



**November 18, 2024**

**Briefing Session on  
Business Results for  
the First Half of the  
Fiscal Year Ending  
March 31, 2025 (FY2025)**



**nippon**

Code number: 2001

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

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# I. What We Would Like to Tell You Today

## Overview of Business Results for the First Half of FY2025 and FY2025 Performance Forecasts

- For the cumulative consolidated results for the first half of FY2025, net sales were in line with the initial forecast, but profits at each stage exceeded the initial forecast.  
In addition, during the current period, we recorded a gain on sales of non-current assets of ¥8.4 billion due to the sale of idle land.
- We expect consolidated results for FY2025 to be the highest ever for net sales and operating income, continuing from the previous period. From the third quarter onwards, following on from the previous period, we also plan to continue to sell our cross-shareholdings.

## Initiatives to achieve the Long-term Vision 2030

- With regard to initiatives for the FY2023 - 2027 Medium-term Targets, which are positioned as milestones for achieving the economic value set out in the Long-term Vision 2030, we are steadily implementing measures to achieve our goals in each business segment: Flour Milling Business, Food Business, and Other Business.
- As part of our sustainability initiatives, we have set targets for reducing Scope 1 and Scope 2 GHG emissions.
- In order to link our business strategy with our human resources strategy, we have launched a project to formulate a human resources vision, with the aim of completing it by FY2025.

## II. Overview of Business Results for the First Half of FY2025 and FY2025 Performance Forecasts



# Digest of Consolidated Financial Results for 1H FY2025

(Millions of yen)	Results for 1H FY2024	Results for 1H FY2025				
			YoY	Change (%)	Compared to the initial forecast	Change (%)
<b>Net sales</b>	<b>198,973</b>	<b>204,909</b>	<b>5,936</b>	<b>3.0%</b>	<b>(91)</b>	<b>(0.0)%</b>
<b>Operating income</b>	<b>11,035</b>	<b>10,524</b>	<b>(510)</b>	<b>(4.6)%</b>	<b>524</b>	<b>5.2%</b>
<b>Operating margin</b>	<b>5.5%</b>	<b>5.1%</b>	<b>(0.4)pt</b>	<b>-</b>	<b>0.2pt</b>	<b>-</b>
<b>Ordinary income</b>	<b>12,544</b>	<b>12,092</b>	<b>(452)</b>	<b>(3.6)%</b>	<b>1,092</b>	<b>9.9%</b>
<b>Profit attributable to owners of parent</b>	<b>8,489</b>	<b>14,039</b>	<b>5,549</b>	<b>65.4%</b>	<b>1,039</b>	<b>8.0%</b>

- Net sales

Net sales were ¥204.9 billion, in line with the initial forecast, due to factors including the expansion of demand for food services and inbound demand, the price revisions implemented in the previous fiscal year, and the growth in sales volume of the Oh'my Premium brand due to the strengthening of marketing strategies.

- Profit

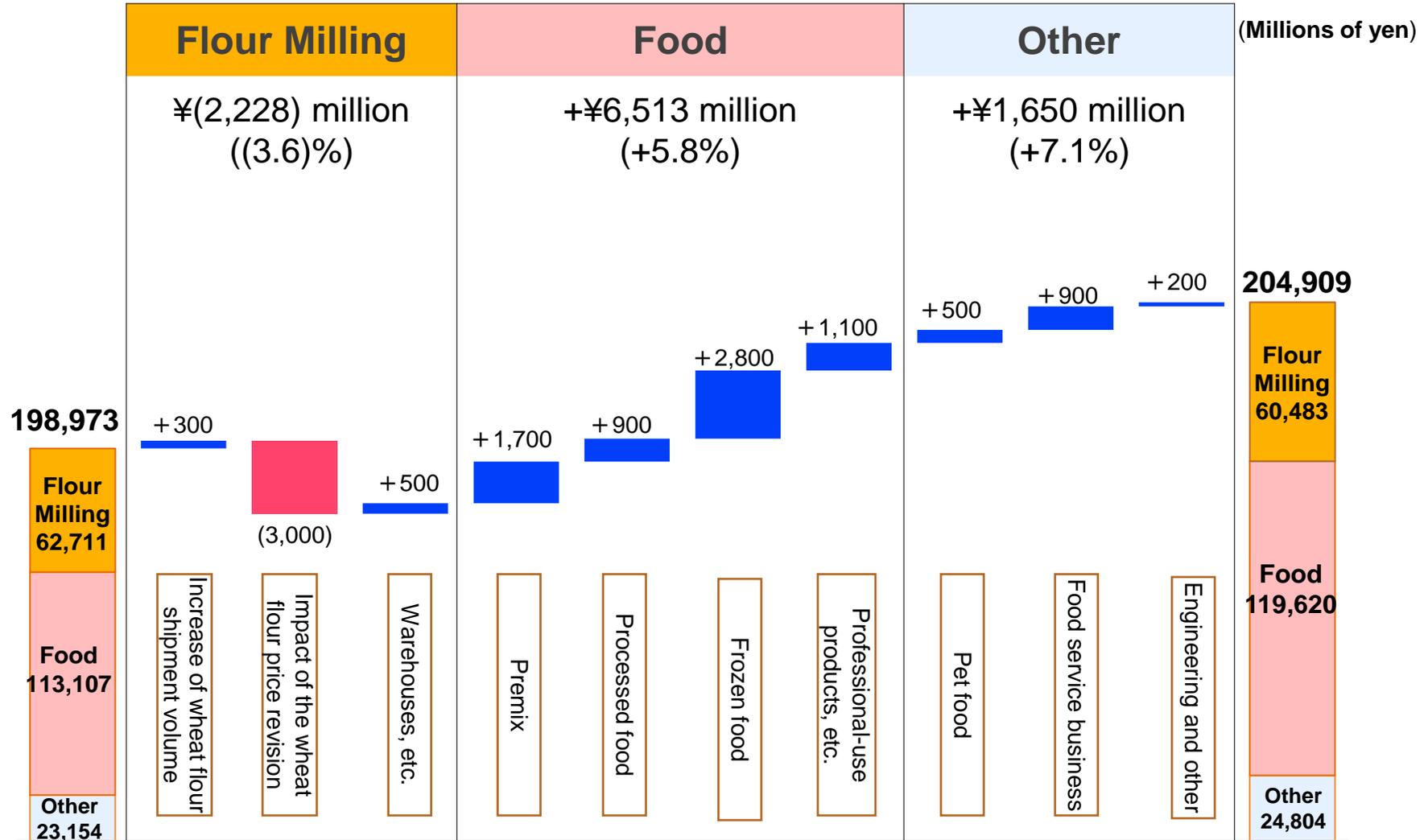
Despite increases in various costs, including personnel and logistics costs, in each business, 1H results for each segment progressed smoothly, and operating income increased by ¥500 million compared to the initial forecast. Profit attributable to owners of parent was ¥14.0 billion, due to the sale of idle land.

# Results by Segment for 1H FY2025

(Millions of yen)

		1H FY2024		1H FY2025			
		Results	% of net sales	Results	% of net sales	YoY	Change (%)
Net sales	Flour Milling	62,711	31.5%	60,483	29.5%	(2,228)	(3.6)%
	Food	113,107	56.8%	119,620	58.4%	6,513	5.8%
	Other	23,154	11.6%	24,804	12.1%	1,650	7.1%
	<b>Total</b>	<b>198,973</b>	<b>100.0%</b>	<b>204,909</b>	<b>100.0%</b>	<b>5,936</b>	<b>3.0%</b>
Operating income	Flour Milling	4,563	7.3%	4,374	7.2%	(189)	(4.2)%
	Food	5,488	4.9%	4,900	4.1%	(587)	(10.7)%
	Other, etc.	984	4.2%	1,250	5.0%	267	27.0%
	<b>Total</b>	<b>11,035</b>	<b>5.5%</b>	<b>10,524</b>	<b>5.1%</b>	<b>(510)</b>	<b>(4.6)%</b>

