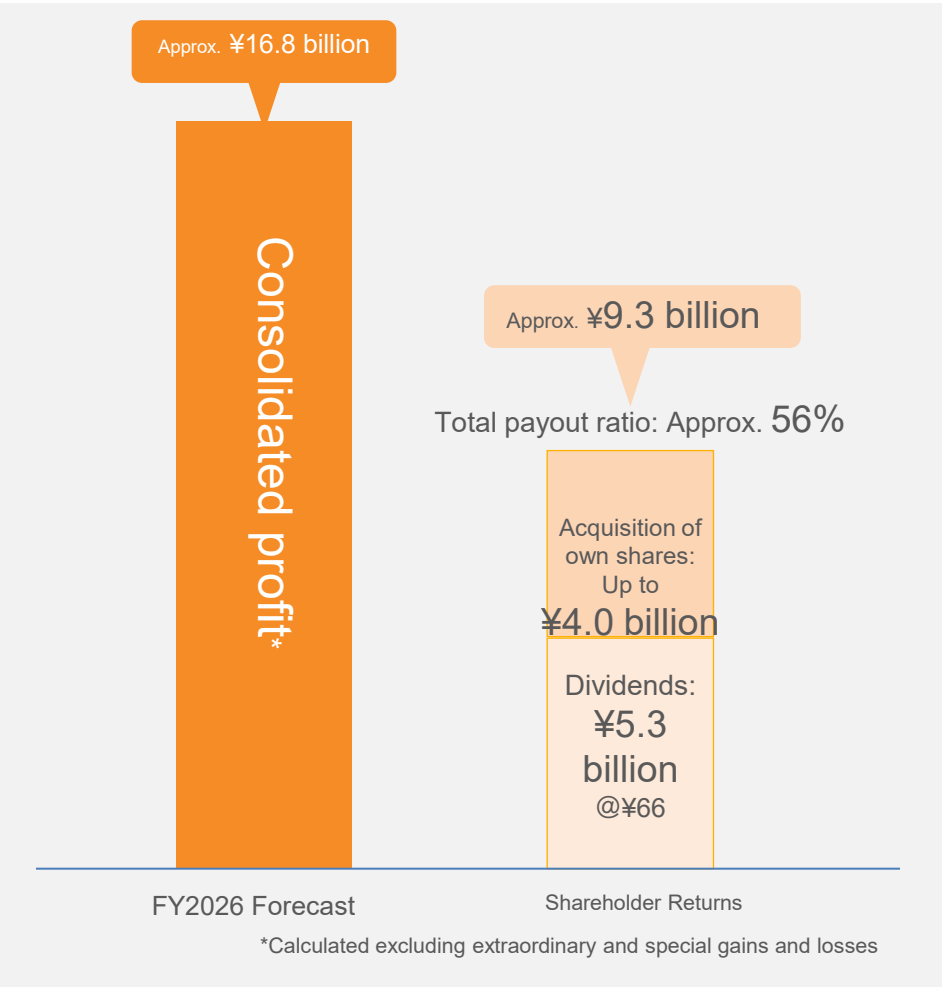


Purpose

- 01 Expansion of shareholder returns through an increase in value per share
- 02 Improvement of capital efficiency
- 03 Mitigation of the impact of the secondary offering of common stock on demand for Company shares

Overview of acquisition of own shares	
Class of shares to be acquired	Common stock of the Company
Total number of shares authorized to be acquired	2.2 million shares (maximum)
Total purchase amount of shares to be acquired	¥4.0 billion (maximum)
Acquisition period	November 25, 2025 - March 31, 2026
Method of acquisition	Market purchase on Tokyo Stock Exchange, Inc.

