

May 21, 2025



# **FY2025 Briefing Session on Business Results**

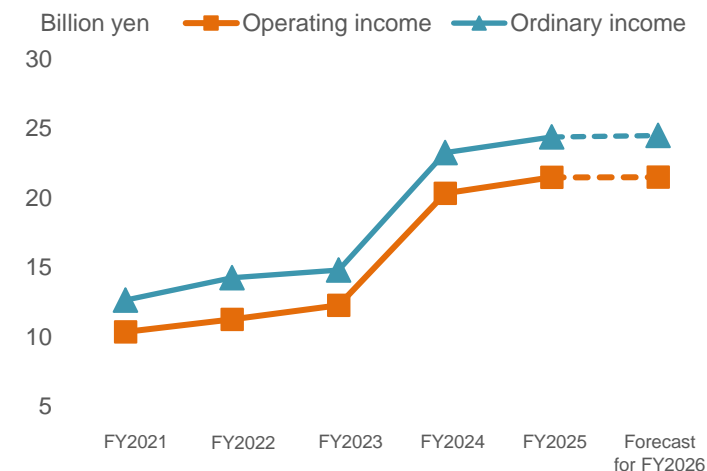
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NIPPON CORPORATION  
<https://www.nippon.co.jp/en/>

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## Overview of Business Results for FY2025 and FY2026 Performance Forecasts

- ▶ Consolidated results for FY2025 **reached a record high in terms of net sales, operating income, and ordinary income.**
- ▶ We expect consolidated **net sales, operating income, and ordinary income to reach record highs in FY2026 (increase for five consecutive terms).**  
We will also continue selling our cross-shareholdings.



## Status of Implementation and Progress of Strategies to Achieve Medium-term Targets

- ▶ With respect to initiatives for the FY2023-2027 Medium-term Targets, which are regarded as milestones for Long-term Vision 2030, **measures to achieve the targets have been consistently implemented** in each business segment.

## Toward Realizing Economic Value of Long-term Vision 2030

- ▶ In order to realize the economic value set out in Long-term Vision 2030, we will engage in expanding sales and profit with the business segments of **“Frozen Food Business” and “Overseas Business”** regarded as focus businesses.



## **Overview of Business Results for FY2025 and Performance Forecasts**

# FY2025 Results



## Net sales

**Increased by ¥10.3 billion from the previous year** due to factors including the expansion of demand for food services and inbound demand, price revisions implemented in the previous and current fiscal years, and the growth in sales volume of the Oh'my Premium brand driven by strengthened marketing strategies.

## Operating income

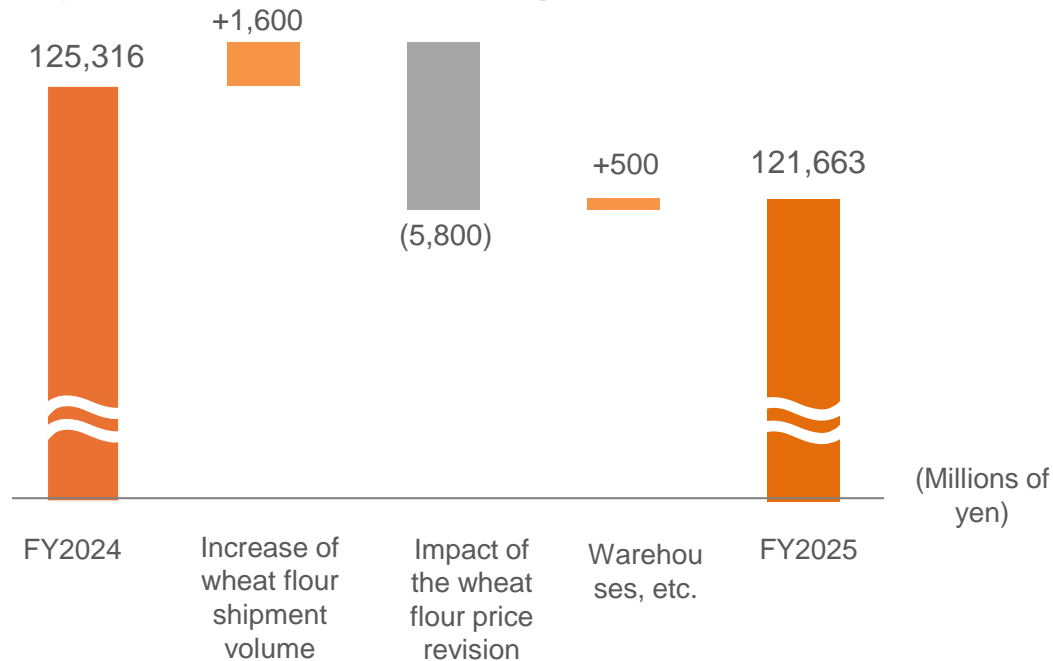
**Increased by ¥1.1 billion from the previous year** due to increased sales volume in both the Flour Milling Business and the Food Business, despite an increase in various costs in each business, including personnel and logistics costs.

(Millions of yen)		FY2024		FY2025					
		Results	% of net sales	Results	% of net sales	YoY	YoY change (%)	Compared to forecast	Change (%) from forecast
Net sales	Flour Milling	125,316	31.3%	121,663	29.6%	(3,652)	(2.9)%	663	0.5%
	Food	226,661	56.6%	238,353	58.0%	11,691	5.2%	(1,647)	(0.7)%
	Other	48,536	12.1%	50,861	12.4%	2,324	4.8%	(139)	(0.3)%
	Total	400,514	100.0%	410,878	100.0%	10,364	2.6%	(1,121)	(0.3)%
Operating income	Flour Milling	9,186	7.3%	9,203	7.6%	16	0.2%	503	5.8%
	Food	8,354	3.7%	9,283	3.9%	928	11.1%	183	2.0%
	Other, etc.	2,799	5.8%	3,000	5.9%	200	7.1%	300	11.1%
	Total	20,340	5.1%	21,486	5.2%	1,145	5.6%	986	4.8%
Operating income before depreciation		30,654	7.7%	32,380	7.9%	1,726	5.6%	-	-
Ordinary income		23,280	5.8%	24,393	5.9%	1,112	4.8%	1,893	8.4%
Profit attributable to owners of parent		26,367	6.6%	24,757	6.0%	(1,610)	(6.1)%	757	3.2%

