

The NIPPON logo is located in the top left corner. It consists of the word "nippon" in a lowercase, orange, sans-serif font. A red dot is positioned above the letter "i".

nippon

Code number: 2001

Briefing Session on Business Results for the First Half of the Fiscal Year Ending March 31, 2024 (FY2024)

November 17, 2023

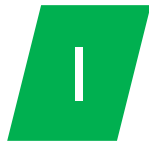
NIPPON CORPORATION

<https://www.nippon.co.jp>





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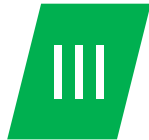
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I Overview of Business Results for the First Half of FY2024 and FY2024 Performance Forecasts

Statements of Income

- Net sales **increased**, reflecting an increase in demand due to recovery of personal consumption and inbound consumption and the implementation of sales price revisions in each business in response to rising raw material costs as well as various other costs.
- Despite rising raw material costs as well as various other costs and an increase in strategic costs for sales expansion, profit **increased** owing to growth in the sales volume of frozen foods, centering on one-plate dishes, and robust performance of the ready-made meal business.

(Millions of yen)		1H FY2023		1H FY2024		YoY	
		Result	% of net sales	Result	% of net sales	Change	Change (%)
Net sales	Flour Milling	56,149	31.8%	62,711	31.5%	6,562	11.7%
	Food	100,364	56.9%	113,107	56.8%	12,743	12.7%
	Other	19,975	11.3%	23,154	11.6%	3,178	15.9%
	Total	176,488	100.0%	198,973	100.0%	22,484	12.7%
Operating income	Flour Milling	3,425	6.1%	4,563	7.3%	1,138	33.2%
	Food	2,041	2.0%	5,488	4.9%	3,446	168.9%
	Other	362	1.8%	984	4.2%	620	171.3%
	Total	5,829	3.3%	11,035	5.5%	5,205	89.3%
Ordinary income		7,211	4.1%	12,544	6.3%	5,332	73.9%
Profit attributable to owners of parent		4,963	2.8%	8,489	4.3%	3,526	71.1%

Analysis of Factors for Changes in Net Sales

(Millions of yen)



Increase of ¥22,484 million [12.7%] compared with 1H FY2023

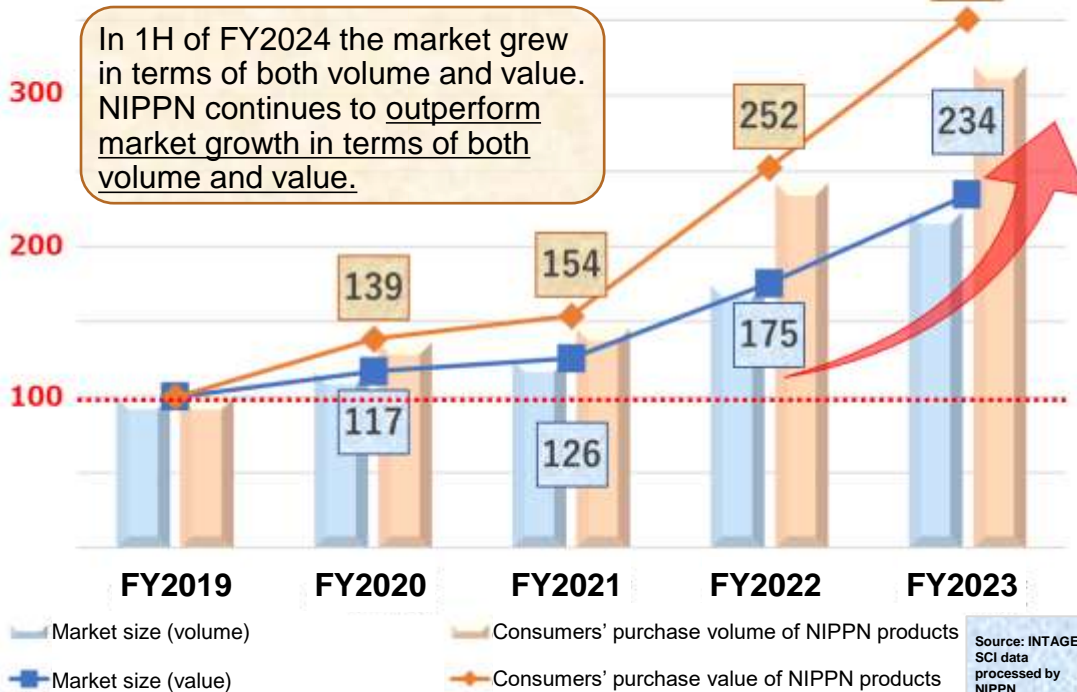
One of the Factors for Higher Sales of the Food Business: Trend of the Frozen Foods Market

- The trend of the professional-use frozen foods market is gradual recovery after a temporary decline during the COVID-19 pandemic. On the other hand, the home-use frozen foods market, which expanded during the pandemic, is currently tending to stabilize.
- NIPPN's frozen foods business has been outperforming the market for both professional use and home use. In particular, NIPPN's market share is increasing, centering on the One Plate Meal series in the segment of home-use "set" frozen foods consisting of a main dish and a staple, a segment that is expanding in tune with consumers' lifestyles.

★ Market size of home-use "set" frozen foods segment

◆ Consumers' purchase volume and value

(Indexed with FY2019 as 100)

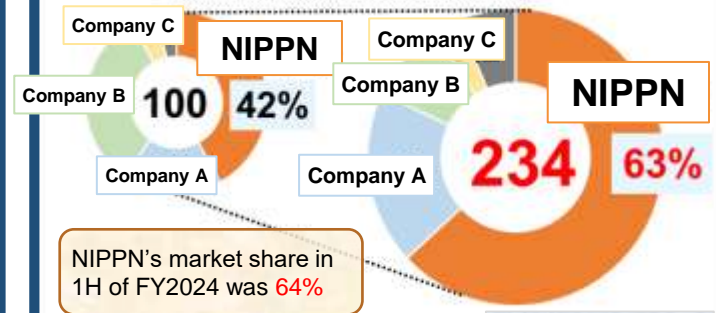


★ Market share (value basis)

◆ Market share in home-use "set" frozen foods segment (compared with FY2019)

FY2019

FY2023

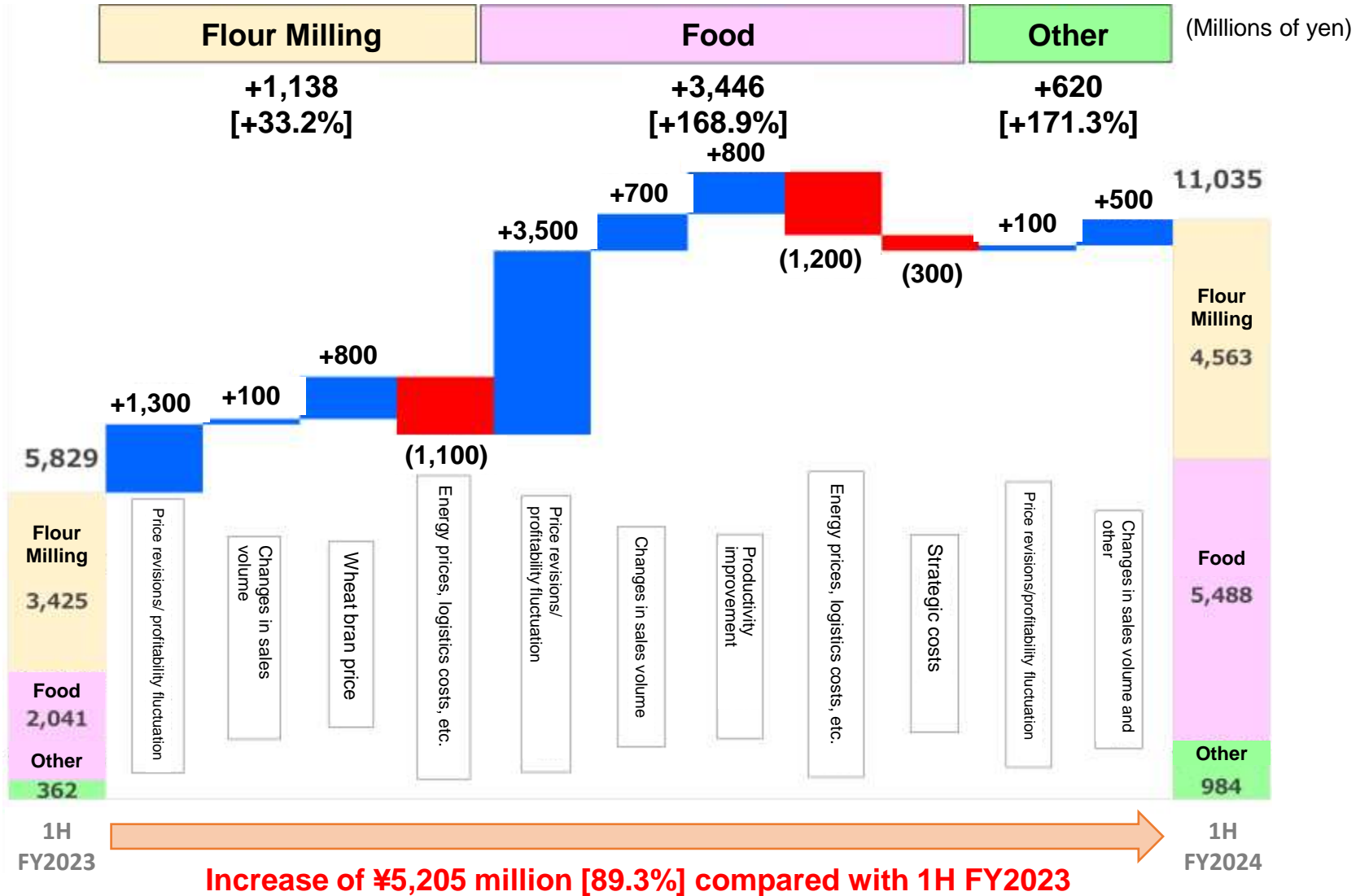


Source: INTAGE SCI data processed by NIPPN

◆ One Plate Meal series

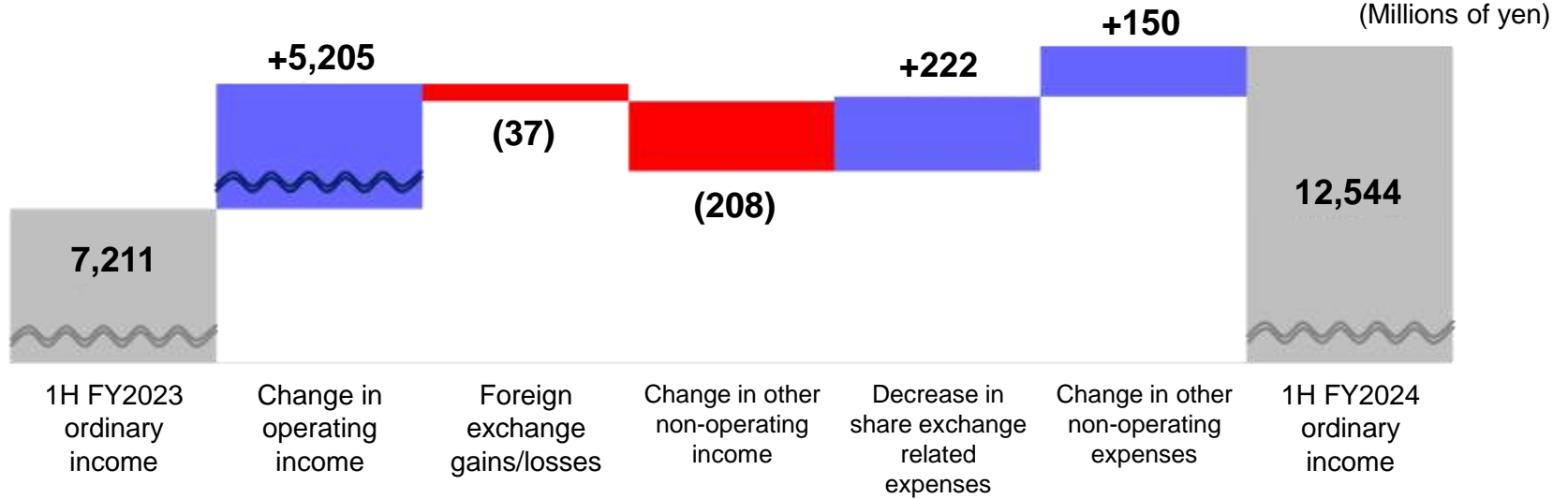


Analysis of Factors for Changes in Operating Income

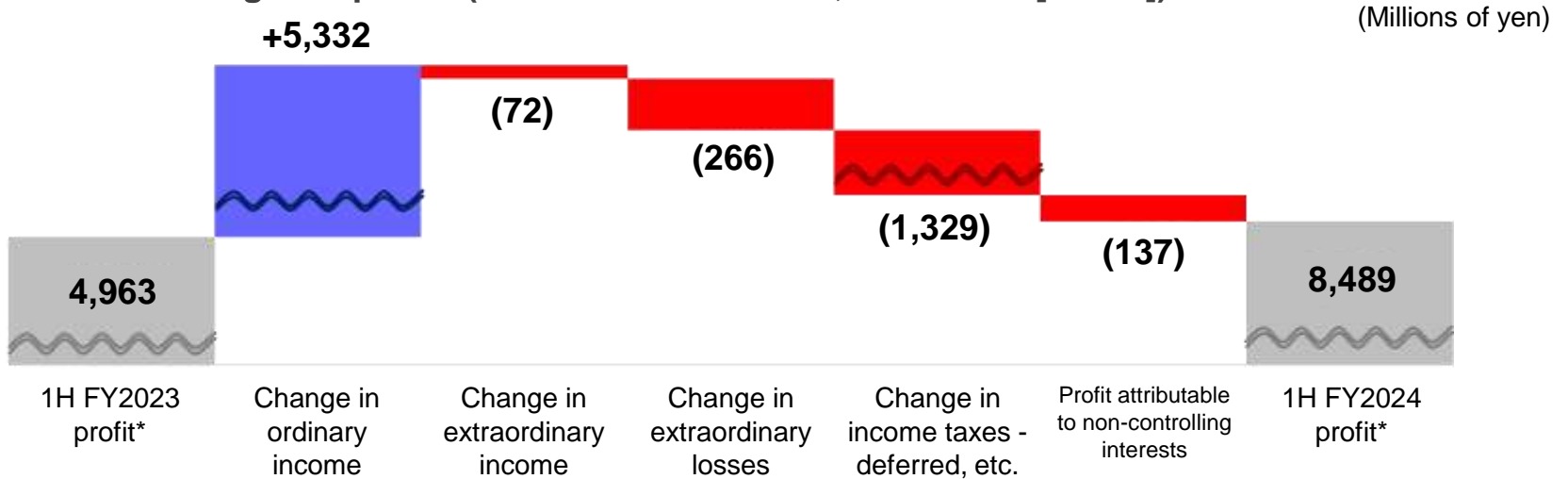


Analysis of Factors for Changes in Ordinary Income / Profit*

■ Factors for changes in ordinary income (overall increase of ¥5,332 million [73.9%])