Shareholder returns against the FY2026 forecast

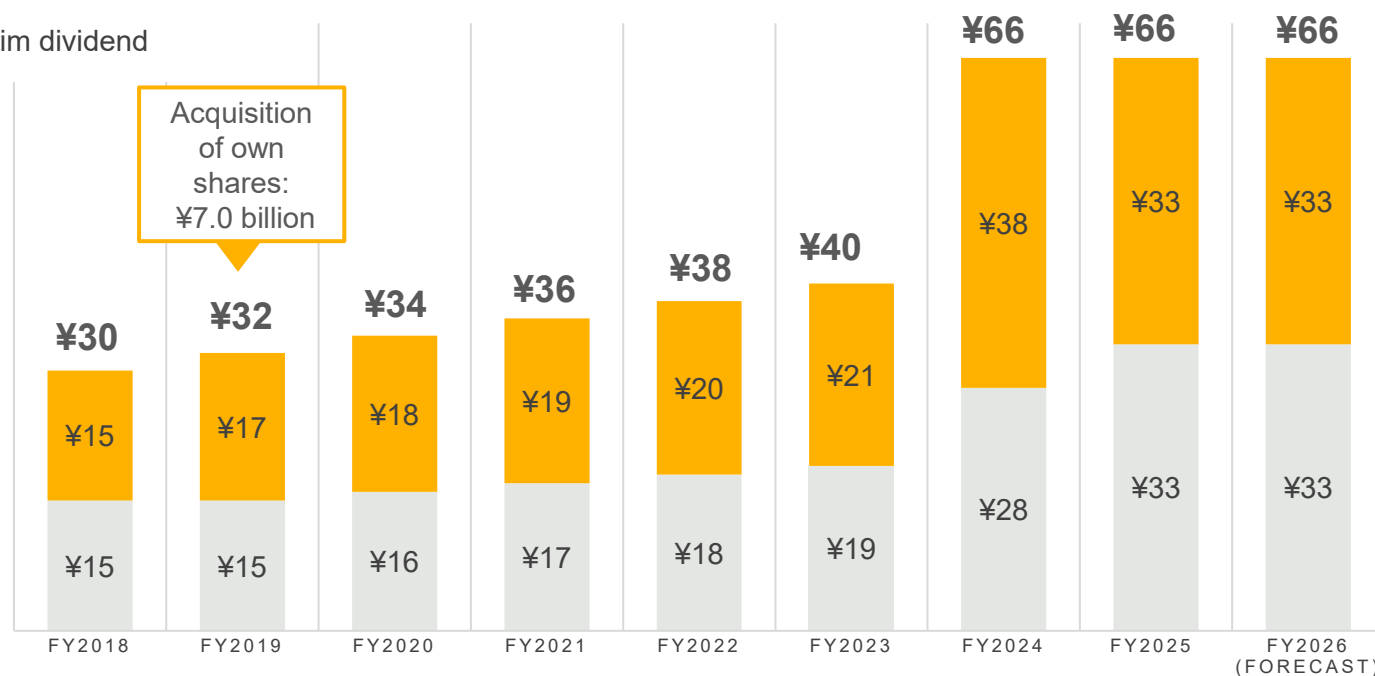


Regarding Shareholder Returns (2) ... Changes in Dividends

Changes in dividends

■ Year-end dividend

■ Interim dividend



Acquisition
of own
shares:
¥4.0 billion

Acquisition
of own
shares:
¥7.0 billion

Basic dividend policy

Secure the internal reserves necessary
for investment in future growth



Strive to improve total payout ratio
while also maintaining stable and
sustainable dividends

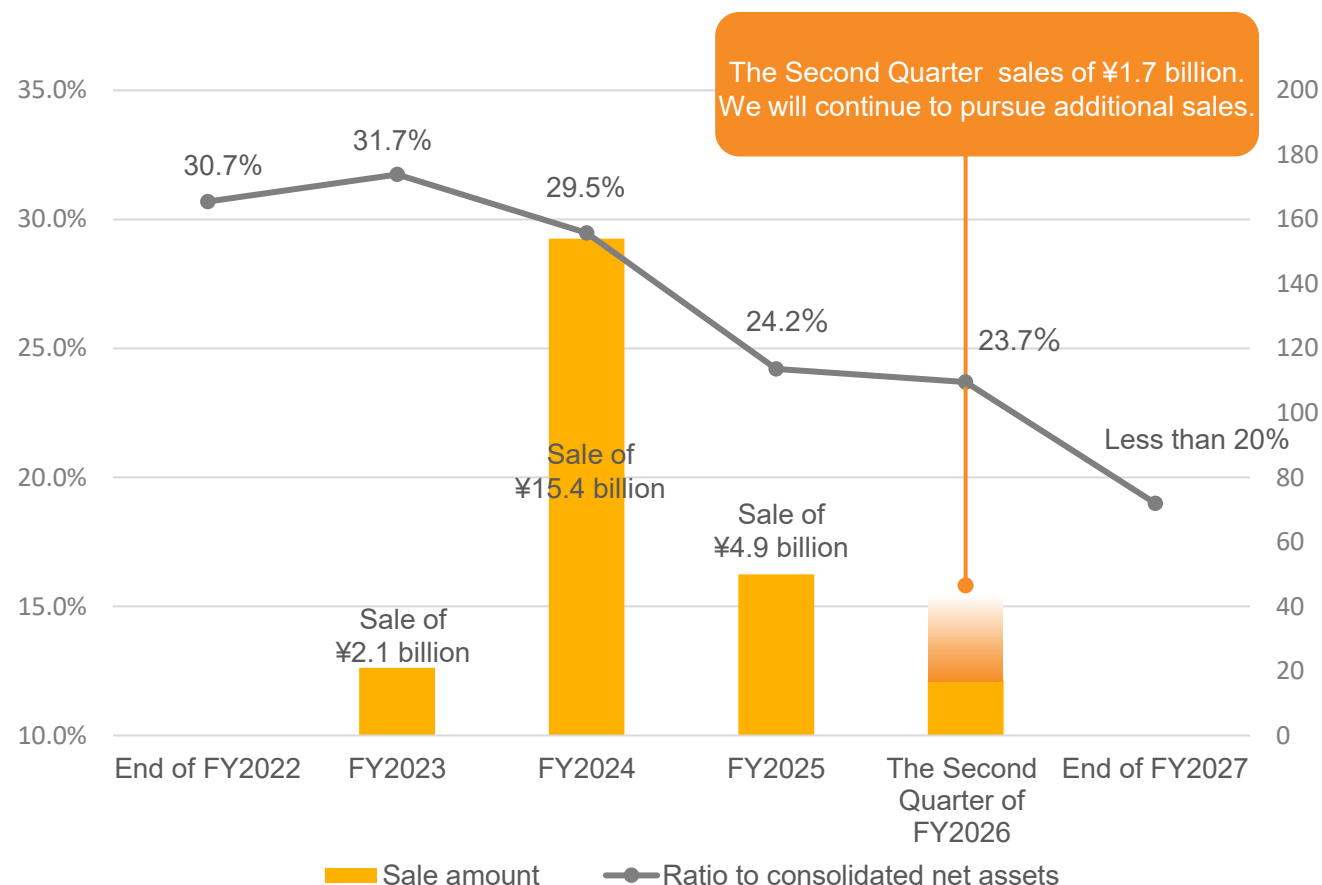
- ▶ We aim to achieve an increase in dividend amounts based on profit growth, with a target dividend payout ratio of 30% or more, which is calculated excluding special and extraordinary gains and losses such as from the sale of assets.
- ▶ In addition to optimizing the capital structure, acquisition of own shares will continue to be carried out flexibly, taking into comprehensive consideration factors such as investment projects and stock price conditions.