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

## Flour Milling

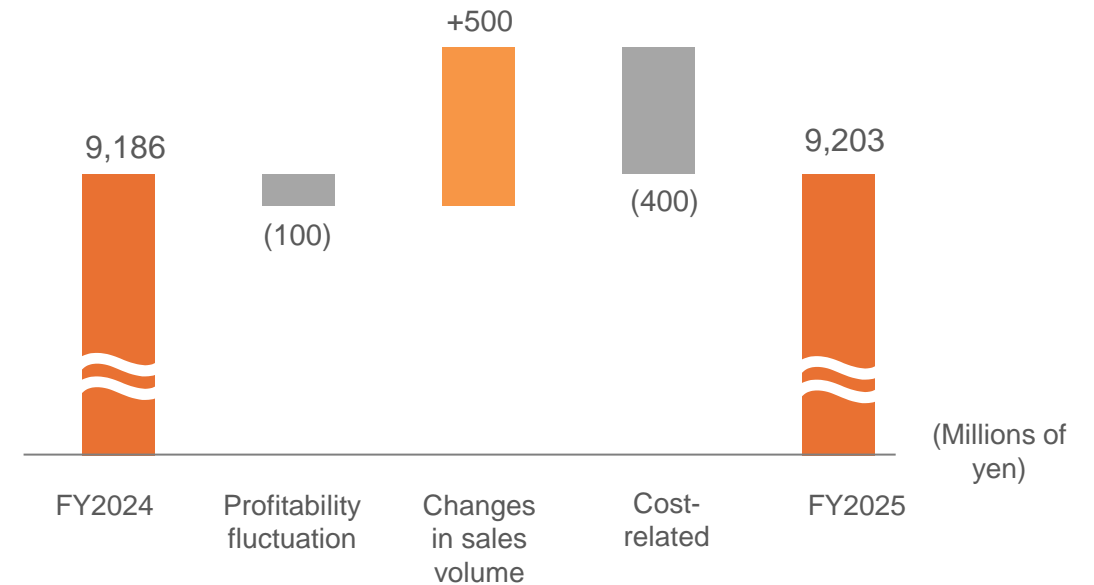
### Analysis of factors for changes in net sales



**Compared with the same period of FY2024: decrease of ¥3,652 million [(2.9)%]**

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

### Analysis of factors for changes in operating income



**Compared with the same period of FY2024: increase of ¥16 million [+0.2%]**

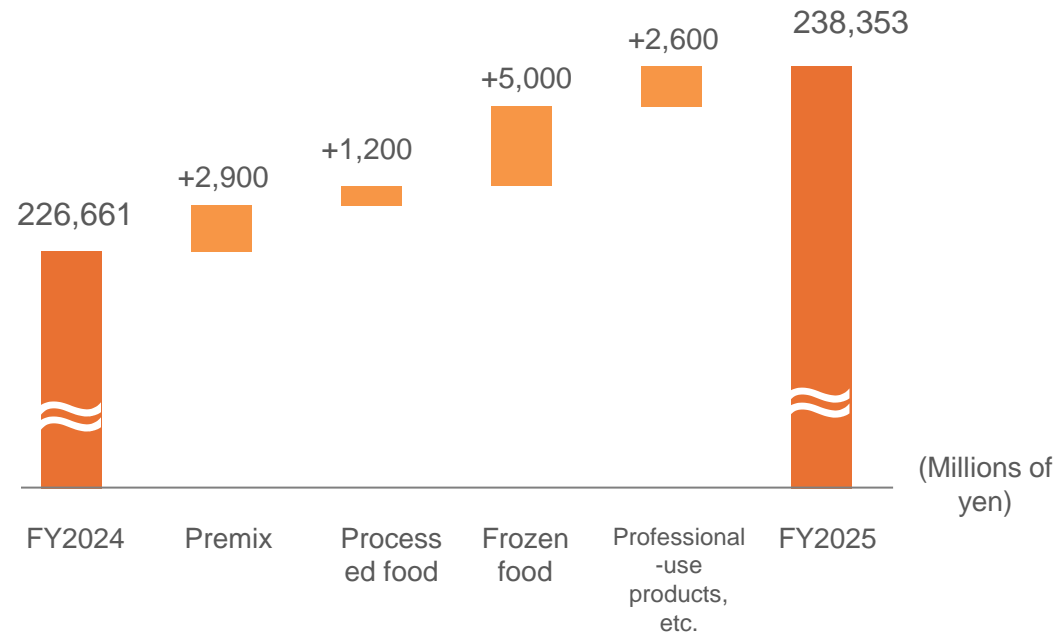
Despite higher costs in areas such as logistics and depreciation, operating income in the business segment rose from the same period of the previous year, driven by the growth of sales volume.

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

Food



## Analysis of factors for changes in net sales



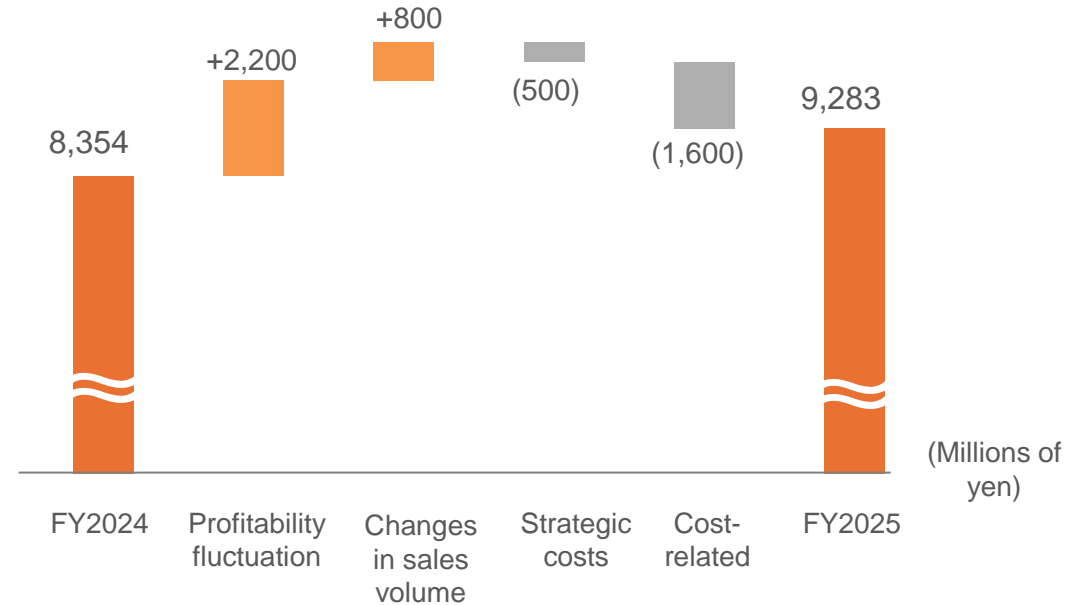
### Compared with the same period of FY2024: increase of ¥11,691 million [+5.2%]

Net sales in the business segment increased from the same period of the previous year due to increased demand from, among other factors, a recovery in personal consumption and inbound consumption.

In particular, the sales volume of premix products increased for food service use.

The sales volume of frozen foods increased, with frozen pasta products and one-plate complete meal products maintaining strong performance.