■ Factors for changes in profit* (overall increase of ¥3,526 million [71.1%])



* Profit attributable to owners of parent

Balance Sheets

(Millions of yen)	FY2023		1H FY2024		Change	
	(As of Mar. 31, 2023)	Component ratio	(As of Sep. 30, 2023)	Component ratio		
Current assets	143,021	41.5%	148,328	40.6%	5,306	(0.9)p
Property, plant and equipment	113,467	32.9%	115,645	31.6%	2,177	(1.3)p
Intangible assets	2,175	0.6%	2,568	0.7%	392	0.1p
Investments and other assets	85,914	24.9%	98,935	27.1%	13,020	2.2p
Non-current assets	201,557	58.5%	217,149	59.4%	15,591	0.9p
Deferred assets	26	0.0%	19	0.0%	(6)	(0.0)p
Total assets	344,606	100.0%	365,497	100.0%	20,890	-
Current liabilities	78,613	22.8%	82,905	22.7%	4,292	(0.1)p
Non-current liabilities	73,378	21.3%	74,192	20.3%	813	(1.0)p
Total liabilities	151,992	44.1%	157,098	43.0%	5,105	(1.1)p
Shareholders' equity and accumulated other comprehensive income	188,687	54.8%	204,342	55.9%	15,654	1.1p
Subscription rights to shares	226	0.1%	221	0.1%	(4)	(0.0)p
Non-controlling interests	3,699	1.1%	3,834	1.0%	135	(0.1)p
Total net assets	192,613	55.9%	208,398	57.0%	15,785	1.1p
Total liabilities and net assets	344,606	100.0%	365,497	100.0%	20,890	-

Statements of Cash Flows

(Millions of yen)

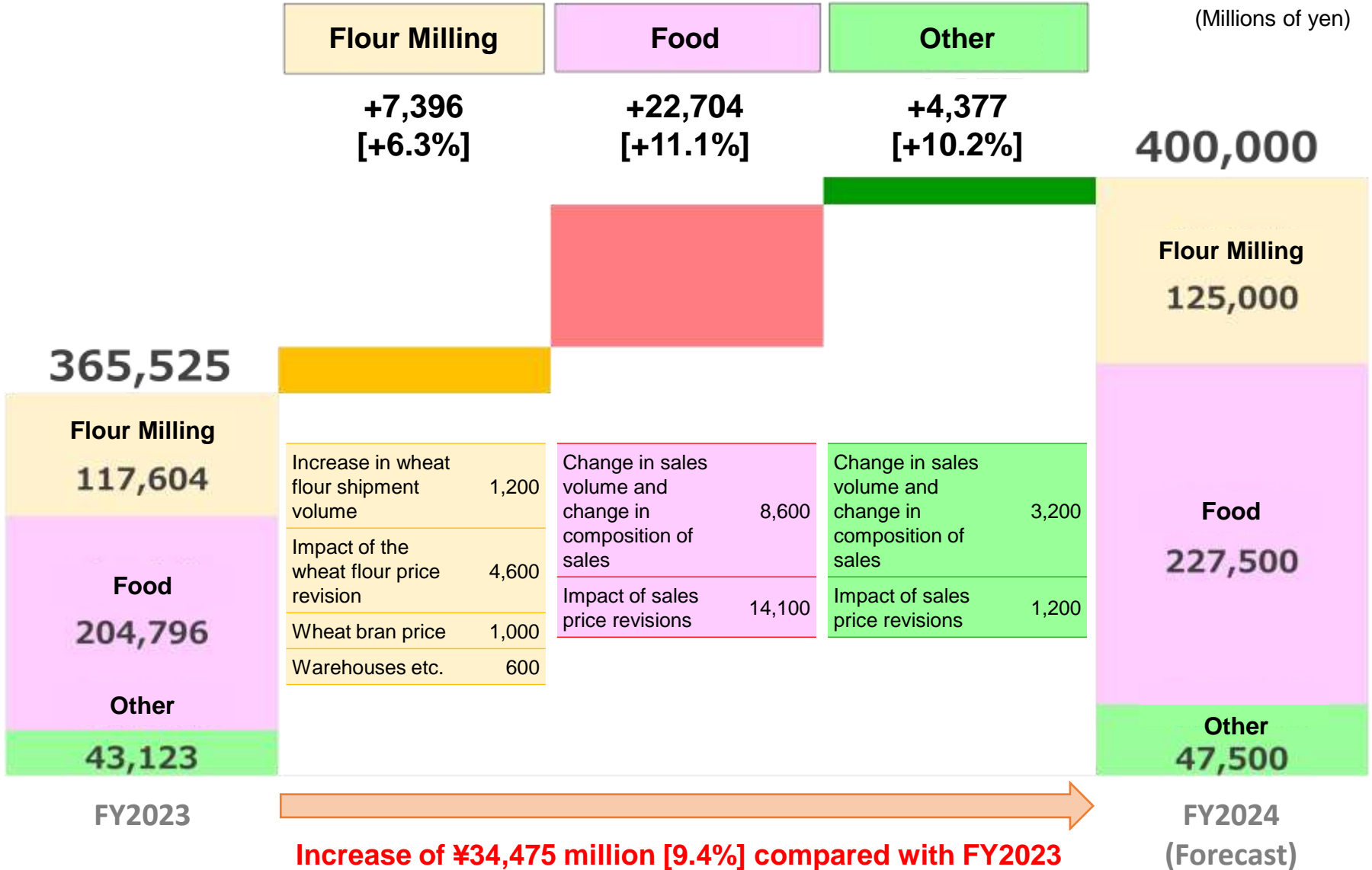
	1H FY2023	1H FY2024	Change
Operating activities	3,620	7,293	3,673
Investing activities	(2,730)	(9,077)	(6,346)
Financing activities	(4,869)	(3,330)	1,539
Effect of exchange rate change on cash and cash equivalents	520	305	(215)
Net increase (decrease) in cash and cash equivalents	(3,459)	(4,809)	(1,350)
Cash and cash equivalents at beginning of period	31,215	33,157	1,942
Cash and cash equivalents at end of period	27,756	28,348	592

FY2024 Performance Forecasts

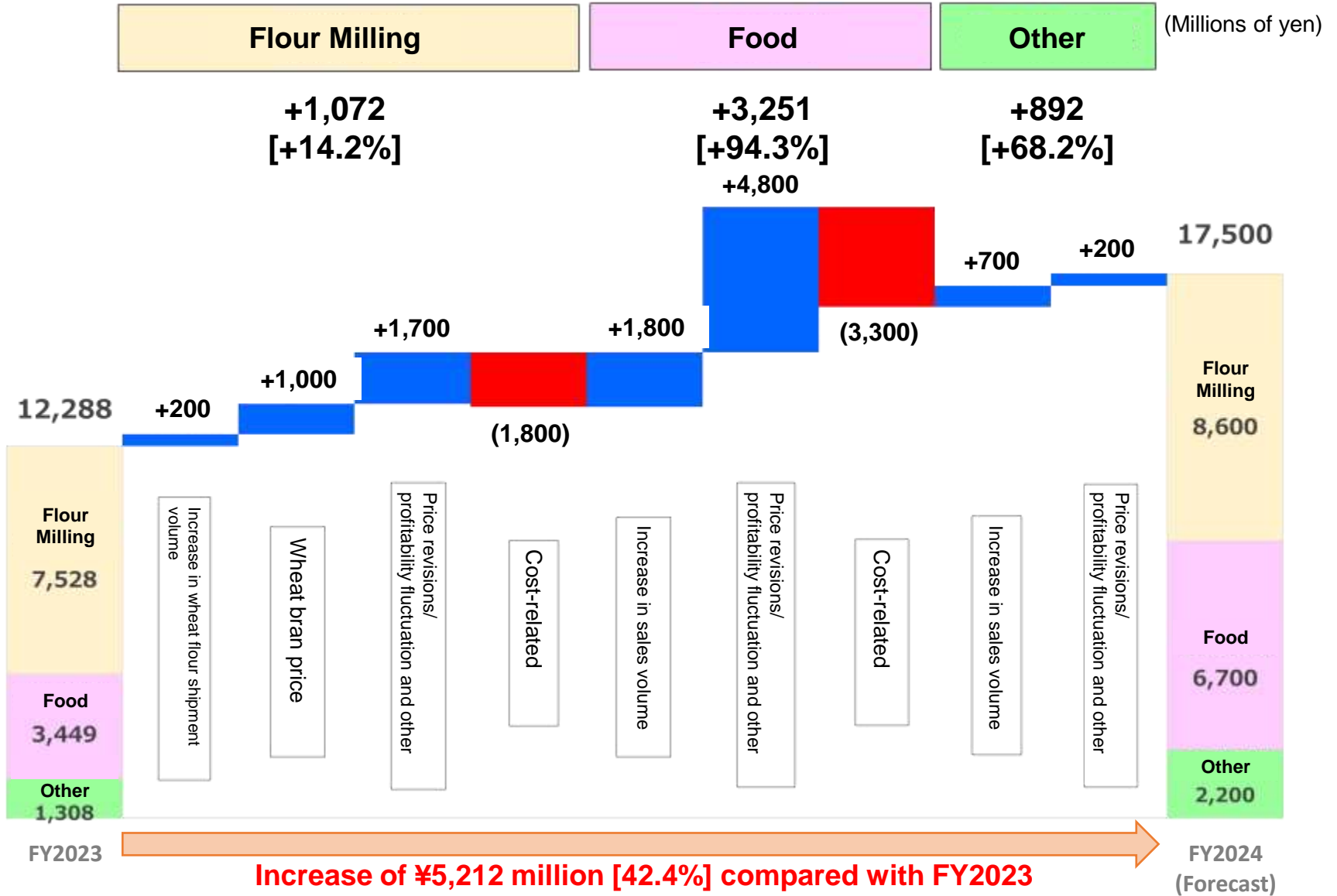
- **Net sales** are expected to **increase 9.4%** or **34.4 billion yen** compared with FY2023 owing to the transfer of increases in prices of raw materials, energy, etc. to sales prices, in addition to increases in shipments in all segments.
- **Operating income** is expected to **increase 42.4%** or **5.2 billion yen** compared with FY2023 owing to sales expansion and further productivity improvement, although investment in systems, labor costs, and advertising and sales promotion expenses in the food segment are expected to increase, in addition to increases in energy prices and logistics costs.

		FY2023		FY2024		YoY	
		Result	% of net sales	Forecast	% of net sales	Change	Change (%)
(Millions of yen)							
Net sales	Flour Milling	117,604	32.2%	125,000	31.3%	7,396	6.3%
	Food	204,796	56.0%	227,500	56.9%	22,704	11.1%
	Other	43,123	11.8%	47,500	11.9%	4,377	10.2%
	Total	365,525	100.0%	400,000	100.0%	34,475	9.4%
Operating income	Flour Milling	7,528	6.4%	8,600	6.9%	1,072	14.2%
	Food	3,449	1.7%	6,700	2.9%	3,251	94.3%
	Other	1,308	3.0%	2,200	4.6%	892	68.2%
	Total	12,288	3.4%	17,500	4.4%	5,212	42.4%
Ordinary income		14,816	4.1%	20,000	5.0%	5,184	35.0%
Profit attributable to owners of parent		10,260	2.8%	14,500	3.6%	4,240	41.3%

