

May 19, 2026



**FY2026**

# **Briefing Session on Business Results**

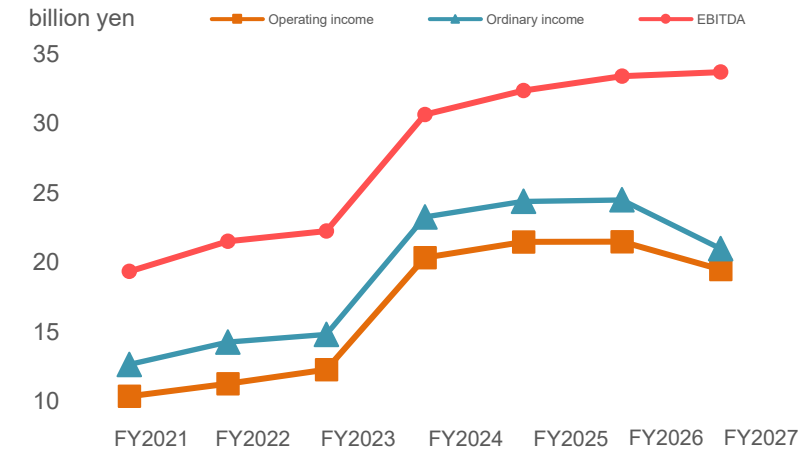
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NIPPON CORPORATION  
<https://www.nippon.co.jp/en/>

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## Overview of Business Results for FY2026 and FY2027 Performance Forecasts

- ▶ Consolidated results for FY2026 reached a record high in terms of **net sales, operating income, and ordinary income, each posting increases for five consecutive terms.**
- ▶ For FY2027, we expect consolidated net sales to further **increase for the sixth consecutive term**, and **operating income before depreciation (EBITDA) to rise** owing to growth in sales volume, etc.



## Initiatives for Strengthening Shareholder Returns and Improving Capital Efficiency

- ▶ Dividends: The dividend per share for FY2026 is planned to **increase by ¥2**, from ¥66 to ¥68, with the aim of strengthening shareholder returns in line with profit growth.
- ▶ Acquisition of own shares: **¥4.0 billion in shares** were acquired in FY2026. In addition to optimizing our capital structure, we will continue to acquire our own shares flexibly in FY2027 and beyond, taking into comprehensive consideration factors such as investment projects and share price levels.
- ▶ Cross-shareholdings: **¥5.9 billion** worth of cross-shareholdings were sold in FY2026. We will continue to pursue additional sales in FY2027, with a view to reducing our cross-shareholdings to under 20% of consolidated net assets.



## Overview of Business Results for FY2026 and Performance Forecasts

# FY2026 Results



## Net sales

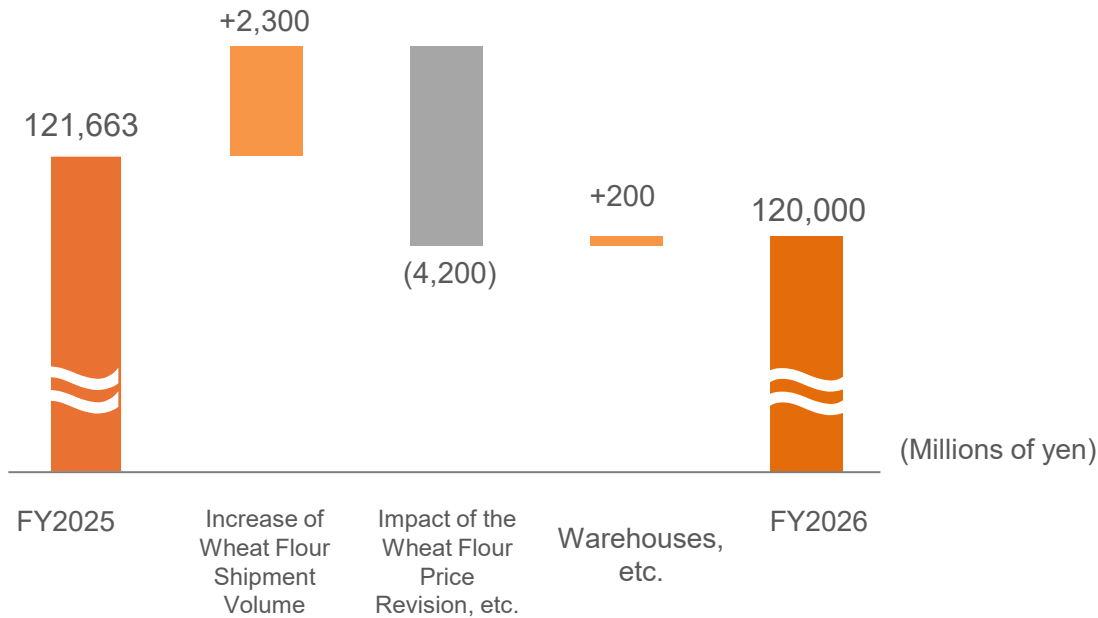
**Increased by ¥7.5 billion from the previous year**, driven by the expansion of inbound demand, sales promotion utilizing enhanced marketing strategies, and price revisions implemented in response to rising costs.

## Operating income

**Increased by ¥0.6 billion from the previous year** due to steady sales growth, despite increases in various costs across each business, including personnel and logistics costs.

(Millions of yen)		FY2025		FY2026					
		Results	Share / Margin (%)	Results	Share / Margin (%)	YoY	YoY Change (%)	Compared to Forecast	Change (%) from Forecast
Net sales	Flour Milling	121,663	29.6%	120,000	28.7%	(1,663)	(1.4)%		
	Food	238,353	58.0%	243,694	58.2%	5,340	2.2%		
	Other	50,861	12.4%	54,730	13.1%	3,869	7.6%		
	Total	410,878	100.0%	418,425	100.0%	7,546	1.8%	(5,574)	(1.4)%
Operating income	Flour Milling	9,203	7.6%	9,471	7.9%	267	2.9%		
	Food	9,283	3.9%	9,065	3.7%	(217)	(2.3)%		
	Other, etc.	3,000	5.9%	3,545	6.5%	544	18.1%		
	Total	21,486	5.2%	22,082	5.3%	595	2.8%	582	2.7%
Operating income before depreciation		32,381	7.9%	33,412	8.0%	1,031	3.2%		
Ordinary income		24,393	5.9%	24,874	5.9%	481	2.0%	374	1.5%
Profit attributable to owners of parent		24,757	6.0%	21,803	5.2%	(2,953)	(11.9)%	1,603	7.9%

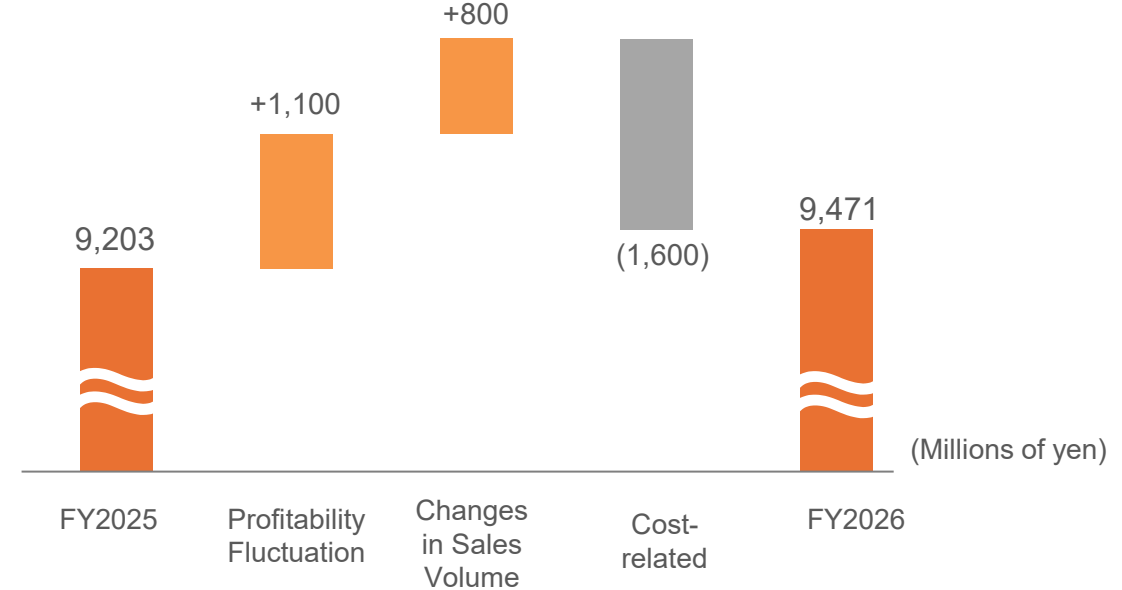
### Analysis of factors for changes in net sales



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

Although sales remained steady and the wheat flour shipment volume was higher than the previous year, net sales decreased due to the impact of the price revision for wheat flour following the reduction of the government selling price of foreign wheat.

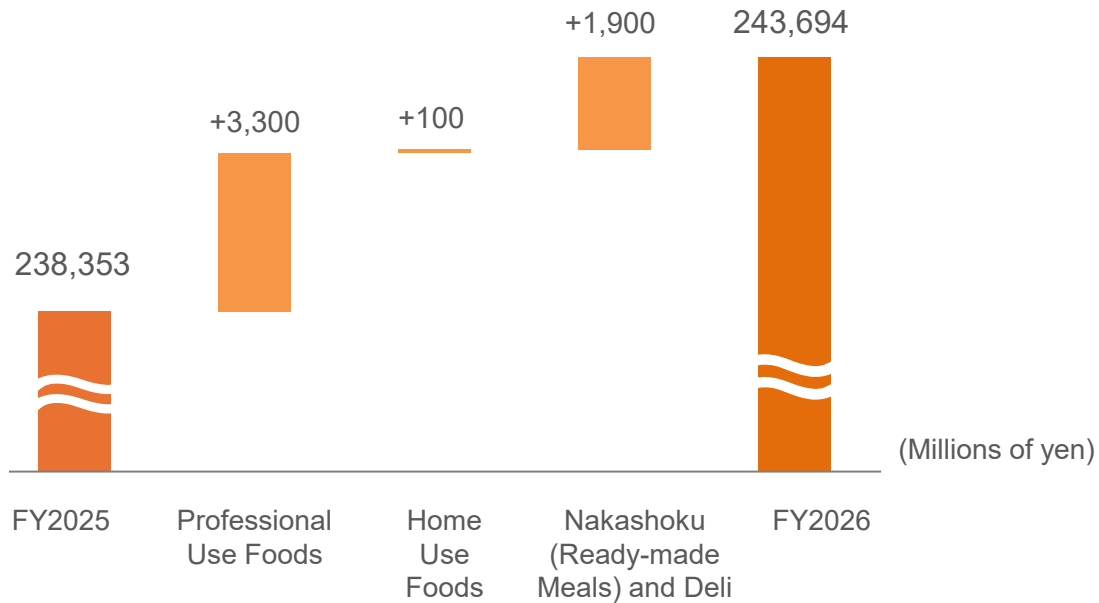
### Analysis of factors for changes in operating income



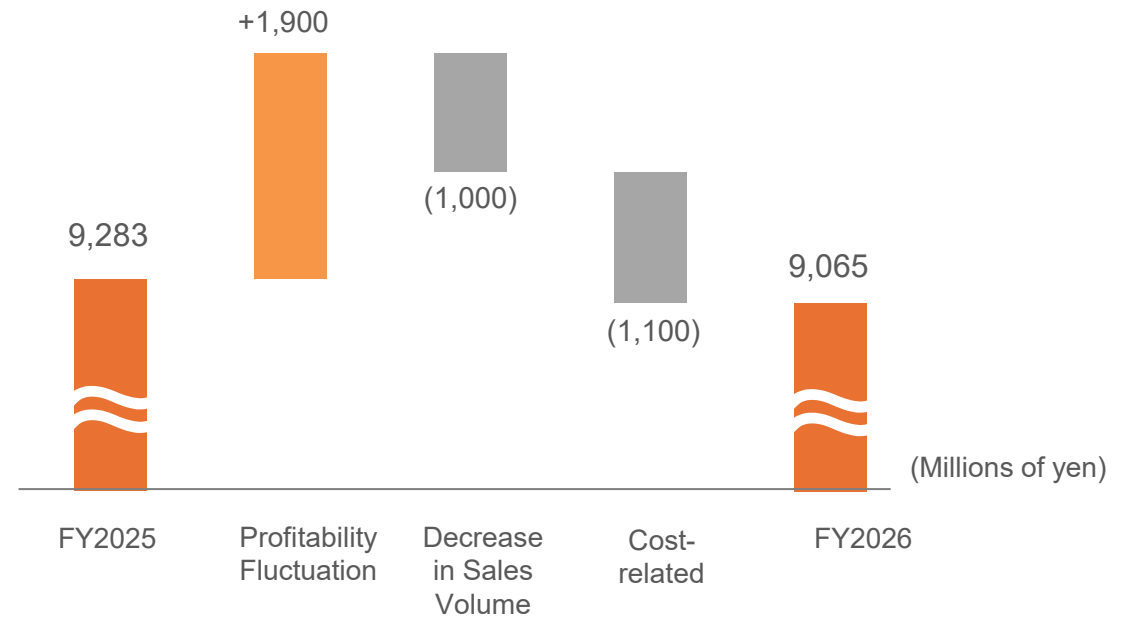
**Compared with the same period of FY2025: increase of ¥267 million [+2.9%]**

Despite increased costs such as the depreciation of the Chita Mill and logistics costs, operating income rose, driven by improved productivity and growth in sales volume.

## 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 ¥5,340 million [+2.2%]

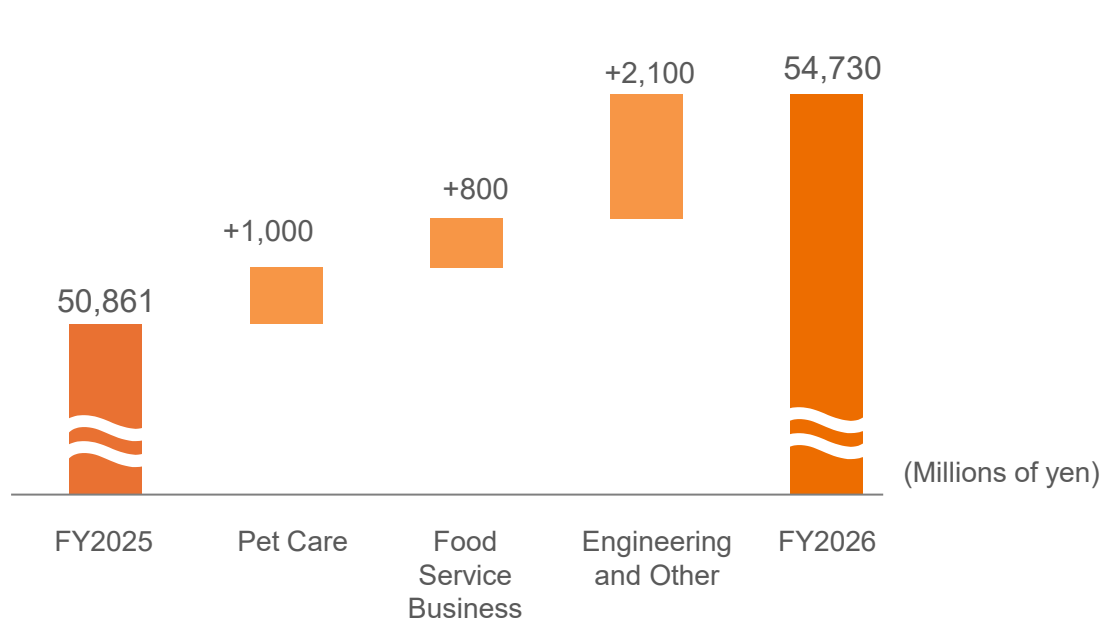
Net sales of professional use foods increased, driven by the expansion of inbound demand and steady performance in overseas business.  
 Net sales of home use foods increased due to strengthened sales capabilities through marketing initiatives.  
 Net sales of Nakashoku (ready-made meals) and deli increased due to price revisions implemented in response to rising costs of raw materials, etc., despite consumer inclination toward spending less.