## Analysis of factors for changes in operating income



### Compared with the same period of FY2024: increase of ¥928 million [+11.1%]

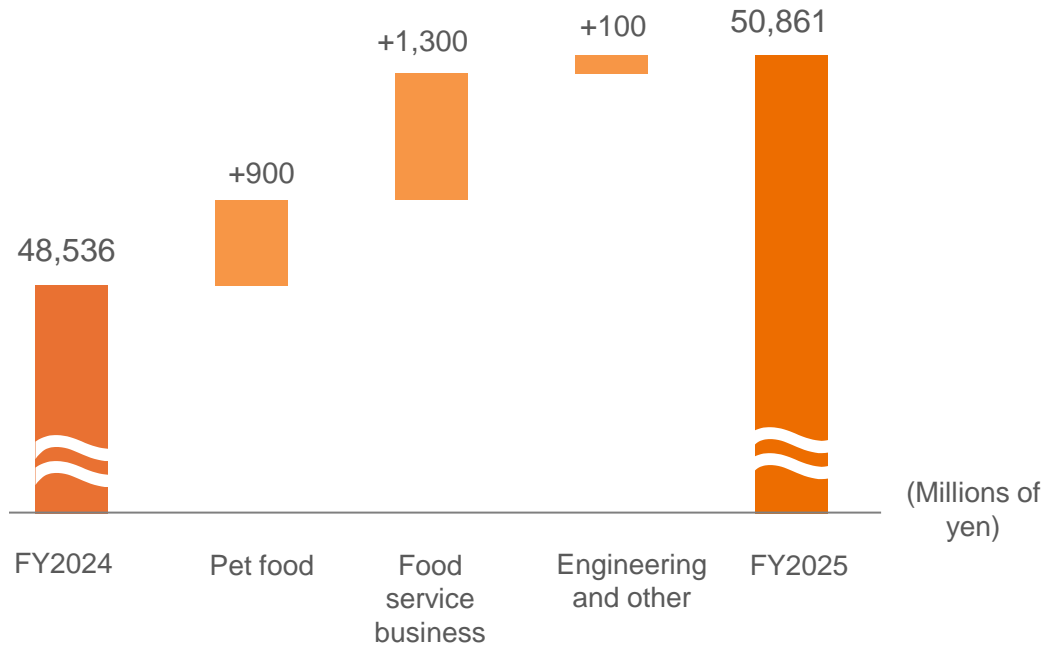
Despite increased costs such as logistics, labor, and strategic costs, operating income in the business segment rose from the same period of the previous year owing to price revisions in response to rising raw material prices, as well as the growth of sales volume.

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

Other



## Analysis of factors for changes in net sales



**Compared with the same period of FY2024: increase of ¥2,324 million [+4.8%]**

The sales of pet food rose due to its increased sales volume and price revisions implemented. Also, sales in the food service business increased due to price revisions and a growing number of customers. Consequently, net sales rose across the entire Other Business segment.

## Analysis of factors for changes in operating income



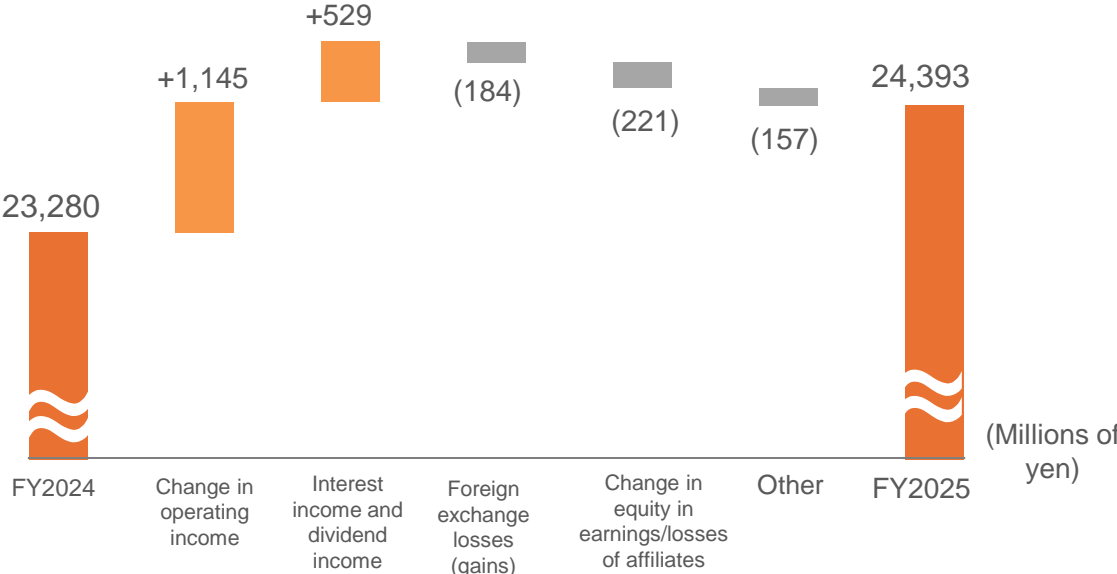
**Compared with the same period of FY2024: increase of ¥200 million [+7.1%]**

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



# Analysis of Factors for Changes in Ordinary Income / Profit

## Analysis of factors for changes in ordinary income

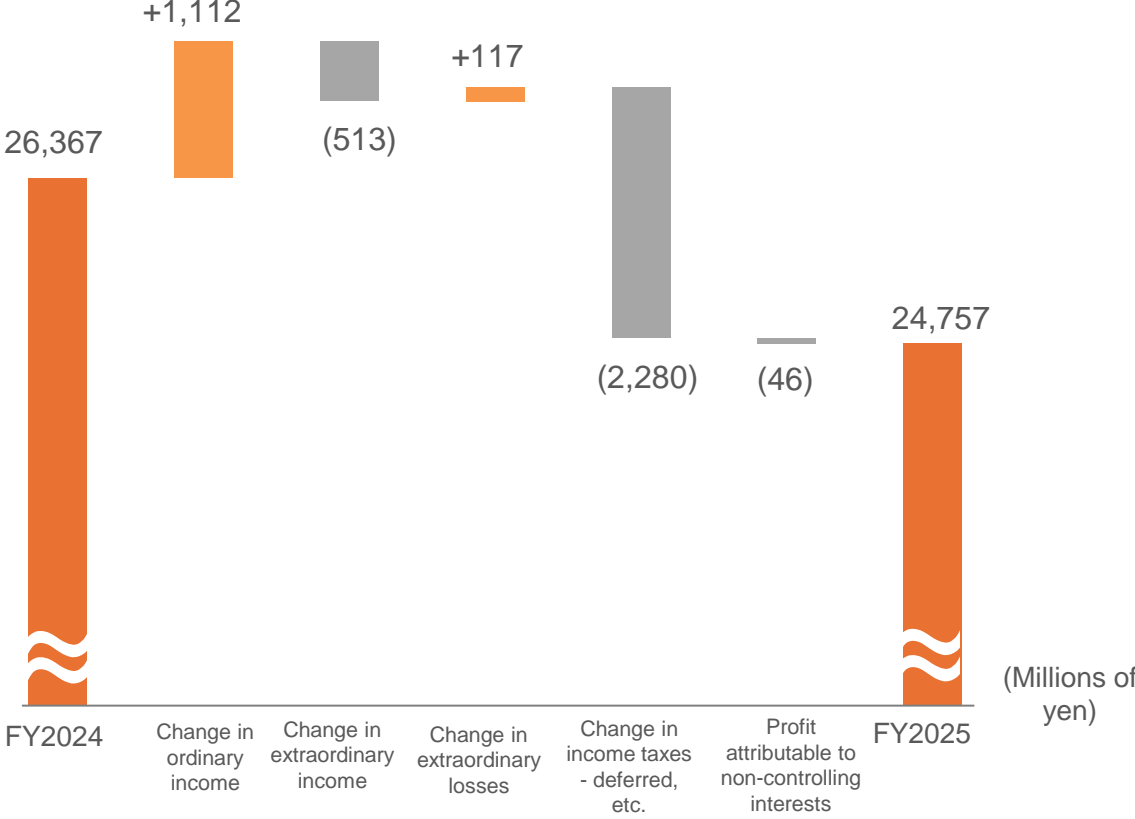


**Compared with the same period of FY2024: increase of ¥1,112 million [+4.8%]**

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

## Analysis of factors for changes in profit(\*)

(\*) Profit attributable to owners of parent



**Compared with the same period of FY2024: decrease of ¥1,610 million [(6.1)%]**

While ordinary income increased, a decreased gain on sales of investment securities and increased income taxes resulted in a decline in profit.