# Analysis of Factors for Changes in Net Sales

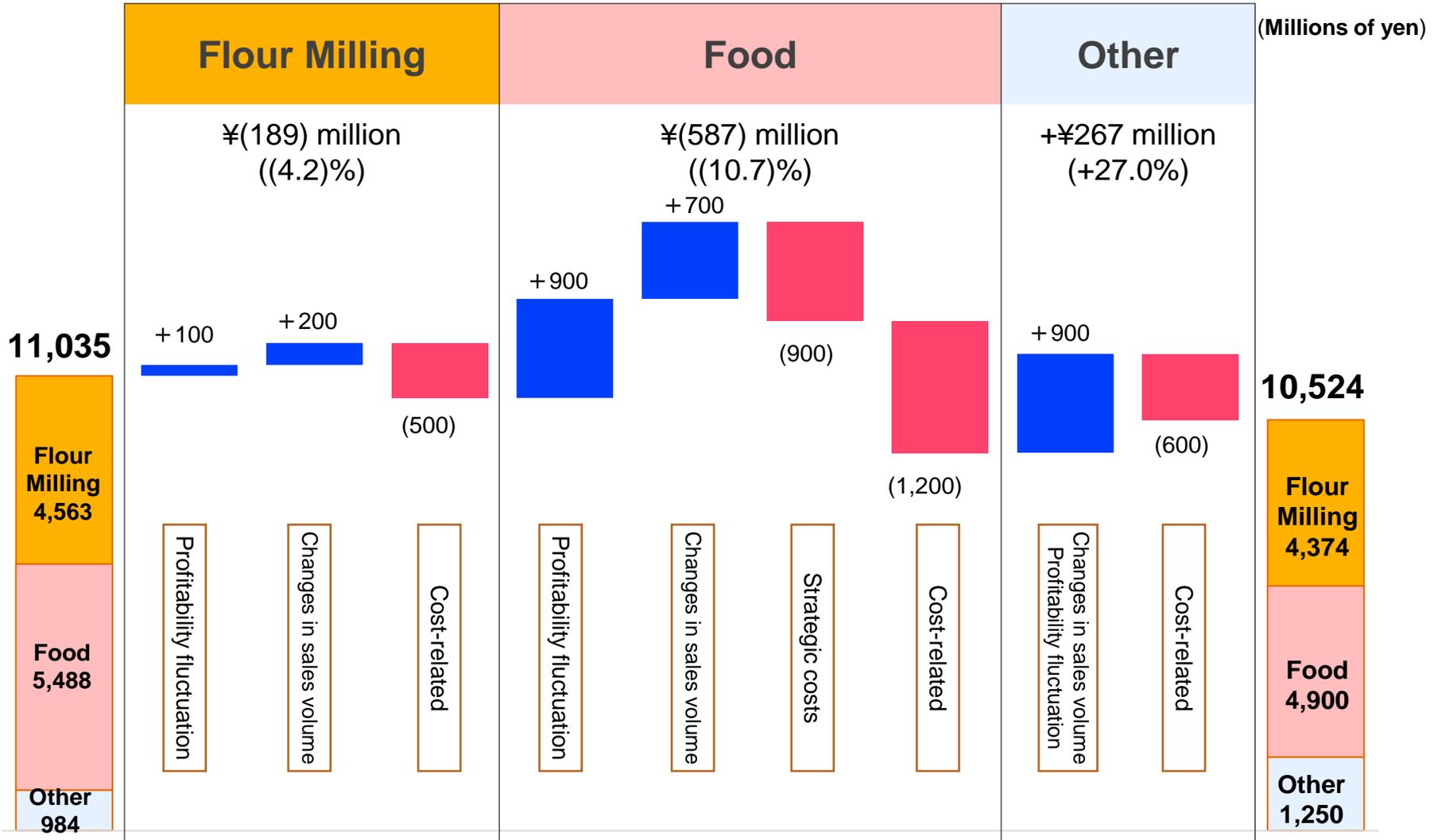


Results for  
1H FY2024

Results for  
1H FY2025

**Increase of ¥5,936 million [+3.0%] compared with the same period of the previous year**

# Analysis of Factors for Changes in Operating Income



Results for  
1H FY2024

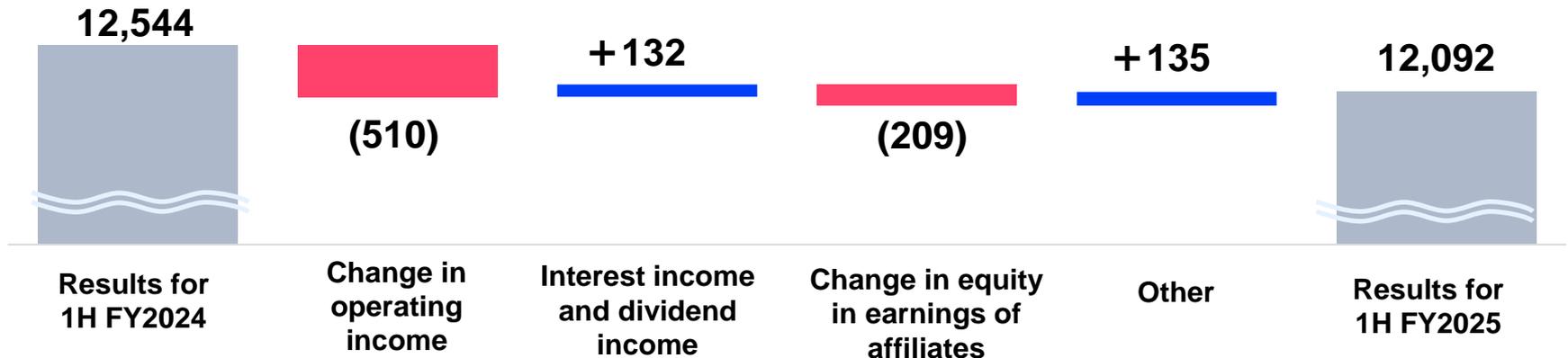
**Decrease of ¥510 million [(4.6)%] compared with the same period of the previous year**

Results for  
1H FY2025

# Analysis of Factors for Changes in Ordinary Income / Profit

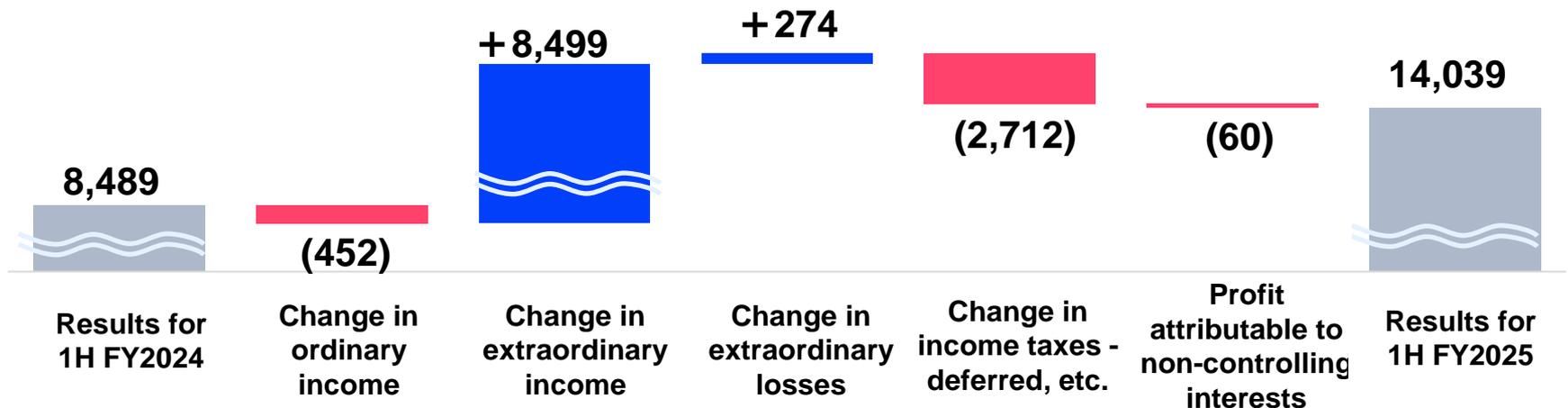
◆ Factors for changes in ordinary income (overall decrease of ¥452 million [(3.6)%])

(Millions of yen)



◆ Factors for changes in profit\* (overall increase of ¥5,549 million [+65.4%])

(Millions of yen)



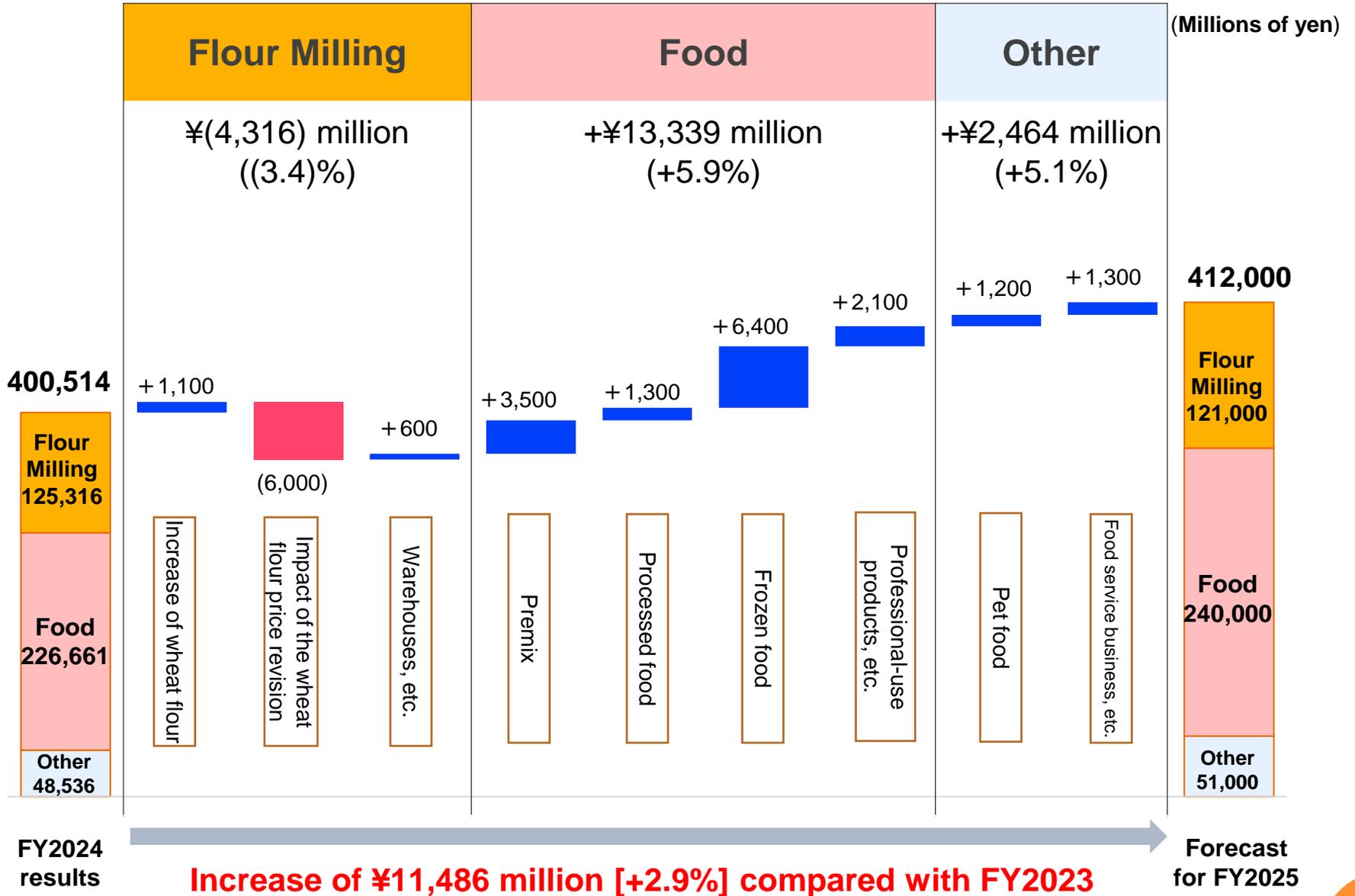
(\*) Profit attributable to owners of parent