### Compared with the same period of FY2025: decrease of ¥217 million [(2.3)%]

Despite efforts to implement price revisions in response to rising costs, operating income decreased due to a rise in personnel and logistics costs, etc., and a decline in demand led by inflation.

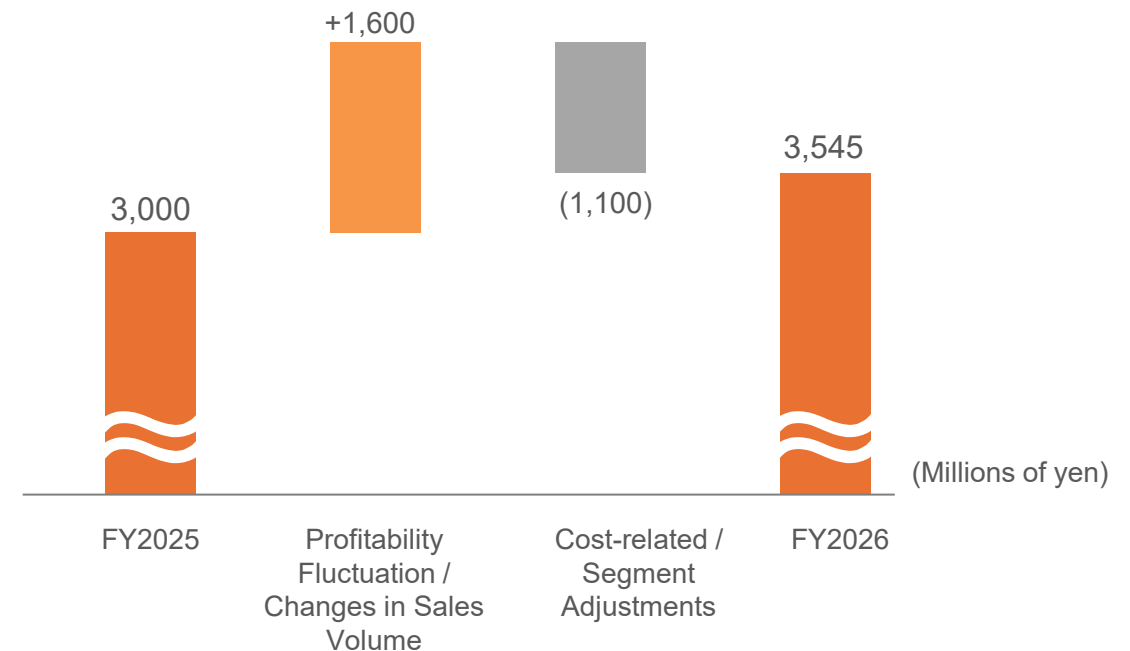
## Analysis of factors for changes in net sales



### Compared with the same period of FY2025: increase of ¥3,869 million [+7.6%]

Net sales of the Pet Care business rose, driven by growth in sales volume.  
 Net sales of the Food Service business increased due to strong sales and the implementation of price revisions.  
 In the Engineering business, net sales increased due to an increase in inquiries for large-scale construction projects.

## Analysis of factors for changes in operating income



### Compared with the same period of FY2025: increase of ¥544 million [+18.1%]

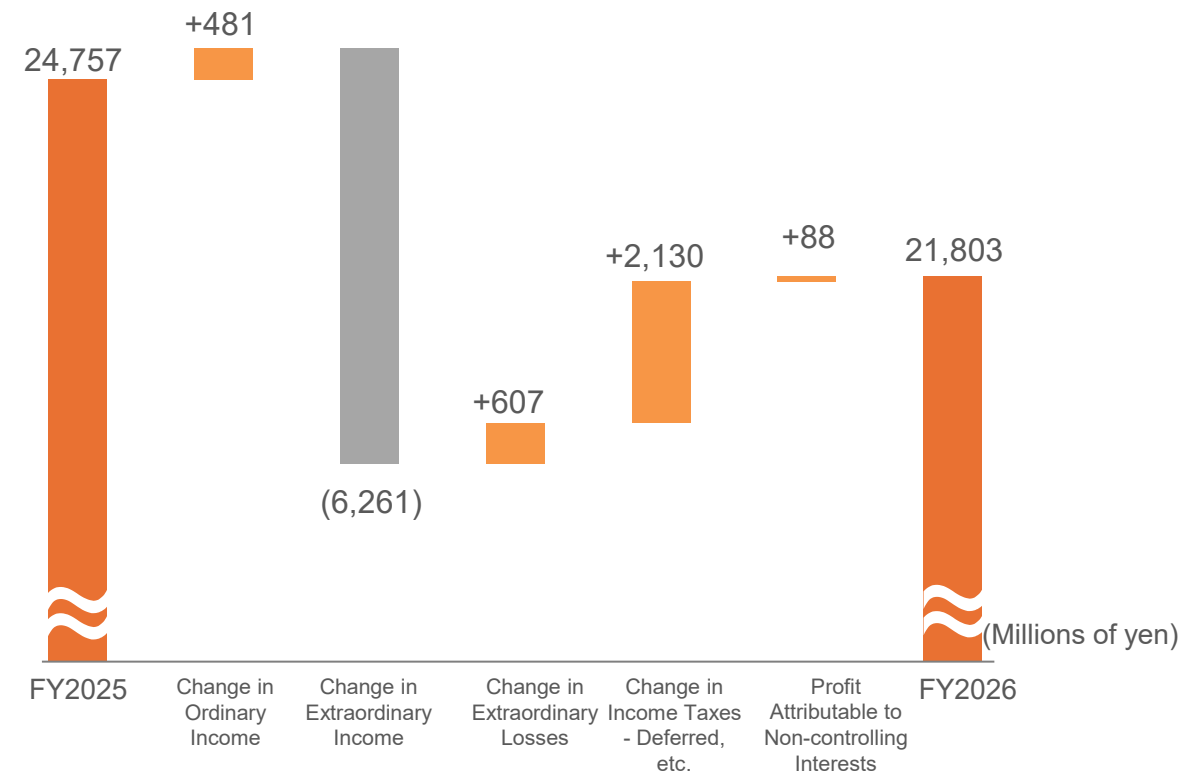
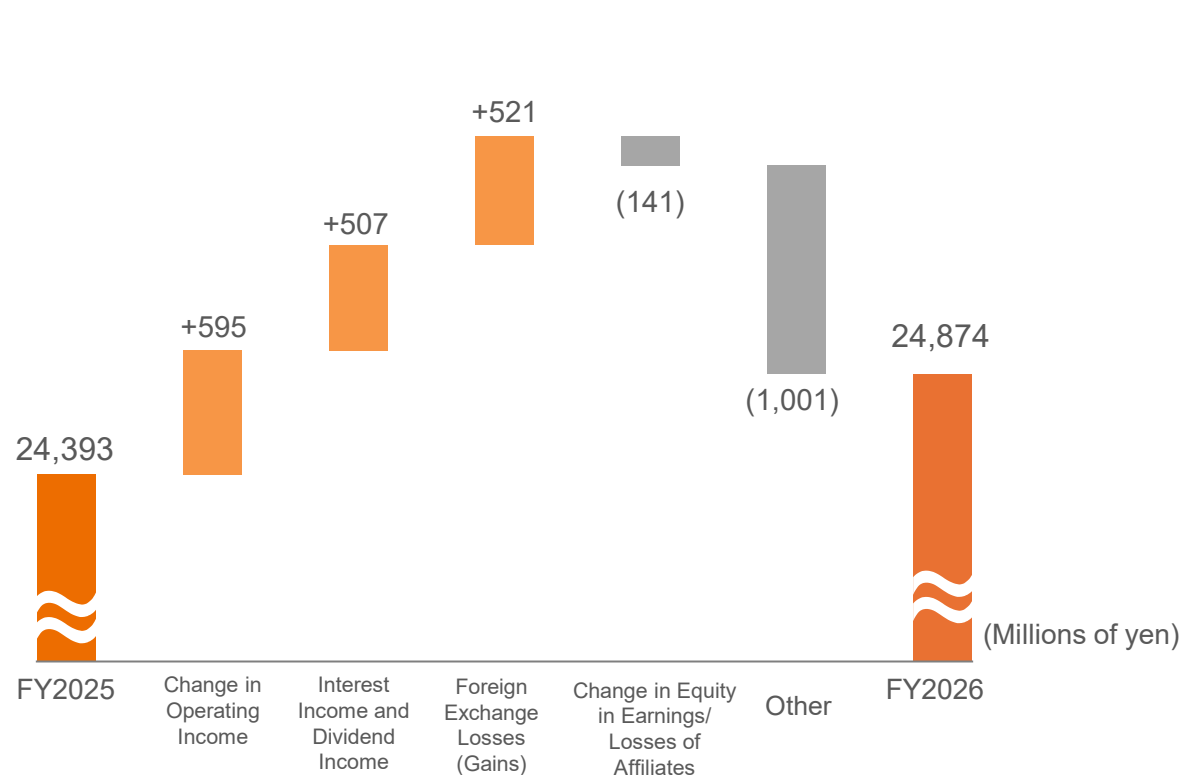
Although some costs increased, such as personnel costs, operating income in the business segment rose due to increased sales volume.

# Analysis of Factors for Changes in Ordinary Income / Profit

## Analysis of factors for changes in ordinary income

## Analysis of factors for changes in profit<sup>(\*)</sup>

(\*) Profit attributable to owners of parent



**Compared with the same period of FY2025: increase of ¥481 million [+2.0%]**

Ordinary income increased based on factors such as higher operating income and an increase in dividend income and foreign exchange gains.



**Compared with the same period of FY2025: decrease of ¥2,953 million [(11.9)%]**

Profit decreased due to a decline in gain on sale of fixed assets.

# FY2027 Performance Forecasts



## Net sales

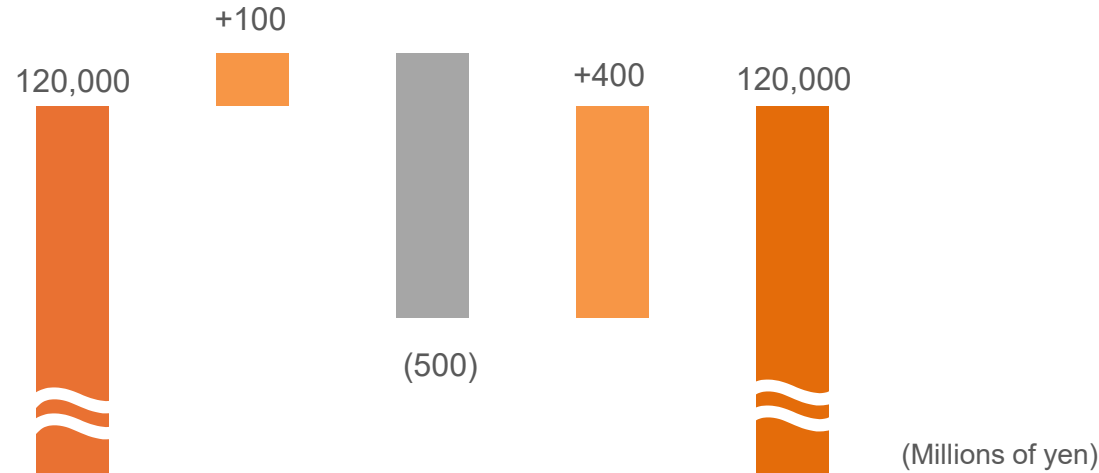
Net sales are expected to **reach a record high of ¥430.0 billion**, with sales projected to continue on a stable growth track.

## Operating income Operating income before depreciation

While operating income is expected to decrease primarily due to 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, **operating income before depreciation** is projected to **mark a record high of ¥33.7 billion** mainly due to increased sales volume resulting from sales expansion.

(Millions of yen)		FY2026		FY2027			
		Results	Share / Margin (%)	Forecast	Share / Margin (%)	YoY	YoY Change (%)
Net sales	Flour Milling	120,000	28.7%	120,000	27.9%	0	0%
	Food	243,694	58.2%	254,000	59.1%	10,306	4.2%
	Other	54,730	13.1%	56,000	13.0%	1,270	2.3%
	Total	418,425	100.0%	430,000	100.0%	11,575	2.8%
Operating income	Flour Milling	9,471	7.9%	7,200	6.0%	(2,271)	(24.0)%
	Food	9,065	3.7%	8,800	3.5%	(265)	(2.9)%
	Other, etc.	3,545	6.5%	3,500	6.3%	(45)	(1.3)%
	Total	22,082	5.3%	19,500	4.5%	(2,582)	(11.7)%
Operating income before depreciation		33,412	8.0%	33,700	7.8%	288	0.9%
Ordinary income		24,874	5.9%	21,000	4.9%	(3,874)	(15.6)%
Profit attributable to owners of parent		21,803	5.2%	21,200	4.9%	(603)	(2.8)%

### Analysis of factors for changes in net sales



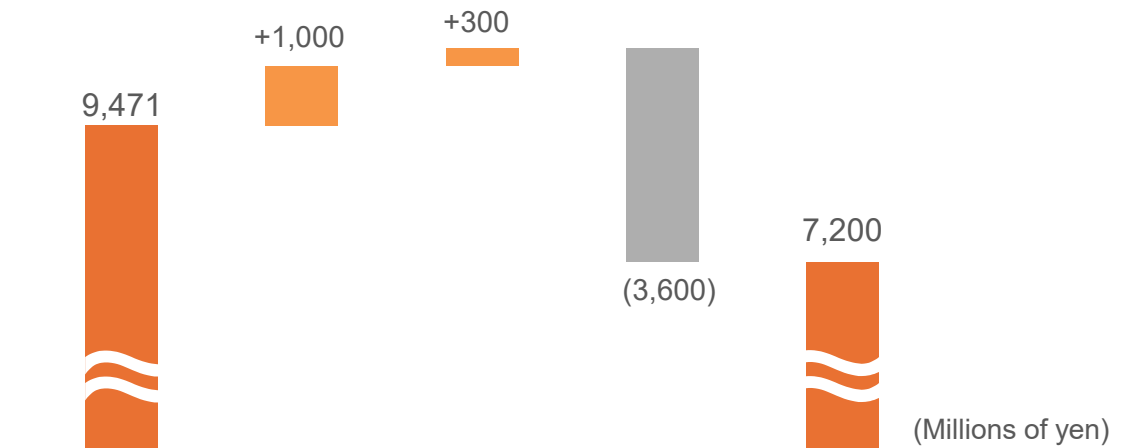
FY2026    Increase of Wheat Flour Shipment Volume    Impact of the Wheat Flour Price Revision, etc.    Warehouses, etc.    FY2027 Forecast



#### Compared with the same period of FY2026: change of ¥0 million

While sales volume of wheat flour is likely to increase, net sales in the business segment are expected to remain at the same level as the previous year, as unit selling prices in FY2027 are projected to be lower than the previous year due to the price revisions implemented during FY2026.