# FY2026 Performance Forecasts



## Net sales

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

## Operating income

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

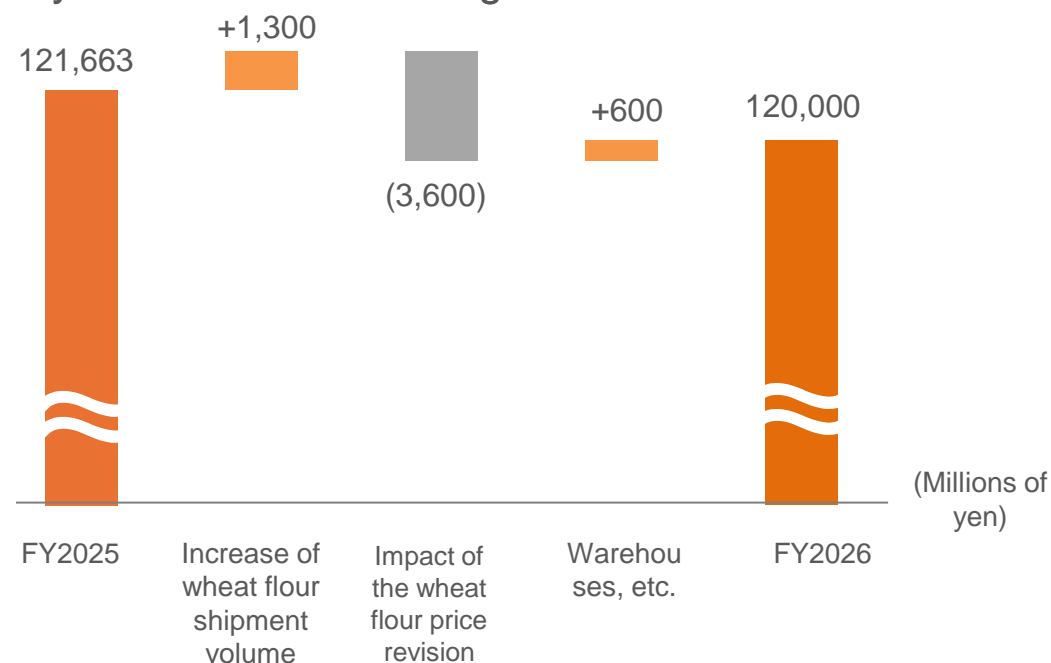
(Millions of yen)		FY2025		FY2026			
		Results	% of net sales	Forecast	% of net sales	YoY	YoY change (%)
Net sales	Flour Milling	121,663	29.6%	120,000	28.3%	(1,663)	(1.4)%
	Food	238,353	58.0%	250,500	59.1%	12,147	5.1%
	Other	50,861	12.4%	53,500	12.6%	2,639	5.2%
	Total	410,878	100.0%	424,000	100.0%	13,122	3.2%
Operating income	Flour Milling	9,203	7.6%	8,600	7.2%	(603)	(6.6)%
	Food	9,283	3.9%	9,600	3.8%	317	3.4%
	Other, etc.	3,000	5.9%	3,300	6.2%	300	10.0%
	Total	21,486	5.2%	21,500	5.1%	14	0.1%
Operating income before depreciation		32,380	7.9%	33,200	7.8%	820	2.5%
Ordinary income		24,393	5.9%	24,500	5.8%	107	0.4%
Profit attributable to owners of parent		24,757	6.0%	20,200	4.8%	(4,557)	(18.4)%

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

## Flour Milling



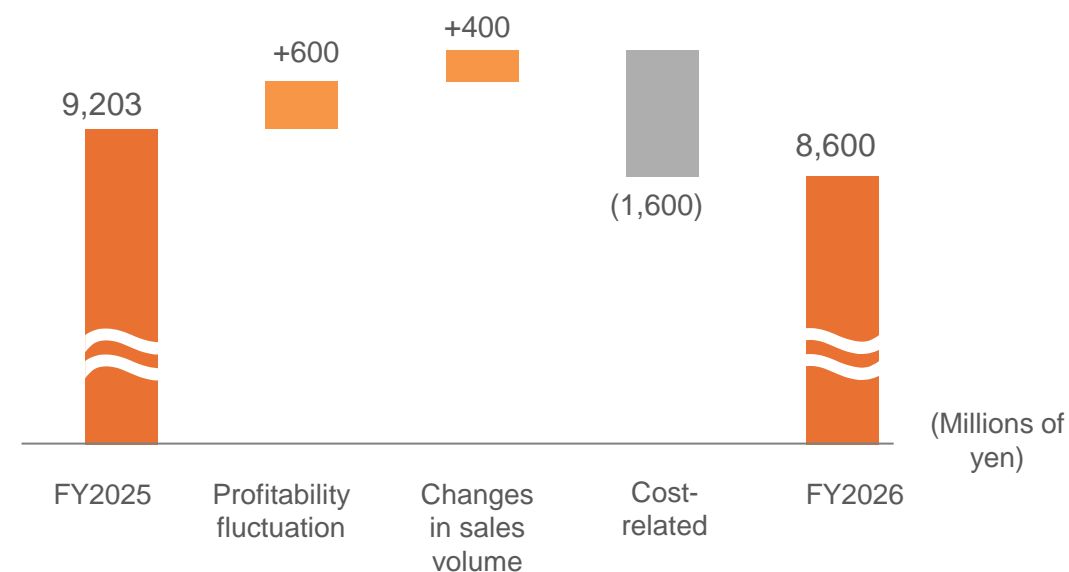
Analysis of factors for changes in net sales



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

While sales volume is planned to increase, net sales in the business segment are expected to decrease since the prices of wheat flour for professional use are to be revised following reductions in the government selling price for imported wheat.

Analysis of factors for changes in operating income



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

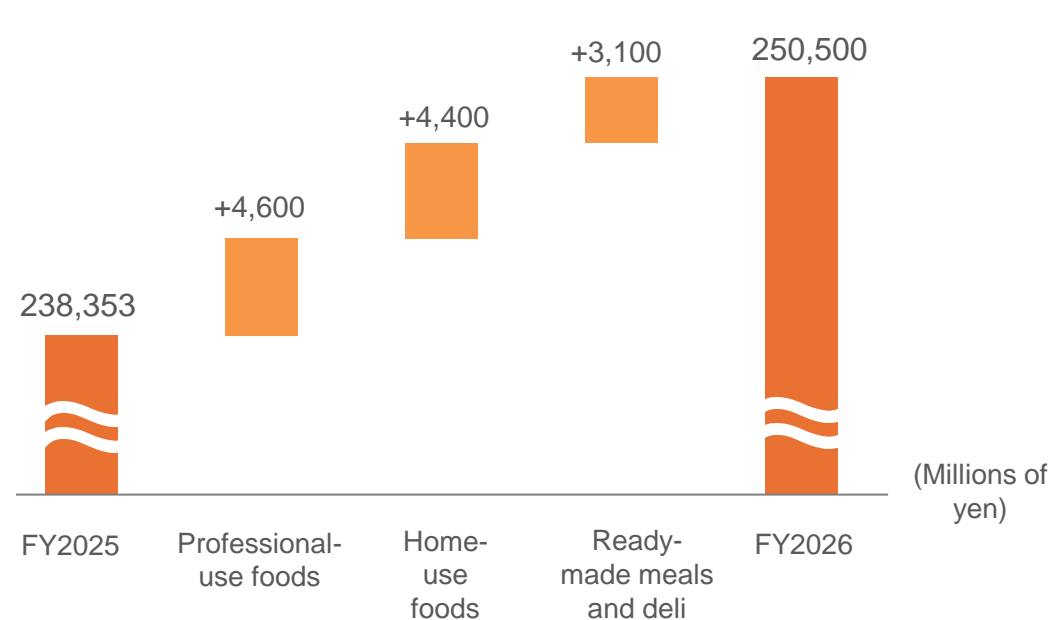
Despite some positive factors associated with enhancing productivity and increasing sales volume of wheat flour, operating income in the business segment is expected to decline, mainly due to higher depreciation associated with the operation of the new Chita mill.