Analysis of Factors for Changes in Net Sales Forecasts

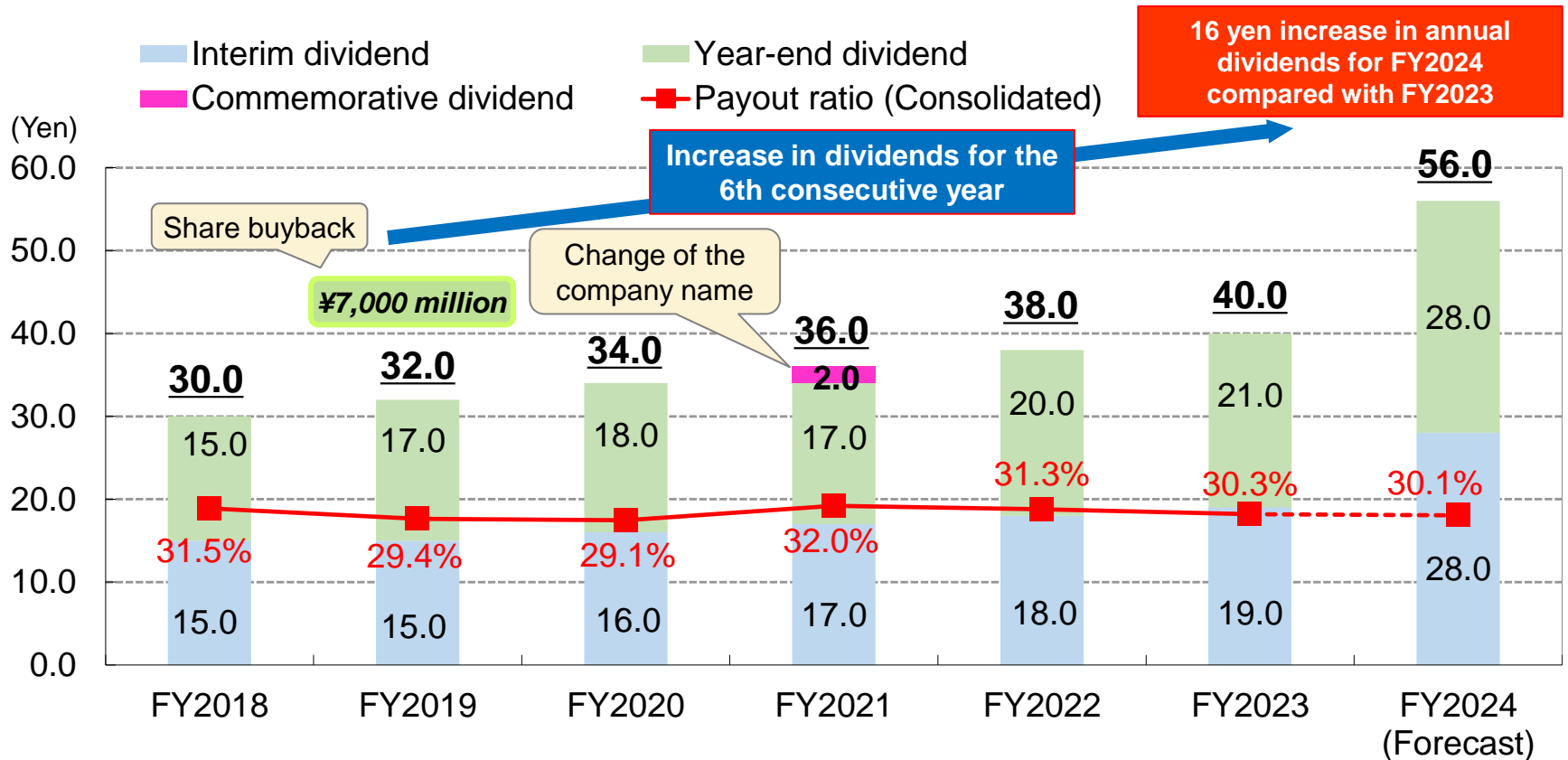


Analysis of Factors for Changes in Operating Income Forecasts



Shareholder Returns

- Our dividend policy is to maintain stable payment of dividends. While prioritizing the securing of sufficient internal reserves to fund investment for future corporate growth, we target a **payout ratio of 30% or higher**, with special and extraordinary profit/loss due to the sale of assets and other factors excluded from calculations.
- With regard to share buybacks, our policy is to consider flexibly implementing share buybacks, taking into account future business development, investment plans, and other factors in a comprehensive manner.





II NIPPON Group Initiatives for Corporate Value Creation

—Aim to strengthen the earnings power and enhance corporate value through sustainable growth—

Contents

- 1. Corporate Value Creation Strategy**
2. Initiatives by Business
3. Financial Strategy



Management Philosophy / Management Policy / Long-term Vision

Management Philosophy

The NIPPN Group “**contributes to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people.**”

Management Policy

Together with our customers

We deliver health and smiles to all customers through “**Food experience**”. We will create a new era of “Food” by developing products and services that anticipate change, harnessing the technological capabilities, which have been developed since our founding, and DX.

Together with our employees

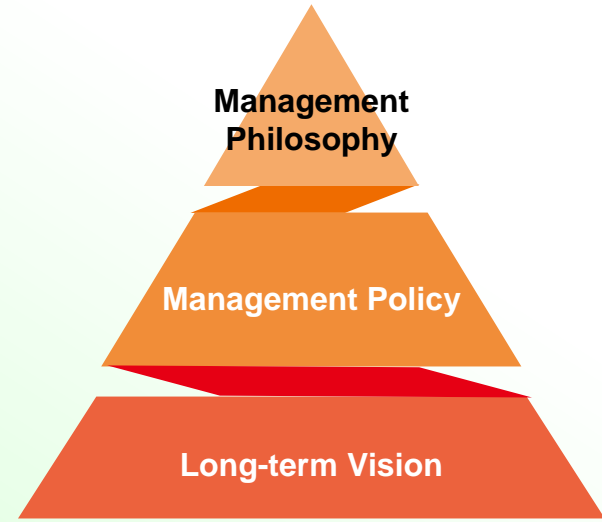
We are committed to solving social issues **with enthusiasm and passion** within a fair and open corporate culture.

Together with our shareholders

We will work to enhance corporate value through **highly transparent** information disclosure and dialogue with shareholders.

Together with society

As a **resilient company** that practices ESG management, we are committed to working with our partners both within and outside of Japan with a focus on the actual situation in Japan and overseas to create a better society and a better planet.



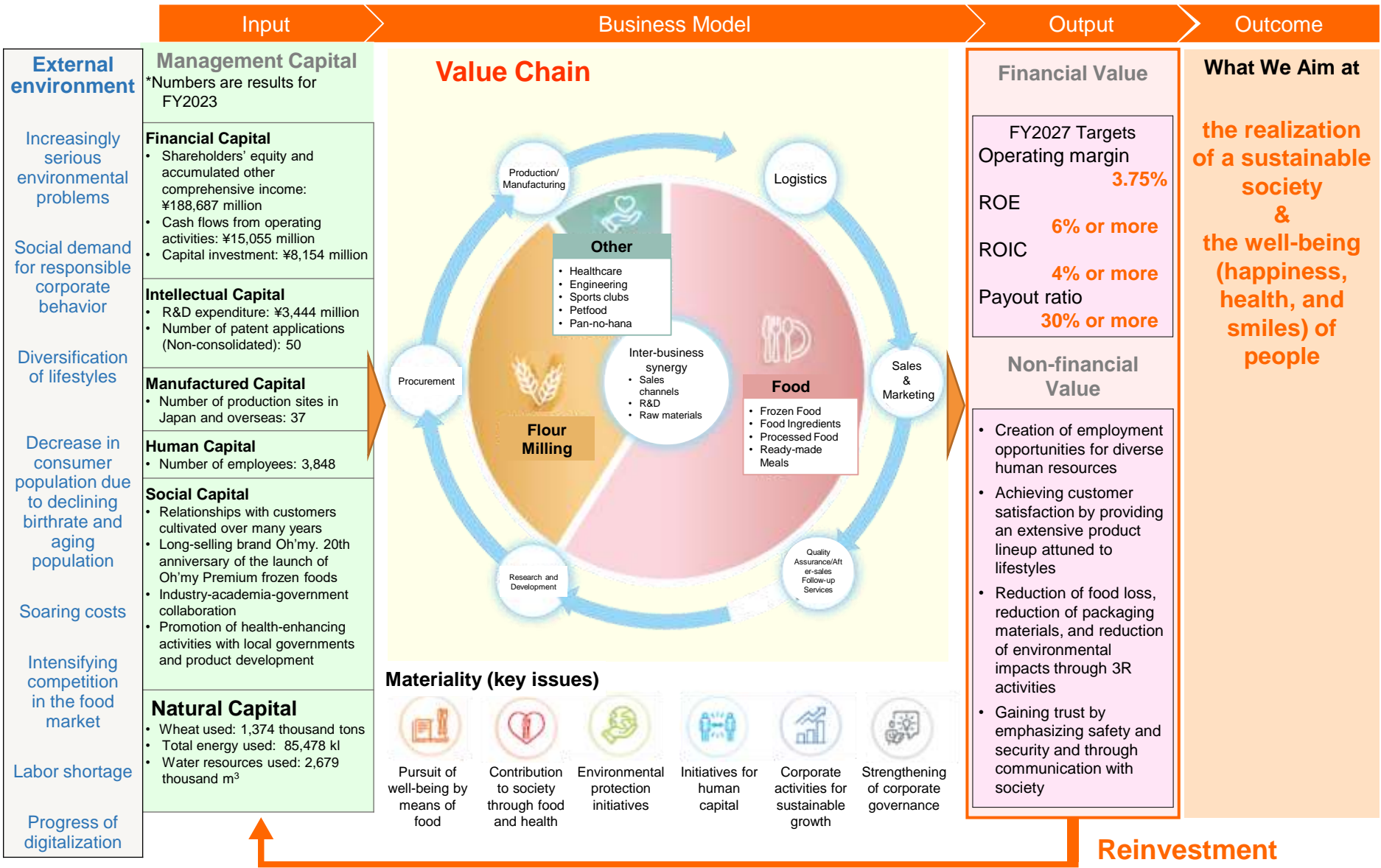
Long-term Vision

To realize the management philosophy, we will deliver happiness, smiles, and physical and mental health to people by **creating “food”** for the new era, anticipating change, and continue to contribute to a better society and planet while **resolving social issues** such as those related to the environment and human rights.

Targeted business scale

Net sales	500 billion yen
Operating income	25 billion yen
Operating margin	5%
ROE	8%

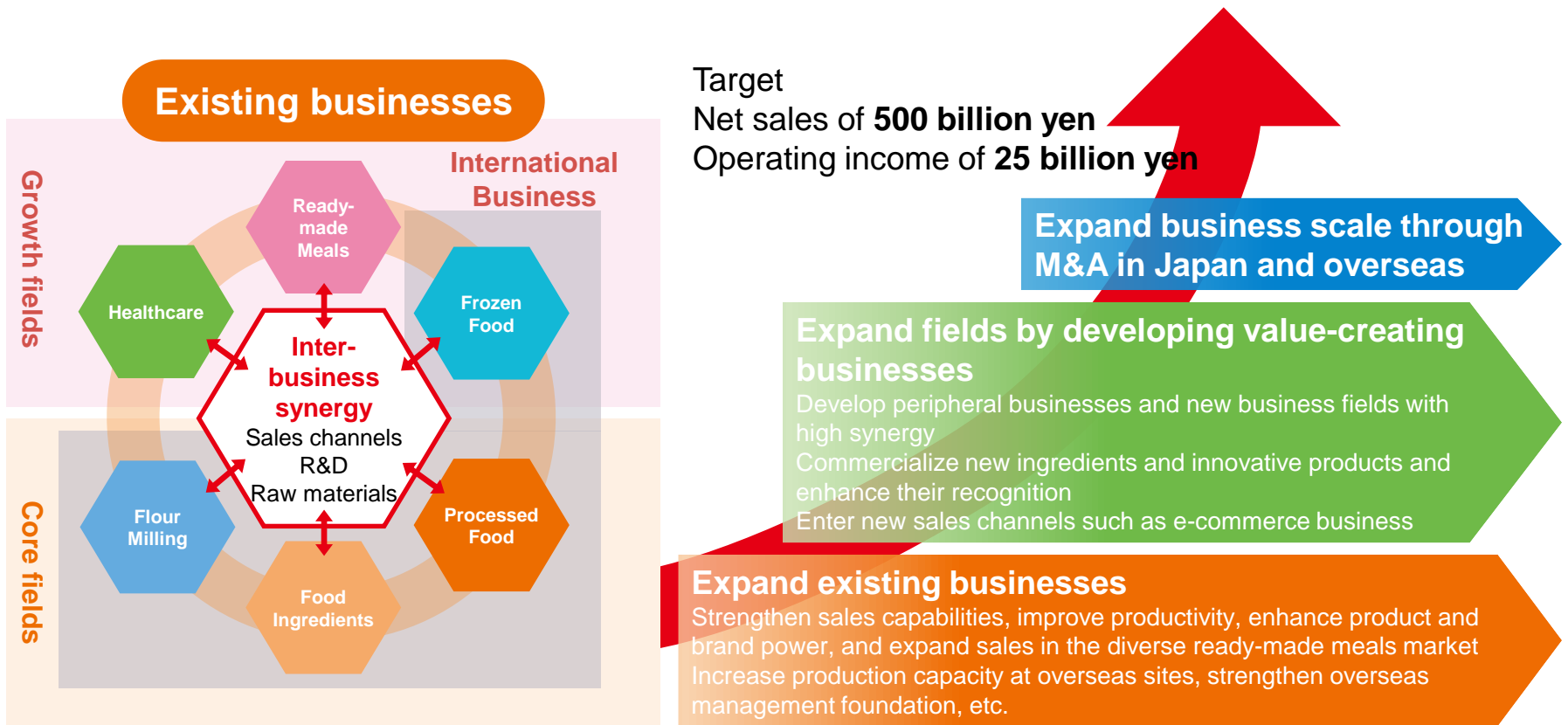
NIPPN's Value Creation Process



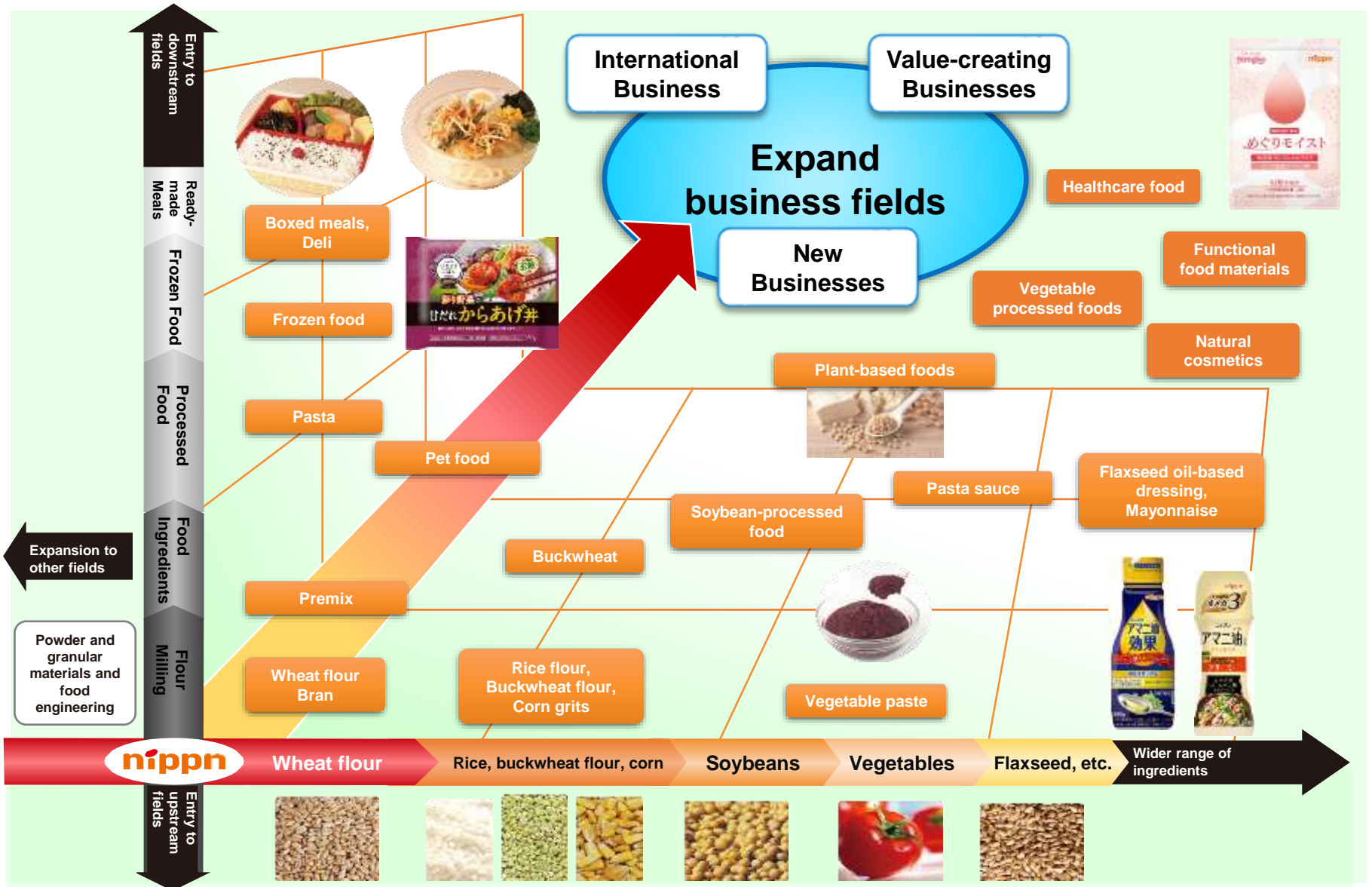
Outline of the Strategies for Achieving the Long-term Vision