### Analysis of factors for changes in operating income



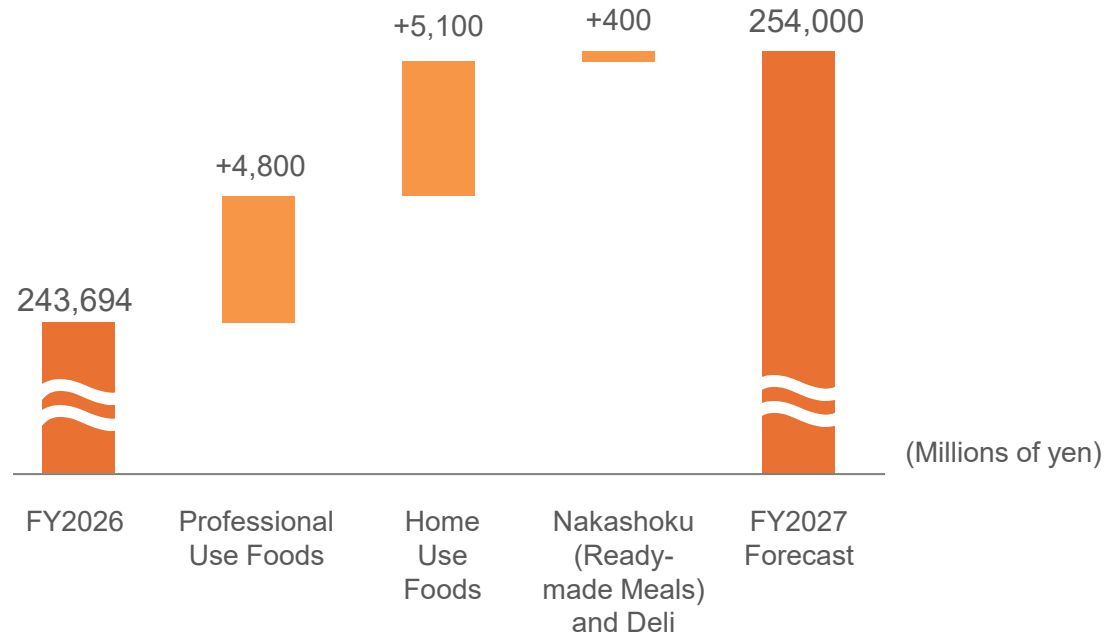
FY2026    Profitability Fluctuation    Changes in Sales Volume and Other    Cost-related    FY2027 Forecast



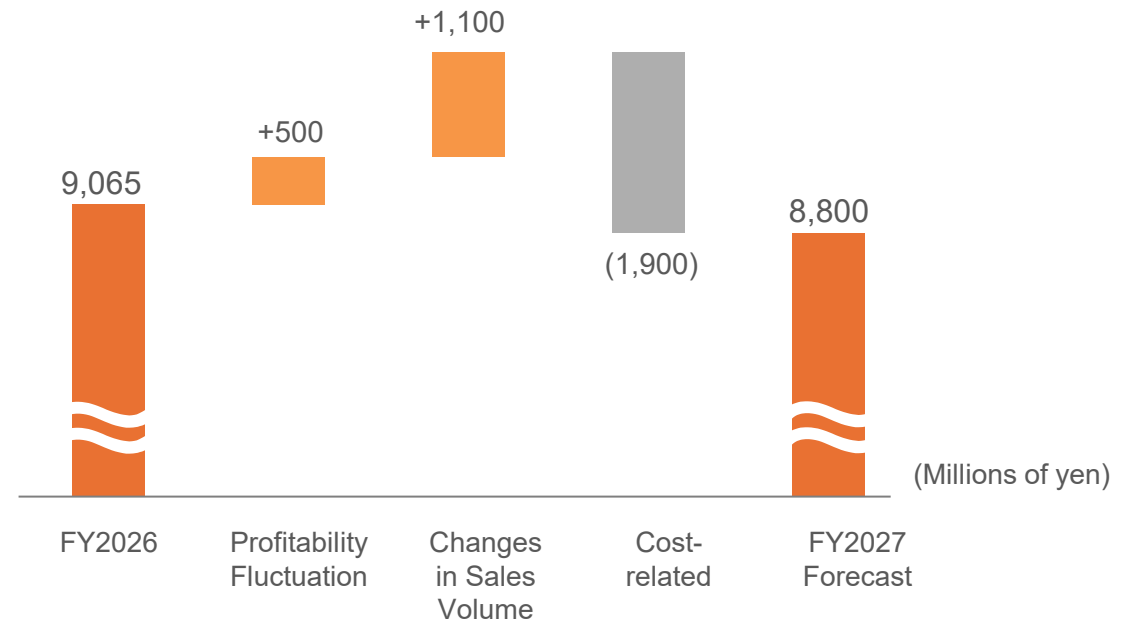
#### Compared with the same period of FY2026: decrease of ¥2,271 million [(24.0)%]

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



Analysis of factors for changes in operating income



**Compared with the same period of FY2026: increase of ¥10,306 million [+4.2%]**

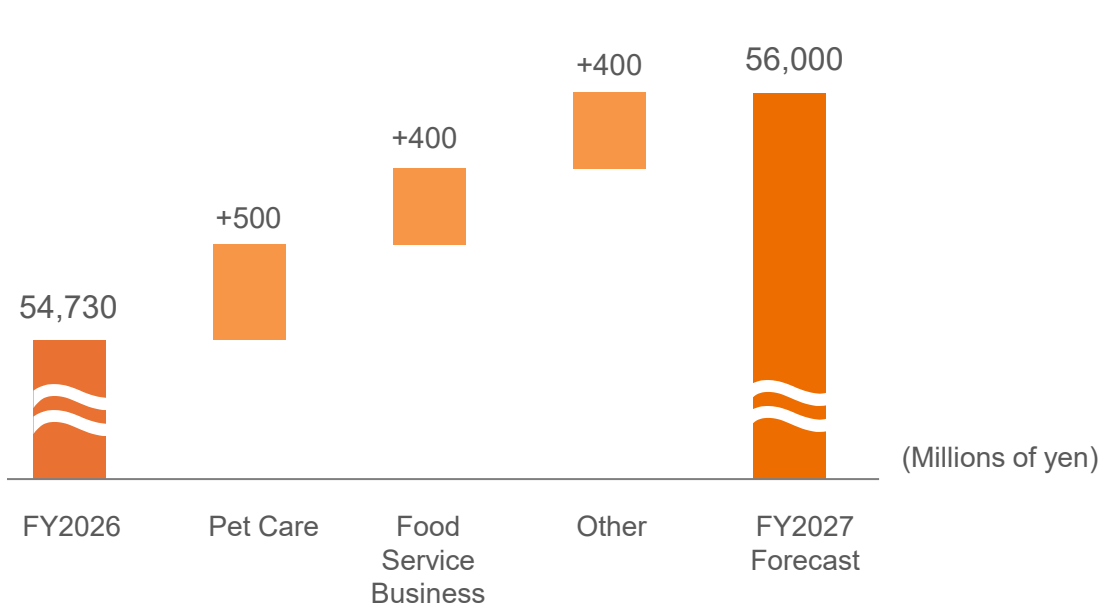
The sales of professional use foods are expected to increase, with the higher sales volumes of premix products and frozen foods and price revisions associated with rising costs; the sales of home use foods are also expected to increase due to a projected rise in the sales volume of processed foods and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



**Compared with the same period of FY2026: decrease of ¥265 million [(2.9)%]**

While, among other factors, improvements in the profitability of home use foods and growth in the sales volume of professional use foods including premix products are projected, operating income is forecast to decrease due to increasing costs such as logistics and personnel costs.

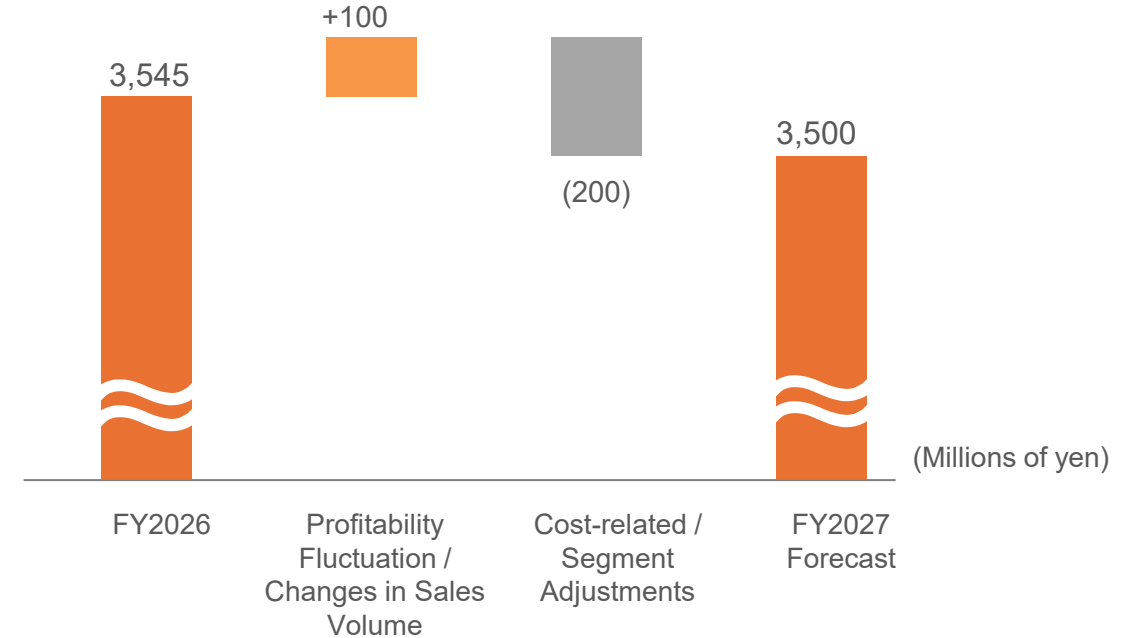
Analysis of factors for changes in net sales



**Compared with the same period of FY2026: increase of ¥1,270 million [+2.3%]**

Increased net sales are expected for the Pet Care and Food Service businesses, based on stable sales growth. With respect to other businesses, increased net sales are also expected in the Healthcare business, etc.

Analysis of factors for changes in operating income



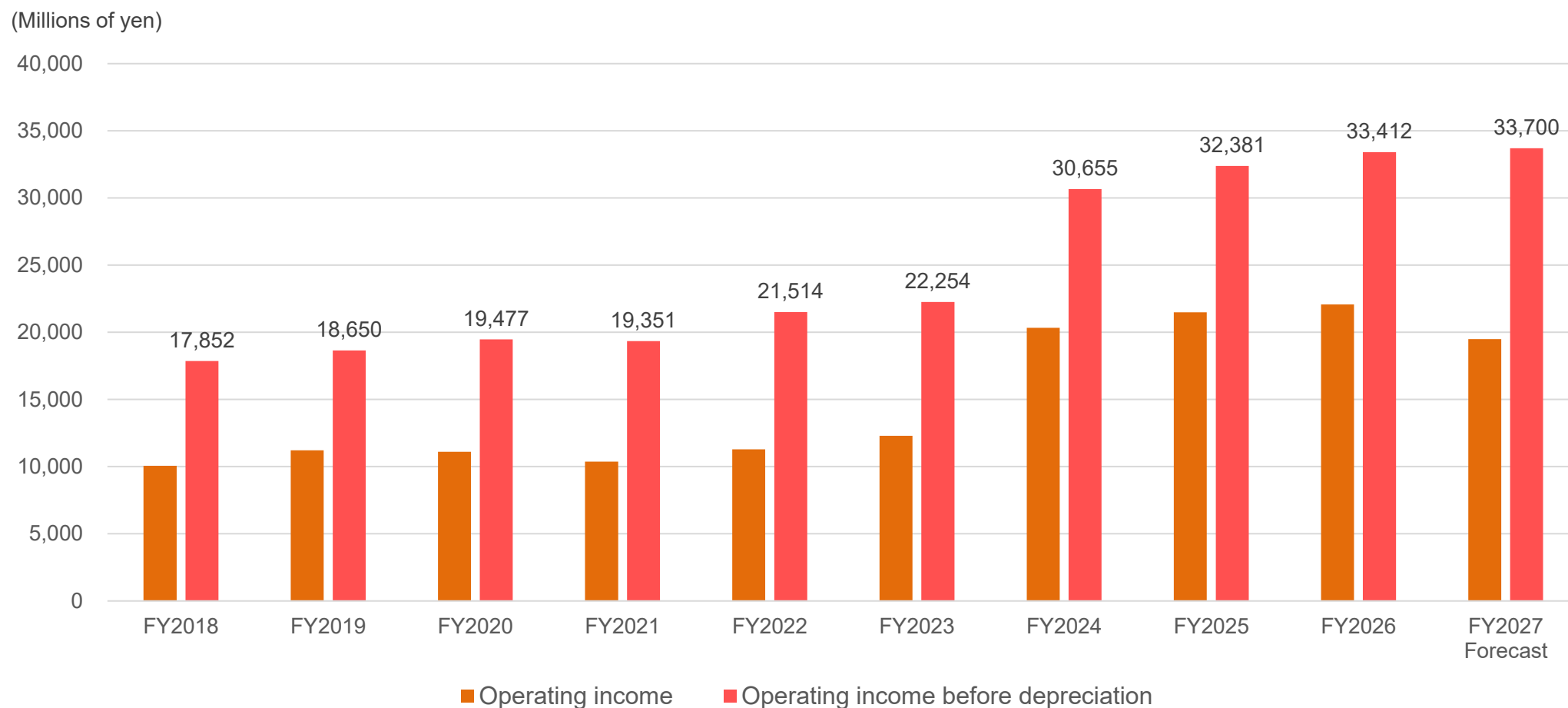
**Compared with the same period of FY2026: decrease of ¥45 million [(1.3)%]**

For the Pet Care and Food Service businesses, operating income is expected to decrease due to increasing fixed costs such as personnel costs, despite projected stable sales.

## Changes in Operating income / Operating Income Before Depreciation



Our operating income and operating income before depreciation have continued to grow steadily. In the near term, while operating income is expected to temporarily decline due to higher depreciation arising from the new mill coming into operation and other factors, operating income before depreciation is expected to continue setting new record highs. Accordingly, the underlying profitability of our businesses has continued to expand steadily.





## 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 basis, while also expanding our business areas even further in growth fields.