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

Food



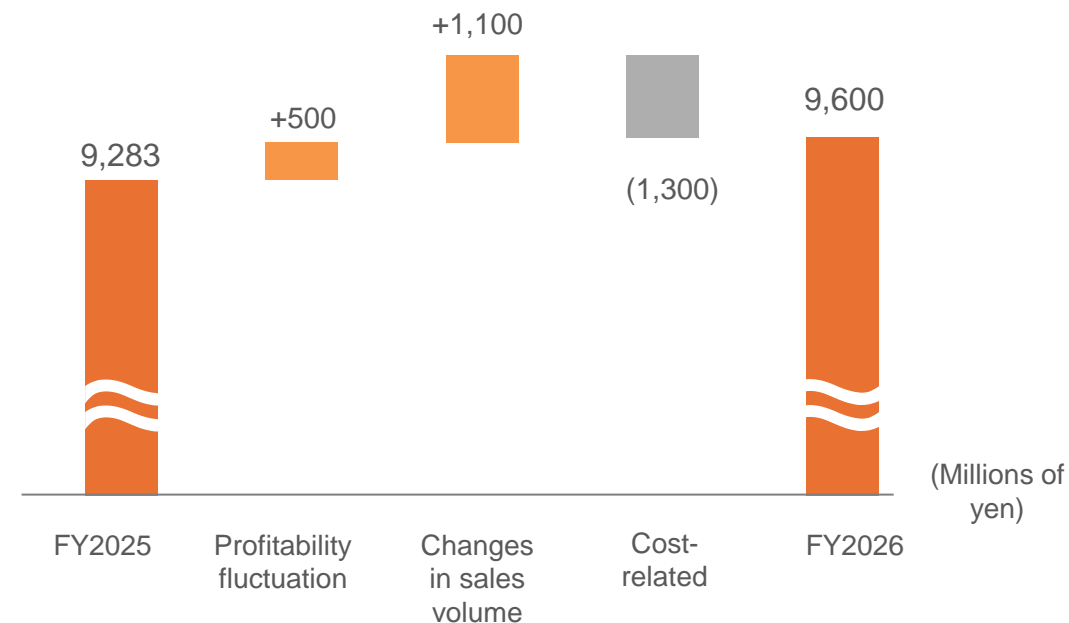
## Analysis of factors for changes in net sales



**Compared with the same period of FY2025:  
increase of ¥12,147 million [+5.1%]**

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

## Analysis of factors for changes in operating income



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

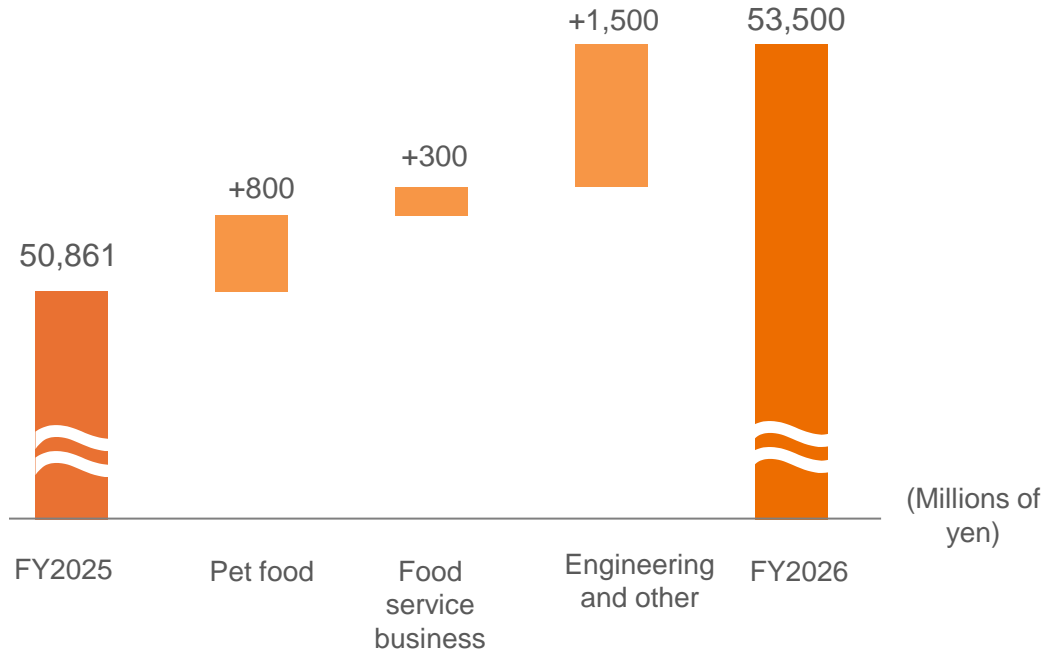
While costs, including those for personnel, repair materials, and depreciation, are projected to rise, operating income is forecast to increase, mainly based on improvements in the profitability of home-use foods and growth in the sales volume of professional-use foods including premix products.

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

Other



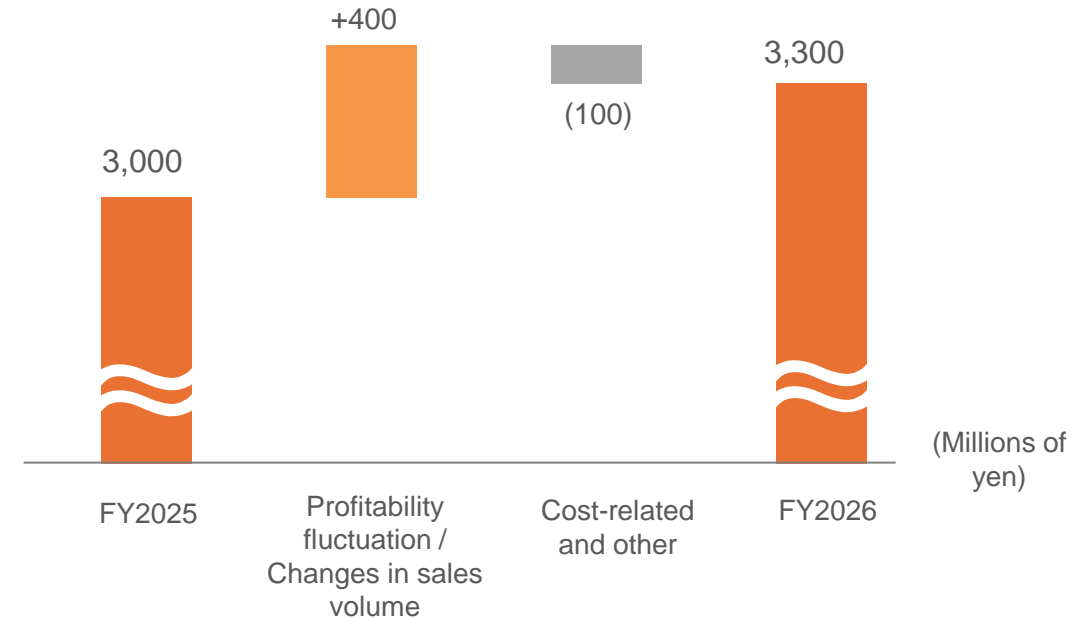
## Analysis of factors for changes in net sales