# FY2025 Performance Forecasts

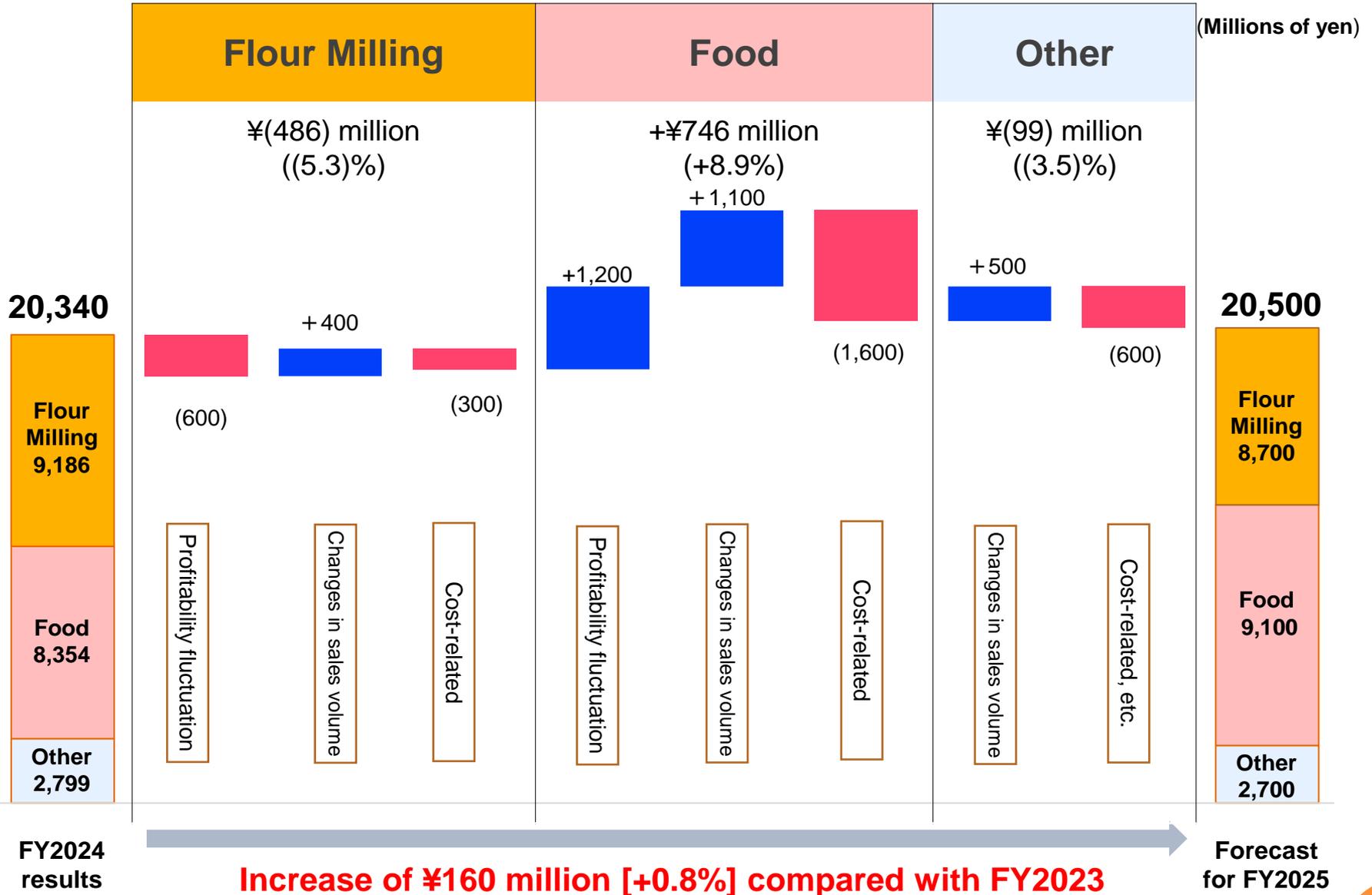
(Millions of yen)		FY2024		FY2025			
		Results	% of net sales	Forecast	% of net sales	YoY	Change (%)
Net sales	Flour Milling	125,316	31.3%	121,000	29.4%	(4,316)	(3.4)%
	Food	226,661	56.6%	240,000	58.3%	13,339	5.9%
	Other	48,536	12.1%	51,000	12.4%	2,464	5.1%
	Total	400,514	100.0%	412,000	100.0%	11,486	2.9%
Operating income	Flour Milling	9,186	7.3%	8,700	7.2%	(486)	(5.3)%
	Food	8,354	3.7%	9,100	3.8%	746	8.9%
	Other, etc.	2,799	5.8%	2,700	5.3%	(99)	(3.5)%
	Total	20,340	5.1%	20,500	5.0%	160	0.8%
Ordinary income		23,280	5.8%	22,500	5.5%	(780)	(3.4)%
Profit attributable to owners of parent		26,367	6.6%	24,000	5.8%	(2,367)	(9.0)%

- **Net sales** are expected to reach **a record high of ¥412 billion**, due to efforts to increase sales volume in each business, despite the planned partial reduction in wheat flour selling prices in January 2025.
- **Operating income** is expected to reach **a record high of ¥20.5 billion**, due to growth in sales volume associated with sales expansion, despite the expected increase in various costs, including personnel, logistics, and raw materials costs.

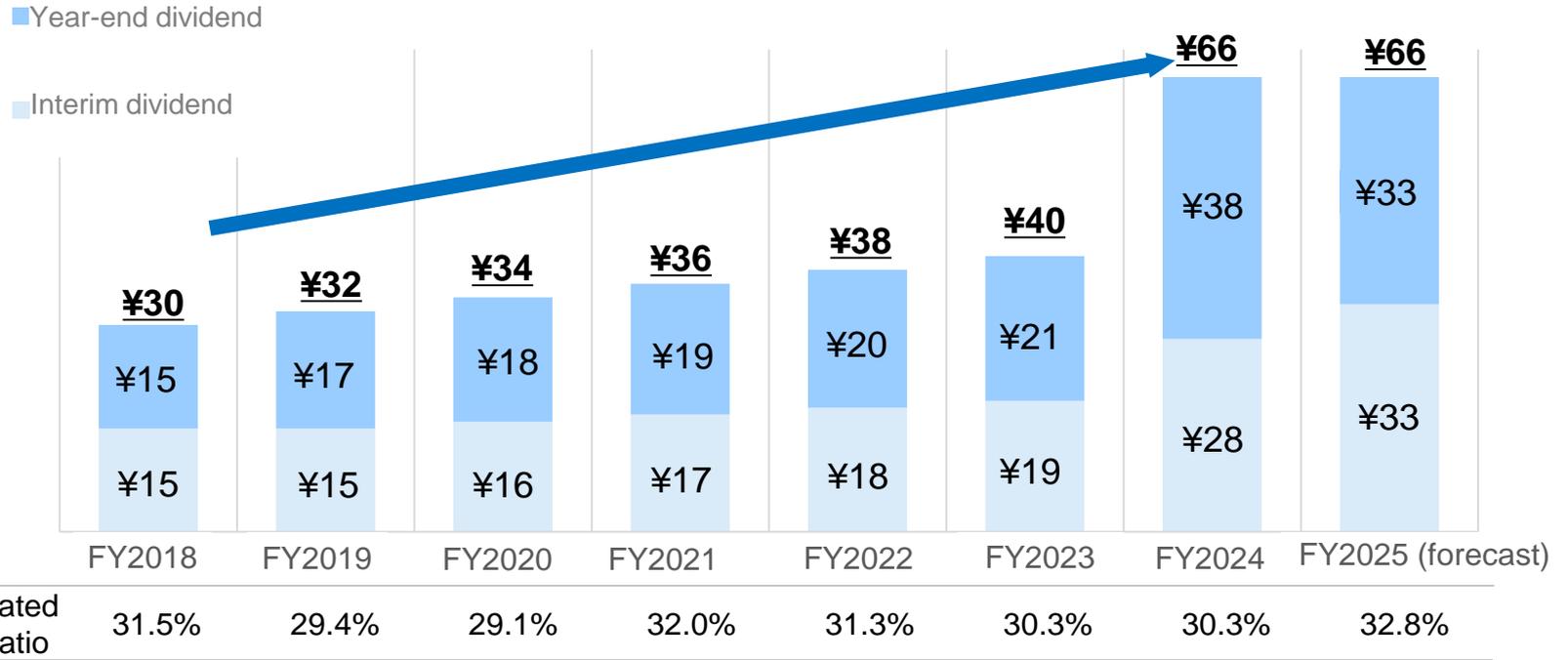
# Analysis of Factors for Changes in Net Sales Forecasts



# Analysis of Factors for Changes in Operating Income Forecasts



# Shareholder Returns



(Consolidated payout ratio for FY2024 and FY2025 (forecast) is calculated excluding extraordinary gains and losses.)

- Our basic policy for profit distribution is to maintain stable and sustainable dividends, with a target dividend payout ratio of 30% or more, which is calculated by taking into account future business development, the business environment, and other factors, while securing the internal reserves necessary for investment in future corporate growth, and excluding special and extraordinary profit and loss from asset sales and other items.

### III. Measures to Achieve the Long-term Vision 2030



# 1. Long-term Vision 2030

## 2. Status of Implementation and Progress of Strategies to Achieve Medium-term targets

## 3. Financial Strategy

## 4. Sustainability Initiatives



# Long-term Vision 2030

In order to realize its management philosophy, the NIPPN Group formulated its Long-Term Vision 2030 in May 2024.