Consolidated Payout Ratio	31.5%	29.4%	29.1%	32.0%	31.3%	30.3%	30.3%	33.3%	33.0%
Total Payout Ratio	31.5%	112.2%	29.1%	32.0%	31.3%	30.3%	30.3%	33.3%	Approx. 56%

(The consolidated payout ratio and total payout ratio for FY2024, FY2025, and FY2026 are calculated excluding extraordinary and special gains and losses.)

Initiatives for Reduction of Our Cross-shareholdings

Reductions in our cross-shareholdings



Reduction target

By the final year of the Medium-Term Target period (the end of FY2027),

reduce our cross-shareholdings to under 20% of consolidated net assets

- ▶ We will verify the significance of holding of each issue with an eye to the cost of capital and keep reducing the shareholdings that we determine should be reduced since the rationale for holding those shares has become weak.
- ▶ We have promoted dialogue with the issuers of the shares held under our cross-shareholdings (business partners), and will continue making substantial reductions during the current fiscal year onward.

Appendix

Consolidated Balance Sheets



(Millions of yen)	End of FY2025		FY2026 Q2-end			
	(2025.3.31)	Component Ratio	(2025.9.30)	Component Ratio	Compared with March 2025	Change (%)
Current assets	159,014	39.8%	163,761	38.9%	4,747	3.0%
Property, plant and equipment	134,412	33.7%	142,600	33.8%	8,188	6.1%
Intangible assets	2,023	0.5%	3,538	0.8%	1,515	74.9%
Investments and other assets	103,775	26.0%	111,607	26.5%	7,832	7.5%
Non-current assets	240,210	60.2%	257,746	61.1%	17,535	7.3%
Deferred assets	1	0.0%	-	-	(1)	(100.0)%
Total assets	399,226	100.0%	421,508	100.0%	22,281	-
Current liabilities	104,407	26.2%	77,779	18.5%	(26,628)	(25.5)%
Non-current liabilities	48,334	12.1%	71,222	16.9%	22,887	47.4%
Total liabilities	152,742	38.3%	149,001	35.3%	(3,740)	(2.4)%
Equity capital	242,140	60.7%	265,337	62.9%	23,196	9.6%
Share acquisition rights	115	0.0%	98	0.0%	(17)	(14.8)%
Non-controlling interests	4,227	1.1%	7,070	1.7%	2,842	67.2%
Total net assets	246,484	61.7%	272,506	64.7%	26,022	10.6%
Total liabilities and net assets	399,226	100.0%	421,508	100.0%	22,281	-

Consolidated Statements of Income



(Millions of yen)	FY2025 Q2		FY2026 Q2 Initial Forecast		FY2026 Q2					
	Results	Ratio of Net Sales	Forecast	Ratio of Net Sales	Results	Ratio of Net Sales	YoY	Change (%)	Compared with the Forecast	Change (%)
Net sales	204,909	100.0%	211,500	100.0%	207,903	100.0%	2,994	1.5%	(3,596)	(1.7)%
Cost of sales	155,644	76.0%			155,695	74.9%	51	0.0%		
Gross profit	49,264	24.0%			52,208	25.1%	2,943	6.0%		
Selling, general and administrative expenses	38,740	18.9%			41,353	19.9%	2,612	6.7%		
Operating income	10,524	5.1%	10,600	5.0%	10,855	5.2%	330	3.1%	255	2.4%
Non-operating income	1,828	0.9%			1,903	0.9%	75	4.1%		
Non-operating expenses	260	0.1%			628	0.3%	367	141.2%		
Ordinary income	12,092	5.9%	12,100	5.7%	12,130	5.8%	37	0.3%	30	0.2%
Extraordinary income	8,554	4.2%			1,754	0.8%	(6,800)	(79.5)%		
Extraordinary expenses	131	0.1%			200	0.1%	69	52.7%		
Profit before income taxes	20,515	10.0%			13,684	6.6%	(6,831)	(33.3)%		
Income taxes - deferred	6,259	3.1%			4,195	2.0%	(2,064)	(33.0)		
Profit attributable to non-controlling interests	217	0.1%			218	0.1%	1	0.5%		
Profit attributable to owners of parent	14,039	6.9%	8,500	4.0%	9,269	4.5%	(4,769)	(34.0)%	770	9.1%