Laying the foundations for achieving the Long-term Vision

Sustainable growth as a comprehensive food company

Continuing to take on the challenge of solving social problems through food, as a comprehensive food company

### FY2024 results



### FY2027 Medium-term Targets <sup>(\*)</sup>



Operating income before depreciation **30.6** billion yen

ROE <sup>(\*)</sup> **8.2%**

ROIC **4.8%**

Operating income before depreciation **35.8** billion yen

ROE **8%** or more

ROIC **5%** or more

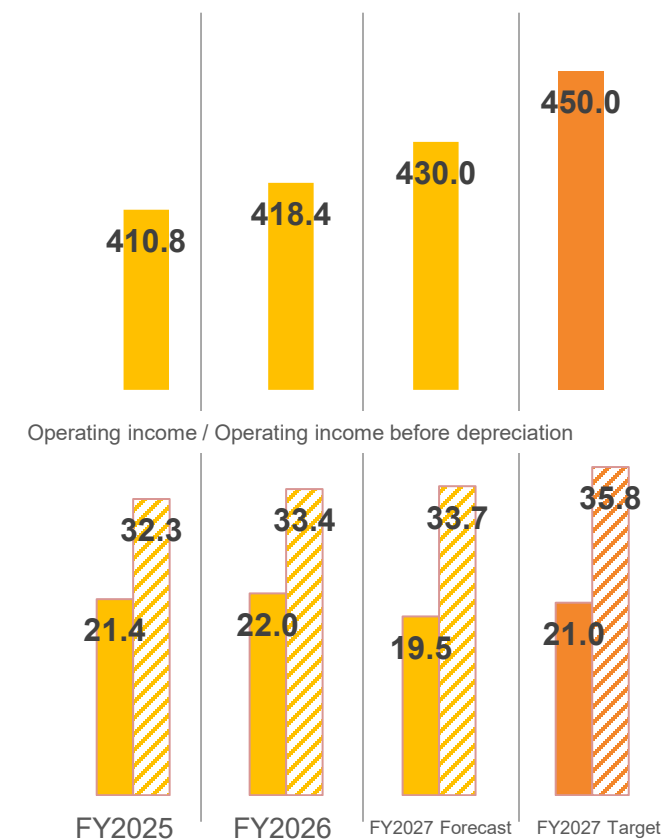
\*1 Because the original targets were achieved during FY2024, the medium-term targets have been upwardly revised.  
 \*2 Calculated excluding extraordinary and special gains and losses.

# Breakdown of Medium-term Targets by Segment



		FY2025 Results	FY2026 Results	FY2027 Performance Forecast	FY2027 Medium-term Target
Net sales	Flour Milling	121.6	120.0	120.0	139.0
	Food	238.3	243.6	254.0	261.0
	Other	50.8	54.7	56.0	50.0
	Total	410.8	418.4	430.0	450.0
Operating income	Flour Milling	9.2	9.4	7.2	6.8
	Food	9.2	9.0	8.8	11.4
	Other, etc.	3.0	3.5	3.5	2.8
	Total	21.4	22.0	19.5	21.0
Depreciation		10.8	11.3	14.2	14.8
Operating income before depreciation		32.3	33.4	33.7	35.8
ROE	Before adjustment	10.6%	8.3%	-	8% or more
	After adjustment (*)	6.6%	6.4%	-	
ROIC		4.7%	4.3%	-	5% or more

Net sales



(Billions of yen)

\* Calculated excluding extraordinary and special gains and losses

## 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

Flour Milling

Food Ingredients

Processed Food

### (2) Strategic investment in growth fields and new business fields

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

Frozen Food

Nakashoku (Ready-made Meals)

Healthcare

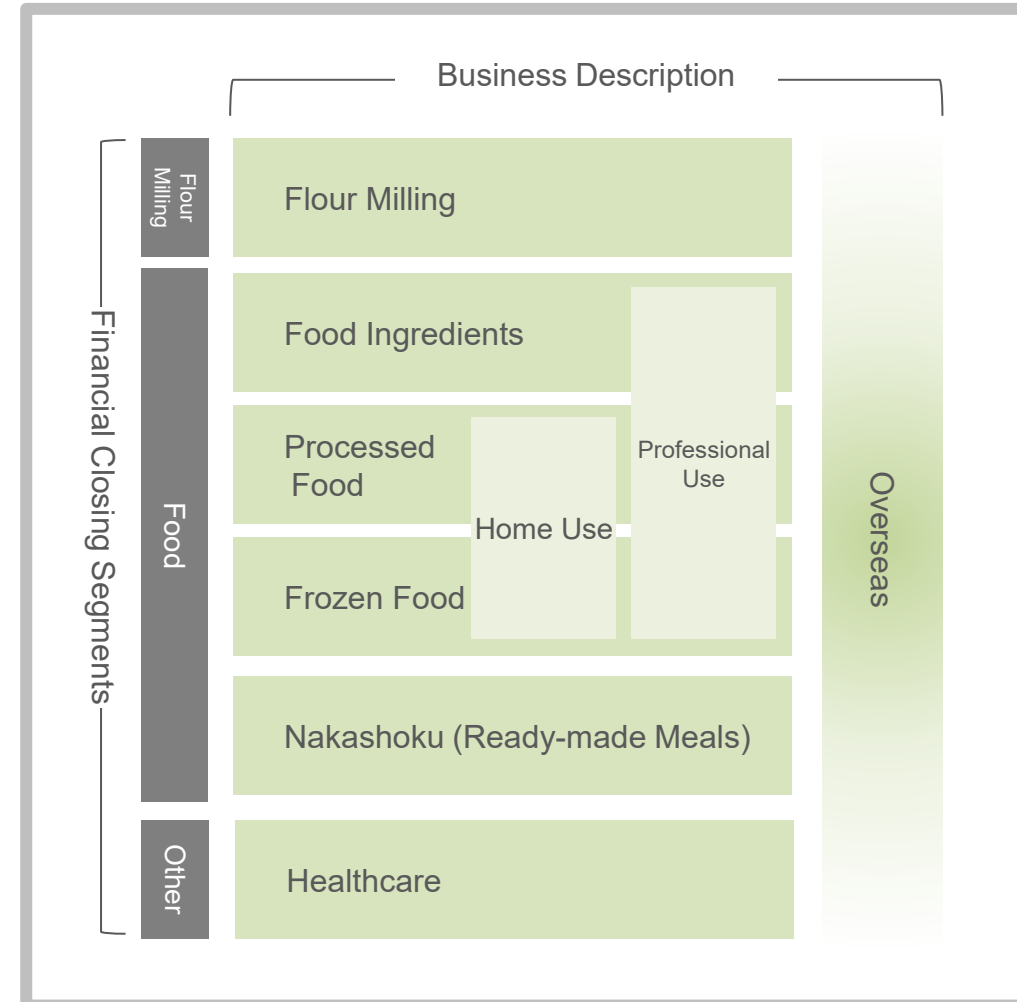
Overseas

(3) Pursuing M&A and business partnership opportunities

(4) Strengthening corporate competitiveness through DX promotion

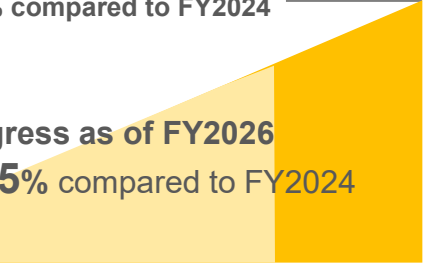
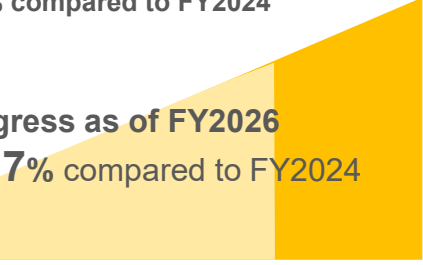
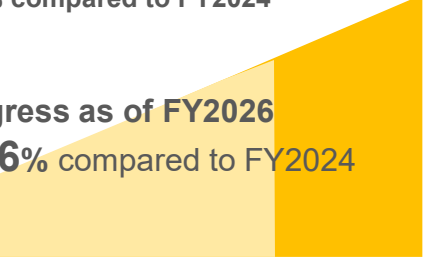
(5) Promoting sustainability management

## (Reference) Financial Closing Segments and Connection Between Each Business



<p>Flour Milling</p>	<p><b>Net sales target for FY2027</b> 110% compared to FY2024</p> <p><b>Progress as of FY2026</b> 96% compared to FY2024</p>	<p><b>Initiatives for market expansion and productivity improvement</b></p> <ul style="list-style-type: none"> <li>▶ <u>Marked a record high in shipment volume</u> despite lower selling prices in line with wheat prices.</li> <li>▶ Improve production efficiency and contribute to the achievement of the SDGs through <u>the commencement of operation of the new Chita Mill from February 2026</u>.</li> <li>▶ Place value-appealing products, such as Yawara wheat, on the market, and differentiate through further development and sales expansion.</li> </ul>
<p>Food (professional use)</p>	<p><b>Net sales target for FY2027</b> 115% compared to FY2024</p> <p><b>Progress as of FY2026</b> 109% compared to FY2024</p>	<p><b>Utilization of marketing to strengthen sales and development</b></p> <ul style="list-style-type: none"> <li>▶ <u>Maximize mutual benefits between customers and us</u> through sales and development utilizing marketing.</li> <li>▶ Expand sales channels through product differentiation leveraging our know-how.</li> <li>▶ Realize sophisticated sales activities and profitability management through DX, and focus on high-value-added proposals.</li> </ul>
<p>Food (home use)</p>	<p><b>Net sales target for FY2027</b> 125% compared to FY2024</p> <p><b>Progress as of FY2026</b> 109% compared to FY2024</p>	<p><b>Development of master brands and reinforcement of supply systems</b></p> <ul style="list-style-type: none"> <li>▶ Has made progress in master brand development. <u>Continue to develop brand products across different temperature ranges</u>.</li> <li>▶ Has improved the brand recognition. Implement sales promotion in coordination with advertising activities.</li> <li>▶ Has made progress in the construction work for a new plant of HATANAKA FOODS. Develop a supply system to address growing demand.</li> </ul>

# Strategies and Progress by Business

<p>Nakashoku (Ready-made Meals) Business</p>	<p><b>Net sales target for FY2027</b> 115% compared to FY2024</p>  <p><b>Progress as of FY2026</b> 105% compared to FY2024</p>	<p><b>Developing production systems for the Daily Maker business</b></p> <ul style="list-style-type: none"><li>▶ <u>Continue to optimize manufacturing facilities and production systems.</u></li><li>▶ Enhance group-wide capabilities through development and standardization of systems.</li><li>▶ Develop/Offer value-added products and continue initiatives for extending use by-dates.</li></ul>
<p>Healthcare Business</p>	<p><b>Net sales target for FY2027</b> 180% compared to FY2024</p>  <p><b>Progress as of FY2026</b> 117% compared to FY2024</p>	<p><b>Expansion of the sale of functional materials and sales channels for health foods</b></p> <ul style="list-style-type: none"><li>▶ <u>Steadily expand the adoption of functional materials,</u> and promote the creation of high-added-value in existing materials.</li><li>▶ Continue to pioneer the roast flaxseed market, and introduce new materials.</li><li>▶ Expand the EC business and develop new markets.</li></ul>
<p>Overseas Business</p>	<p><b>Net sales target for FY2027</b> 200% compared to FY2024</p>  <p><b>Progress as of FY2026</b> 116% compared to FY2024</p>	<p><b>Initiatives for market development inside and outside of our company's locations and for overseas business expansion</b></p> <ul style="list-style-type: none"><li>▶ <u>Commenced the full-scale operation of the new Utah plant in September 2025.</u> Consider initiatives toward business expansion.</li><li>▶ Expand sales channels in the countries where our Group has already conducted business, as well as in neighboring countries.</li><li>▶ Develop a system in preparation for the commencement of operation of a new plant in Vietnam.</li></ul>

# Progress on Key Strategies (1)

Developing manufacturing facilities

Developing/Providing value-added products

Flour Milling



Feb. 2026: commencement of operation of the Chita Mill  
Establishment of a production system that supports stable supply and profitability

Reduction of raw material procurement costs through direct delivery of raw wheat

- ▶ Located where large grain vessels can berth, adjacent to the raw material silos at Chita Futo Co., Ltd.
- ▶ Raised the share of coastal flour mills in the Flour Milling business from 83% to 95%

Promotion of smart factory transformation

- ▶ Reducing workload through automation of flow rate setting, product analysis, product changeover, and other processes
- ▶ Promoting unmanned operation through automated sorting with robots in warehouses based on automated storage and retrieval systems

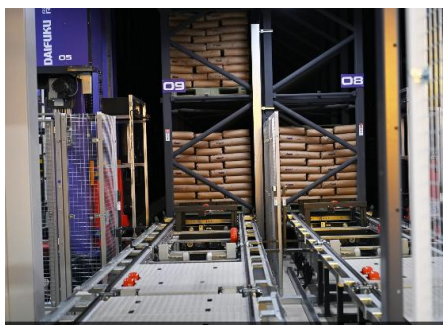
Measures against natural disasters / Environmental consideration

- ▶ Reducing the risk of flood damage through measures such as raising the floor level of each building's first floor
- ▶ Realizing our first "carbon-neutral mill" powered by effectively 100% renewable energy.

\* Through the use of non-fossil certificates



Mill's exterior

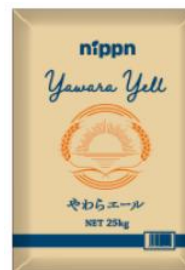


Warehouse based on an automated storage and retrieval system

Development and commercialization of **Yawara wheat®**, a high-value-added ingredient with the unprecedented characteristic of "starch retrogradation resistance"

- ▶ Conducted joint research with the National Agriculture and Food Research Organization on a domestically grown wheat variety characterized by its slow starch retrogradation (preventing hardening) and long-lasting freshly prepared texture
- ▶ Registered the trademark "**Yawara wheat®**" and commercialized it as professional use wheat flour in February 2025
- ▶ Won the FY2025 Award by the Chairman of the Agriculture, Forestry and Fisheries Research Council, the Ministry of Agriculture, Forestry and Fisheries, for the development and commercialization of the wheat
- ▶ Commercialized a home use bread flour product containing **Yawara wheat®**, following two professional use wheat flour products Delivering a soft, chewy, freshly prepared taste, even on the following day

Two professional use products (from Feb. 2025)



"Yawara Yell"



"Yawara no Chikara"

New home use product (from Mar. 2, 2026)



"nippn Soft Until Tomorrow Bread Flour"

Focusing on deploying products under our master brand Oh'my Premium, beyond the temperature ranges of frozen food and processed food. Going forward, further expanding the scope of marketing to achieve sustainable growth

### Frozen Food Business

- ▶ In October 2023, started the Master Brand Strategy
- ▶ Pursuing "surprisingly delicious taste," with careful attention to ingredients as well
- ▶ Promoting the brand's value through TV commercials and campaigns

### Processed Food Business

- ▶ From spring 2024, deploying ambient-temperature products under the same brand, as well
- ▶ Making our pasta chosen for its deliciousness, centered on its texture
- ▶ From spring 2026, SHIGOKU pasta sauce products placed on the market

### GROUP-WIDE DEPLOYMENT

- ▶ In April 2025, commenced the operation of the Marketing Dept., which integrates product development and sales support functions
- ▶ Expanding consumer-driven marketing on a group-wide basis