In the Long-term Vision 2030, we have specified the time of achievement for the previous long-term vision, and as a comprehensive food company (\*), we have determined our business growth strategy and social value creation strategy by backcasting in order to balance the creation of economic and social value by capturing social issues and customer psychology.

(\*): The NIPPN Group defines a comprehensive food company as a business model that creates synergy by integrating food-related businesses from upstream (flour milling) to downstream (mixes, processed foods, frozen foods, etc.), while also expanding the range of raw materials it handles, including wheat, rice, and buckwheat flour.

## FY2023-2027

**Laying the foundations for achieving the Long-term Vision**

### Milestones

Net sales                    ¥450.0 billion  
 Operating income:    ¥21.0 billion

-Basic strategy policy-

- Strengthening earnings power of the core fields
- Strategic investment in growth fields and new fields
- Pursuing M&A and business partnership opportunities
- Strengthening corporate competitiveness through DX promotion
- Promoting sustainability management

## FY2028-2030

**Sustainable growth as a comprehensive food company**

-Expand business fields-

- Exploring materials and processing technology.
- Expanding existing businesses by strengthening branding.
- Expanding business fields through horizontal business development, M&A, and business partnerships.
- Creating social problem-solving businesses to realize well-being.

## Long-term Vision 2030

**As a comprehensive food company, the NIPPN Group will continue to take on the challenge of solving social problems through food.**



# Growth Strategy as a Comprehensive Food Company

## Opportunities

- Market expansion by extending healthy life expectancy
- Diversified values for happiness and health
- Creation of new businesses through the spread of the digital economic sphere

## Business growth strategy

- Expanding existing businesses by exploring materials and processing technology and strengthening branding.
- Expanding business fields through horizontal business development, M&A, and business alliances.
- Creating social problem-solving businesses to realize well-being.

## Economic Value

a.b. Direction of business field expansion

## Risks

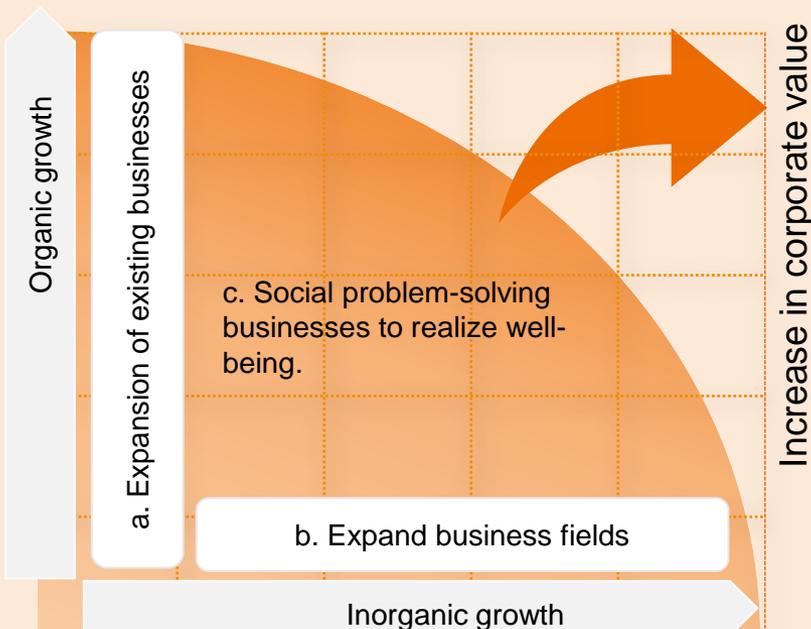
- Changes in what we want from our employees and how we want them to be
- Responding to a wide range of values and needs
- Impact on product supply due to environmental changes and a decline in the number of producers
- Delays in addressing climate change and human rights issues

## Social value creation strategy

To embody our management philosophy, simultaneously realizing the well-being of employees, who are the source of corporate value creation, and the well-being of society and consumers.

## Social Value

c. Pursuing the ideal state of being



Well-being of society

- Protect the extremely rich diversity of food
- Solving managerial social issues on the food supply chain
- Reducing negative impacts on food sustainability
- Creating a sustainable food system, including in the agricultural sector, and creating a prosperous future with food as the hub of a healthy society

Well-being of consumers

- Contributing to diversifying needs and changes through the power of food
- Contributing to solving social issues through community building and experiences centered on food
- Delivering happiness, health, and smiles that can be felt for a lifetime

Well-being of employees

- organizations and individuals, and who learn and innovate on their own.
- Creating a place where people can take a half-step forward, tackle challenges with a sense of fulfillment.
  - Contributing to the well-being of society with pride as a food professional



1. Long-term Vision 2030
- 2. Status of Implementation and Progress of Strategies to Achieve Medium-term Targets**
3. Financial Strategy
4. Sustainability Initiatives



# Basic Strategy Policy for Medium-term Targets

## Core fields

Flour Milling, Food Ingredients  
Processed food

**Further strengthen profitability and generate cash on a stable and continuous basis**

### 1 | Strengthening earnings power of the core fields

We will work to further strengthen our profitability by improving our production bases and promoting marketing strategies

### 3 | Pursuing M&A and business partnership opportunities

We will strive to realize our growth strategy by pursuing opportunities for M&A and business partnerships, with the aim of achieving synergies in existing businesses and fields and expanding our business in line with our growth strategy.

### 4 | Strengthening corporate competitiveness through DX promotion

We aim to transform existing business models using digital technology and create new business areas through initiatives such as the advancement of management, reform of business processes, and strengthening of communication

### 5 | Promoting sustainability management

We are committed to creating social value by pursuing the wellbeing of society, consumers and employees through initiatives such as reducing GHG emissions and other environmental protection efforts, providing food opportunities to help solve issues such as solitary eating and poverty, and creating employment opportunities for a diverse range of people.

## Growth fields

Frozen Food, Ready-made Meals  
Healthcare, Overseas

**Expand business fields by strategically allocating management resources**

### 2 | Strategic investment in growth fields and new business fields

We aim to achieve further growth by expanding sales channels, increasing production capacity, and developing and providing value-added products

# Core fields Flour Milling Business

Net sales target for FY2027:

**110** % compared to FY2024

2026

## Key strategies

Status of progress on various measures

### Initiatives to expand the market



- We developed value-oriented flour that meets customer needs through dialogue with customers, and we have been actively making proposals through participation in exhibitions and holding workshops.
- We have developed new domestic wheat and have started making proposals to create a market for it.

### Improving production efficiency and promoting improvements in logistics



- We are implementing strategic low-cost operations by utilizing IT technologies such as BI tools.
- We are continuously working to improve delivery efficiency, improve various cargo handling, and consider strengthening joint distribution, etc., with the aim of achieving a sustainable logistics system.

### Improving productivity by establishing and reallocating manufacturing facilities



- Construction of the new mill in Chita City, which is scheduled to begin operations in February 2026, is progressing smoothly. We are reallocating manufacturing facilities in the Tokyo-Nagoya-Osaka area with the aim of maximizing the use of cutting-edge plants and optimizing distribution costs.
- We will leverage our advanced technology to enter the North American flour milling market, a new stage for us (Utah Flour Milling will begin operations in 2025).

# Core fields Food Ingredient Business

Net sales target for FY2027:

**115** % compared to FY2024

2026

## Key strategies

Status of progress on various measures

### Utilize marketing to promote sales expansion from the customer's perspective



- We are currently developing sales and development activities aimed at maximizing mutual benefits through proposals based on the consumer's perspective and product menu proposals for growing customers.
- We are promoting sales expansion through measures such as narrowing down target markets and product development in order to expand exports.

### Strengthen initiatives in expanding markets through technology utilization and product differentiation



- We are promoting the sale of seasonings by differentiating them through our blending know-how and blending technology.
- We are currently working to obtain GFCO (a certification organization in the US) certification for gluten-free products in order to expand the sale of rice flour.

### Promoting cost reductions through a review of production and logistics



- We are currently implementing measures to reduce storage costs, such as the efficient management of storage locations.
- We are currently working to transfer production to bases with good logistics efficiency in order to reduce delivery costs.

# Core fields Processed Food Business

Net sales target for FY2027:

**110** % compared to FY2024

2026

## Key strategies

Status of progress on various measures

### Organizational restructuring and system reinforcement to build a master brand



- We have established a system for collaboration with the Marketing Promotion Department and the Customer Sales Management Department to expand sales.
- We are currently implementing product and sales floor proposals based on consumer analysis for each retailer by having sales staff acquire consumer-oriented marketing know-how.

### Nurture strong NB brands supported by consumers and strengthen sales promotion to expand sales



- We will implement a marketing strategy in collaboration with Katana Inc. to develop strong brands. We will contribute to the revitalization of the market, as well as to a significant increase in shipments of dried pasta.
- We plan to continue to advertise Oh'my Premium through TV commercials and other means.

### Improvement of profit margin by reorganization of products handled



- We will reduce the number of brands we manufacture, and improve production efficiency by reducing the number of times we have to switch brands during manufacturing.
- We will improve the profitability of unprofitable products by promoting price revisions and reviewing product design.

# Growth fields Frozen Food Business

Net sales target for FY2027:

**130** % compared to FY2024

2026

## Key strategies

Status of progress on various measures

### Promote sales expansion in growth fields



- We are developing product strategies based on the marketing know-how of Katana Inc. and continuing with advertising activities.
- We are increasing the number of products handled on our own EC site. We have also launched a project team to expand sales in the export business.

### Develop and propose products that meet market needs



- We are focusing on developing and expanding sales of products that simplify store operations for commercial use.
- We are strengthening our proposals for plant-based products, mainly for food service companies.
- We are expanding our lineup of products that use paper trays for home-use products, and promoting further reduction of plastic use.