**Compared with the same period of FY2025:  
increase of ¥2,639 million [+5.2%]**

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

## Analysis of factors for changes in operating income



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

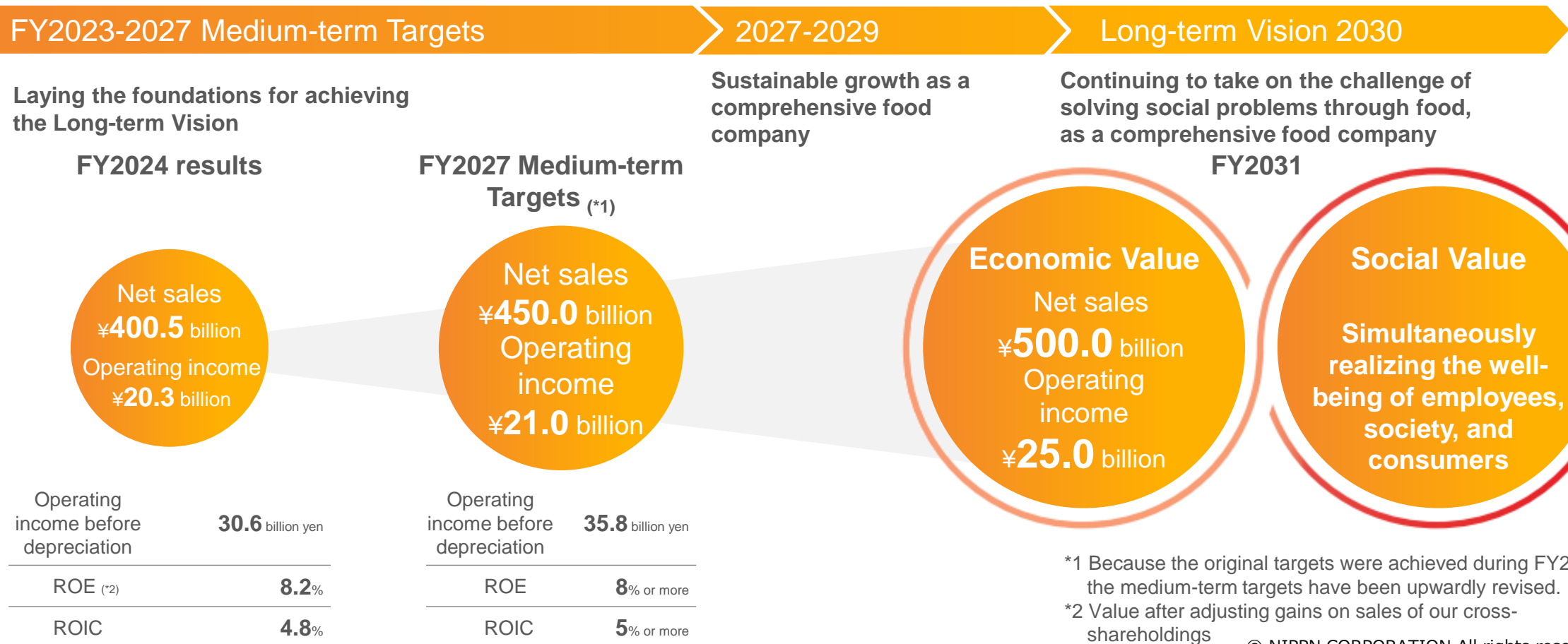
Despite increasing fixed costs such as personnel costs, operating income in the business segment is expected to grow with profitability fluctuations and increased sales volume serving as positive factors.



## **Status of Implementation and Progress of Strategies to Achieve Medium-term Targets**

# Steps Toward Long-term Vision 2030

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



# Basic Strategy Policies for Medium-term Targets

## (1) Strengthening profitability in core fields

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

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

Flour  
Milling

Food  
Ingredients

Processed  
Food

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

**Further expand business areas through focused allocation of management resources**

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

Frozen  
food

Ready-  
made  
Meals

Healthcare

Overseas

## (3) Pursuing M&A and business partnership opportunities

## (4) Strengthening corporate competitiveness through DX promotion

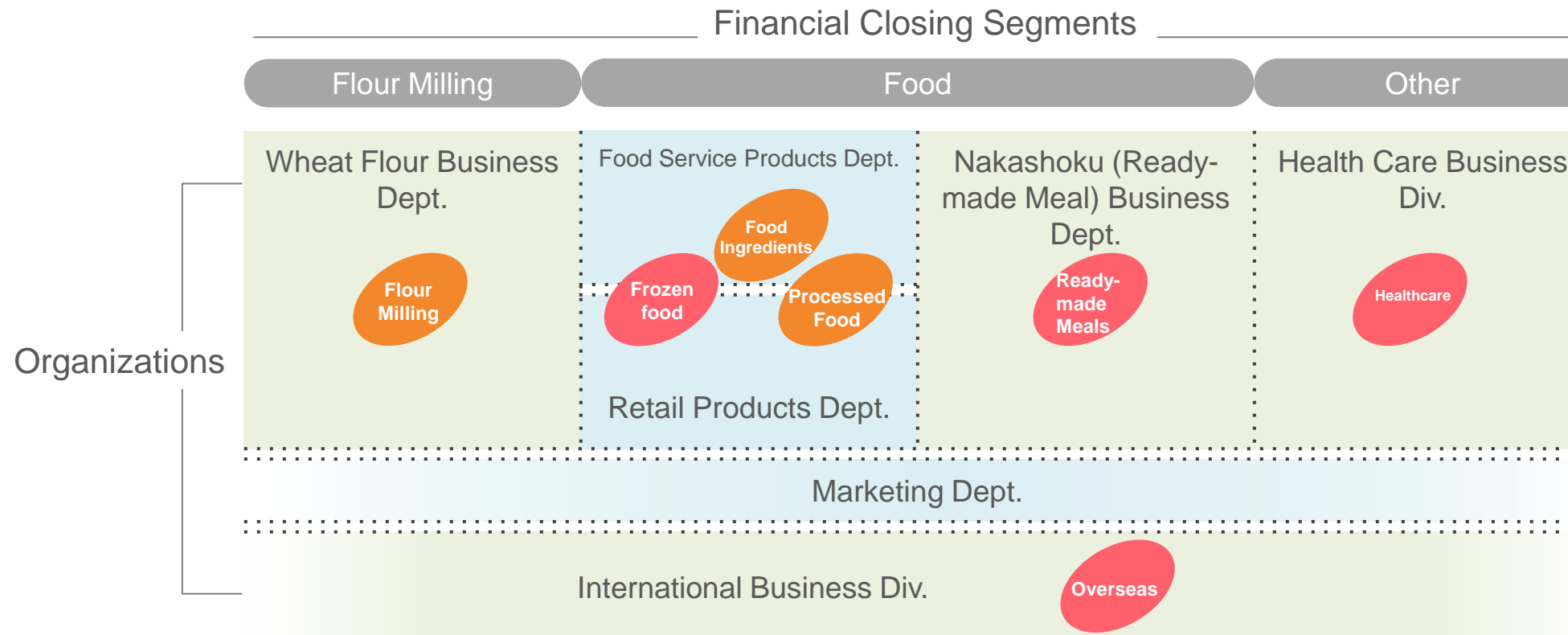
## (5) Promoting sustainability management