By strengthening the foundations of our existing businesses and increasing production capacity, we will achieve sustainable profit growth and stable generation of cash, while also **concentrating management resources on growth fields**.

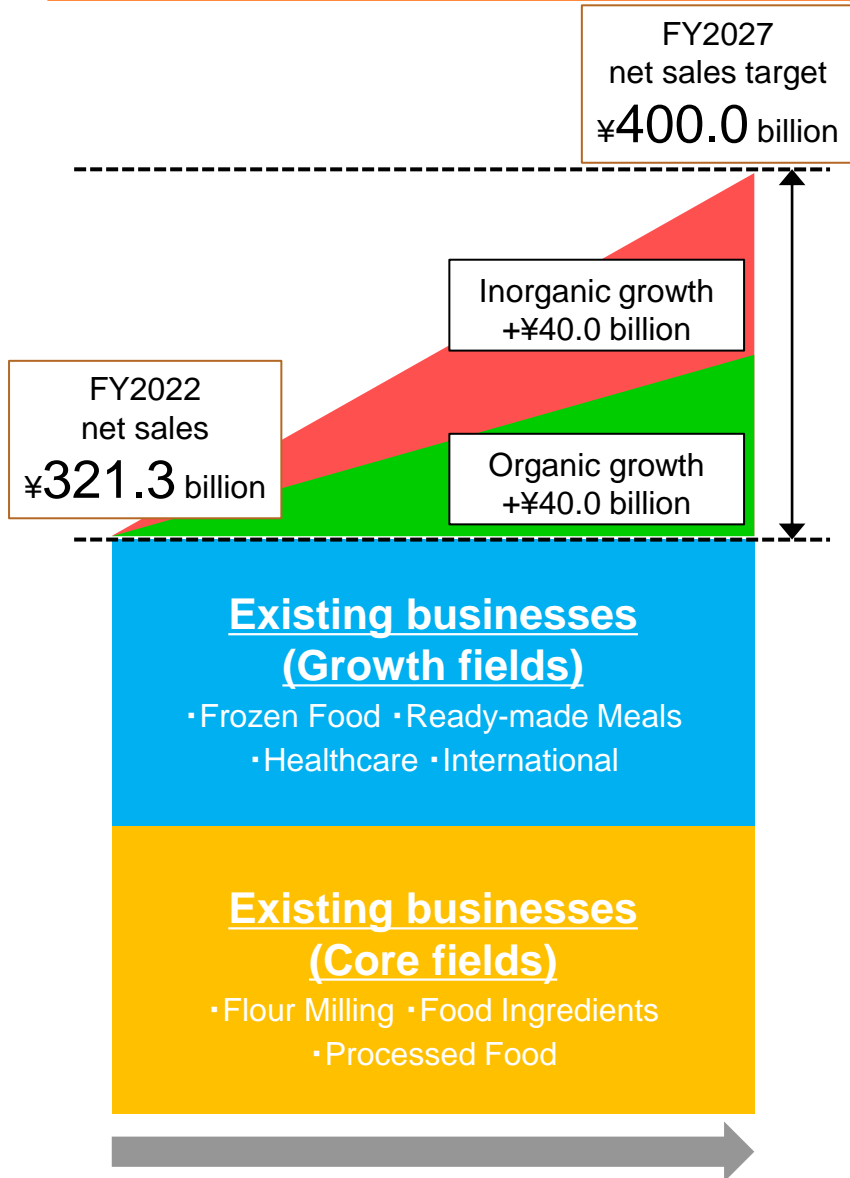
Develop value-creating businesses through **business expansion into global markets and creation of new businesses** to realize further growth.



Orientation of the Business Growth



FY2023-2027 Medium-term Targets



Medium-term targets (FY2027 target)

Net sales	¥400.0 billion (vs. FY2022 +¥80.0 billion)
Operating income	¥15.0 billion
ROE	6% or more
ROIC	4% or more

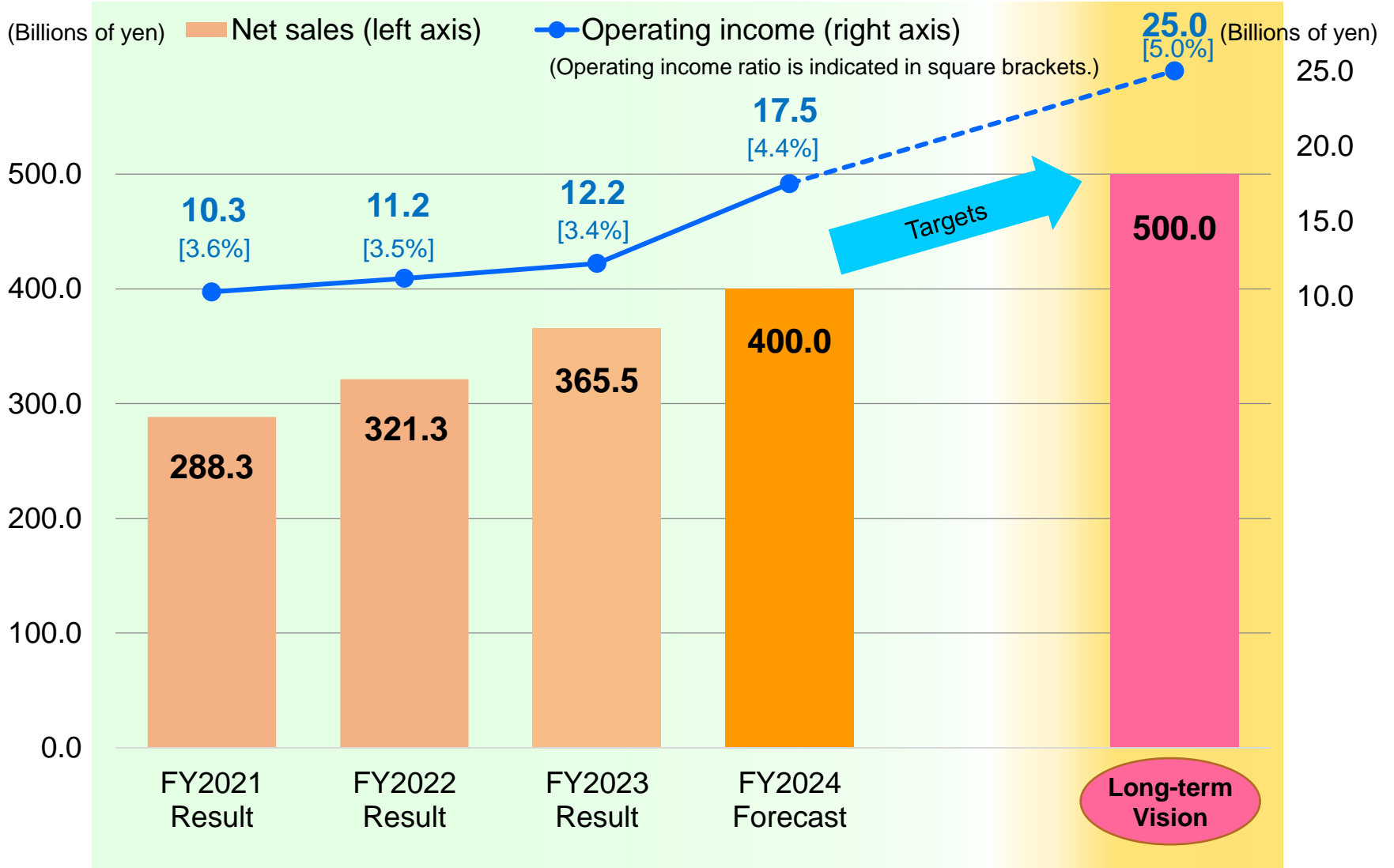
Basic policy of the strategy

- Strengthening earnings power of the core fields
- Strategic investment in growth fields and new fields
- Pursuit of M&A and alliance opportunities
- Strengthening of the management foundation through promotion of DX etc.
- Promotion of sustainability management

Revision of FY2023-2027 medium-term targets

- Progress has been made in strengthening the earnings power of existing businesses. FY2024 results are forecast to exceed the net sales and operating income targets set for FY2027.
- We plan to set new numerical targets with the Long-term Vision in mind, after reviewing the status of achievement concerning each issue at the time of setting the medium-term targets.

Growth Envisioned by the Group



* The figures for FY2021 have been adjusted retroactively due to a change in accounting policy.

Expansion of the Scope of Business through M&A and Business Alliances in Japan and Overseas

- ◆ Accelerate business growth by gaining external resources through M&A and business alliances in addition to utilizing existing management resources
- ◆ Currently, we are considering new initiatives and new investments overseas.
- ◆ We intend to disclose information on major investments, as necessary, after institutional decisions are made.

Initiatives in FY2024: Investment in Utah Flour Milling, LLC

- Utah Flour Milling, LLC is a flour milling company in the U.S. invested by PHM Brands, LLC, which mainly operates wheat flour business in the U.S. NIPPN will participate as a business and strategic partner in operation of the new flour mill to be constructed in Utah, which will sell wheat flour to subsidiaries of Campbell Soup, a major U.S. food company, and to customers on the West Coast of the U.S.
- This is **a move to achieve business expansion in North America** and business development, including **promotion of the inorganic growth strategy**. Through direct engagement in the flour milling business in the U.S. we aim to enhance **the Group's overall strength as a flour miller**.
- **Achieve synergy** with the Group's two existing sites in the US and accelerate business growth in the US with a view to **further expansion of its international business**

NIPPN Group's business in the US



Existing businesses in the US

① **Pasta Montana, L.L.C.**

Manufacture and sale of pasta

② **NIPPN California Inc.**

Sale of premix products, etc.

▶ Overview of investment

Investment amount: US\$25 million

(approx. JPY3.3 billion)

Contract conclusion date: May 15, 2023

Investment ratio: 25% (equity-method affiliate)

▶ Overview of Utah Flour Milling, LLC

Establishment: February 2023 Business: Production and sales of wheat flour

Location of the mill: Utah Start of operation: Around October 2024

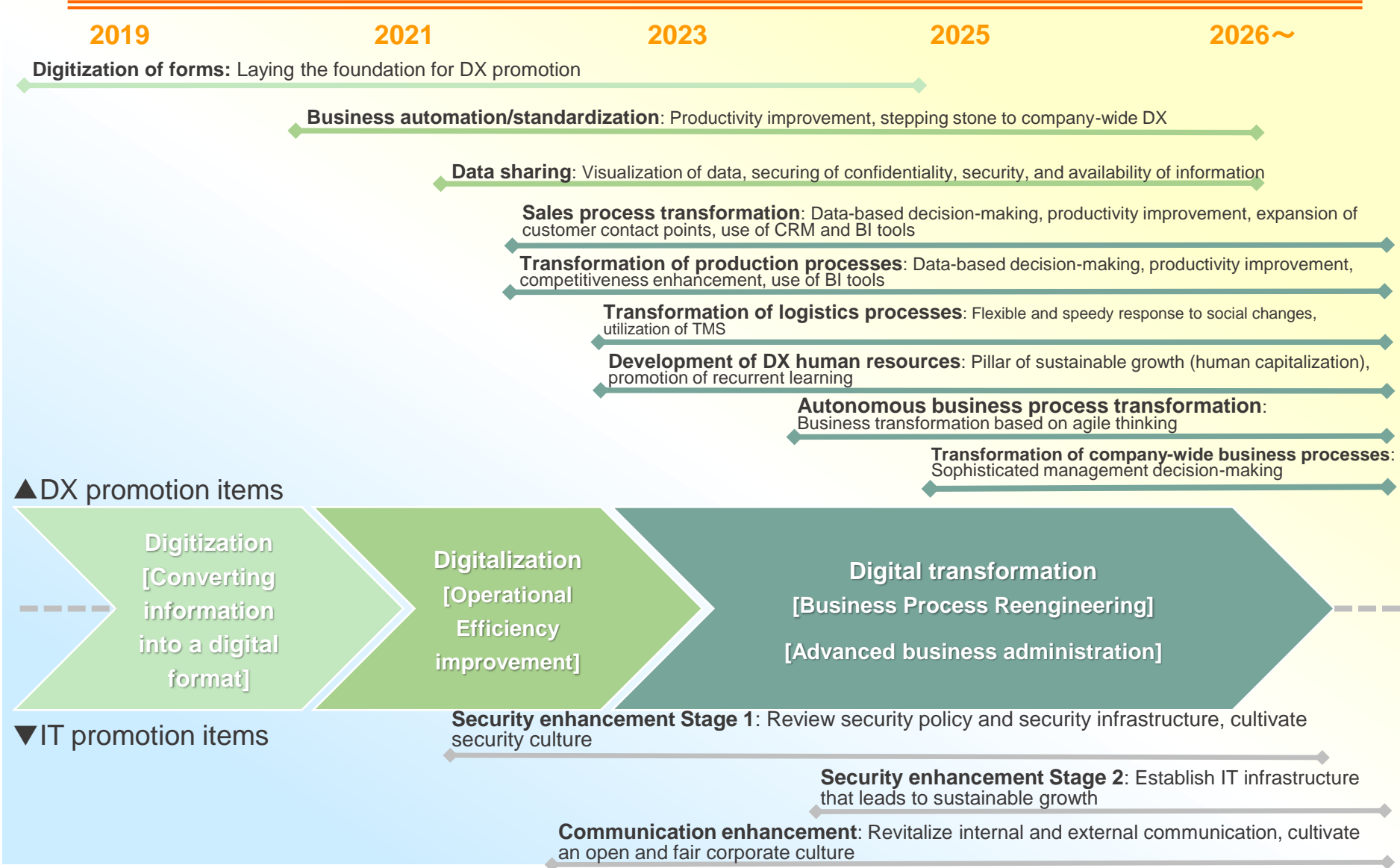
Production capacity: Approx. 340 t/day (flour-based) Site area: Approx. 21,000

m²

<Artist's impression of the mill>



Strengthening Management Foundation through DX (Digital Strategy)