### Reinforcement of supply system and improvement of productivity in anticipation of increased demand



- We will promote further labor-saving measures by introducing automation technology on production lines.
- We will expand our supply capacity and stabilize our procurement environment by making Hatanaka Foods Co., Ltd. a subsidiary in April 2025 and by adding other production lines.

# Growth fields Nakashoku (Ready-made meal) Business

Net sales target for FY2027:

**115** % compared to FY2024

2026

## Key strategies

Status of progress on various measures

### Rebuild the “earning power” of the daily maker business



- We are promoting initiatives to expand production capacity, such as the introduction of state-of-the-art production equipment.
- We are working to unify various systems and enhance their functionality, so that we can efficiently share the know-how of each company and further improve the Group's capabilities.

### Establish the production system for improvement of the profit structure



- We have introduced robots and other equipment to our production lines to reduce labor, and we will continue to strengthen our efforts in this area.
- We will continue to work to improve productivity by developing human resources, reviewing wages, and enhancing our employee welfare system, with the aim of retaining our employees.

### Deepening of existing markets and development of new market for ready-made meals



- We will continue to engage in research and development in order to provide products with added value, with the aim of creating new value in existing fields and acquiring new customers.
- We will continue to work on improving quality and extending the shelf life of our products, making use of our product development and manufacturing know-how.

# Growth fields Healthcare Business

Net sales target for FY2027:

**180** % compared to FY2024

2026

## Key strategies

Status of progress on various measures

### Expand sales channels for high-value-added “plant-derived” functional materials (target of 195%\* in FY2027)



- **Ceramide:** A material that enhances the skin's moisturizing effect. As demand for inner beauty products increases, we will promote the use of ceramide not only in supplements, but also in drinks and foods.
- **Flaxseed:** We will promote the use of flaxseed lignans, which care for the mental and physical problems unique to women, in the Femtech market and in foods.
- **Maslinic acid:** This is effective for improving muscle and grip strength, and reducing joint and muscle pain. We are working to expand sales in the protein market, in addition to the elderly frailty and locomotive syndrome market.
- We are focusing on exporting raw materials to Southeast Asia, such as Vietnam, and Taiwan, and on selling domestic raw materials for export supplements.

### Expand the NIPPN Kenko Tsuhan business of online sales of health products utilizing proprietary ingredients (target of 175%\* in FY2027)



- In October 2024, our own mail-order sites, “NIPPN Kenko Tsuhan” and “NIPPN Direct,” were integrated. By combining the customer bases of each site, we will expand sales of NIPPN products through cross-selling and acquire new customers.

# Growth fields Overseas Business

Net sales target for FY2027:

**200** % compared to FY2024

2026

## Key strategies

Status of progress on various measures

**Aggressive sales expansion through market development in and outside of the company's locations**



- We established a local subsidiary in Vietnam to ensure a solid supply system within the ASEAN region.
- We are currently working to strengthen exports and develop new business partners at our base in Thailand with the aim of further expanding sales.

## Capital investment for overseas business expansion



- Construction of the new Utah mill is progressing smoothly, with operations expected to begin in 2025
- In September 2024, we increased the production capacity of Pasta Montana, L.L.C. and are working to expand sales.

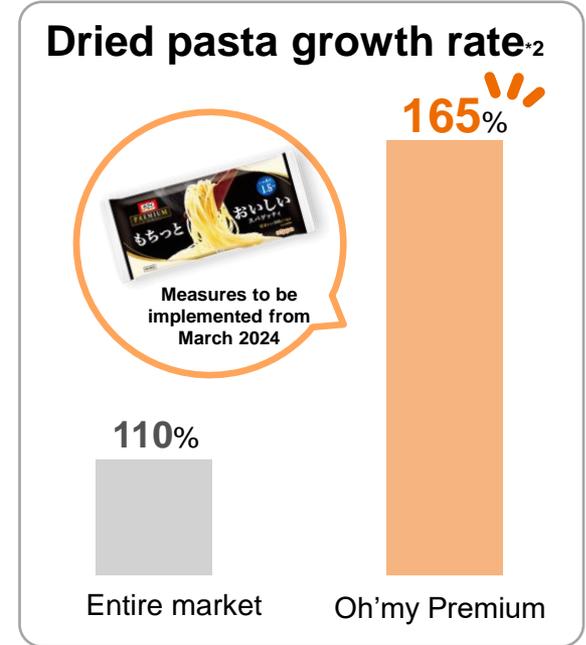
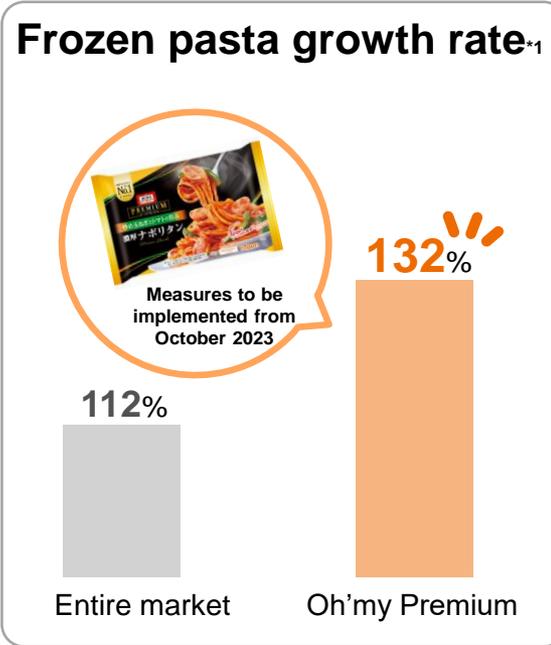
## Strengthening exports from Japan



- We aim to expand the market for high-quality wheat flour that cannot be manufactured locally by holding workshops and proposing a variety of end products, mainly in Asian countries that are experiencing rapid economic development.
- We are focusing on developing export sales routes for processed foods that meet the needs of overseas markets, while also expanding exports of wheat flour.

# Topics(1): Marketing Strategy “NIPPON and Katana Inc.” Collaboration

- We have positioned our collaboration with Katana Inc. as “human resource investment”, and in addition to the “manufacturing” capabilities we have been working on without compromise since our founding, we are implementing a company-wide organizational reform with ‘seriousness’ that will be reborn to be consumer-oriented by transplanting the company’s marketing know-how.
- In the pasta market, where convenience is the main focus, we are pursuing “deliciousness”, which is the essence of food, and we are developing a “master brand strategy” that will efficiently grow the brand by concentrating the unified value on a single brand in the pasta market.
- Since the launch of the measures in October 2023, Oh’mmy Premium Frozen Pasta has significantly grown by 132%(\*1) compared to the same period of the previous year, and dried pasta has grown by 165%(\*2) compared to the same period of the previous year with the introduction of the new ‘Chewy and Delicious Spaghetti’ in March 2024.



<sup>1</sup> INTAGE SCI (15-79 years old) Frozen individual-serving pasta market  
 March 2023 - August 2024 Year-on-year comparison based on purchase amount per 100 people  
 Total frozen individual-serving pasta: Total Oh'mmy Premium brand

<sup>2</sup> Macromill QPR Dried Long Pasta Market  
 March 2023 - August 2024 Year-on-year comparison based on purchase amount per 100 people  
 Total Dried Long Pasta Market: Total Oh'mmy Premium and Oh'mmy Brand

## Topics (2): Establishment of a Local Subsidiary in Vietnam

- In July 2024, NIPPN Vietnam Company Limited (NIPV) was established in Dong Nai Province, in the southern part of the Socialist Republic of Vietnam, as a local subsidiary to expand the sales of the NIPPN Group's commercial products in the ASEAN region.
- The premix plant (site area: 17,767 m<sup>2</sup>, production capacity: approx. 4,300 t/year) is scheduled to begin operations in 2027.

### ► Overview of NIPPN Vietnam Company Limited

**Location:** Long Thanh Industrial Park, Dong Nai Province, Socialist Republic of Vietnam  
(approx. 45 km from Ho Chi Minh City)

**Capital:** ¥322.7 billion 90 million Vietnamese Dong  
(equivalent to US\$13 million: approx. ¥2 billion)

**Business Description:** Manufacture and sale of premixed products  
(including import and export operations)

### ► Location of NIPV



# Strengthening Corporate Competitiveness through DX Promotion

## Management sophistication

We will promote data-driven management and achieve visualization of management indicators. This will enable prompt and accurate decision-making and improve the performance of the entire company.

## Business process transformation

We will fundamentally review existing business processes by utilizing the latest IT tools, and improve accuracy and speed by making decisions based on data. We will also aim to improve productivity in various operations and expand customer contacts.