Statements of Cash Flows

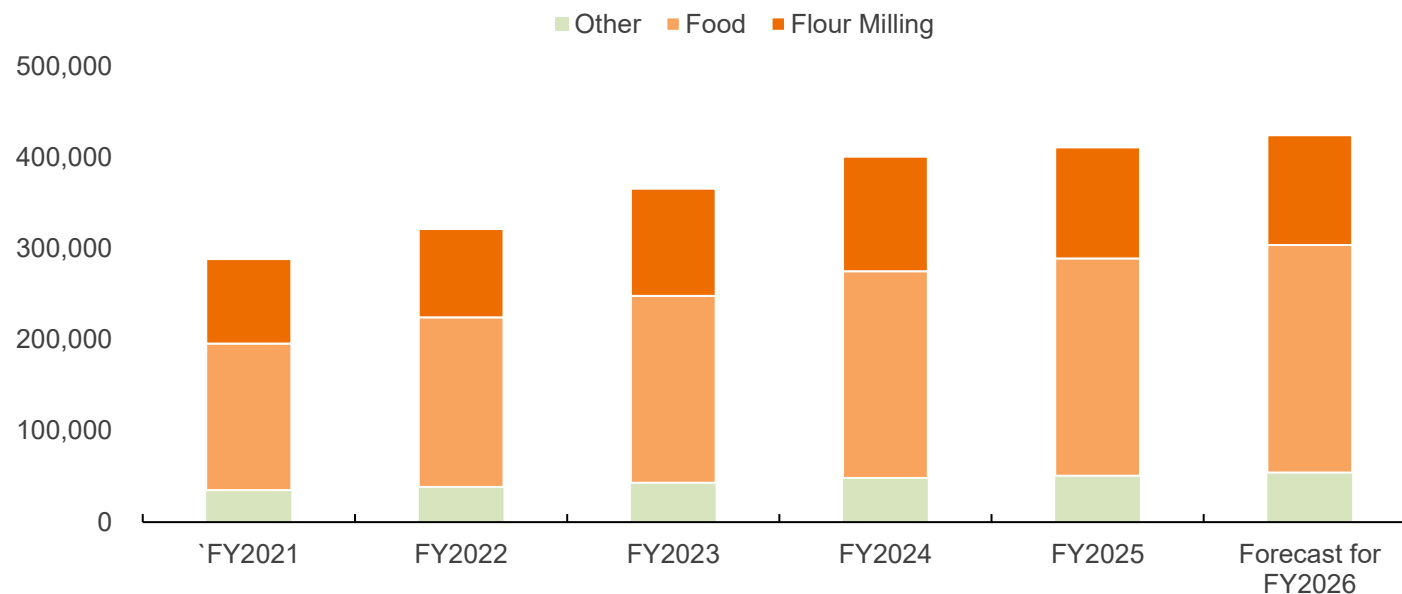
(Millions of yen)	FY2025 Q2	FY2026 Q2	
	Results	Results	Change
Cash flows from operating activities	6,585	9,000	2,415
Cash flows from investing activities	(3,307)	(13,496)	(10,188)
Cash flows from financing activities	(5,046)	5,378	10,424
Effect of exchange rate changes on cash and cash equivalents	356	(463)	(820)
Net increase (decrease) in cash and cash equivalents	(1,411)	418	1,830
Cash and cash equivalents at beginning of period	40,728	41,471	743
Cash and cash equivalents at end of period	39,316	41,890	2,574

Changes in Net Sales

(Millions of yen)	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 Forecast	FY2025 Q2	FY2026 Q2
Flour Milling	92,595	96,934	117,604	125,316	121,663	120,000	60,483	60,303
Food	160,751	185,911	204,796	226,661	238,353	249,500	119,620	122,203
Other	34,977	38,471	43,123	48,536	50,861	54,500	24,804	25,396
Total	288,324	321,317	365,525	400,514	410,878	424,000	204,909	207,903

* In accordance with the application of the “Accounting Standard for Revenue Recognition” and other standards, the figures for FY2021 are those after retrospective application.