#### Developing and deploying brand products across temperature ranges



#### Promoting the brand's value through TV commercials and campaigns

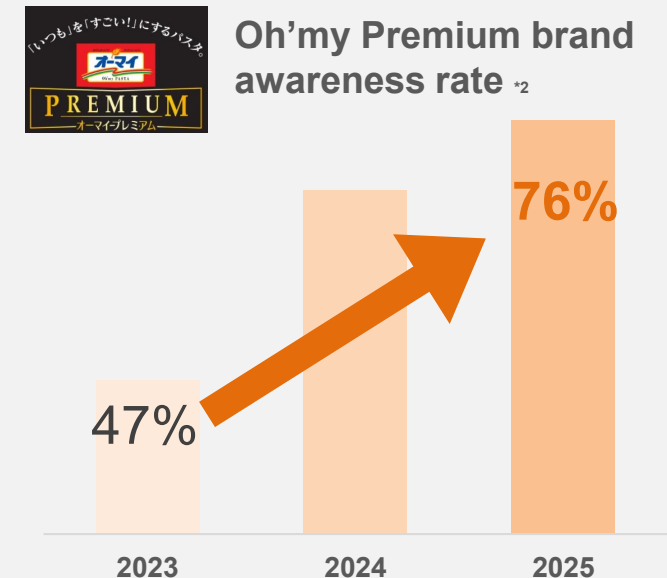


#### Pasta (frozen + dried) market growth rate<sup>\*1</sup>



<sup>\*1</sup> Macromill QPR, 15-79 age market (amount per 100 people)  
Target categories: frozen single serving pasta + dried long pasta  
Period covered: Nov. 2025 to Apr. 2026 (year-on-year)

#### Oh'my Premium brand awareness rate<sup>\*2</sup>



<sup>\*2</sup> Respondent criteria: PGS (persons who primarily purchase groceries for their own households), aged 18-69 / nationwide  
Sample size: 1,000 Conducted in September of each year

## Target

Steadily capturing the expanding demand for frozen food, with the aim of realizing net sales of ¥90.0 billion in FY2031

### Market trends

Professional use	Steady demand driven by food services and inbound demand Simplification of in-store cooking is a challenge against the backdrop of rising personnel costs and labor shortages
Home use	Continued market expansion driven by needs for time saving and convenience, as well as quality improvements ▶ In particular, rapid growth in the market for frozen prepared set meals, including one-plate complete meals

### Supply strategies

Professional use	Improving productivity at existing bases and optimizing production items Manufacturing products to address users' labor shortages
Home use	Establishing HATANAKA FOODS' new plant Reinforcing manufacturing lines for growing one-plate complete meal products Improving productivity through the introduction of automation technology



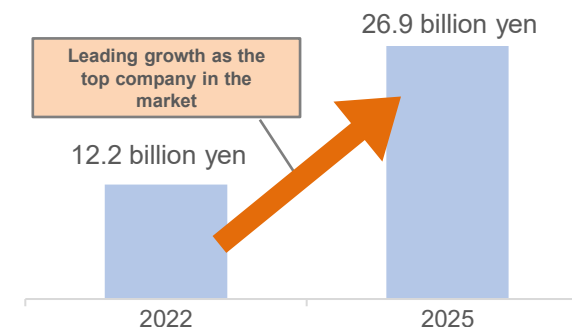
- HATANAKA FOODS' new plant
- ▶ Beginning its operations at the end of FY2027 (scheduled)
  - ▶ Our Group's largest frozen food production capacity

### Sales strategies

Professional use	Differentiation by leveraging the marketing and development know-how for home use products Strengthening proposals to major users in collaboration with the Flour Milling and Nakashoku divisions
Home use	Continuing the Master Brand Strategy and developing products that reflect consumer needs Considering the rebranding of one-plate complete meal products with the top market share

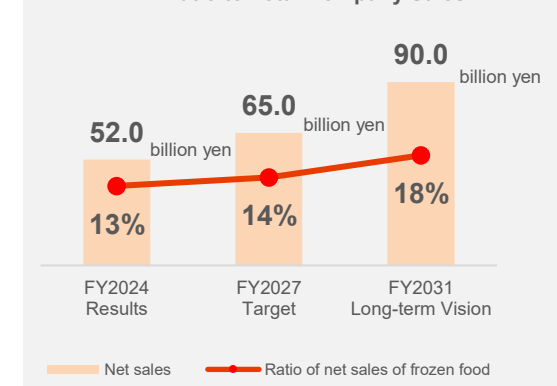
### Our strategies

### Market Size of Frozen Prepared Set-Meals

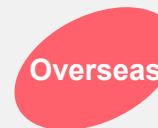


\*1 Source: INTAGE SCI, estimated based on the purchased amount per 100 persons

### Net sales of the Frozen Food Business / Ratio to Total Company Sales



# Progress on Priority Businesses (2): Overseas Business



Target

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

## Business expansion in North America and Asia

North America

### Participation in the operation of the Utah Flour Milling's plant

- ▶ The new plant of Utah Flour Milling, LLC, in which we hold a 25% stake, commenced full-scale operation in September 2025
- ▶ Expanding sales channels in the U.S. market and realizing the supply of competitively advantaged products
- ▶ Considering further business expansion while assessing the growth potential of the business in the North American market



Asia

### Expansion into Vietnam and business expansion

- ▶ Established a local subsidiary in July 2024, and set up a structure toward the commencement of operation of a premix plant in 2027
- ▶ Acquiring Japan-bound projects and expanding the domestic business
- ▶ Strengthening the supply system within the ASEAN region



## Expansion of exports of Japanese products

- ▶ Making efforts to expand the sale of high-quality wheat flour mainly in rapidly economically developing Asian countries while also exploring new export destination countries
- ▶ Expanding 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 strengthening collaboration with Group companies, etc.

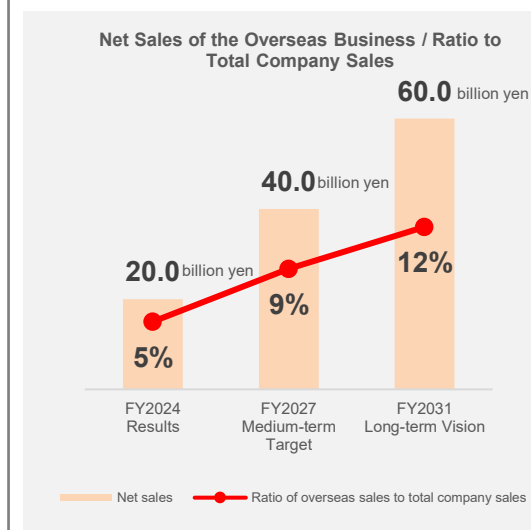
## Development of global human resources

[Policies]

- ▶ Building a global human resource development system
- ▶ Continuously expanding the human resource supply pool

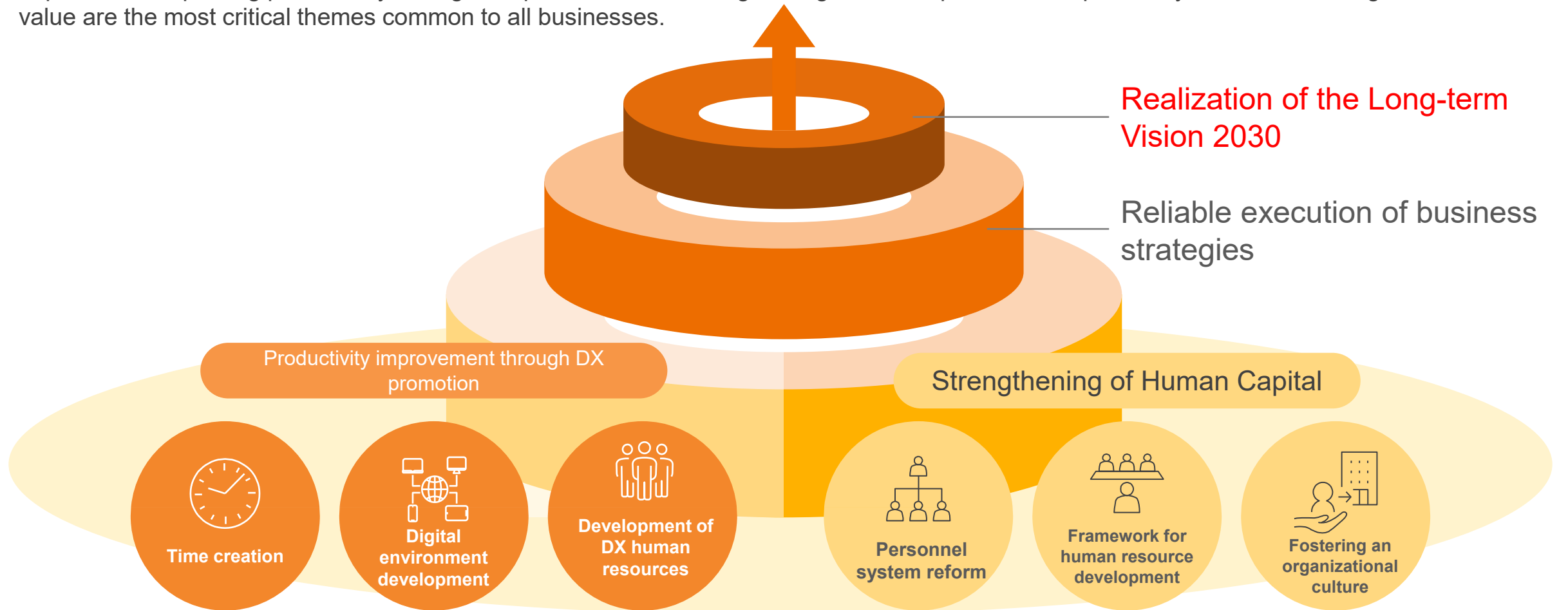
[Results]

- ▶ On-site training in Malaysia and Thailand
- ▶ Group training in Japan for overseas staff
- ▶ Practical training at overseas subsidiaries



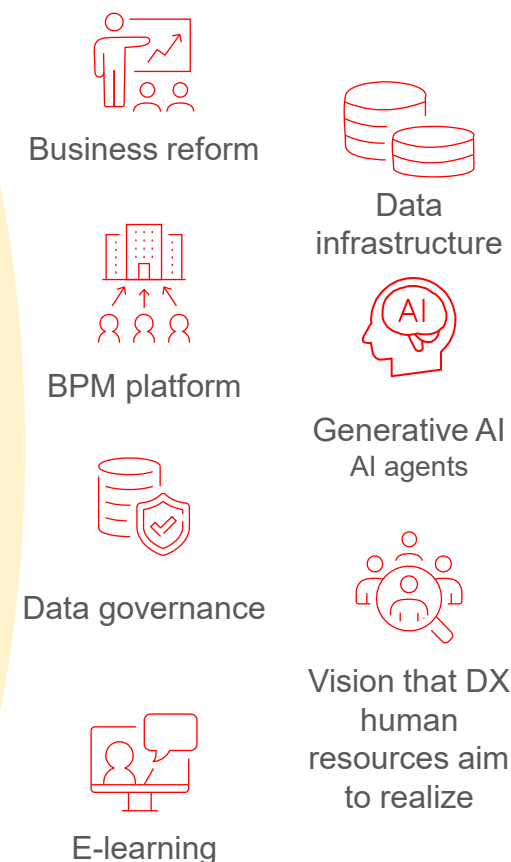
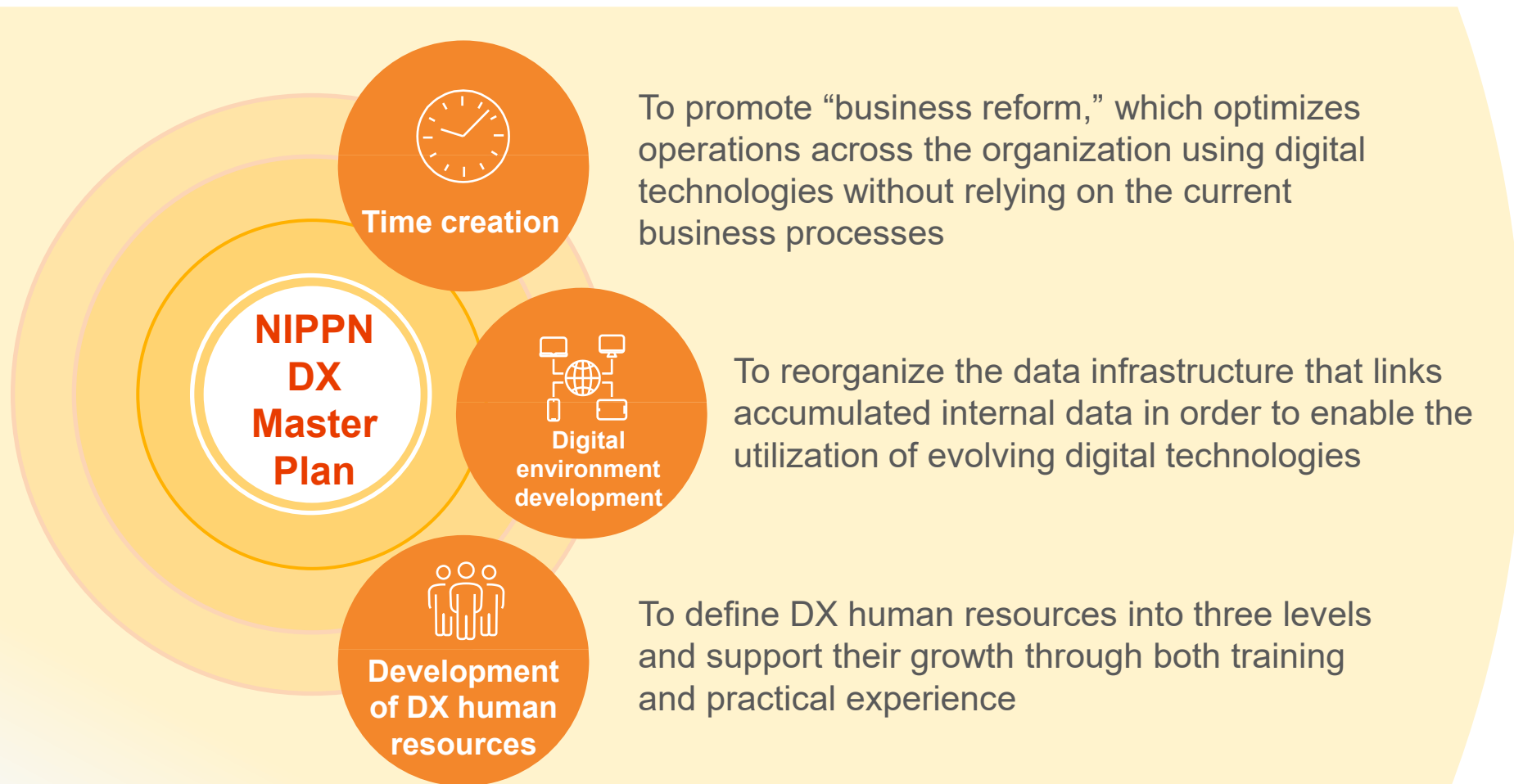
# Strengthening Management Foundation Toward Realizing Long-term Vision 2030

In order to ensure the execution of business strategies toward the realization of the Long-term Vision 2030, the establishment of foundations that support the streamlining and advancement of group-wide operations is indispensable. In particular, improving productivity through DX promotion and strengthening human capital that independently takes on challenges and creates value are the most critical themes common to all businesses.



# NIPPN DX Master Plan

To drive the evolution of our existing businesses, create new businesses, and realize wellbeing, we are promoting our DX that seeks to fundamentally streamline and advance our business operations and to create the time and human resources for taking on challenges. Furthermore, we are establishing a foundation that enables seamless integration and utilization of new technologies, such as generative AI and AI agents, with data accumulated across our Group, thereby forming a corporate culture where employees pursue optimal business processes and continuously improve such processes on their own initiative.