Contents

1. Corporate Value Creation Strategy
2. Initiatives by Business
3. Financial Strategy



Focus Fields of Growth Strategy

Frozen Food Business

Key strategies

- Gain the top market share for frozen pasta for one-person servings
- Develop products attuned to changes in lifestyles
- Commercialize new ingredients
- Cultivate new sales channels
- Expand overseas exports of frozen foods

Ready-made Meals Business

Key strategies

- Rebuild the “earning power” of the daily maker business
- Establish the production system for improvement of the profit structure
- Diversify sales destinations
- Cultivate existing markets

Four focus fields

Healthcare Business

Key strategies

- Foster mainstay brands of functional foods
- Expand the range of functional ingredients with high added value
- Promote development with a view to entering the femtech market
- Expand the NIPPN Kenko Tsuhan business of online sales of health products utilizing NIPPN’s proprietary ingredients
- Expand sales channels by exporting functional ingredients

International Business

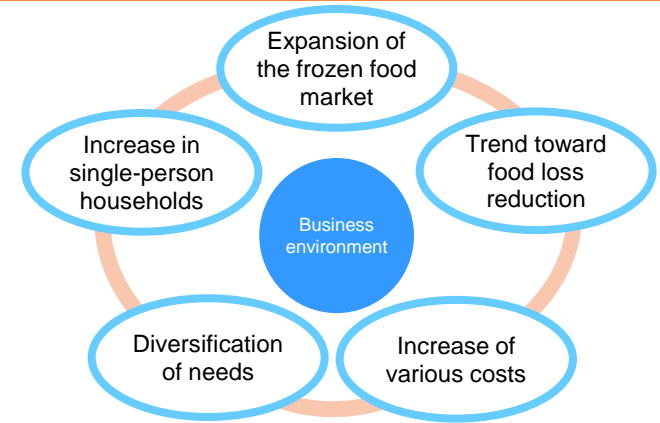
Key strategies

- Strengthen overseas management foundation
- Expand business in the areas contiguous with areas where NIPPN has already established a presence
- Promotion of the inorganic growth strategy
- Implement capital investment to strengthen production capacity and improve efficiency

Initiatives of the Business: **Frozen Food Business [Focus Field]**

Medium-term policies

- ◆ Promote expansion of the market share for frozen pasta products for one-person servings
- ◆ Further expand the market for one-plate meals and rice dishes for one-person servings, for which NIPPN has top market shares, to reinforce the position as a comprehensive frozen foods manufacturer



Key strategies

Gain the top market share for frozen pasta for one-person servings

Develop products attuned to changes in lifestyles

Commercialize new ingredients, cultivate new sales channels

Measures for FY2024

- Implementation of Oh'my Premium 20th anniversary campaign to maintain the position of No. 1 frozen pasta brand
- **Airing of Oh'my Premium commercials to increase brand awareness**

- **Enrichment of the lineup of one-plate products and increase of store coverage to expand the customer base**
- Completion of capacity increase by line refurbishment at Isesaki Plant

- Expanding distribution of SOYL PRO-based processed products and ingredients and processed products of frozen vegetables (kale, beets)
- Expanding distribution to e-commerce businesses, including the NIPPN website

Medium-term measures

- **Promote labor saving in manufacturing process and enhance cost competitiveness**
- **Switch trays for the Big Series to paper trays**
- **Eliminate outer pillow film packaging for the Premium Series**

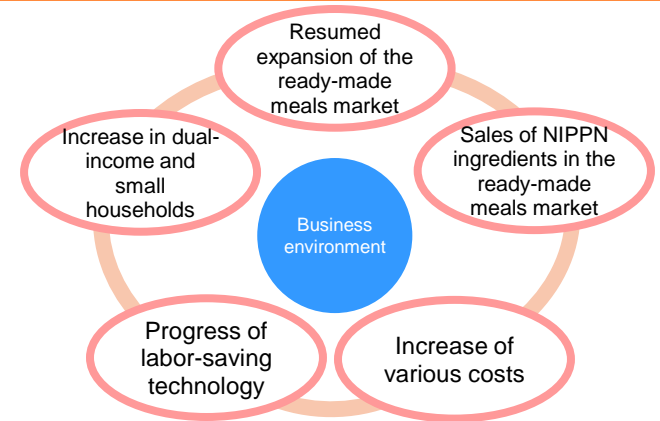
- Expand the range of products for men and products for vegans to expand the customer base
- Promote elimination of the use plastics by promoting use of paper and molded pulp trays

- **Sell SOYL PRO as frozen ingredients**
- **Export frozen food-related products**
- Develop and launch products exclusively for TV shopping

Initiatives of the Business: **Ready-made Meals Business [Focus Field]**

Medium-term policies

- ◆ Expand the scale of the daily maker business
- ◆ Expand the market area by utilizing existing know-how



Key strategies

Rebuild the “earning power” of the daily maker business

Establish the production system for improvement of the profit structure

Diversify sales destinations, cultivate existing markets

Measures for FY2024

- Promotion of labor saving by automation of production lines
- Improvement of administrative systems
- Strengthening of production facilities to meet changing demand

- Expansion of production capacities of existing plants
- Productivity enhancement by improving the working environment
- Improvement of benefits for employees, including part-time workers, to ensure employment retention

- Expansion of business in new ready-made meals fields
- **Improvement of competitiveness by strengthening development functions**

Medium-term measures

- Strengthen the financial position of Group companies
- **Expand application areas to increase sales**

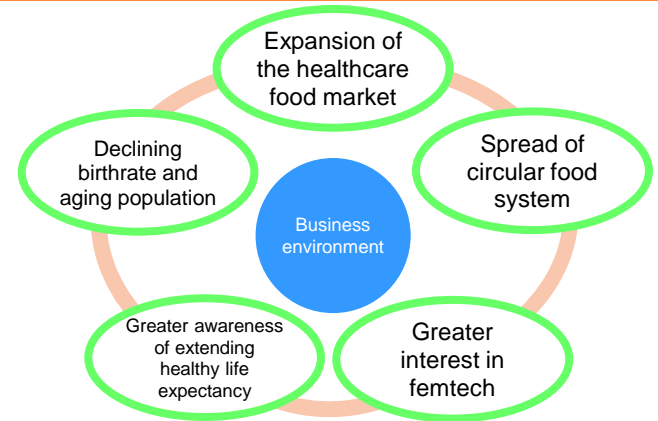
- Establish stable production system
- Reform systems to secure employees and for stable employment

- Cultivate new channels
- **Promote development of value-added products and deepen cultivation of existing markets**

Initiatives of the Business: **Healthcare Business [Focus Field]**

Medium-term policies

- ◆ Support maintenance and promotion of physical and mental well-being so that people can live fulfilling lives
- ◆ Contribute to extending healthy life expectancy, which is a social issue



Key strategies

Foster mainstay brands of functional foods, expand the range of functional ingredients with high added value

Promote development with a view to entering the femtech market

Expand the NIPPN Kenko Tsuhan business of online sales of health products utilizing NIPPN's proprietary ingredients

Measures for FY2024

- Expansion of the range of functional ingredients with labeling of functional claims and implement measures to expand awareness
- Strengthen functions of flaxseed-related products

- **Launch of femtech brand "femgoo"**
- Development of femtech products for professional use and home use

- **Strengthening of operation of the NIPPN Kenko Tsuhan business and enrichment of product lineup**
- Emphasis on sales of "nippon Flaxseed Oil Effective" with small individual packages and launch and fostering of femgoo Meguri Moist (supplements)

Medium-term measures

- Strengthen functional claims labeling for functional ingredients (flaxseed products, maslinic acid, rosemary extract)
- Expand export of functional materials

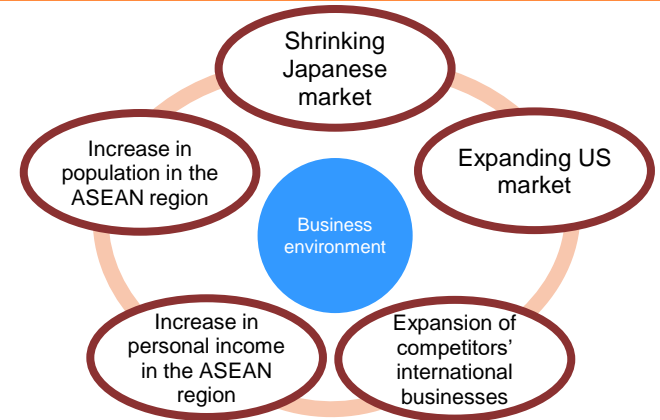
- **Increase added value by expanding the obtaining of permits for functional claims for professional-use ingredients within the scope**
- Expand the range of mail-order products for home use within the scope

- Establish a stable sales base
- **Strengthen functions of operation of the NIPPN Kenko Tsuhan website and pursue synergy with NIPPN Direct website for foods**
- Take up the challenge of introducing products in new genres

Initiatives of the Business: **International Business [Focus Field]**

Medium-term policies

- ◆ Expand business in the regions where NIPPN has already established a presence (North America/ASEAN) and areas contiguous with such regions
- ◆ Promotion of the inorganic growth strategy
- ◆ Increase the ratio of international sales to 6% or higher



Key strategies

Strengthen overseas management foundation

Expand business in the areas contiguous with areas where NIPPN has already established a presence, promotion of the inorganic growth strategy

Strengthen production capacities, improve efficiency, and execute capital investment for environmental response

Measures for FY2024

- Strengthening of global human resources development
- Execution of international risk management / implementation of local risk checks
- Enhancement of engagement of local staff

- Investment in and operational support for Utah Flour Milling, LLC
- Pursue cross-border M&A opportunities
- Expansion of sales in countries contiguous with regions where NIPPN has already established a presence

- Start of operation of a plant in Indonesia
- Capital investment to improve manufacturing efficiency in Thailand

Medium-term measures

- Continue global human resources development initiatives
- Strengthen international risk management
- Continue measures to enhance engagement of local staff

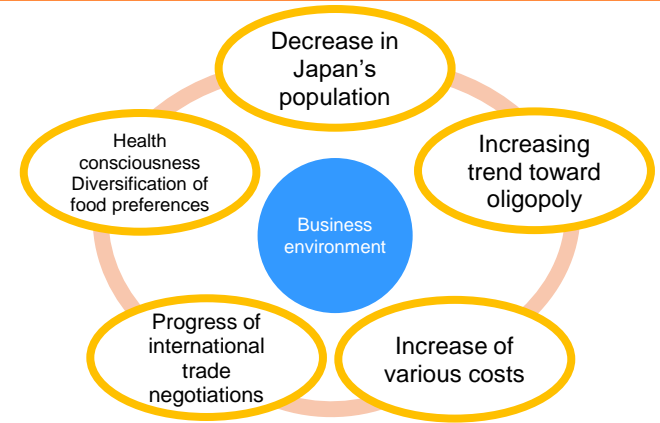
- Accelerate global implementation of Group synergy
- Expand the North American business by utilizing Utah Flour Milling, LLC
- Expand business areas in the regions where NIPPN has already established a presence
- Cultivation of the halal market

- Renew Pasta Montana's short products production line
- Expand the introduction of photovoltaic power generation systems to reduce CO₂ emissions

Initiatives of the Business: Flour Milling Business [Core Field]

Medium-term policies

- ◆ Enhance cost competitiveness and strengthen the revenue base
⇒ Promote cost reduction in each region
- ◆ Expand the market by creating new demand
⇒ Enter the US market, which is a growth market



Key strategies

Work to expand the market

Expand sales of value-added products

Reduce production and logistics costs

Measures for FY2024

- Gaining of new customers, creation of markets by proposing new products, and provision of new value
- Investment in Utah Flour Milling, LLC, promotion of initiatives for entry in the flour milling business in the U.S.
- Expansion of sales of distinctive strategic brands
- Proposal of products that enhance customer convenience and reduce man-hours
- Promotion of factory reorganization in the Kansai and Chukyo areas (promotion of construction of Chita Mill, facility expansion of Kobe-Konan Mill, closure of Osaka Mill)