(Millions of yen)

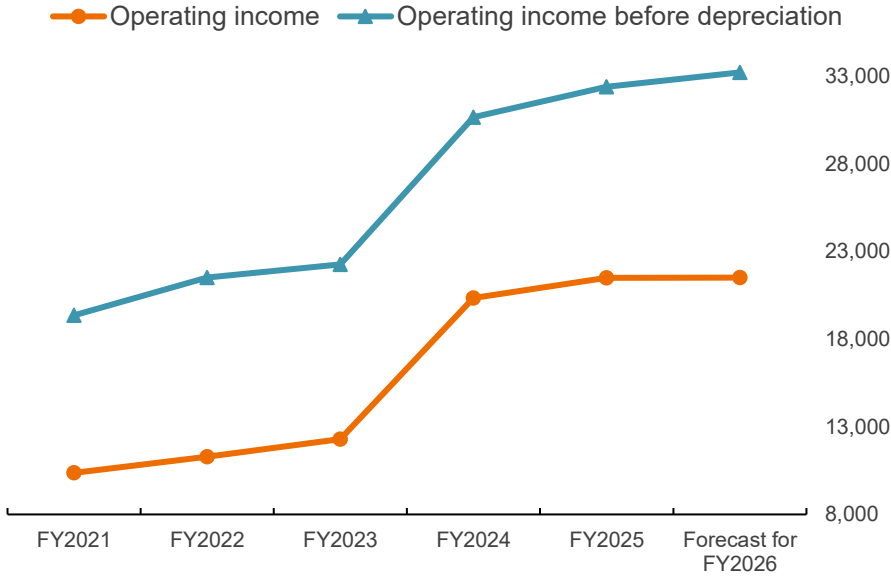
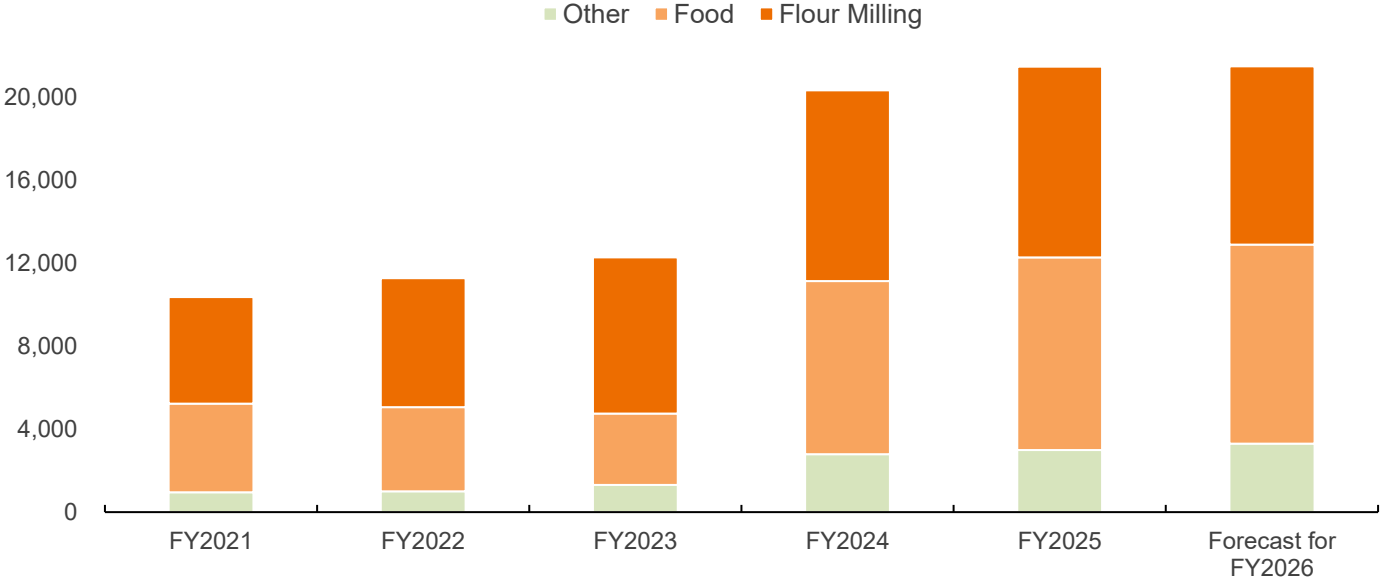