# Initiatives for Realizing the NIPPN DX Master Plan

Our Group has been advancing the digitization of analog data (digitization) and the automation and visualization of operations (digitalization) in a stepwise manner. To further shift toward more substantive DX, we established a DX Strategy Office within the Information System Promotion Department in 2024, and furthermore, in 2025, we formulated the NIPPN DX Master Plan. From 2026 onward, we will promote various initiatives to realize the NIPPN DX Master Plan.



## Initiatives for realizing the NIPPN DX Master Plan

- ▶ Rebuilding the data infrastructure
- ▶ Digitization (optimization) of business processes
- ▶ Building a Zero Trust Network

- ▶ Firm establishment of data-driven management

- ▶ Introducing a next-generation order acceptance and shipment system that enables standardization

- ▶ Updating core systems

## Target outcomes

- ▶ Reorganization of the infrastructure that links accumulated internal data
- ▶ Creation of time and human resources by fundamentally reviewing operations
- ▶ Responding to cyberattacks that keep growing more extreme

- ▶ Highly expeditious and accurate, data-driven decision-making

- ▶ Strengthening SCM (Supply Chain Management)
- ▶ Adapting to industry standards
- ▶ Accommodating flexible work styles

- ▶ Ensuring the scalability required to accommodate business growth including overseas expansion
- ▶ Reducing operational risks associated with aging and increased complexity

# Initiatives for Human Capital



Primarily guided by the Human Resources Vision, we will engage in the reform of personnel systems leading to the creation of required human resources, in the development of human resources to build a human resource pipeline, and in the fostering of an organizational culture as a foundation for innovation.

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

Human resources that have a broad perspective and pursue sustainable growth toward delivering value

Human resources that, as professionals, support people’s lives and create a rich food future

Human resources that treat concerns as their own, discover new challenges, and carve out a new era



### Personnel system reform —Challenges and enhancement of expertise—

Independent career formation and competence evaluation based on achievements and challenges, which can ensure convincing treatment and facilitate productivity improvements

- ▶ Integration of jobs and positions
- ▶ Multi-track career system
- ▶ Sophistication of evaluation criteria
- ▶ Review of relocation practices

### Framework for human resource development —Creation of next-generation management human resources and specialized human resources—

Construction of a human resource development pipeline for next-generation leaders and specialized human resources, which is linked to management strategies

- ▶ Incorporation into the human resource development system
- ▶ Coordination with succession plans
- ▶ Reskilling programs

### Fostering an organizational culture —Foundation for innovation—

Development of a foundation for added value creation through the fusion of diverse knowledge

- ▶ Strengthening of diversity management
- ▶ Advancement of initiatives for enhancing engagement
- ▶ Energization of internal communication

## **IV** Financial Strategy

# Basic Policy of Financial Strategy

We will 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

Financing that balances financial soundness and capital efficiency

Maintaining and strengthening shareholder returns

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

Improve the efficiency of invested capital through **CCC improvement**

Optimize the business portfolio with an awareness of ROE



Utilize external fund procurement and increase **financial leverage**

**Financial indicators**  
(with the premise of maintaining ratings to ensure financial soundness)  
Equity ratio: **54%** or higher  
Net D/E ratio: **0.34 times** or lower



**Policy for shareholder returns**  
Maintain a stable and sustainable dividend, with a target dividend payout ratio of 30% or more excluding extraordinary gains and losses

Strive to improve the total payout ratio through **acquisition of own shares in a flexible manner**

As a basic policy, allocate funds obtained from asset sales and CCC improvement preferentially to **investments based on the business strategy**

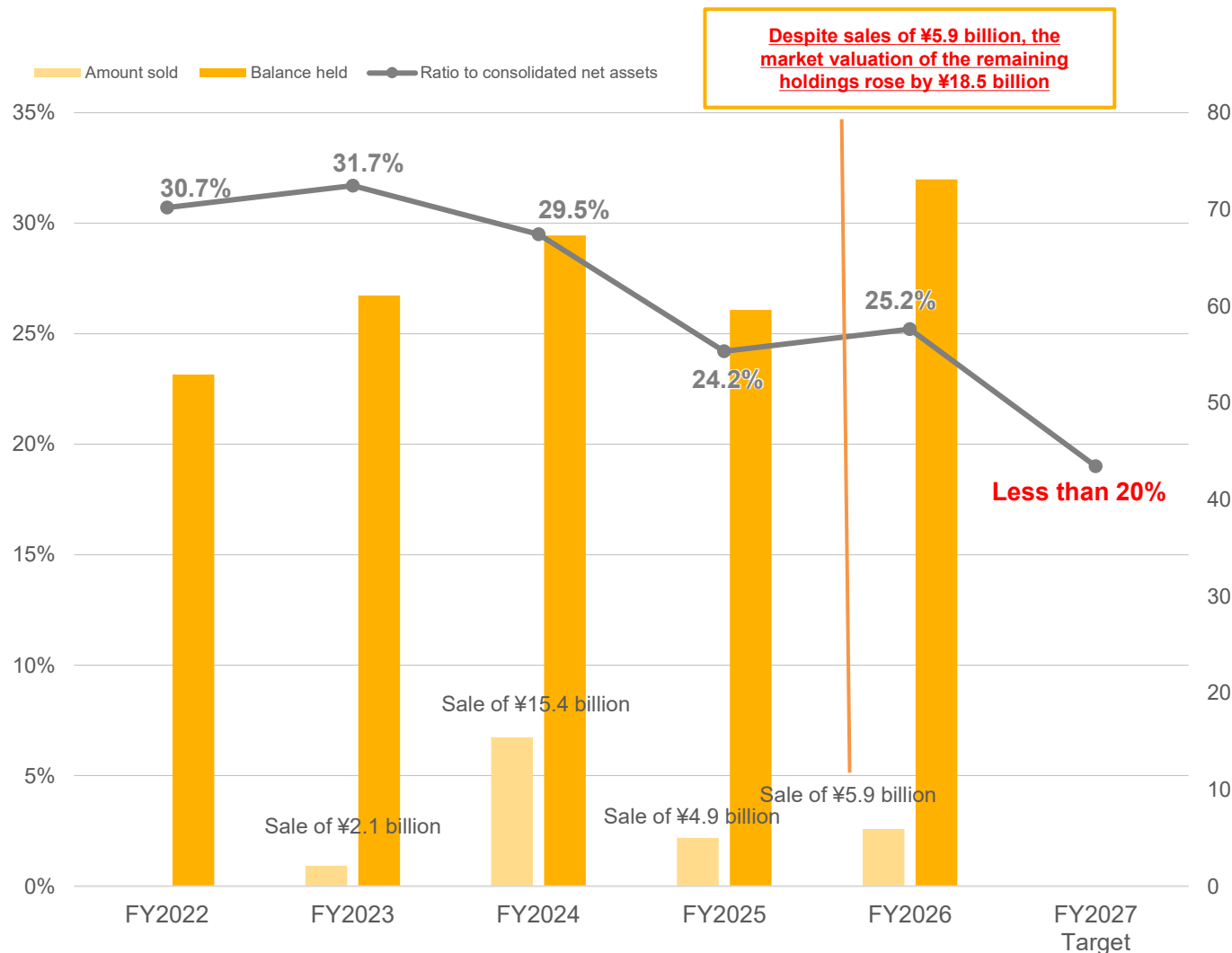


**Increase in corporate value**



# 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 on 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.

# Cash Allocation During the Period of the Medium-term Targets



Cash-in				Cash-out							
	FY2025 Results	FY2026 Results	FY2027 Forecast		FY2025 Results		FY2026 Results		FY2027 Forecast		
Cash Flows from Operating Activities	¥22.0 billion	¥28.0 billion	¥21.0 billion	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.:	¥7.0 billion	New frozen food plant:	¥12.0 billion
					Facility renewal/enhancement	Chita Mill: Facility renewal/enhancement:	¥9.0 billion	Chita Mill: Facility renewal/enhancement:	¥12.0 billion	Chita Mill: Facility renewal/enhancement:	¥3.5 billion
Strategic investment	Investment in DX, advertising, and marketing:	¥11.0 billion	Investment in DX, advertising, and marketing, etc.:		¥13.0 billion	R&D Center: Investment in DX, advertising, and marketing:	¥21.0 billion				
Sale of Assets	¥13.5 billion	¥7.0 billion	¥10.0 billion		Total	¥28.0 billion	¥36.0 billion	¥44.0 billion			
Procurement of Funds	Not procured	¥45.5 billion	To be procured if investments are to exceed the forecast		Shareholder Returns	Dividends:	¥5.5 billion	Dividends:	¥5.4 billion	Dividends and flexible acquisition of own shares:	¥5.6 billion or more
				Redemption of Bonds Payable			Acquisition of own shares:	¥4.0 billion			
Total	¥35.5 billion	¥80.5 billion	¥31.0 billion	Total	¥33.5 billion	¥57.0 billion	¥50.0 billion				

Investment for growth Investments in areas directly linked to revenue growth, such as the construction of new plants and new product lines that drive business growth, and expansion areas within existing businesses

Facility renewal/enhancement: Investments that, while not directly linked to short-term revenue expansion, are made to fulfill our responsibilities as a social infrastructure company and serve as the foundation supporting the sustainability and reliability of our businesses over the medium to long term, such as investment in strengthening our BCP, which is indispensable for a company handling food, in thoroughly ensuring food safety, and in maintaining and improving our stable supply system

Strategic investment Investments aimed at expanding business areas or creating new value and made to enhance our future growth potential

# Regarding Shareholder Returns (1) ... Completion of Acquisition of Own Shares (March 24, 2026)

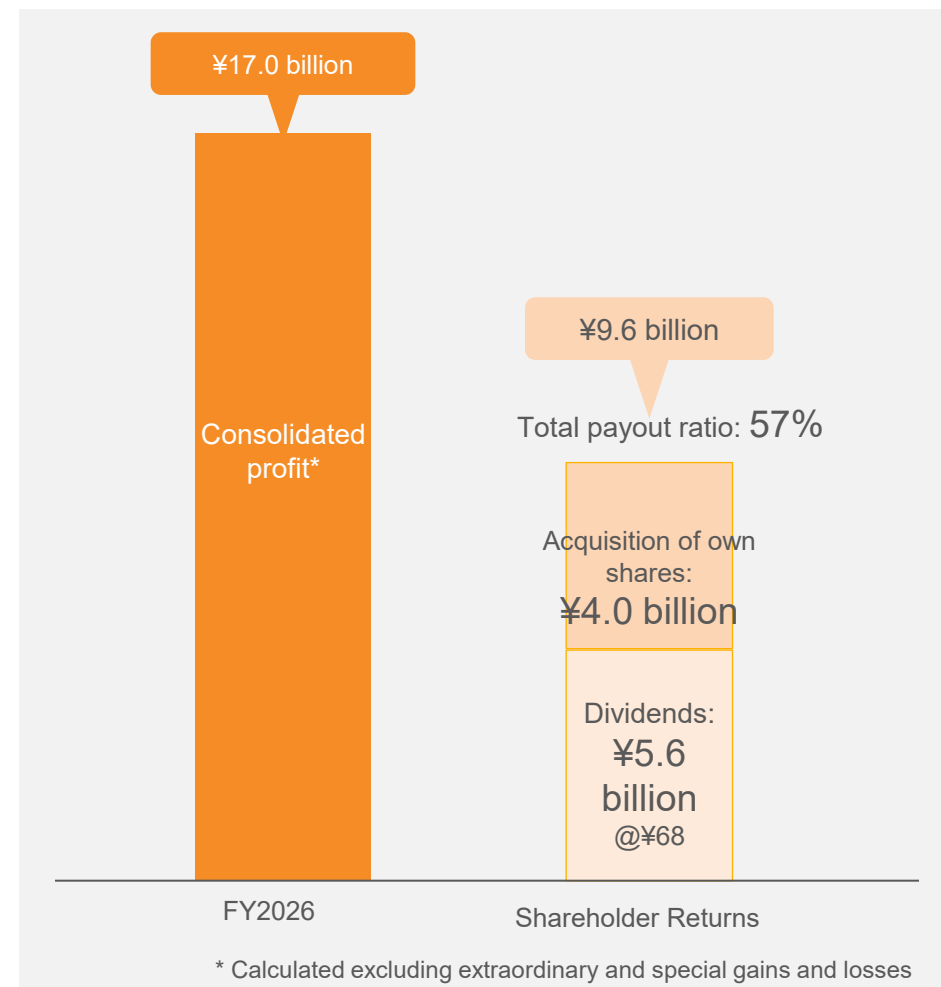


## Purpose

- 01 Expansion of shareholder returns through an increase in value per share
- 02 Improvement of capital efficiency: **contributing to ROE improvement (0.05%)**
- 03 Mitigation of the impact of the secondary offering of common stock on demand for our shares

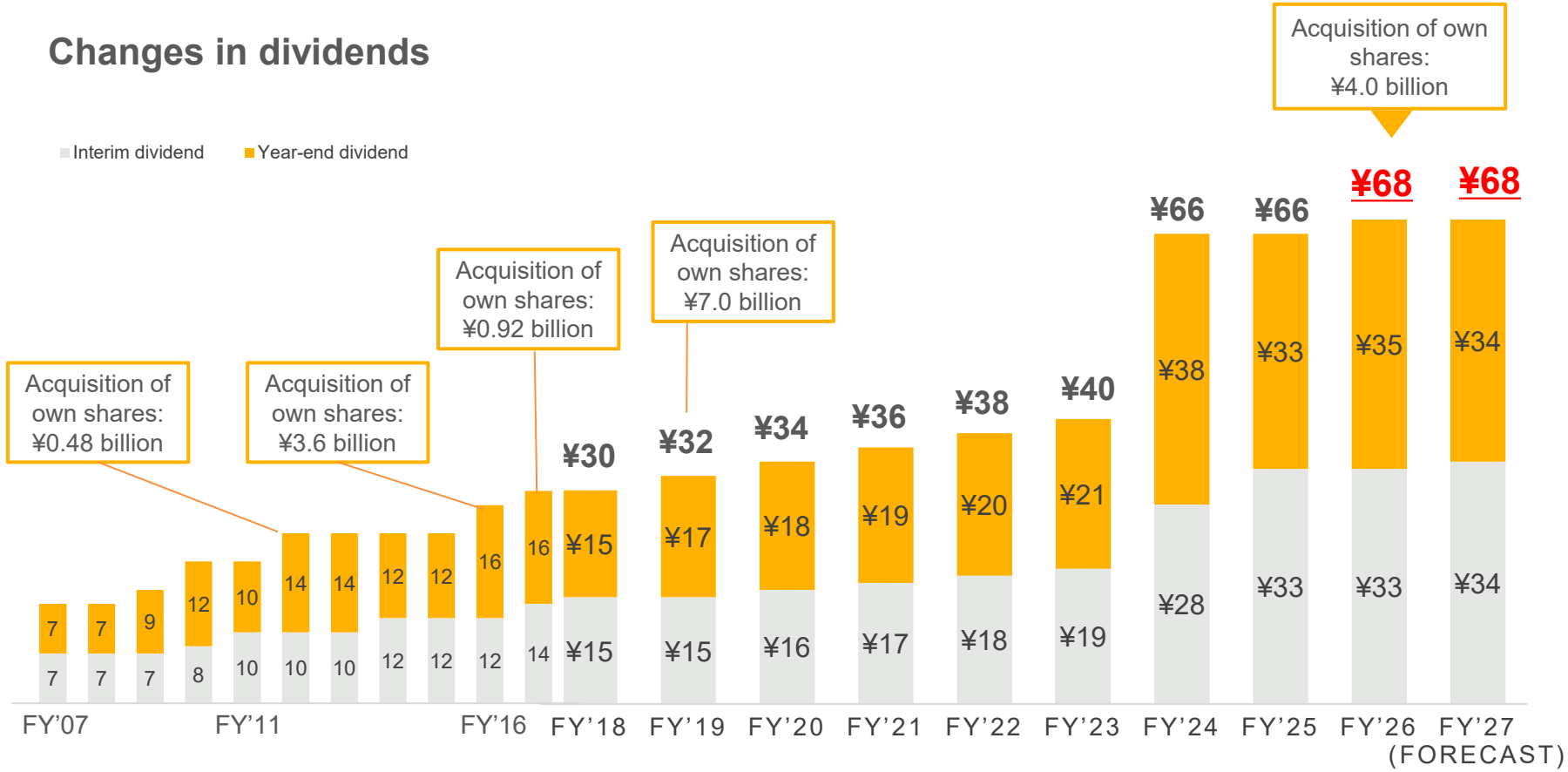
Overview of Acquisition of Own Shares	
Class of shares to be purchased	Common stock of the Company
Total number of shares acquired	1,555,800 shares
Total purchase amount of shares acquired	3,999,814,261 yen
Acquisition period	November 25, 2025 – March 24, 2026
Method of acquisition	Market purchase on Tokyo Stock Exchange, Inc.