## Development of DX human resources

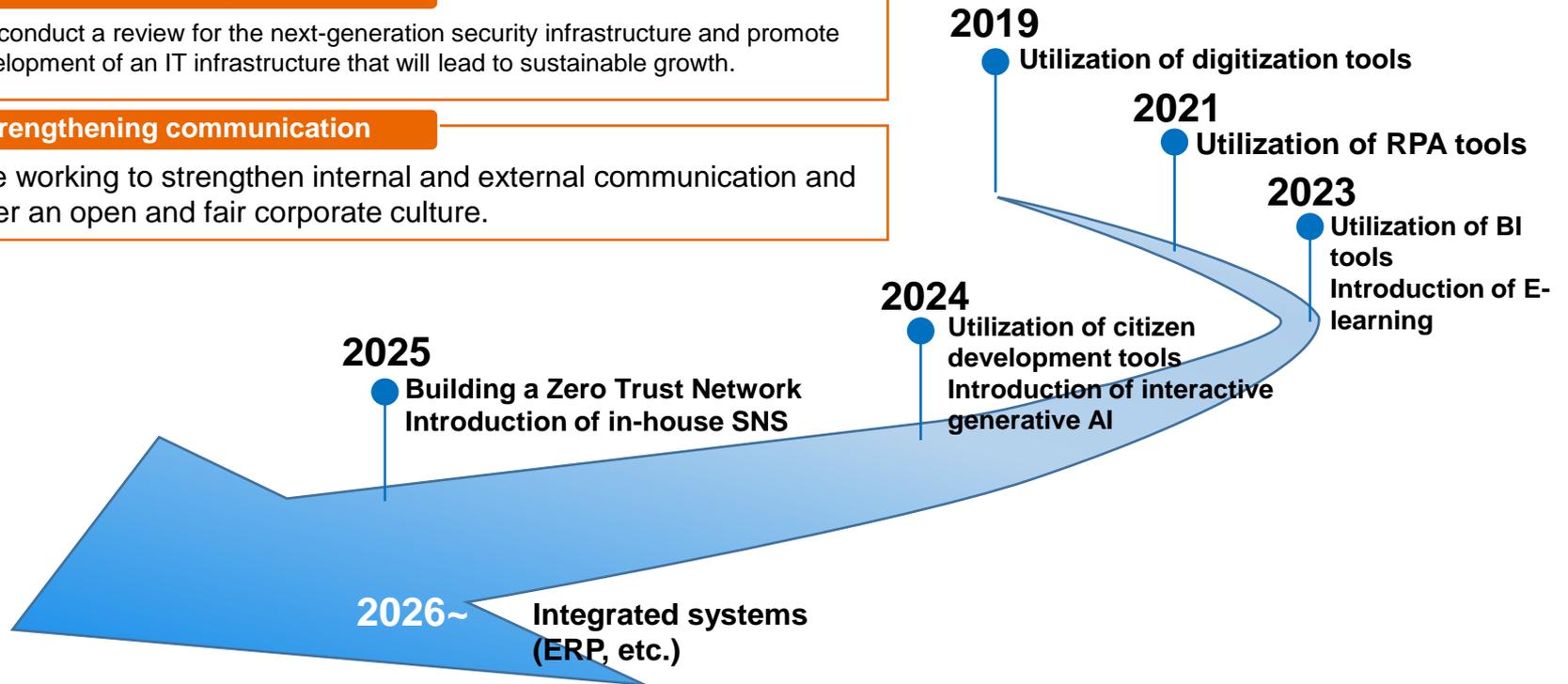
We are promoting the development of DX human resources by formulating the nippon digital skills standard and utilizing e-learning and citizen development tools. We aim to help all employees acquire the skills and mindset to use IT tools autonomously.

## Reinforcement of security infrastructure

We will conduct a review for the next-generation security infrastructure and promote the development of an IT infrastructure that will lead to sustainable growth.

## Strengthening communication

We are working to strengthen internal and external communication and to foster an open and fair corporate culture.

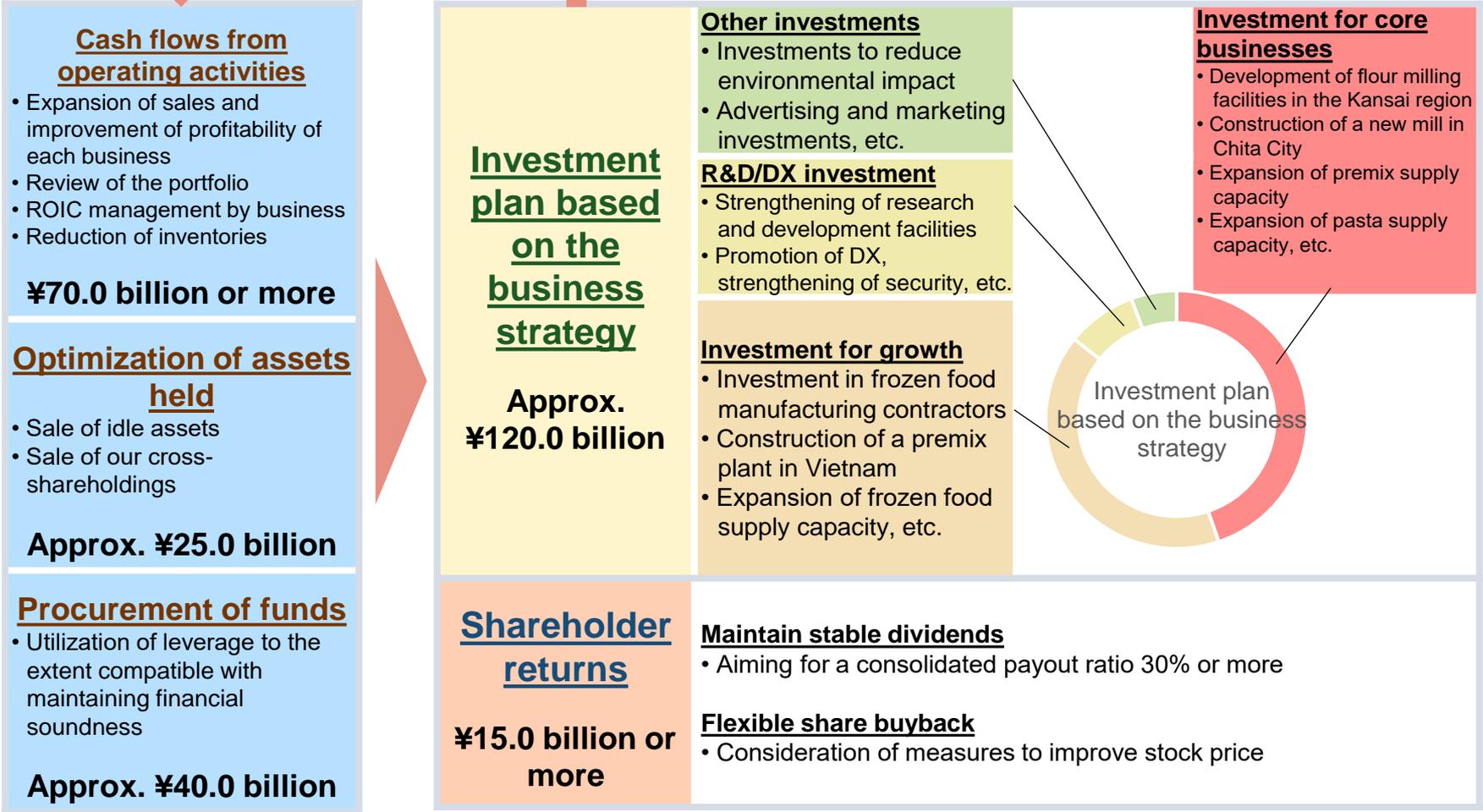


1. Long-term Vision 2030
2. Status of Implementation and Progress of Strategies to Achieve Medium-term Targets.
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4. Sustainability Initiatives



# FY2025 - 2027 Cash Allocation

Earn returns by focusing on ROIC



CF Creation

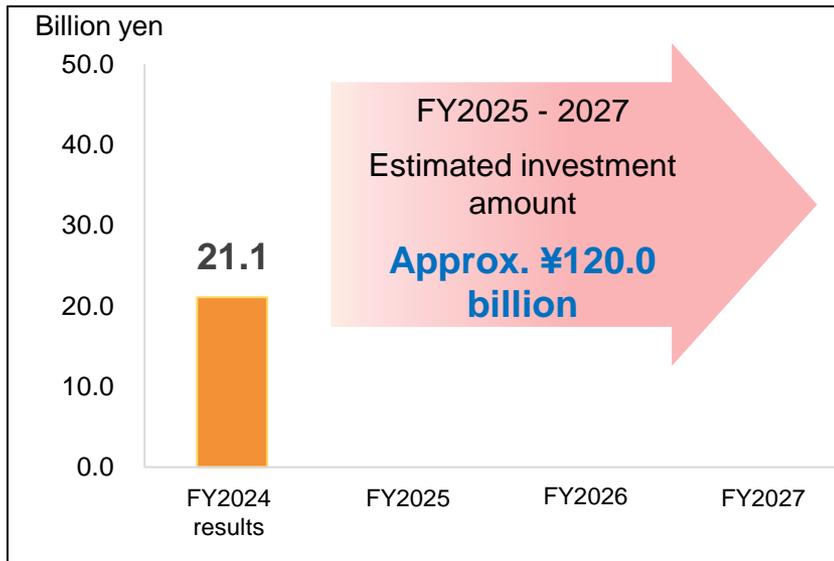
CF Allocation

# Future Investment Prospects

- In FY2025, we will complete the construction of new facilities at existing plants such as the Kobe-Konan Mill, and we will also establish a local subsidiary in Vietnam to expand our business in the ASEAN region (a premix plant is scheduled to start operations in 2027).
- From FY2026 onwards, we will strengthen our supply system by making the company that we outsource the production of frozen foods to into a subsidiary. We will also steadily invest in the construction of the new mill in Chita City and other projects to improve the efficiency of our core business and expand our supply capacity, as well as in the development of R&D facilities, DX-related and marketing investments, etc.