Changes in Operating Income

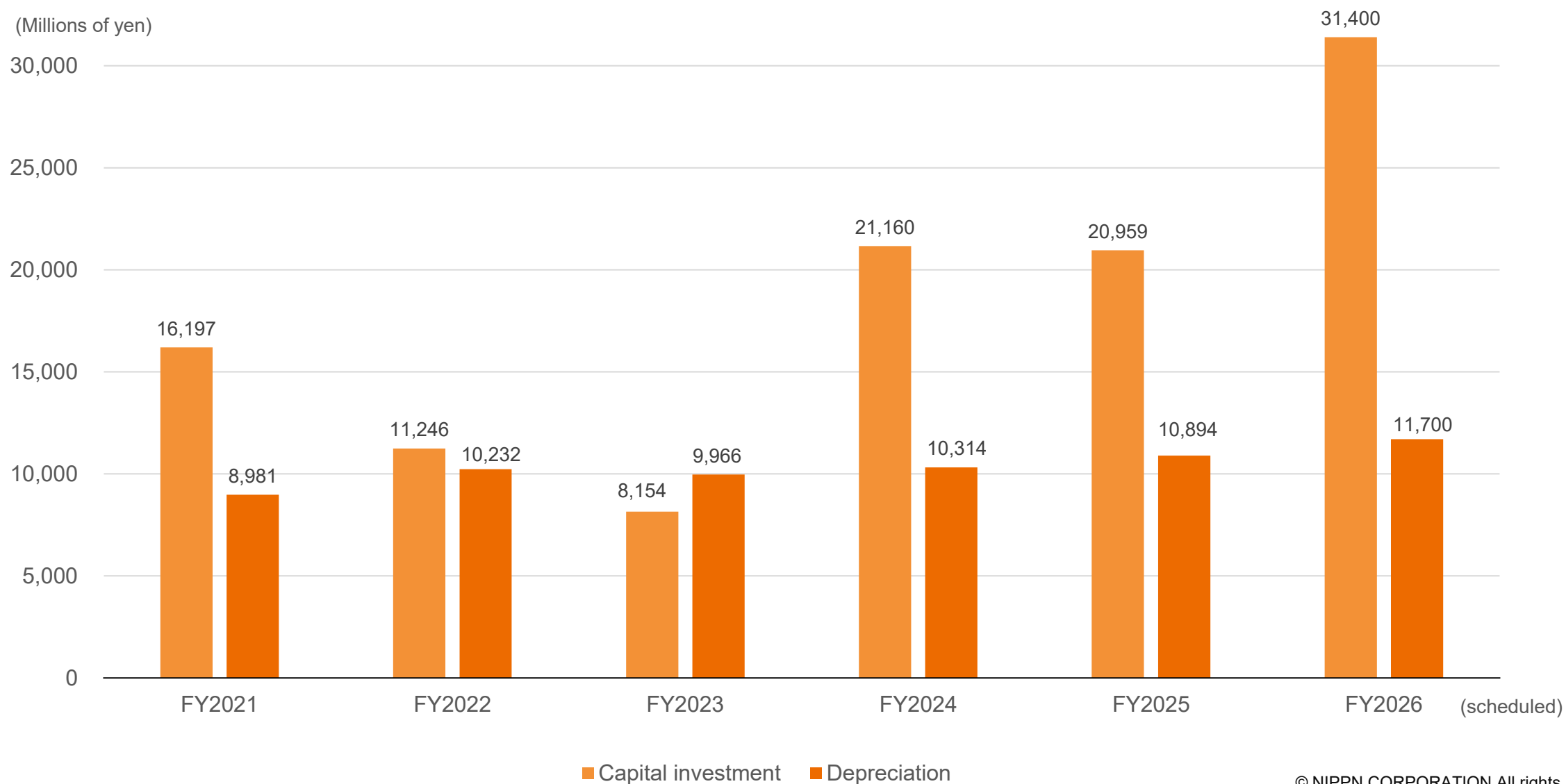


(Millions of yen)	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 Forecast	FY2025 Q2	FY2026 Q2
Flour Milling	5,133	6,211	7,528	9,186	9,203	8,600	4,374	4,677
Food	4,272	4,068	3,449	8,354	9,283	9,600	4,900	4,875
Other, etc.	965	1,000	1,309	2,799	3,000	3,300	1,250	1,301
Operating income	10,370	11,282	12,288	20,340	21,486	21,500	10,524	10,855
Operating income before depreciation	19,351	21,514	22,254	30,655	32,381	33,200	15,774	16,112

(Millions of yen)