## Shareholder returns against the FY2026 results



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

## Changes in dividends



Consolidated Dividend Payout Ratio	31.5%	29.4%	29.1%	32.0%	31.3%	30.3%	30.3%	33.3%	33.5%	39.7%
Total Payout Ratio	31.5%	112.2%	29.1%	32.0%	31.3%	30.3%	30.3%	33.3%	57.2%	39.7%

### Basic Dividend Policy

Secure the internal reserves necessary for investment in future growth



Strive to improve the 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 those 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.

(Following the stock consolidation (2 shares into 1 share) implemented on October 1, 2016, the specified dividends for the first half of FY2017 and earlier terms are the amounts adjusted to twice their respective original amounts.)  
 (The consolidated dividend payout ratios and total payout ratios for FY2024, FY2025, FY2026, and FY2027 are calculated excluding extraordinary and special gains and losses.)

# Status of Engagement with Shareholders and Investors

## Challenges and efforts for improvement based on investors' opinions

### Challenge

### Efforts for Improvement



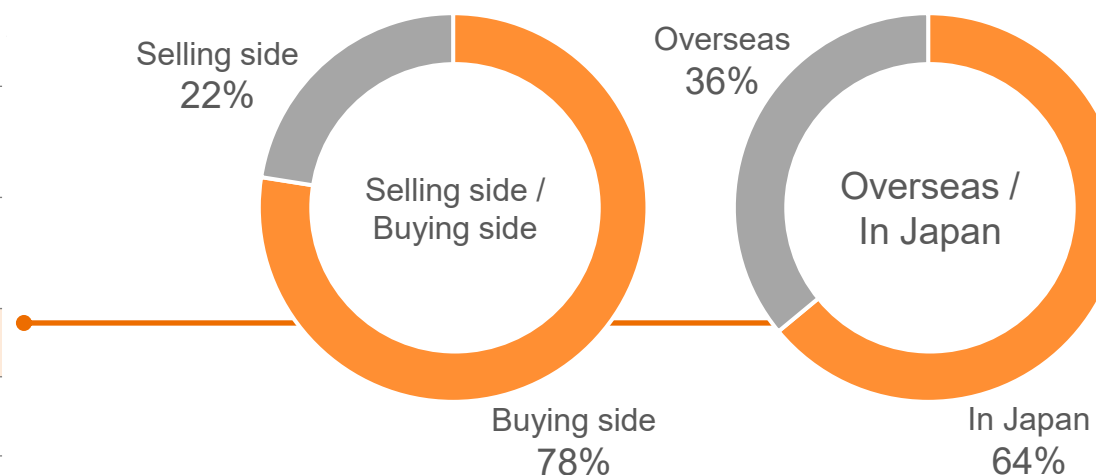
- Consideration of enhancement of shareholder returns
- Improvement of capital efficiency
- Reporting to the Board of Directors
- Enhancement of engagement
- Insufficient analyst coverage

- Increased the amount of dividends (¥66 to ¥68), implemented the acquisition of own shares (¥4 billion), and introduced an opt-in shareholder benefit program
- Reduced our cross-shareholdings (FY2026: shares worth ¥5.9 billion were sold), and utilized financial leverage (1.6x in FY2025 to 1.7x in FY2026)
- Regularly reporting to the Board of Directors on engagement activities conducted
- Held a plant tour for institutional investors
- Utilized sponsored research

## Engagement occasions held

	Number of Engagement Occasions		
	FY2024	FY2025	FY2026
Briefing sessions on business results for institutional investors	Twice	Twice	Twice
Briefing sessions on our company for individual investors	Twice	Twice	Once
Individual meetings	<b>70 times</b>	<b>84 times</b>	<b>80 times</b>
Invitations to new product launch events	None	Once	Once
Plant tours for institutional investors	None	None	Once

## Attributes of the investors that we met



**V** Appendix

# Consolidated Balance Sheets



(Millions of yen)	End of FY2025		End of FY2026			
	(2025.3.31)	Component Ratio	(2026.3.31)	Component Ratio	YoY	Change (%)
Current assets	159,014	39.8%	194,203	40.7%	35,189	22.1%
Property, plant and equipment	134,412	33.7%	157,502	33.0%	23,090	17.2%
Intangible assets	2,023	0.5%	2,869	0.6%	846	41.8%
Investments and other assets	103,775	26.0%	122,161	25.6%	18,386	17.7%
Non-current assets	240,210	60.2%	282,534	59.3%	42,323	17.6%
Deferred assets	1	0.0%	88	0.0%	87	8,700%
Total assets	399,226	100.0%	476,826	100.0%	77,599	19.4%
Current liabilities	104,407	26.2%	82,786	17.4%	(21,621)	(20.7)%
Non-current liabilities	48,334	12.1%	104,162	21.8%	55,828	115.5%
Total liabilities	152,742	38.3%	186,949	39.2%	34,207	22.4%
Equity capital	242,140	60.7%	282,330	59.2%	40,189	16.6%
Share acquisition rights	115	0.0%	98	0.0%	(17)	(14.8)%
Non-controlling interests	4,227	1.1%	7,448	1.6%	3,220	76.2%
Total net assets	246,484	61.7%	289,877	60.8%	43,392	17.6%
Total liabilities and net assets	399,226	100.0%	476,826	100.0%	77,599	19.4%

# Consolidated Statements of Income



(Millions of yen)	FY2025		FY2026 Initial Forecast		FY2026					
	Results	Ratio of Net Sales	Forecast	Ratio of Net Sales	Results	Ratio of Net Sales	YoY	Change (%)	Compared with the Forecast	Change (%)
Net sales	410,878	100.0%	424,000	100.0%	418,425	100.0%	7,546	1.8%	(5,574)	(1.4)%
Cost of sales	311,288	75.8%			313,658	75.0%	2,370	0.8%		
Gross profit	99,590	24.2%			104,766	25.0%	5,176	5.2%		
Selling, general and administrative expenses	78,103	19.0%			82,684	19.8%	4,580	5.9%		
Operating income	21,486	5.2%	21,500	5.1%	22,082	5.3%	595	2.8%	582	2.7%
Non-operating income	3,520	0.9%			4,425	1.1%	905	25.7%		
Non-operating expenses	614	0.1%			1,633	0.4%	1,019	166.0%		
Ordinary income	24,393	5.9%	24,500	5.8%	24,874	5.9%	481	2.0%	374	1.5%
Extraordinary income	13,399	3.3%			7,138	1.7%	(6,261)	(46.7)%		
Extraordinary losses	913	0.2%			306	0.1%	(607)	(66.5)%		
Profit before income taxes	36,879	9.0%			31,707	7.6%	(5,172)	(14.0)%		
Income taxes - deferred	11,802	2.9%			9,671	2.3%	(2,130)	18.0%		
Profit attributable to non-controlling interests	320	0.1%			232	0.1%	(88)	(27.5)%		
Profit attributable to owners of parent	24,757	6.0%	20,200	4.8%	21,803	5.2%	(2,953)	(11.9)%	1,603	6.5%

# Statements of Cash Flows

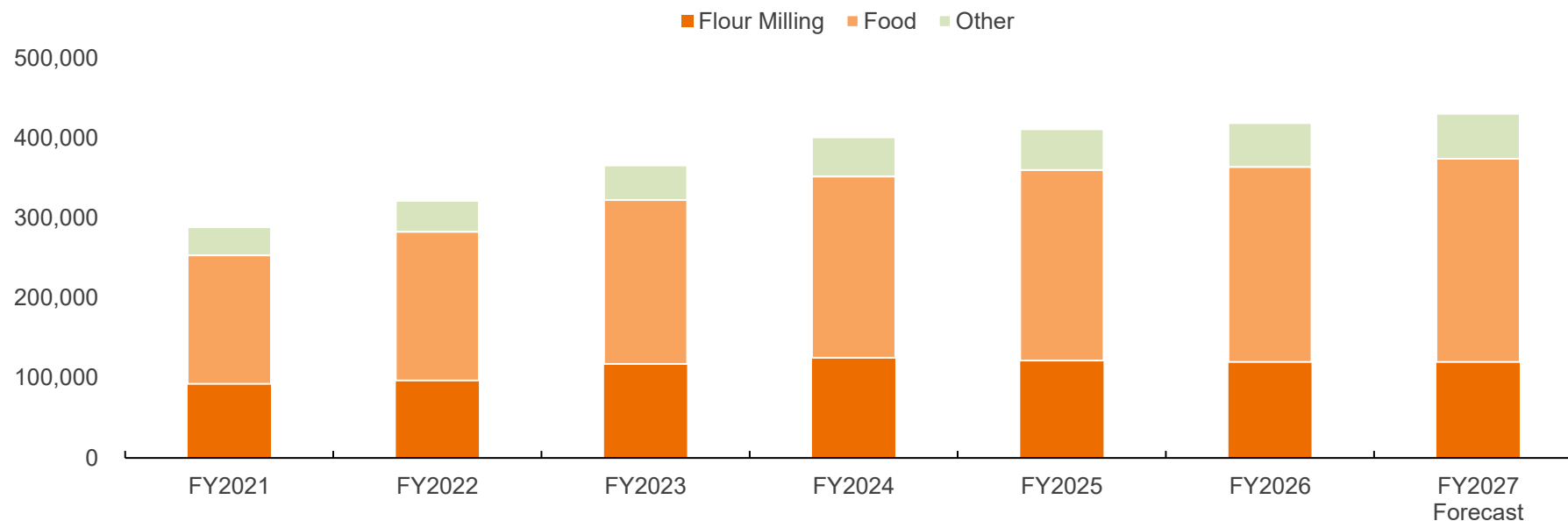
(Millions of yen)	FY2025	FY2026	
	Results	Results	Change
Cash flows from operating activities	18,768	25,272	6,503
Cash flows from investing activities	(7,807)	(27,088)	(19,281)
Cash flows from financing activities	(10,533)	24,467	35,000
Effect of exchange rate changes on cash and cash equivalents	315	99	(215)
Net increase (decrease) in cash and cash equivalents	743	22,751	22,007
Cash and cash equivalents at beginning of period	40,728	41,471	743
Cash and cash equivalents at end of period	41,471	64,222	22,751

# Changes in Net Sales

(Millions of yen)	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027 Forecast
Flour Milling	92,595	96,934	117,604	125,316	121,663	120,000	120,000
Food	160,751	185,911	204,796	226,661	238,353	243,694	254,000
Other	34,977	38,471	43,123	48,536	50,861	54,730	56,000
<b>Total</b>	<b>288,324</b>	<b>321,317</b>	<b>365,525</b>	<b>400,514</b>	<b>410,878</b>	<b>418,425</b>	<b>430,000</b>

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

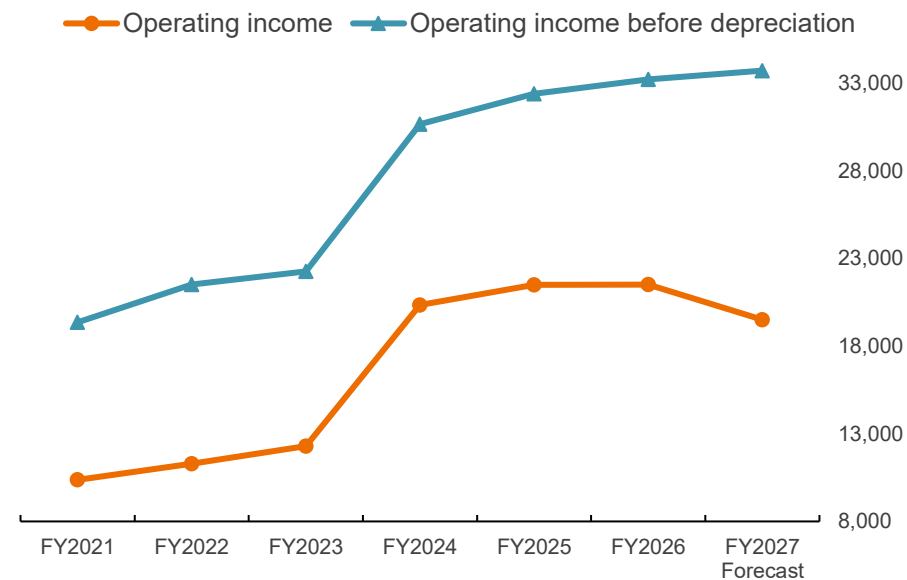
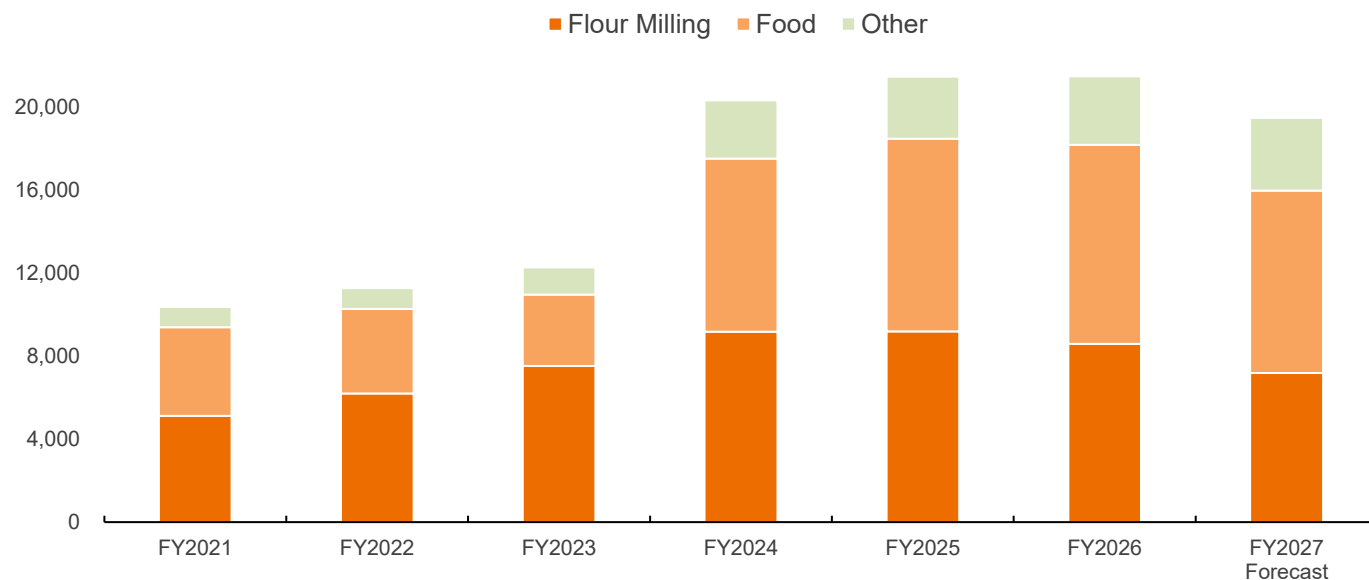
(Millions of yen)