## [Investment results and plans for FY2025 and beyond]

Investment	Total investment amount Total amount contributed	Division	Period of Investment
Facility expansion of Kobe-Konan Mill	Approx. ¥3 billion	Flour Milling	2022-2024
Line enhancement of Pasta Montana	Approx. ¥1 billion	Overseas	2024
OK Food Industry Co., Ltd. line expansion	Approx. ¥1 billion	Food	2023-2024
Establishment of a local subsidiary in Vietnam	Approx. ¥2 billion	Overseas	2024
Accepted a private placement of new shares by Hatanaka Foods Co., Ltd. (a company that manufactures frozen foods on consignment) (plans to strengthen manufacturing facilities)	¥6 billion	Frozen food	2025
Construction of a new mill in Chita City	Approx. ¥22 billion	Flour Milling	2023-2026
Development of research and development facilities	Approx. ¥11 billion	—	2024-2026
Expansion of pasta supply capacity	To be determined	Food	To be determined
Expansion of premix supply capacity	To be determined	Food	To be determined

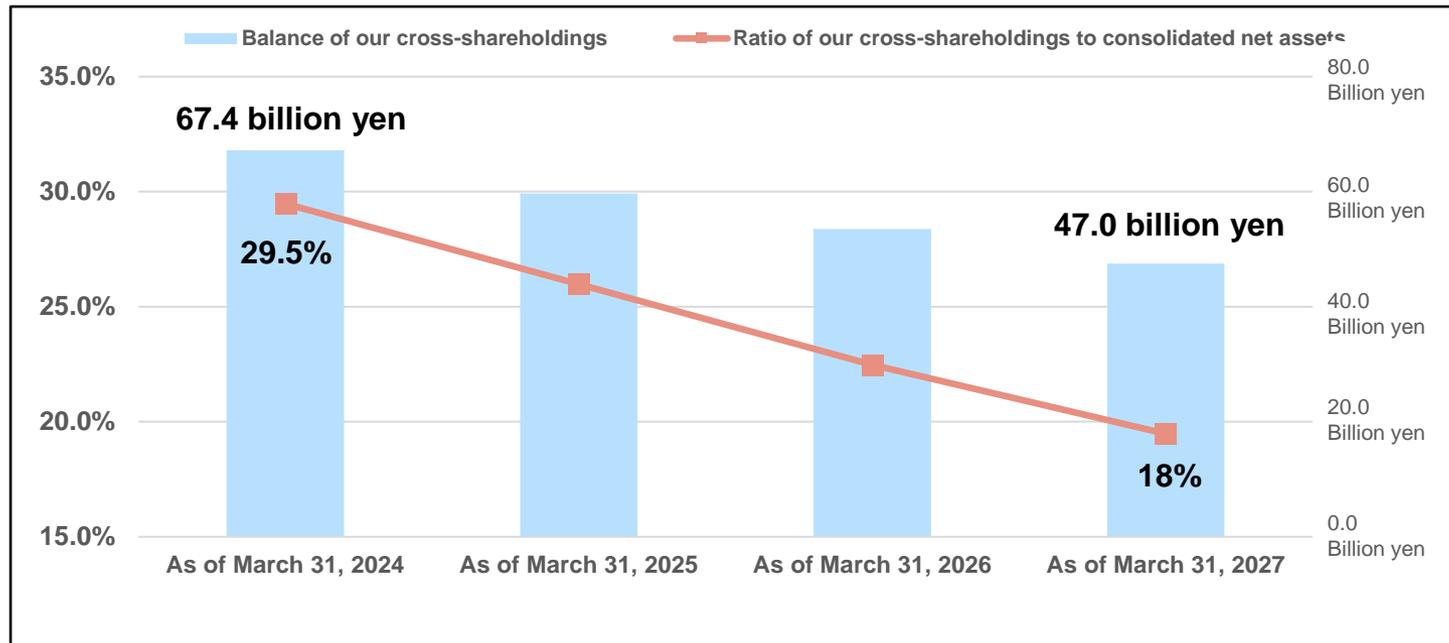


# Initiatives for Reduction of Our Cross-shareholdings

Reduction target:

By the end of the final year of the medium-term target (the end of FY2027) **we will have sold approximately ¥20 billion worth of our cross-shareholdings, reducing the total to less than 20% of consolidated net assets.**

## Reduction plan



- 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.
- In FY2024, we sold ¥15.4 billion.
- We will continue to promote dialogue with issuers (client companies), and **will continue to reduce holdings of a substantial scale in the current period and beyond.**

# Actions to Achieve Cost of Capital and Stock Price Conscious Management

## ~Initiatives to Achieve a P/B Ratio of 1 or more

Measures	Details of the measures / <b>Implementation status</b>	
<b>Improve ROE</b> (8% or more)	<b>Improve the ratio of net income to net sales</b>	<ul style="list-style-type: none"> <li>■ Achievement of medium-term targets                ⇒ The net sales and operating income targets, which were set for achievement in FY2027, were achieved in FY2024, ahead of schedule. As a result, new numerical targets have been set.</li> <li>■ Profit growth through focused investment in growth fields such as the frozen foods business                ⇒ Subsidiarization of a frozen food manufacturing subcontractor / Launch of a premix business in Vietnam.</li> <li>■ Increase market share by strengthening brand power                ⇒ Increased market share for the Oh'my Premium brand (frozen and dried pasta) through product strategies based on Katana Inc.'s marketing know-how.</li> </ul>
	<b>Improve total asset turnover</b>	<ul style="list-style-type: none"> <li>■ Reduction of our cross-shareholdings ⇒ ¥15.4 billion to be sold in FY2024</li> <li>■ Sale of idle assets ⇒ to be sold in FY2025 1H</li> <li>■ Improved asset efficiency by reducing inventories                ⇒ Each division will continue to work to reduce product inventory</li> </ul>
<b>Improve PER</b> (1.3 times or more)	<b>Improve growth potential Reduce business risk</b>	<ul style="list-style-type: none"> <li>■ Reducing business risk through ongoing efforts to address sustainability issues                ⇒ Promotion of environmental protection initiatives (formulation of GHG emissions reduction targets)                Promotion of human capital management initiatives, etc.</li> <li>■ Strengthen IR by enhancing disclosed information and expanding points of contact with investors                ⇒ Refer to “Status of Implementation of Engagement with Shareholders and Investors” on the next page.</li> <li>■ Appropriate feedback of investor opinions and evaluations to management                ⇒ Implementation of regular reports to the Board of Directors.</li> </ul>

# Status of Implementation of Engagement with Shareholders and Investors

## ● Status of engagement implementation

	Targets	Frequency of implementation		Main contact person
		FY2023	FY2024	
<b>Briefing on financial results for institutional investors</b>	Corporate shareholders Institutional investors Analysts	Twice a year	Twice a year	Representative Directors Director in charge of division Director in charge of accounting and finance
<b>Company information session for individual investors</b>	Individual shareholders Individual investors	Once a year	Twice a year	Representative Directors Director in charge of accounting and finance
<b>Individual meetings</b>	Corporate shareholders Institutional investors Analysts	29 sessions	70 sessions	Director in charge of accounting and finance General Manager of Accounting and Finance Department General Manager of Sustainability Promotion Department

## ● Key points for strengthening initiatives based on investor engagement

Engagement themes	Details of strengthened initiatives
<b>Clarification of growth story</b>	In May 2024, we announced the establishment of our Long-term Vision 2030 and upward revision of our medium-term targets.
<b>Improvement of capital efficiency</b>	We reduced our cross-shareholdings (a decrease of ¥15.4 billion in FY2024) and sold idle real estate.
<b>Consideration of enhanced shareholder returns</b>	We confirmed our commitment to increasing the dividend per share by achieving a payout ratio of 30% or more and improving our business performance.
<b>Initiatives for sustainability issues</b>	We re-identified materiality and established a target for reducing GHG emissions.
<b>Strengthening of governance structure</b>	From June 2024, we have reduced the number of directors and increased the ratio of independent outside directors.
<b>Reporting to the Board of Directors</b>	We regularly report to the Board of Directors on the content of our investor engagement.

1. Long-term Vision 2030
2. Status of Implementation and Progress of Strategies to Achieve Medium-term Targets.
3. Financial Strategy
4. **Sustainability Initiatives**



# Environmental Protection Initiatives



The Group is developing its business by benefiting from the blessings of the Earth, and the business activities of the entire supply chain have a significant impact on the environment. Reducing negative impacts on food sustainability is an urgent issue, so we will continue to promote environmental protection initiatives.

## Responding to climate change

As a response to climate change, the Group is working to reduce GHG emissions, and has set a target of reducing total Scope 1 and Scope 2 GHG emissions by 42% compared to 2021 by 2030. We will implement specific initiatives to achieve carbon neutrality by 2050.

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**NIPPN Group: Targets for FY2031**  
**Reduction of GHG emissions (Scope 1 + 2)**  
**42% reduction compared to FY2022**

↓

**Carbon neutrality by 2050**

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### ◆ Initiatives to reduce GHG emissions Introduction of photovoltaic power generation systems

Following the introduction of photovoltaic power generation systems at domestic factories, we have also introduced them at overseas factories (in Thailand and China) and started operation.



NIPPN (Shanghai Jinshan) Co., Ltd.

### ◆ Initiatives for environmental consideration of products Improving loading efficiency by changing the shape of packaging

As a measure to further improve transportation efficiency, we are working to improve the loading efficiency of trucks, and are contributing to the reduction of CO<sub>2</sub> emissions. By changing the packaging of household products, we have improved loading efficiency by 130%.

### Introduction of UV laser printing machines

Printing method using “UV ink”. It eliminates the need for cleaning processes, improves recyclability, conserves resources, and reduces waste. Introduced at the Ryugasaki Frozen Foods Plant.

## Initiatives for Human Capital



Aim for sustainable growth of both individuals and the organization by creating a work environment that fosters creativity and diversity and encourages a positive approach to everything we do.

### ◆ About the formulation of the Human Resources Vision

In order to achieve the well-being of our employees, who are the source of our corporate value creation, and to link our management strategy with our human resources strategy, we have launched a project to formulate a human resources vision, with the aim of completing it by the end of FY2025. In the human resources vision we will formulate in the future, we will define the image of the human resources we seek, and we will work on human resources development, revisions to the personnel system, and the creation of an organizational culture that will lead to the creation of these human resources.

### ◆ Details of initiatives for human capital

#### Recruitment/development of human resources

Create an environment where each and every employee has the opportunity to learn and develop his or her own career, and can maximize his or her own abilities.

- Support career autonomy and promote independent learning
- Providing opportunities to foster creativity and diversity
- Improvement of management skills

#### Promotion of D,E&I

Create a workplace where diverse employees can thrive and foster an organizational culture that ensures psychological safety.

- Initiatives to respect human rights
- Promoting employment of persons with disabilities
- Promotion of advancement of women  
(Target for 2026: Ratio of female managers: 10%)  
(Target for 2026: Ratio of female career-track positions: 30%)

#### Creating a fulfilling and comfortable workplace environment

Support the maintenance and promotion of the physical and mental health of employees and their families, and improve organizational productivity, vitality, and engagement.