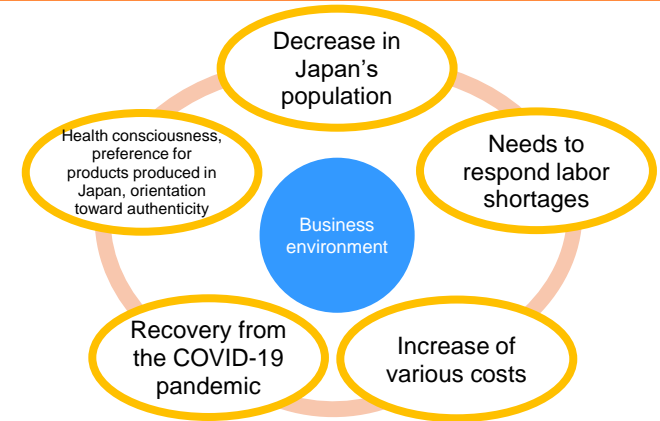
Medium-term measures

- Increase sales volume and improve profit margin
- Approach growth segments
- Promote synergy between Utah Flour Milling, LLC and existing U.S. operations, utilize the R&D base
- Develop value-proposition-type wheat flour, expand its sales, increase recognition
- Contribute to and propose solutions to customers' problems, such as labor saving
- Promote plant reorganization in the Kansai and Chukyo areas (completion of construction of Chita Mill, closure of Nagoya Mill)
- Improvement of delivery efficiency and promotion of optimization of transportation distances

Initiatives of the Business: Food Ingredients Business [Core Field]

Medium-term policies

- ◆ Achieve continuous growth by the differentiation strategy for premixes, the core products
- ◆ Improve profitability by expanding sales channels for new ingredients in Japan and overseas



Key strategies

Enhance profitability of the core premix business

Grow the rice flour business, expand shares in maize and plant-based protein

Develop a seasonings business, utilizing expertise as a comprehensive food company

Measures for FY2024

- Sales activities publicizing benefits, such as reduction of man-hours
- Swift response to new demand and change in preferences after the COVID-19 pandemic

- Cultivation of new applications
- Promotion of delivery to new users
- Development of rice flour using branded rice of various regions

- Development of products capitalizing on distinctive raw materials and consistent quality
- Activities to increase customers' recognition

Medium-term measures

- Develop value-added products
- Propose solutions to major users and cultivate new users
- Promote sales expansion in the international premix business

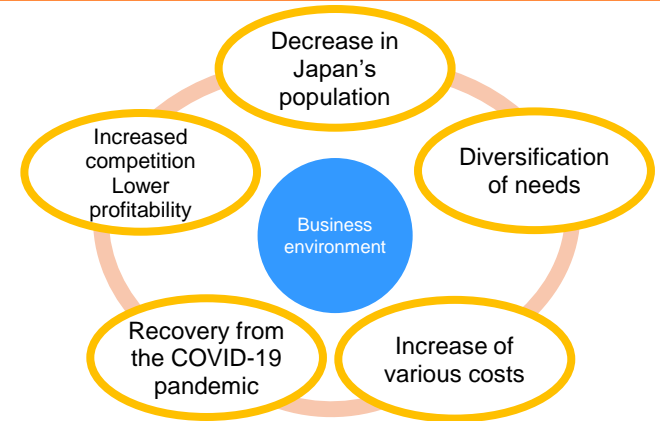
- Provide distinctive rice flour products
- Initiatives for new varieties of rice
- Enrich rice flour-related sales promotion items

- Approach target customers
- Promote activities that generate synergy with other divisions

Initiatives of the Business: Processed Food Business [Core Field]

Medium-term policies

- ◆ Achieve high engagement with consumers through products and services
- ◆ Achieve a higher topline and pursue stable earning power to gain the No. 1 market share in the category



Key strategies

Consumer-oriented merchandizing

Enhance brand value

Promote channel strategy

当期の施策

- Strengthening of consumer-oriented product development
- Strengthening of initiatives for Italian ingredients

- Refining of the master brand and implementation of the category strategy
- Introduction of innovative products

- Deepening of initiatives for wide-area channels
- Promotion of e-commerce business and export initiatives

中期的な施策

- Develop products to raise the level of the category
- Deliver “deliciousness” that exceeds consumer expectations

- Expand consumers' recognition
- Approach consumer insight
- Foster innovative products

- Expand market share and improve profitability through “selection and concentration” of resource allocation by channel

Topics (1): Expansion of Plant-based Food (PBF) Business

NIPPN PBF brands

SOYL PRO

—new plant-based food ingredient developed by NIPPN



- The secret of the delicious taste is a patented process that applies tofu processing technology.
- Juicy and elastic texture and mild flavor, just like minced chicken

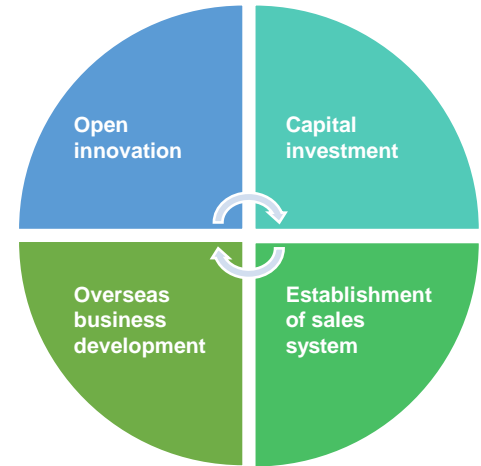
vege cafe

— A new option to meet the needs of a wider range of consumers for delicious foods



- Frozen food brand taking full advantage of the benefits of vegetable ingredients
- Extensive lineup offering a high degree of convenience
- Delicious taste that goes beyond expectations for what is made only from plant-based ingredients

PBF business expansion scheme



Examples of products using SOYL PRO



*Minced meat type (white)



*Milanese rice gratin using meat made from tofu & caponata

Examples of vege cafe products



*Vegan pancake



*Gâteau chocolat

Topics (2): Entry in the Femtech Market

(1) Femtech market growth forecast

- The Ministry of Economy, Trade and Industry (METI) has announced that the femtech market is expected to have an economic impact of approximately 2 trillion yen in 2025 in an environment that promotes women's advancement in society.
- The spread and contribution of femtech is said to be a prerequisite for realization of women's wellbeing, and the food industry in particular is a market whose cultivation is expected to be promoted in the future.

Estimated economic benefits (as of 2025)	
1 Menstruation	Approximately <u>240.0 billion yen per year</u>
2 Pregnancy and Infertility	Approximately <u>300.0-500.0 billion yen per year</u>
3 Menopause	Approximately <u>1.3 trillion yen per year</u>
Other effects *Number of births: Increase of approximately 12,000 to 17,000 births per year (equivalent to total fertility rate of approx. 0.017-0.025) Other effects *Ratio of regular employees: 0.8% increase *Percentage of female managers (section chiefs and equivalent): 0.7% increase	

Source: Ministry of Economy, Trade and Industry, "Research Report on the Impact of Changes in Work Styles and Lifestyles on Future Japan and Issues"

(2) Launch of "femgoo" femtech brand in October 2023

- Utilizing the knowhow as a food manufacturer cultivated over many years, we have launched a femtech brand, which uses plant-derived ingredients to address women's concerns. Going forward, we will focus on fostering the brand.
- The message we have embedded in this brand is "We wish you good health and may your days from now on be healthy and fine."

<Ingredients for professional use>

NIPPN ceramide (moisturization of skin (barrier function))

[Response to foods with functional claims]

NIPPN flaxseed lignans (female hormone action)

NIPPN rosemary extracts (stress relief)

Organic young wheat leaves (ingredient for iron and folate supplementation)

<Ingredients for home use>

Meguri Moist



Aim to establish as a brand contributing to women's well-being

Topics (3): New Strategy of the Flaxseed Business

(1) NIPPN is a leading flaxseed company

- Began sales of flaxseed products for professional use in 2003 as a pioneer in the flaxseed food market
- Explored the benefits of the four major nutrients and grew flaxseed products as mainstay merchandise in the healthcare business
- Accumulated **unique knowhow** encompassing raw material selection, processing technology, production, and sales



(2) Released a new brand, “Golden Flaxseed,” roasted flaxseed grains for professional use in October 2023

- Procurement in Japan. For the first time, limited to flaxseed produced in Hokkaido. Use of only Golden variety
- **Comprehensive collaboration agreements** signed with two cities of Hokkaido as a regional revitalization project

Asahikawa City

Contribution to realization of a welfare city with healthy and happy citizens
 Vitalization of communities through support for health and happiness

Shibetsu City

Dietary proposals to 20,000 athletes visiting the city for sports camps
 PR: Take “Golden Flaxseed” and win a gold medal

Powerful support for realization of healthy and thriving communities

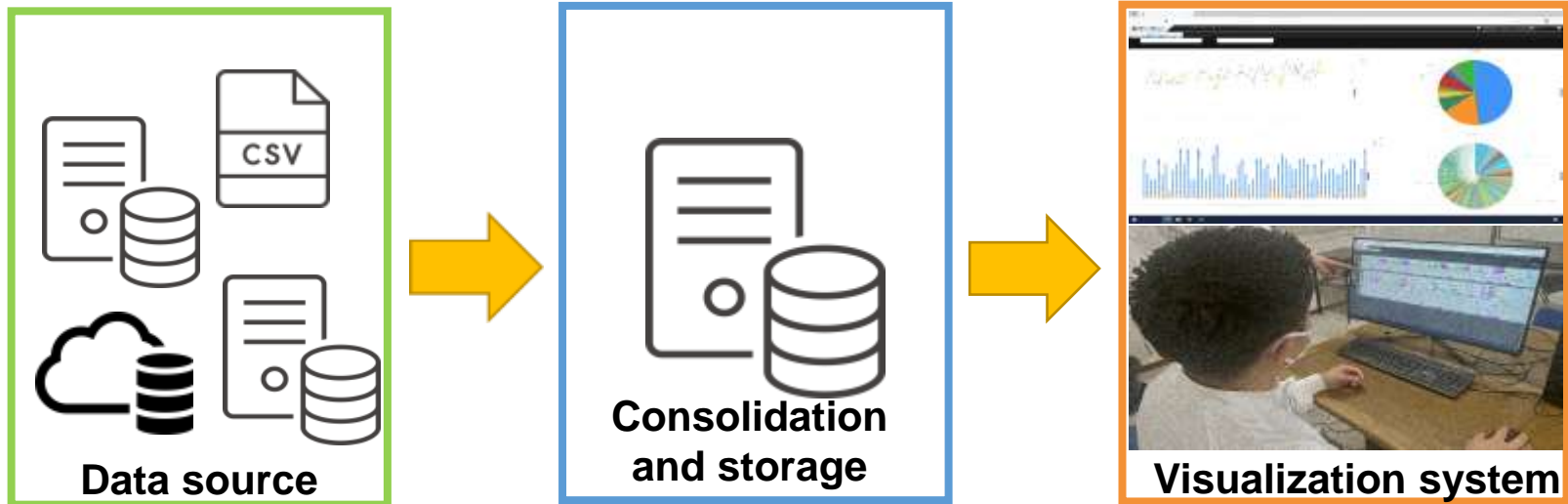


Promote “contribution to society through food and health,” a sustainability initiative, in collaboration with communities

Topics (4): Establishment of a Visualization System

Initiatives of NIPPN Ryugasaki Plant (premix plant)

Utilize digital technology and data to solve problems, such as shortages of human resources at workplaces and personalization of technology and knowledge.



- Data from forms and databases scattered around the plant have been consolidated and stored in one place. A platform has been established that allows various data to be combined and analyzed.
- An environment has been created that enables anyone to execute forward-looking production management based on monitoring and prediction of the status of the constantly changing conditions and manpower requirements of manufacturing workplaces.

- Shift from “intuition” and “experience” to an environment where analysis and judgment based on “data” are possible, and reflect timely data in high-level decision-making
- The knowledge gained at the plant will be horizontally deployed to other plants and Group companies to strengthen the Nipn Group’s competitiveness.

Contents

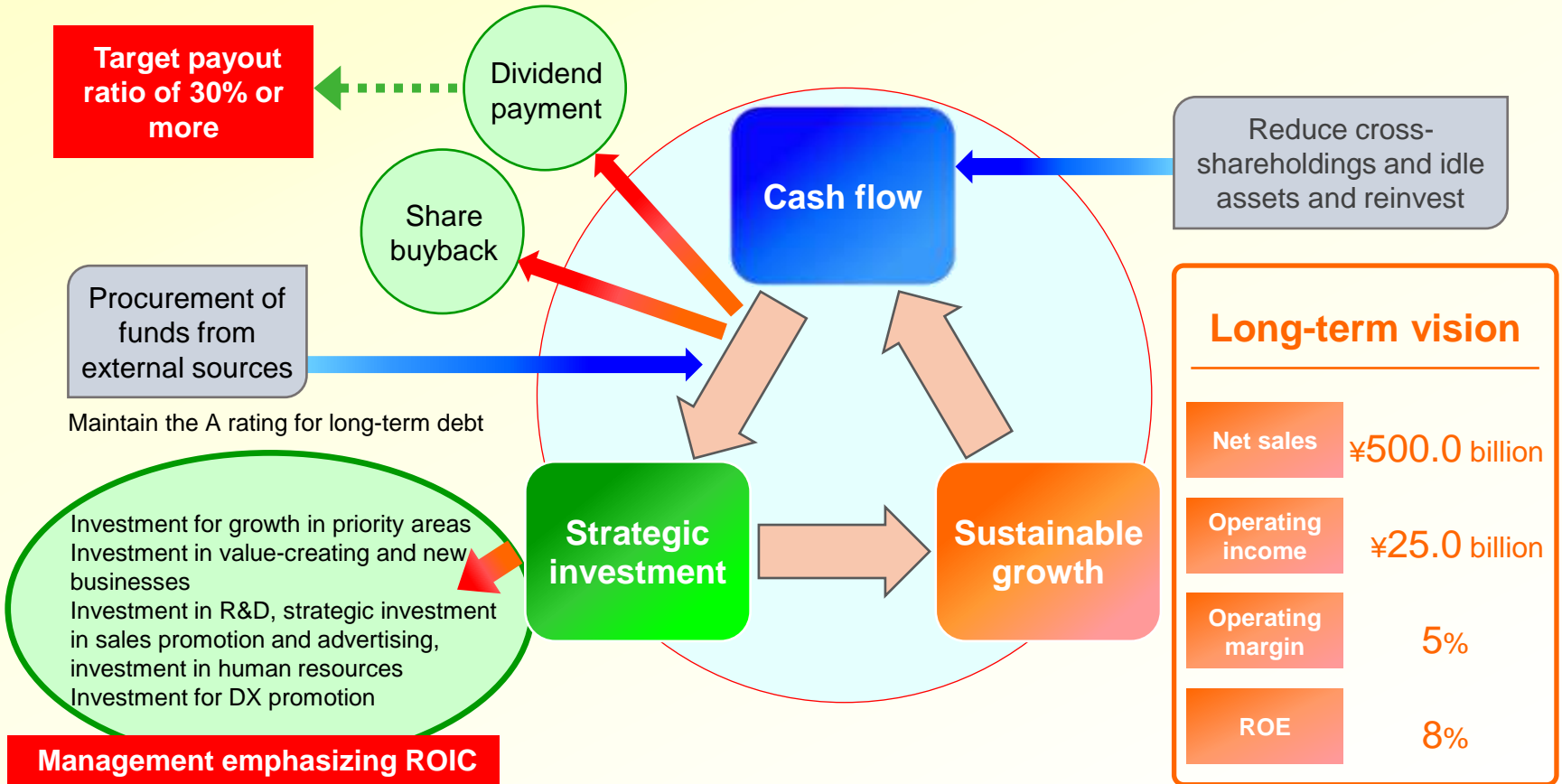
1. Corporate Value Creation Strategy
2. Initiatives by Business
3. Financial Strategy