Changes in Capital Investment Amounts and Depreciation

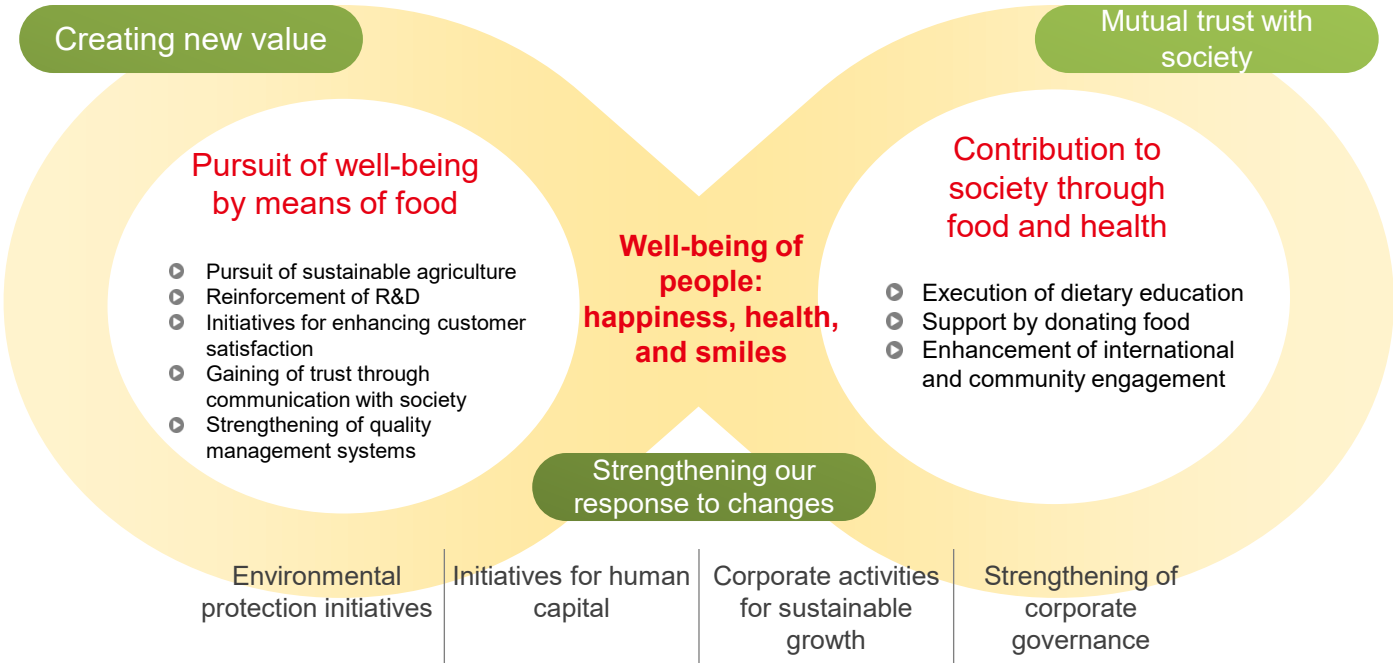


Promotion of Sustainability Management



Our long-term vision, “As a comprehensive food company, the NIPPON Group will continue to take on the challenge of solving social problems through food,” represents our growth strategy as a comprehensive food company for simultaneously realizing the creation of economic value through business growth and the well-being of “employees,” “society,” and “consumers” as the social value that serves as the source of value creation. We believe that the familiarization of officers and employees with Long-term Vision 2030 enables them to develop a greater awareness of sustainability and acquire new business opportunities, thereby leading to enhancement of the NIPPON Group’s value.

Relationship Among Materiality Items



- ▶ Balancing the two materiality items of “pursuit of well-being by means of food” and “contribution to society through food and health” and maintaining their virtuous cycle
- ▶ “Pursuit of well-being by means of food”
 - ⇒ Creating new value in response to diverse social issues, the diversification of consumer behavior and lifestyles, and the segmentation of needs
- ▶ “Contribution to society through food and health”
 - ⇒ Solving issues through the provision of learning opportunities for next-generation development and through collaboration with local governments and others that support international and regional communities to create communities and experiences centered on food
- ▶ Realization of the management philosophy and strengthening of the system to respond flexibly to rapid environmental changes through the four materiality items: “Environmental protection initiatives,” “Initiatives for human capital,” “Corporate activities for sustainable growth,” and “Strengthening of corporate governance”

Pursuit of Well-being by Means of Food



Up until now, we, the NIPPON Group, have expanded our business fields by exploring processing technologies using a wide variety of raw materials, from wheat to rice, soybeans, tomatoes, and more. In the future, we aim to become a “comprehensive food company” that creates further value through efforts such as developing plant-based foods and breeding domestic wheat, while also expanding our business to contribute to the “well-being of people.”

Product Commercialization of High-added-value Raw Materials

Sustainable Agriculture

- ▶ Named the wheat produced in Japan, which has characteristics that delay starch retrogradation and was jointly researched with the National Agriculture and Food Research Organization from the breeding stage, “YAWARA KOMUGI®” and obtained a trademark
- ▶ YAWARA KOMUGI® makes processed products less prone to hardening, demonstrating its effectiveness not only in room temperature products but also in chilled products and frozen dough
- ▶ Launched two professional-use wheat flour products, “Yawara Yell” and “Yawara no Chikara” in February 2025
- ▶ Stimulate demand for wheat produced in Japan and aim to further expand cultivation



Yawara Yell



Yawara no Chikara

Relocation of the Chubu Technology Center

Reinforcement of R&D

- ▶ Relocated the Technology Center, which had been adjacent to the Nagoya Mill, to Nakamura-ku, Nagoya City, near Nagoya Station
- ▶ Provide solutions for product development using our food ingredients and for our customers' product development
- ▶ Enhance communication with internal and external stakeholders, explore the possibilities of food in line with a rapidly changing era, and solve social issues centered around food
- ▶ Some facilities use environmentally conscious materials and adopt ethical designs that lead to ease of work and well-being for employees. Designed as a media center function that harmonizes with the surrounding area and effectively communicates our initiatives



The new Technology Center integrating the presentation area (left) and the prototype area (right)

Environmental Protection Initiatives



The NIPPON Group conducts its business by benefiting from the blessings of Earth, which are grains, vegetables, and seafood. We recognize that business activities throughout the entire supply chain, from the procurement of these materials to manufacturing, logistics, and processing, have a significant impact on the environment. In order to maintain a sustainable food system, reducing the negative impact on food sustainability by responding to climate change, preserving biodiversity, and realizing a recycling-based society is an urgent issue for the continuation of the NIPPON Group's business.