# Financial Closing Segments, Connection Between Each Business, and Organizational Reform in Food Business

In order to ensure reliable execution of strategies for the medium-term targets, an organizational reform was conducted in Food Business in April 2025

- ▶ To shift away from a product-based organization and to enable customer-driven standardized strategy planning and prompt decision-making, the business departments that were previously divided according to product temperature zones have been consolidated into the Retail Products Department and the Food Service Products Department.
- ▶ Product development activities and sales support activities are incorporated into the newly established Marketing Department to deepen collaboration with the sales side and facilitate sales expansion in an integrated manner.



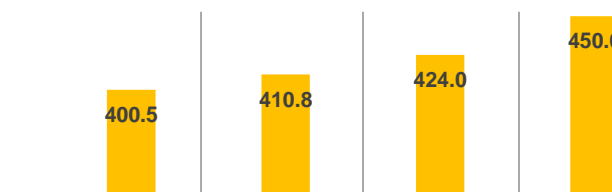
# Breakdown of Medium-term Targets by Segment

		FY2024 results	FY2025 results	FY2026 performance forecast	FY2027 Medium-term Target
Net sales	Flour Milling	125.3	121.6	120.0	139.0
	Food	226.6	238.3	250.5	261.0
	Other	48.5	50.8	53.5	50.0
	Total	400.5	410.8	424.0	450.0
Operating income	Flour Milling	9.1	9.2	8.6	6.8
	Food	8.3	9.2	9.6	11.4
	Other, etc.	2.7	3.0	3.3	2.8
	Total	20.3	21.4	21.5	21.0
Depreciation		10.3	10.8	11.7	14.8
Operating income before depreciation		30.6	32.3	33.2	35.8
ROE		8.2%(*1)	6.6%(*1)	-	8% or more
ROIC		4.8%	4.7%	-	5% or more

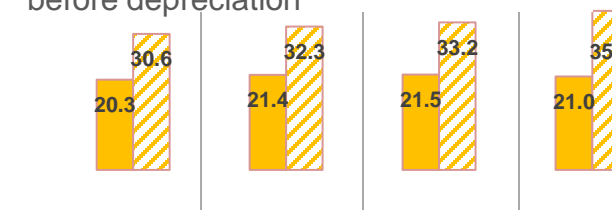
(Billions of yen)

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

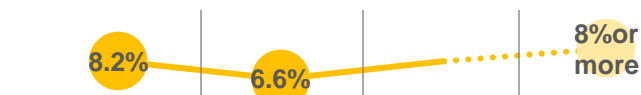
Net sales



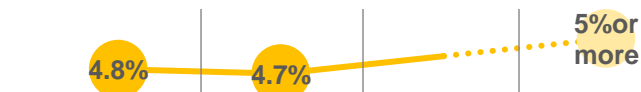
Operating income / Operating income before depreciation



ROE



ROIC



FY2024 FY2025 FY2026 FY2027

## Key strategies and specific measures toward FY2027

<p>Flour Milling</p>	<p>Net sales target for FY2027 110% compared to FY2024</p> <p>Progress as of FY2025 <b>97%</b> compared to FY2024</p>	<p><b>Initiatives for market expansion and productivity improvement through the new establishment and reallocation of manufacturing facilities</b></p> <ul style="list-style-type: none"> <li>▶ <u>Improve production efficiency and contribute to the achievement of the SDGs through the introduction of state-of-the-art equipment into the new Chita mill</u></li> <li>▶ Develop, and expand the sale of, unique products that are valuable to customers and resonate with them, such as whole wheat flour and domestically produced wheat</li> <li>▶ Utilize DX to put into practice <u>highly productive sales activities</u>, <u>eliminate wasteful actions</u>, and <u>improve logistics</u></li> </ul>
<p>Food (professional use)</p>	<p>Net sales target for FY2027 115% compared to FY2024</p> <p>Progress as of FY2025 <b>106%</b> compared to FY2024</p>	<p><b>Utilization of marketing to promote sales expansion and strengthening of initiatives in growing markets</b></p> <ul style="list-style-type: none"> <li>▶ Utilize marketing know-how based on the consumer's perspective and offer proposals for labor-saving in operations, as part of <u>sales and development activities aimed at maximizing mutual benefits between customers and us</u></li> <li>▶ Expand markets for premix products and seasonings through product differentiation leveraging our know-how</li> <li>▶ Thorough profitability management through, for example, visualization by utilizing DX</li> </ul>
<p>Food (home use)</p>	<p>Net sales target for FY2027 125% compared to FY2024</p> <p>Progress as of FY2025 <b>108%</b> compared to FY2024</p>	<p><b>Development of a master brand and reinforcement of systems for sales expansion and supply in growth fields</b></p> <ul style="list-style-type: none"> <li>▶ <u>Deepen and cultivate the Oh'my Premium brand based on marketing strategies</u></li> <li>▶ Improve the brand recognition and enhance sales promotion through effective advertising activities such as placing TV commercials</li> <li>▶ Expand supply capacity in the Frozen Food Business through the commencement of operation at the new plant of HATANAKA FOODS Co., Ltd.</li> </ul>

## Key strategies and specific measures toward FY2027

<p>Nakashoku (Ready-made meal) Business</p>	<p><b>Net sales target for FY2027</b> <b>115% compared to FY2024</b></p> <p>Progress as of FY2025</p> <p><b>101%</b> compared to FY2024</p> 	<p><b>Rebuilding the “earning power” of the daily maker business and developing production systems</b></p> <ul style="list-style-type: none"> <li>Expand production capacity and enhance production efficiency through the introduction of state-of-the-art equipment into production lines</li> <li>Enhance group-wide capabilities through development of production control systems and standardization of various systems</li> <li>Develop/Offer value-added products and continue initiatives for extending use by-dates</li> </ul>
<p>Healthcare Business</p>	<p><b>Net sales target for FY2027</b> <b>180% compared to FY2024</b></p> <p>Progress as of FY2025</p> <p><b>103%</b> compared to FY2024</p> 	<p><b>Expansion of the sale of functional materials and sales channels for health foods that utilize proprietary ingredients</b></p> <ul style="list-style-type: none"> <li>Expand sales channels for high value-added, plant-derived functional materials, for example, by rendering functional materials water-soluble, acquiring halal certification, and enhancing the recognition of Roast Amani</li> <li>Develop and foster new products for online sales channels and develop new sales channels</li> </ul>
<p>Overseas Business</p>	<p><b>Net sales target for FY2027</b> <b>200% compared to FY2024</b></p> <p>Progress as of FY2025</p> <p><b>107%</b> compared to FY2024</p> 	<p><b>Market development inside and outside of our company's locations and capital investment for overseas business expansion</b></p> <ul style="list-style-type: none"> <li>Enhance market development activities not only for the Japanese market and the markets of our company's locations, but also for the markets of neighboring countries</li> <li>Create synergy with the existing two locations in the United States, in light of the commencement of operation of the new Utah mill</li> <li>Develop a system for business expansion in preparation for the commencement of operation of a new plant of NIPPON Vietnam</li> </ul>