Financial Policies and KPIs

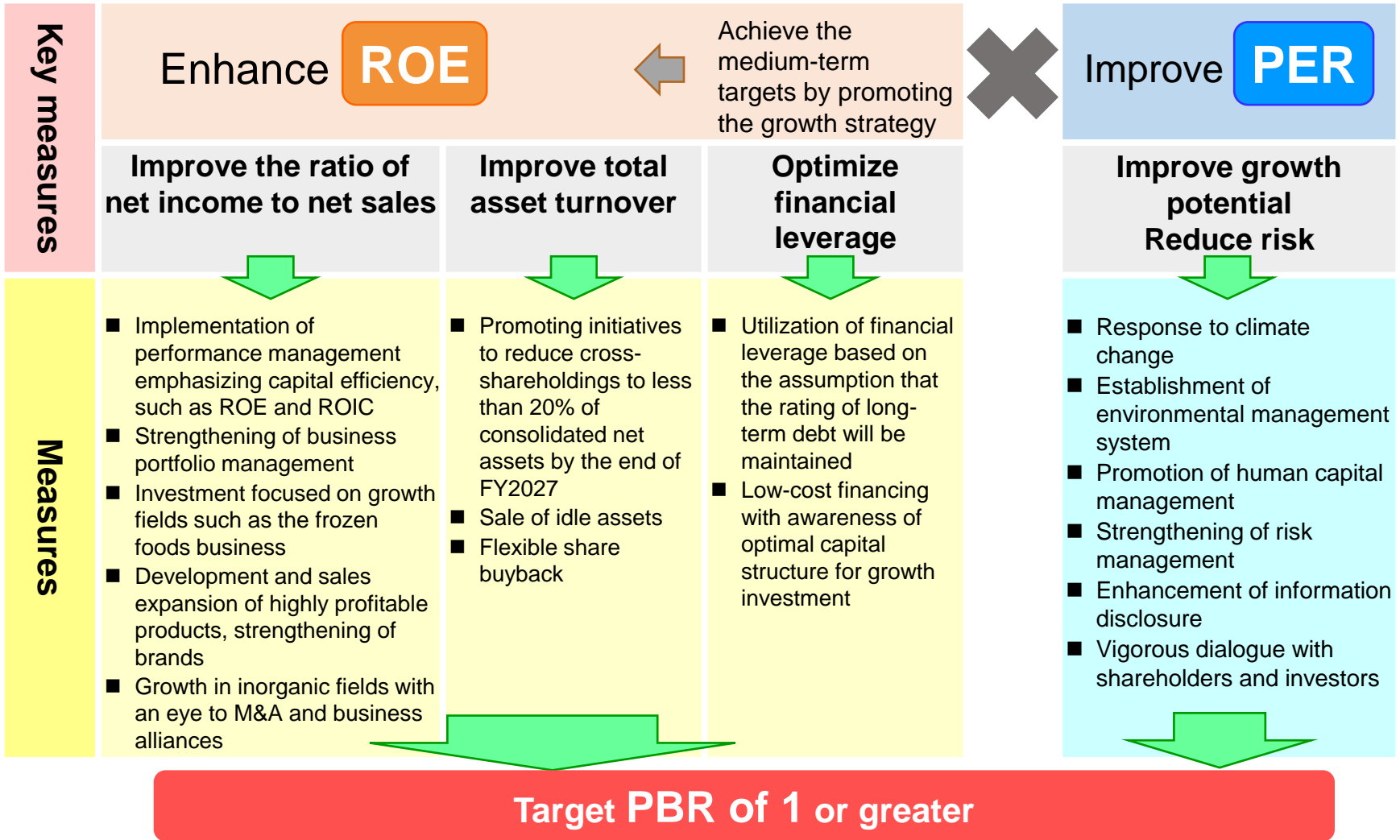
Basic policies

- ◆ Optimally allocate cash resources generated from increased earnings through sustainable growth
- ◆ Improve capital efficiency and strengthen the financial position by making balance sheets more efficient
- ◆ Continue to pay stable dividends and flexibly implement share buybacks



To Enhance Corporate Value: Measures to Enhance PBR

Address profitability, finance, and sustainability issues in order to achieve sustainable growth and enhance corporate value, and work to improve PBR and ensure ROE exceeds the cost of capital.



Initiatives for Reduction of Cross-shareholdings

- ◆ We will verify the significance of the holding of each issue with an eye to the cost of capital, and aim to improve capital efficiency by promoting reduction of cross-shareholdings, in principle.
- ◆ While the number of issues held had decreased by FY2023, the value of cross-shareholdings had not been reduced owing to the rising stock market, and therefore, **we are having dialogues with the counterparties to reduce the balance of cross-shareholdings.**
- ◆ We will aim to reduce **the ratio of cross-shareholdings to consolidated net assets to under 20%** by the final year (FY2027) of the medium-term targets.

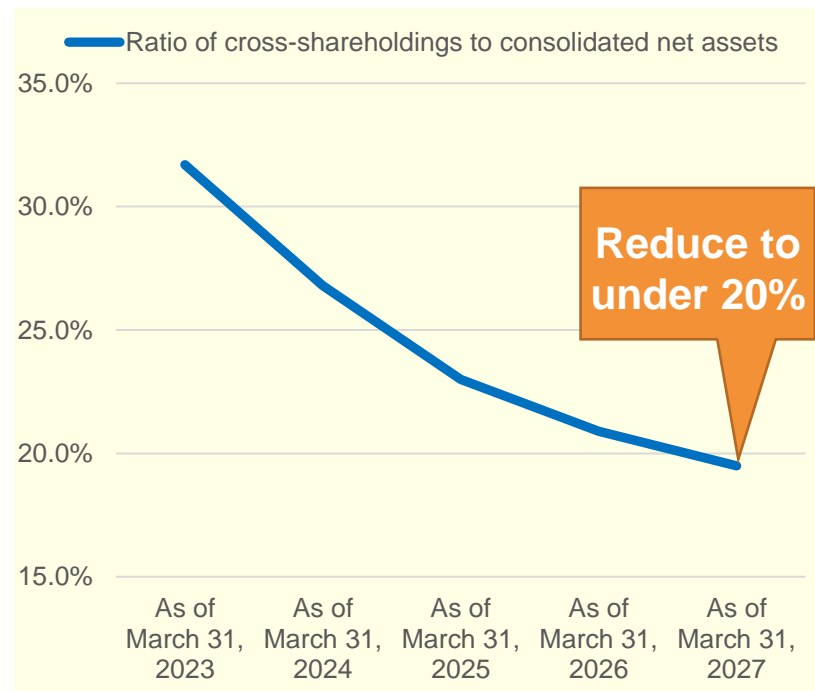
Balance of cross-shareholdings

	As of March 31, 2020	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023
Number of issues (YoY)	129 companies (-3 companies)	129 companies (-)	119 companies (-10 companies)	95 companies (-24 companies)
Balance at fiscal year-end	¥48.0 billion	¥52.4 billion	¥54.8 billion	¥61.1 billion

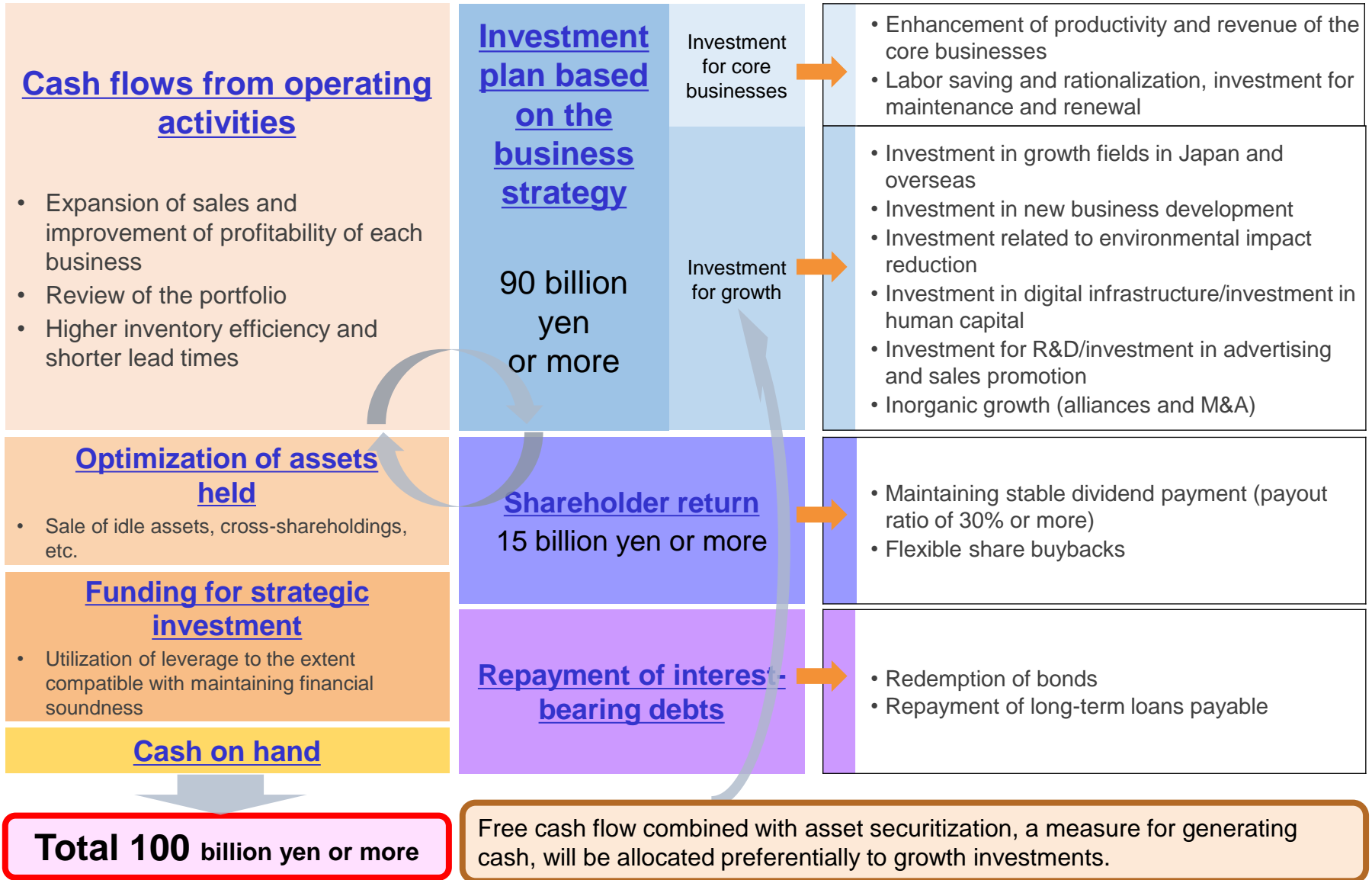
While the number of issues held decreased, value of the shareholdings increased because of the buoyant stock market.