# Changes in Operating Income

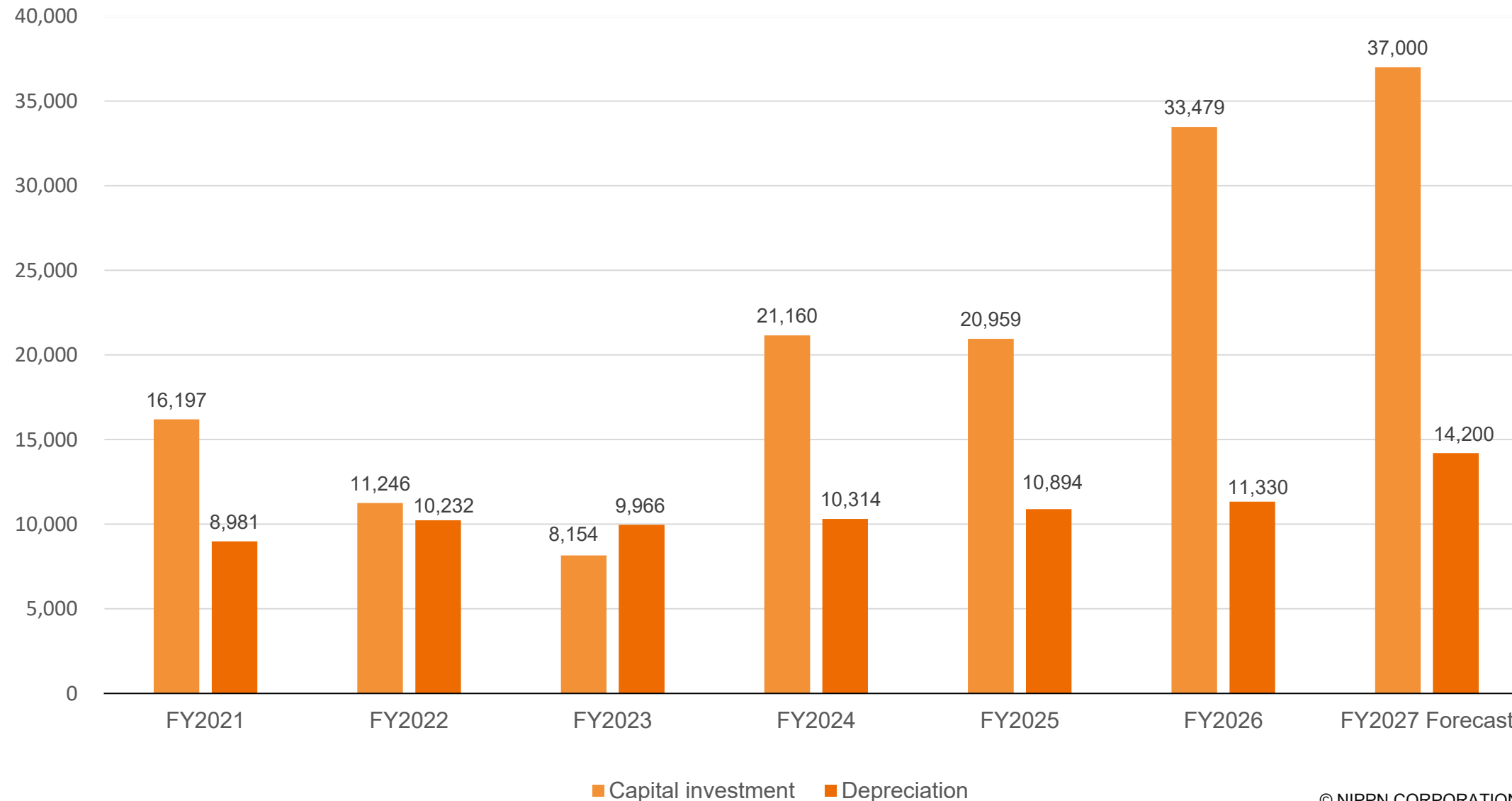
(Millions of yen)	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027 Forecast
Flour Milling	5,133	6,211	7,528	9,186	9,203	9,471	7,200
Food	4,272	4,068	3,449	8,354	9,283	9,065	8,800
Other, etc.	965	1,000	1,309	2,799	3,000	3,545	3,500
Operating income	10,370	11,282	12,288	20,340	21,486	22,082	19,500
Operating income before depreciation	19,351	21,514	22,254	30,655	32,381	33,412	33,700

(Millions of yen)



# Changes in Capital Investment Amounts and Depreciation

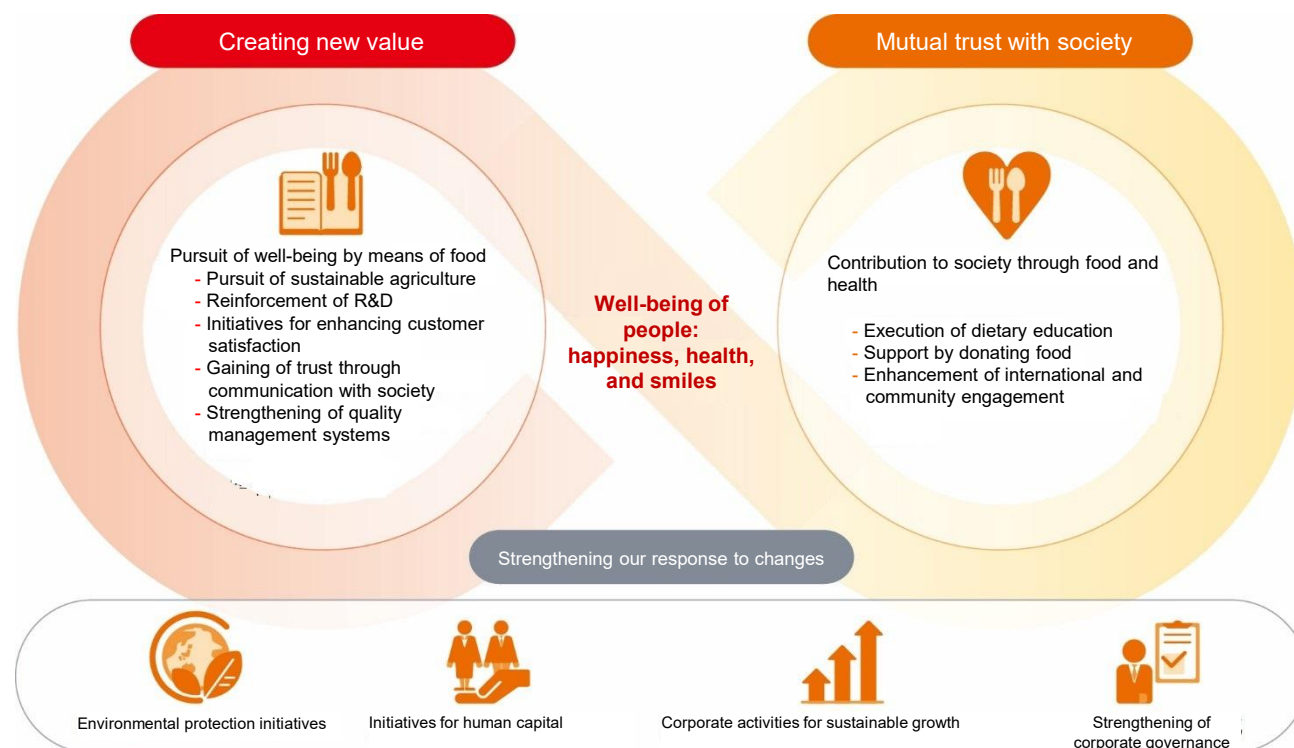
(Millions of yen)





Our long-term vision, “As a comprehensive food company, the NIPPN 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 the Long-term Vision 2030F enables them to develop a greater awareness of sustainability management and acquire new business opportunities, thereby leading to enhancement of the NIPPN 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”
    - ⇒ Overcoming challenges 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”



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 addressing diversifying eating situations and breeding domestic wheat, while also expanding our business to contribute to the “well-being of people.”

## Japan’s First Sterilized, Microwave-compatible Retort Package Utilizing Water-based Flexographic Printing and Solvent-free Lamination

- ▶ This new packaging material that achieves both “environmental consideration” and “microwave compatibility” has been adopted for “Oh’mmy 2-Serving Pasta Sauce,” marking the first case of its adoption in Japan.
- ▶ Switching from a conventional aluminum pouch to this new pouch has led to a reduction of approximately 21% in CO<sub>2</sub> emissions during manufacturing.\*  
\* Calculated by TOPPAN comparing the new pouch with a conventional aluminum pouch. The scope of CO<sub>2</sub> emission calculation covers the following aspects related to packaging: (1) procurement and manufacturing of raw materials, (2) manufacturing, (3) transportation, and (4) recycling and disposal.
- ▶ The new pouch has simultaneously overcome, through a demonstration test with TOPPAN Inc., what had previously been outstanding challenges, including the improvement of the convenience of retort foods by ensuring microwave compatibility, the reduction of the risk of packaging damage during microwave heating and transportation, and environmental consideration.



## Stakeholder Communication at the Chubu Technology Center

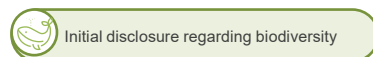
- ▶ The Chubu Technology Center, which relocated to a location near Nagoya Station last year, provides solutions for product development using our food ingredients such as wheat, as well as solutions for our customers’ product development.
- ▶ Additionally, it is designed to function as a media center that harmonizes with the surrounding areas and effectively communicates our initiatives.
- ▶ In December 2025, a focaccia decorating and preparation workshop was held for elementary school children and their families (in cooperation with Chunichi Shimbun). Happy responses were received from participants, such as “I was amazed at how much the dough had risen after fermentation!” We hope this experience will encourage those families to spend more time together through food.





The NIPPN 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 challenge for the continuation of the NIPPN Group's business.

## Biodiversity-related Disclosure Based on TNFD Recommendations



- ▶ The NIPPN Group Biodiversity Policy was established in 2025, clarifying the recognition and actions related to natural capital.
- ▶ Based on the disclosure recommendations of the TNFD, we analyzed the relationship between business and natural capital and made initial disclosures regarding “governance,” “strategy,” and “risk and impact management.”
- ▶ Anticipated risks and opportunities (excerpt)

Scope	Classification	Anticipated Opportunities and Risks	Specific Details	Key Measures
Production of raw materials	Physical risk (chronic)	Changes in suitable cultivation areas due to warming	<ul style="list-style-type: none"> <li>● Rising procurement costs</li> <li>● Decline in procurement volume</li> </ul>	<ul style="list-style-type: none"> <li>● Breeding of varieties adaptable to climate change</li> <li>● Securing multiple procurement sources</li> </ul>
	Physical risk (acute)	Frequent weather-related damage in agriculture	<ul style="list-style-type: none"> <li>● Occurrence of additional costs</li> </ul>	<ul style="list-style-type: none"> <li>● Reduction of GHG emissions</li> </ul>
	Transition risk	Toughened regulations on the use of agricultural materials such as fertilizers and agrichemicals	<ul style="list-style-type: none"> <li>● Occurrence of additional costs</li> <li>● Reputational deterioration</li> </ul>	<ul style="list-style-type: none"> <li>● Initiatives in cooperation with producers for agriculture with lower environmental impact</li> </ul>
	Opportunity	Stabilization of the supply chain through contribution to sustainable agriculture	<ul style="list-style-type: none"> <li>● Reputational improvement</li> <li>● Stabilization and sustainability of the raw material production base</li> </ul>	<ul style="list-style-type: none"> <li>● Initiatives in cooperation with producers for agriculture with lower environmental impact</li> <li>● Breeding of high-value-added wheat varieties adapted to the domestic climate</li> </ul>

## Environmental Consideration and Initiatives at the New Chita Mill

- ▶ At the Chita Mill, which had commenced operations in February 2026, solar power generation equipment was introduced, which was the fourth case at our mills in Japan. Renewable energy is used to effectively cover 100% of the electricity used at the mill,\* enabling the mill to achieve high energy-saving performance, including the acquisition of ZEB Ready certification.
  - \* The effective 100% renewable energy coverage is achieved through the use of non-fossil certificates.
- ▶ Our Group's first carbon-neutral mill in pursuit of achieving our GHG emission reduction targets



Chita Mill's solar panels



By pursuing the simultaneous achievement of social value and economic value, the NIPPN 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.

## Development of a Sustainable Supply Chain

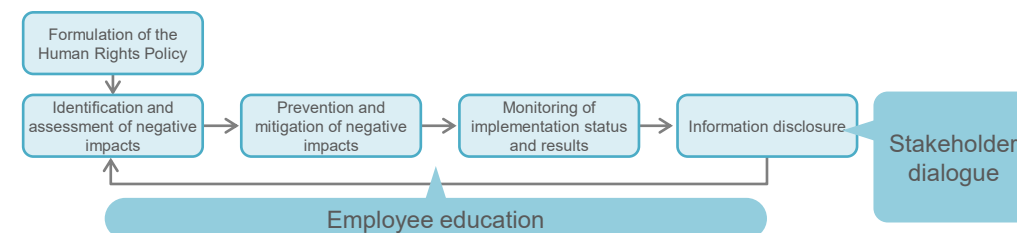
- ▶ In 2025, we established a task force for building a sustainable supply chain and revised our Human Rights Policy and Basic Procurement Policy.
- ▶ After receiving expert advice and engaging in dialogue with stakeholders, the policies have been shaped to meet the requirements of the International Bill of Human Rights and the International Labour Organization (ILO)'s ILO Declaration on Fundamental Principles and Rights at Work, among others, and apply to all officers and employees of the NIPPN Group.

### ▶ Promotion structure for human rights initiatives



## Addressing Human Rights Risks

- ▶ As an implementation process for addressing human rights risks in the value chain, a self-assessment questionnaire survey was conducted in line with the Human Rights Due Diligence Guidance.



- ▶ NIPPN Group employees will promote the understanding and practice of respect for human rights throughout the supply chain in accordance with the NIPPN Group Human Rights Policy.

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 to Promote Understanding Regarding People with Disabilities	Approx. once a year	All employees
Training on Business and Human Rights	Approx. once a year	All employees (including Group companies' employees)
Human Rights E-learning	Throughout the year	All employees (including Group companies' employees)

**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**