- Development of philosophy penetration measures
- Enhancement of engagement
- Promotion of health management

# Sustainability Topics



**Conclusion of a partnership agreement with Yamaguchi Prefecture and the Yamaguchi Prefecture Agricultural Cooperative Association for the promotion of the agricultural sector**

Pursuing sustainable agriculture

A partnership agreement was signed between Yamaguchi Prefecture, which promotes local production for local consumption, JA Yamaguchi Prefecture, which aims to expand the production of agricultural products, and our company, which aims to maintain and expand the stable supply system for wheat produced in the prefecture. We will work together to promote initiatives related to production promotion, demand expansion, and human resource development in the agricultural sector.



**Forest conservation activities**

Conservation of biodiversity

We are planting trees at NIPPN Shikinomori in Fukagawa City, Hokkaido, as a place for ecosystem conservation, and we are managing, maintaining, and opening it to the public. We are also working with the Nippon Paper Group to preserve forests (by planting trees) in Minakami Town, Gunma Prefecture, which is a source area for water in the Kanto region, and we are working to preserve water resources and ensure biodiversity, with the participation of our employees.



**“Food knowledge,” “the joy of food”, “the importance of food”, “healthy body building”**

Food education activities

Food knowledge:

We hold traveling lectures for junior high and high school students in collaboration with the Keio University School of Medicine. We teach students how to take in nutrients correctly.

The importance of food and the joy of food : In order to promote an understanding of food culture that enhances QOL and social skills, we accept company visits for study and hold cooking classes for people of all ages.

Healthy body building:

As a “food and swimming class,” we focus on the collaboration of food education and swimming for the healthy growth of children, and hold a lecture on food and a swimming class with Olympians as guests.

We hold a “maternal and child health seminar” for maternal and child health instructors.



Maternal and child health seminar

# VI Appendix (Supplementary Materials for Financial Results)



# Statements of Income

(Millions of yen)	1H FY2024		Initial forecast for 1H FY2025		1H FY2025					
	Results	Net sales ratio	Forecast	Net sales ratio	Results	Net sales ratio	YoY	Change (%)	Compared to the forecast	Change (%)
<b>Net sales</b>	198,973	100.0%	205,000	100.0%	204,909	100.0%	5,936	3.0%	(91)	(0.0)%
<b>Cost of sales</b>	152,588	76.7%			155,644	76.0%	3,055	2.0%		
<b>Gross profit</b>	46,384	23.3%			49,264	24.0%	2,880	6.2%		
<b>Selling, general and administrative expenses</b>	35,348	17.8%			38,740	18.9%	3,391	9.6%		
<b>Operating income</b>	11,035	5.5%	10,000	4.9%	10,524	5.1%	(510)	(4.6)%	524	5.2%
<b>Non-operating income</b>	1,691	0.8%			1,828	0.9%	137	8.1%		
<b>Non-operating expenses</b>	182	0.1%			260	0.1%	78	42.9%		
<b>Ordinary income</b>	12,544	6.3%	11,000	5.4%	12,092	5.9%	(452)	(3.6)%	1,092	9.9%
<b>Extraordinary income</b>	55	0.0%			8,554	4.2%	8,499	15,452.7%		
<b>Extraordinary expenses</b>	405	0.2%			131	0.0%	(274)	(67.7)%		
<b>Profit before income taxes</b>	12,193	6.1%			20,515	10.0%	8,322	68.3%		
<b>Total income taxes</b>	3,547	1.8%			6,259	3.1%	2,712	76.5%		
<b>Profit attributable to non-controlling interests</b>	156	0.1%			217	0.1%	60	39.1%		
<b>Profit attributable to owners of parent</b>	8,489	4.3%	13,000	6.3%	14,039	6.9%	5,549	65.4%	1,039	8.0%

# Balance Sheets

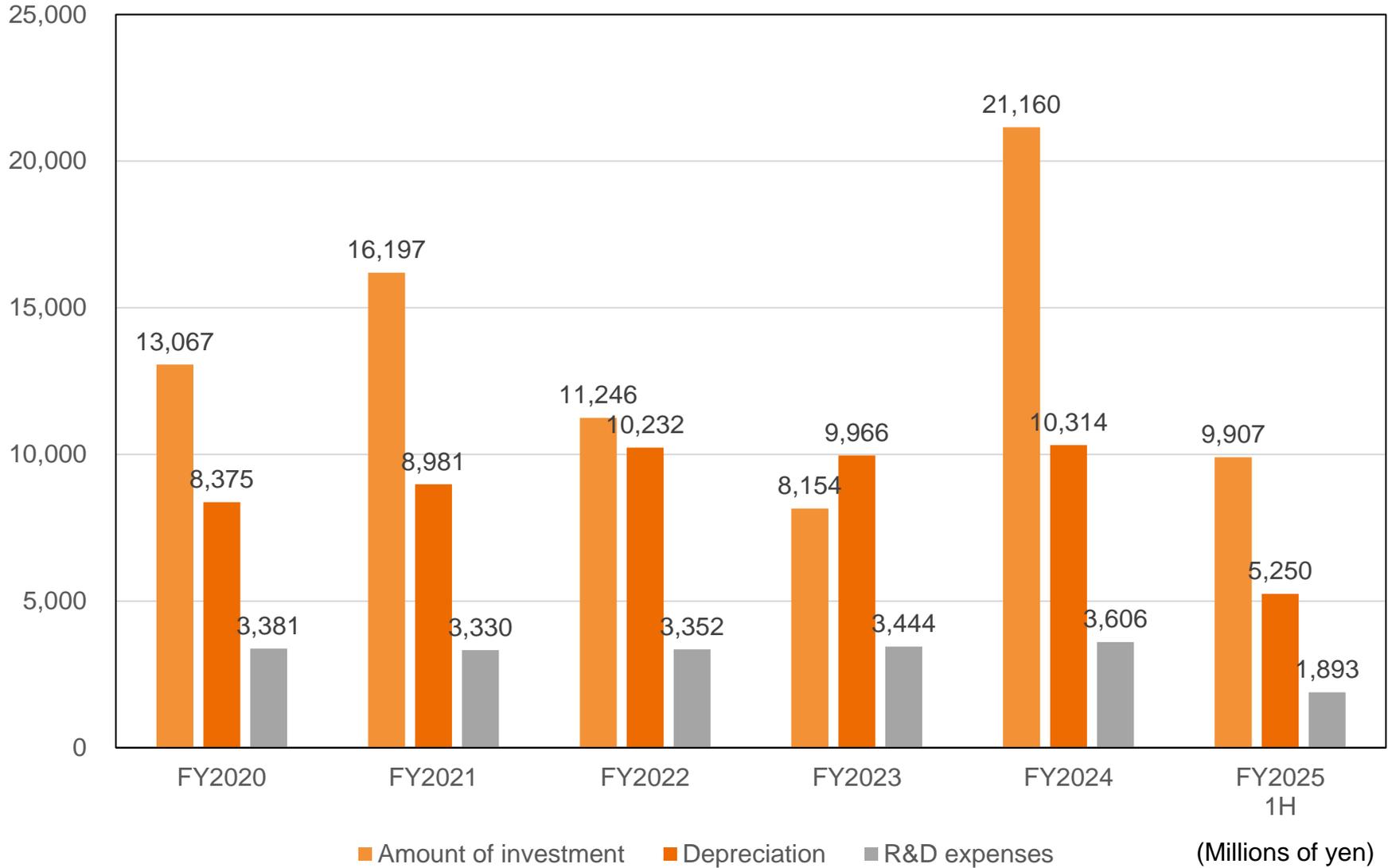
(Millions of yen)

	FY2024		1H FY2025			
	(As of Mar. 31, 2024)	Component ratio	(As of Sep. 30, 2024)	Component ratio	YoY	Change
Current assets	157,759	40.8%	161,987	40.4%	4,228	(0.4)p
Property, plant and equipment	124,407	32.2%	129,450	32.3%	5,043	0.1P
Intangible assets	2,423	0.6%	2,207	0.6%	(216)	(0.0)p
Investments and other assets	102,088	26.4%	107,239	26.8%	5,150	0.4P
Non-current assets	228,919	59.2%	238,897	59.6%	9,977	0.4p
Deferred assets	13	0.0%	7	0.0%	(6)	(0.0)p
Total assets	386,692	100.0%	400,892	100.0%	14,200	-
Current liabilities	84,403	21.8%	82,058	20.5%	(2,345)	(1.3)p
Non-current liabilities	74,002	19.1%	75,072	18.7%	1,069	(0.4)p
Total liabilities	158,406	41.0%	157,130	39.2%	(1,276)	(1.8)p
Equity capital	224,115	58.0%	239,513	59.7%	15,398	1.7p
Subscription rights to shares	221	0.1%	115	0.0%	(105)	(0.1)p
Non-controlling interests	3,948	1.0%	4,132	1.0%	184	0.0p
Total net assets	228,285	59.0%	243,762	60.8%	15,476	1.8p
Total liabilities and net assets	386,692	100.0%	400,892	100.0%	14,200	-

# Statements of Cash Flows

(Millions of yen)	1H FY2024	1H FY2025	Change
<b>Cash flows from operating activities</b>	7,293	6,585	(708)
<b>Cash flows from investing activities</b>	(9,077)	(3,307)	5,769
<b>Cash flows from financing activities</b>	(3,330)	(5,046)	(1,715)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	305	356	51
<b>Net increase (decrease) in cash and cash equivalents</b>	(4,809)	(1,411)	3,397
<b>Cash and cash equivalents at beginning of period</b>	33,157	40,728	7,570
<b>Cash and cash equivalents at end of period</b>	28,348	39,316	10,968

## Trends in Amount of Investment, Depreciation, and R&D Expenses



**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.**

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