Ratio of cross-shareholdings to consolidated net assets	30.3%	31.0%	30.7%	31.7%
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Reduction by FY2027 (image)

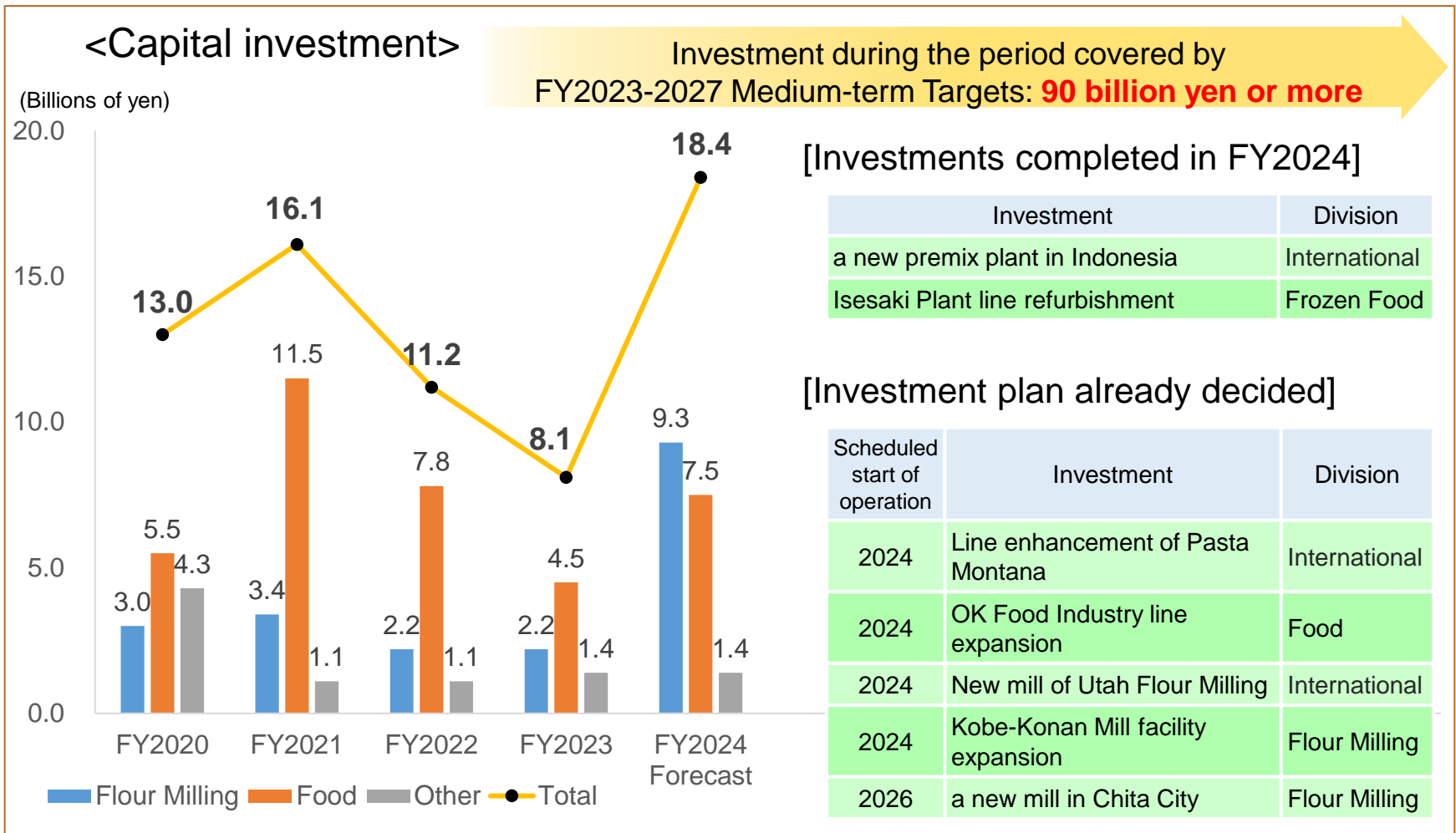


Cash Allocation (FY2023-2027)



Capital Investment Plan

Invest to strengthen earnings power of core businesses and make strategic investments in growth businesses and inorganic areas to promote sustainable growth of the Group











III Toward Sustainable Management

Materiality consisting of 6 Items

We contribute to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people.

Materiality (Key issues)	Key initiatives
 <p>Pursuit of well-being by means of food</p>	<p>Provide safe and secure food and deliver happiness and health to our customers while responding to diversification of lifestyles and values of consumers and their changing preferences</p>
 <p>Contribution to society through food and health</p>	<p>Develop relationships with societies and communities and support the mental and physical health of people</p>
 <p>Environmental protection initiatives</p>	<p>Reduce environmental impacts of our business activities, aiming for harmony between people and the environment, to contribute to realization of a sustainable society</p>
 <p>Initiatives for human capital</p>	<p>Create a working environment in which diverse people can fulfill their potential, working together to create a fulfilling workplace</p>
 <p>Corporate activities for sustainable growth</p>	<p>Work together with diverse stakeholders to identify social issues, concerns, and risks, and steadily implement initiatives and responses to resolve social and environmental issues</p>
 <p>Strengthening of corporate governance</p>	<p>Enhance corporate value by addressing environmental and social issues and strengthening risk management</p>

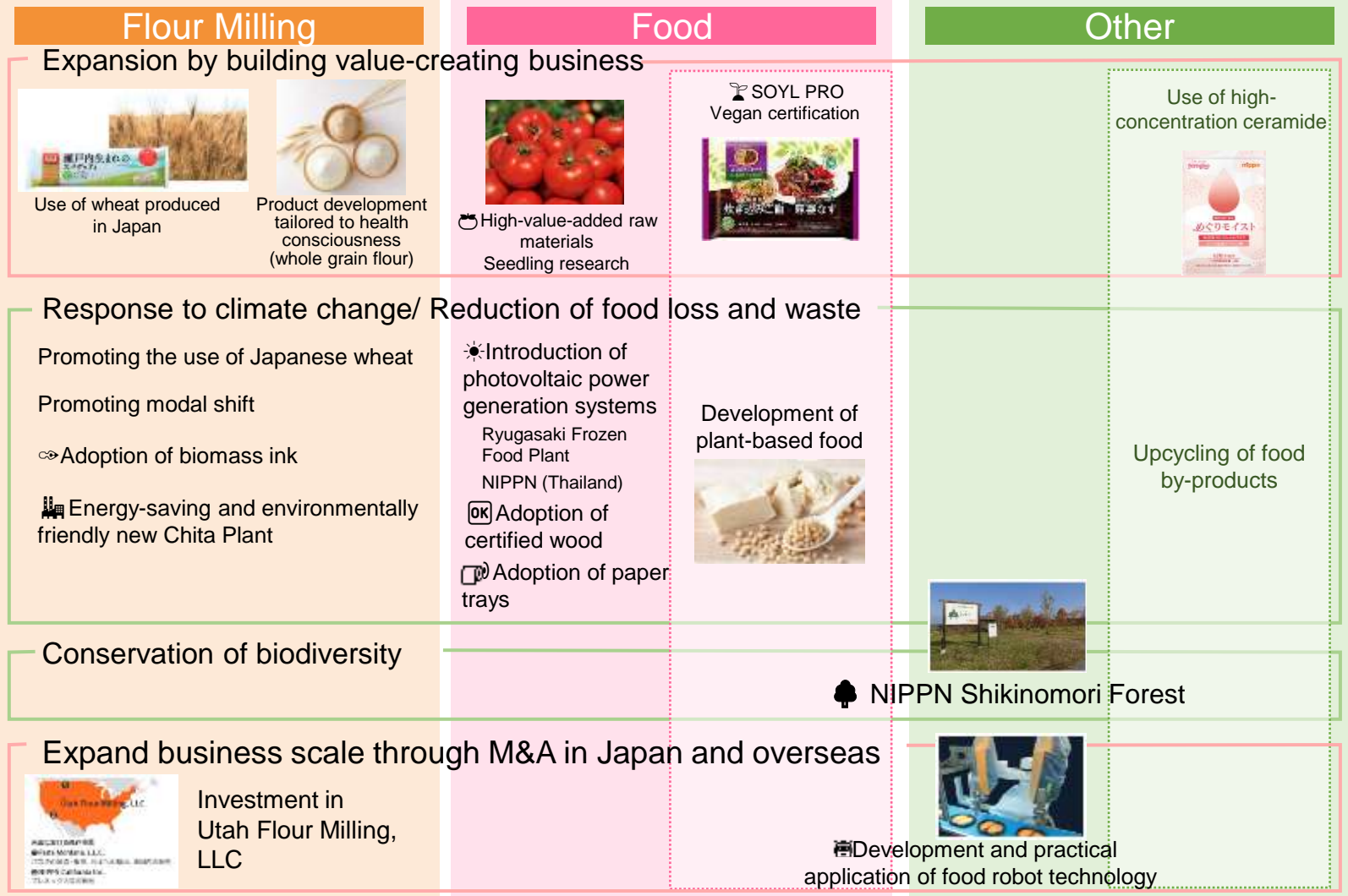
Promoting Sustainability-based Management

Protecting the bounty of nature to ensure stable supply of wheat and other plant-based foods and pursuing well-being by means of food through development of new technologies

Pursuit of well-being by means of food

Environmental protection initiatives

Business activities to achieve sustainable growth



Promoting Sustainability-based Management

Investment in human capital, the foundation of business, and workstyle reforms to achieve well-being of both employees and society

Contribution to society through food and health

Improved access to food



🍷 Providing food to food banks

UN WFP
Fill the Cup Campaign



🌍 Support for international social contribution activities

Support through UNICEF



Golden Flaxseed



Initiatives for human capital

Human resources development and engagement

📄 Employee engagement survey

👤 100% of men taking childcare leave

👤 Ratio of female managers:10%

🌿 Respect for human rights



Lecture on promotion of advancement of women



📖 Expanding learning opportunities

Recruitment/development of human resources

Environmental Protection Initiatives



All sites to obtain ISO 14001 certification and establish environmental management systems

Initiatives to reduce CO₂ emissions

☀ Introduction of photovoltaic power generation systems



Introduced PV power generation systems at Ryugasaki Frozen Food Plant, Isesaki Plant, and NIPPON (Thailand) Co., Ltd. CO₂ emissions at these three plants are expected to be reduced by 1,000 tons a year. Plans call for step-by-step introduction of PV power generation systems.



Ryugasaki Frozen Food Plant NIPPON (Thailand) Co., Ltd.

♻️ Adoption of biomass ink

Adopted biomass ink for packaging materials of professional-use wheat flour to reduce environmental impacts



Conservation of biodiversity



🌲 Forest maintenance and management

Developed NIPPON Shikinomori Forest (Fukagawa City, Hokkaido), which is open to the public as a forest where nature can be enjoyed in all four seasons, as a model case of biodiversity conservation.

Initiatives for reduction of food loss and waste

➤ Promoting upcycling of food by-products

High-value-added functional materials are extracted from by-products at food processing plants. Solvents (ethanol etc.) used in the extraction process are recovered and reused. Initiatives that are low cost and minimize waste are implemented.



← Improved labeling of best-before dates for pasta products

Changed the best-before date labeling from “date” to “year and month” to further reduce food loss and improve logistics efficiency. Plans to apply this labeling to other products.

📄 Adoption of paper trays

Adopted eco-paper trays to reduce use of plastics



📄 Adoption of certified wood

PEFC-certified paper is used for paper trays of frozen foods. FSC®-certified paper is used for printed matter such as business reports.

Initiatives for Human Capital



Support personal growth, ensure diversity, and enhance engagement to achieve sustainable growth of the enterprise and society

Promotion of diversity



Lecture on promotion of advancement of women

Promotion of advancement of women

With the goal of increasing the ratio of female managers to 10% and the ratio of career-track female employees to 30% or more by 2026, we are working to cultivate a workplace environment in which women can play an active role and to increase the ratio of female recruits. In FY2024, we held a lecture by female executives and external lecturers on promoting the advancement of women.

Respect for human rights and promotion of employment of people with disabilities

We respect the personality and individuality of each employee and have implemented measures to prevent harassment, as part of our drive to ensure a fulfilling working environment.

Regarding employment of people with disabilities, we assign them to workplaces that are suitable in terms of their disabilities and cultivate a working environment conducive to their long-term employment.

Development of human resources

Enhancement of training systems

In parallel with providing career guidance for female employees, we also provide management training to promote understanding of diverse values and to foster female employees.

Creating a fulfilling and comfortable workplace environment

Enhancement of engagement

We started an employee engagement survey in FY2023 in order to review and improve the workplace environment, with a view to promoting employee health and job satisfaction.

Going forward, we will hold one-on-one meetings and aim to achieve sustainable growth of the enterprise based on an organizational culture that respects diversity and leverages individuals' strengths.

Increase of the rate of men taking childcare leave

In order to support employees in their efforts to balance work and childcare, we are also working to improve the rate of men taking childcare leave. We will continue to review the system from time to time to further promote its use, with the aim of achieving a 100% rate in 2026.

Development of digitally proficient human resources with global perspective

In order to promote business development in the global market, we will strive to quickly develop human resources with a global perspective. Moreover, as part of our efforts to promote and utilize DX, we will provide education aimed at improving IT literacy, including understanding of information security.

Pursuit of Well-being by Means of Food



Provide good food by strengthening R&D and vitalizing agriculture through community-based collaboration

Response to health consciousness and extension of healthy life expectancy

Plant-based SOYL PRO

Lower in fat and higher in protein than meat, and with zero cholesterol. Customize the menu to suit your lifestyle.



Professional-use and home-use SOYL PRO-based products are vegan certified by VegeProject Japan, an NPO.

Expansion of healthcare business

Foster foods with functional claims and plant-based high-value-added functional ingredients to support more people in their daily lives, from health to beauty through the power of grains and plants.

NIPPON Kenko Tsuhan business of online sales of health products



Sustainable agriculture

Vitalization of agriculture by developing high-value-added raw materials

Vitalize research on seedlings of high-value-added raw materials such as durum wheat (successor to Setodur) produced in Japan and highly cultivatable tomatoes to contribute to sustainable harvesting of raw materials, the bounty of nature, and to agricultural development.



Development of regional specialties

[Kyouken Sabakan (canned mackerel)] Jointly developed with Fukui Can Co., Ltd. in Obama City, Fukui Prefecture

Desire to create a local specialty for tourism! Responding to the aspirations of Obama City, Fukui Prefecture, which declares itself to be “the community that adores mackerel,” Fukui Can Co., Ltd., Fukui Prefectural Wakasa High School, and NIPPON collaborated to develop this product.



Contribution to Society Through Food



We are continuing nutritional education and food donations and activities in collaboration with international organizations.

Support by donating food

🍴 Donation of foods to food bank and home meal service for children

Through authorized NPOs (Second Harvest Japan, Bunkyo City Home Delivery of Foods for Children, etc.), we regularly donate foods to facilities, organizations, and households in need. This activity also helps reduce food loss.



Regional revitalization through food

◆ Achievement of health promotion and revitalization of the local economy based on health and productivity management

In September 2023, we began handling flaxseed produced by OMEGA FARMERS Co., Ltd. in Shibetsu City, as a raw material. In October, we adopted high-quality Golden variety flaxseed produced in the Teshio River basin in Asahikawa City for professional-use food products. NIPPON signed comprehensive partnership agreements with Asahikawa City and Teshio City. In collaboration with these two cities in Hokkaido, we will continue initiatives to revitalize local economies through a focus on food.



Flaxseed harvesting in Shibetsu City



Enhancement of international community engagement

🌍 Participation in UN WFP's Fill the Cup Campaign

As part of our social contribution activities through our products, we donate a portion of sales of quick-cook macaroni and three spaghetti products of the Oh'my pasta brand to UN WFP for its school lunch support program in developing countries.



🌍 Continuation of support activities through UNICEF



Since 1996, our centenary, we have continued our support through UNICEF of activities for children around the world. In addition to regular donations, we hold cooking contests and other events in which many people, especially children, can participate.

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**