Disclosure Based on TNFD Recommendations

Preserving Biodiversity

- ▶ Established the “NIPPON Group Biodiversity Policy” on May 23, 2025, clarifying the recognition and actions related to natural capital
- ▶ Agreeing with the philosophy of the Taskforce on Nature-related Financial Disclosures (hereinafter TNFD), registered as a TNFD Adopter in August 2025
- ▶ Based on the disclosure recommendations of the TNFD, conducted an analysis of the relationship between the business and natural capital and made initial disclosures regarding “governance,” “strategy,” and “risk and impact management”

Promotion of Appropriate Packaging

Responding to Climate Change

- ▶ Adopted a new pulp-molded tray as an environmentally conscious container for the home-use frozen food “Imadoki Gohan Soup Curry / Sundubu,” released in March 2025
- ▶ Reduced plastic usage by approximately 85% compared with containers of the same shape by using paper material (wood pulp) as the main raw material
- ▶ This product was awarded the “Food Packaging Category Award” at the “2025 Japan Packaging Contest”



Corporate Activities for Sustainable Growth



By pursuing the simultaneous achievement of social value and economic value, the NIPPON Group is promoting and strengthening activities to enhance the sustainability of both the business and society. In pursuing social value, we are promoting the construction of a sustainable supply chain that also considers the environment and human rights, and are fulfilling social responsibilities in the procurement process as well. In pursuing economic value, we are working to realize AI shifts and data shifts under the DX Vision to improve efficiency and productivity for increasingly complex operations in response to a rapidly changing market environment, and are developing DX human resources to achieve this.

Human Rights Policy/Basic Procurement Policy Revision

Development of a Sustainable Supply Chain

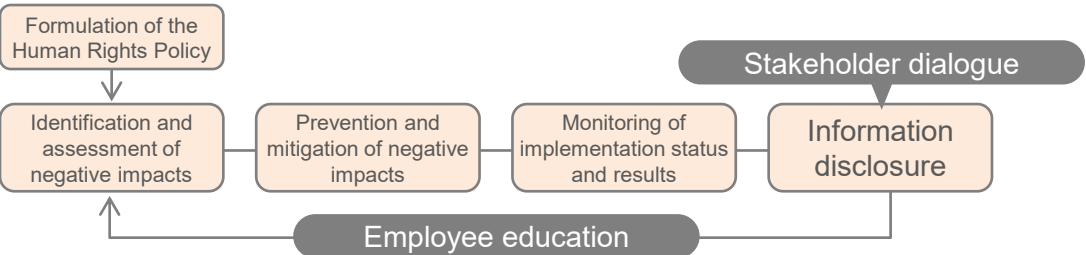
- ▶ After receiving expert advice and engaging in dialogue with stakeholders, revised the “NIPPON Group Human Rights Policy,” which meets the requirements of the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, etc.
- ▶ Encourage all NIPPON Group business partners in the supply chain to support this policy and strive to respect human rights, and promote respect for human rights in cooperation with them
- ▶ As an implementation process for addressing human rights risks in the value chain, commenced initiatives in accordance with the Human Rights Due Diligence Guidance

Promotion of Sustainable Procurement

Development of a Sustainable Supply Chain

- ▶ With the establishment of the Raw Material Procurement Division in 2024, strengthened the capability to gather information to select raw materials in line with customer requests and market needs, the knowledge and experience to ensure safety, and the ability to assess environmental and demand changes
- ▶ Recognizing the need to further deepen cooperative relationships with business partners in promoting sustainable procurement, established the “Basic Procurement Policy” and the “Requests to Suppliers”

Human Rights Response Flow and Employee Education



Training Name	Frequency	Participants
Harassment Training	Once a year	All employees
LGBTQ Understanding Promotion Training	Once a year	Newly appointed managers (all employees depending on the fiscal year)
Training on Business and Human Rights	Approx. once a year	All employees (including Group companies)
Human Rights e-Learning	Throughout the year	All employees (including Group companies)

This document includes details of the Company's current plans and performance forecasts.

These future plans and forecast figures are based on information currently available as well as the Company's plans and projections.

Actual results and performance may differ materially from these plans and forecast figures due to a variety of conditions and factors.

This document does not represent a definitive commitment or guarantee by the Company to achieve stated plans and forecast figures.

Investor Relations Office, Accounting and Finance Div.,

NIPPON CORPORATION