# Growth Strategy (1): Promoting Marketing Strategies



## Frozen Food Business

## Processed Food Business

## Deployment to all the fields of home use and

From Oct. 2023

From Mar. 2024

FROM FY2026

- Starting the implementation of measures for the No. 1 frozen pasta brand\*<sup>1</sup> ahead of time

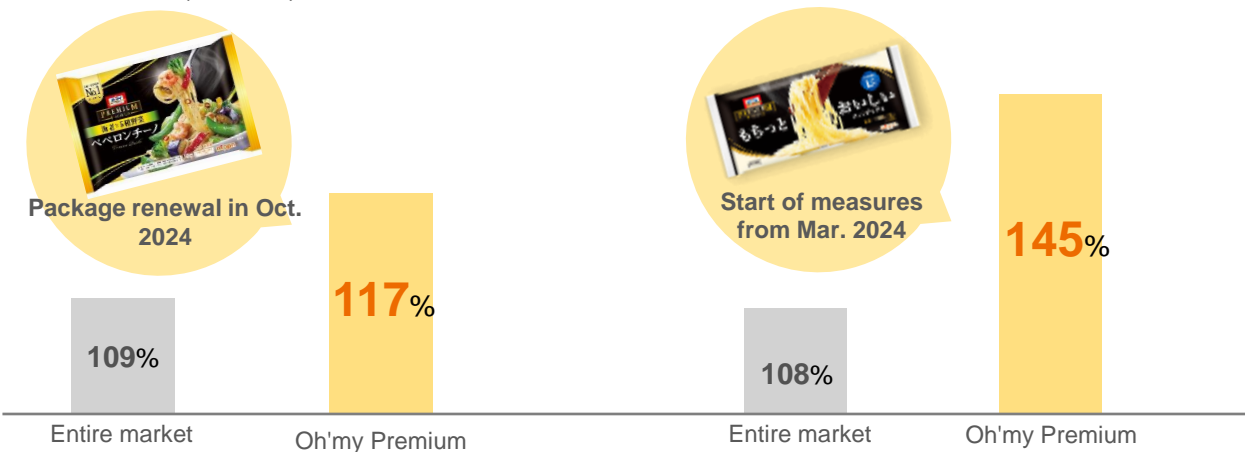
- For dried pasta, deploying new products that deliver a consistent “sensation of deliciousness”

- Expansion of the application of thorough “consumer-oriented marketing” to cover processional-use fields
- Establishment of the Marketing Department into which the advertisement, development, and sales functions of the head office have been consolidated

Continuous growth of the Oh'my Premium brand

Frozen pasta growth rate<sup>2</sup>  
(FY2025)

Dried pasta growth rate<sup>3</sup>  
(FY2025)



Transfer the marketing know-how of Katana Inc. into the organizations of our company in their entirety as “human resource investment” to enhance the organizational strength of our company, further improve the recognition of the brand, and thereby expand revenues



\*1 INTAGE SCI (aged 15-79) Frozen pasta market by brand in terms of cumulative purchase value, Apr. 2019 - Oct. 2024

\*2 INTAGE SCI (aged 15-79) Frozen single serving pasta market for Apr. 2024 - Mar. 2025, year-on-year comparison based on purchase value per 100 people between total frozen single serving pasta and total Oh'my Premium brand

\*3 Macromill QPR Dried Long Pasta Market for Apr. 2024 - Mar. 2025, year-on-year comparison based on purchase value per 100 people between total dried long pasta market and total Oh'my Premium and Oh' My Brand

# Growth Strategy (2): New Establishment and Reallocation of Manufacturing Facilities (in Japan)



Feb. 2026 (scheduled)

## Start of operation of the new Chita mill

Strengthening profitability in core fields

Flour Milling



- ▶ A new mill in Chita City, which has been under construction since 2023, is scheduled to start operating from Feb. 2026.
- ▶ Its location enables large-sized grain vessels to berth, leading to reductions in the cost of procurement of raw materials. The revenue base of our company will be strengthened through promotion of the mill as a smart factory by utilizing the latest automation technology and DX.
- ▶ We are aiming to build a cutting-edge flour mill with strong resilience against natural disasters and consideration given to the BCP and SDGs.

Oct. 2026 (scheduled)

## Relocation of the R&D base to the “NIPPN R&D Center”

R&D / Sustainability



- ▶ Our R&D base will be relocated from its current location in Atsugi City, Kanagawa Prefecture to Tsuzuki-ku, Yokohama City of the same prefecture.
- ▶ By stimulating communication with people both inside and outside our company and promoting open innovation, we are aiming to incorporate diverse ideas and opinions and thereby create new value.
- ▶ Through expansion of R&D spaces and development of office environments for researchers, our R&D functions will be strengthened.

End of FY2027 (scheduled)

## Completion of the construction of a new plant of HATANAKA FOODS Co., Ltd.

Strategic investment in growth fields

Frozen Food



- ▶ HATANAKA FOODS Co., Ltd., which became our consolidated subsidiary in April 2025, has embarked on constructing a frozen food plant.
- ▶ In response to the growth in shipments of one-plate complete meal products and single serving pasta products, such as Oh'my Premium products, we are enhancing our supply system in the Frozen Food Business, which is a growth field, in anticipation of increased demand in the future.
- ▶ The plant will be the largest frozen food plant within our Group, and will promote further labor-saving through introduction of automation technology.

# Growth Strategy (2): New Establishment and Reallocation of Manufacturing Facilities (Overseas)

2025

## Start of operation of a new plant of Utah Flour Milling, LLC.



- ▶ In May 2023, we made a 25% investment in Utah Flour Milling, LLC, marking our entry into the U.S. flour milling market.
- ▶ The new mill, which had been under construction from 2024, has started its operation since February 2025 (with ancillary work ongoing).
- ▶ We are aiming to enhance the overall capabilities of the Flour Milling Business of our Group and further expand our overseas business by creating synergy with our two existing locations in the United States.

Flour Milling

Strengthening profitability in core fields

Overseas

Strategic investment in growth fields

2027 (scheduled)

## Start of operation of a new plant of NIPPON Vietnam Company Limited



- ▶ In July 2024, we established a local subsidiary in Vietnam, a country continuing to have a high GDP growth rate and expected to experience mid- to long-term economic growth and market expansion.
- ▶ We will promote expansion of our sales and business in the Vietnamese market, enhance our supply system within the ASEAN region, and accordingly ensure a more stable supply.
- ▶ The construction of a new premix plant is scheduled to be completed in 2027, which is to begin operation in the same year.

Food Ingredients

Strengthening profitability in core fields

Overseas

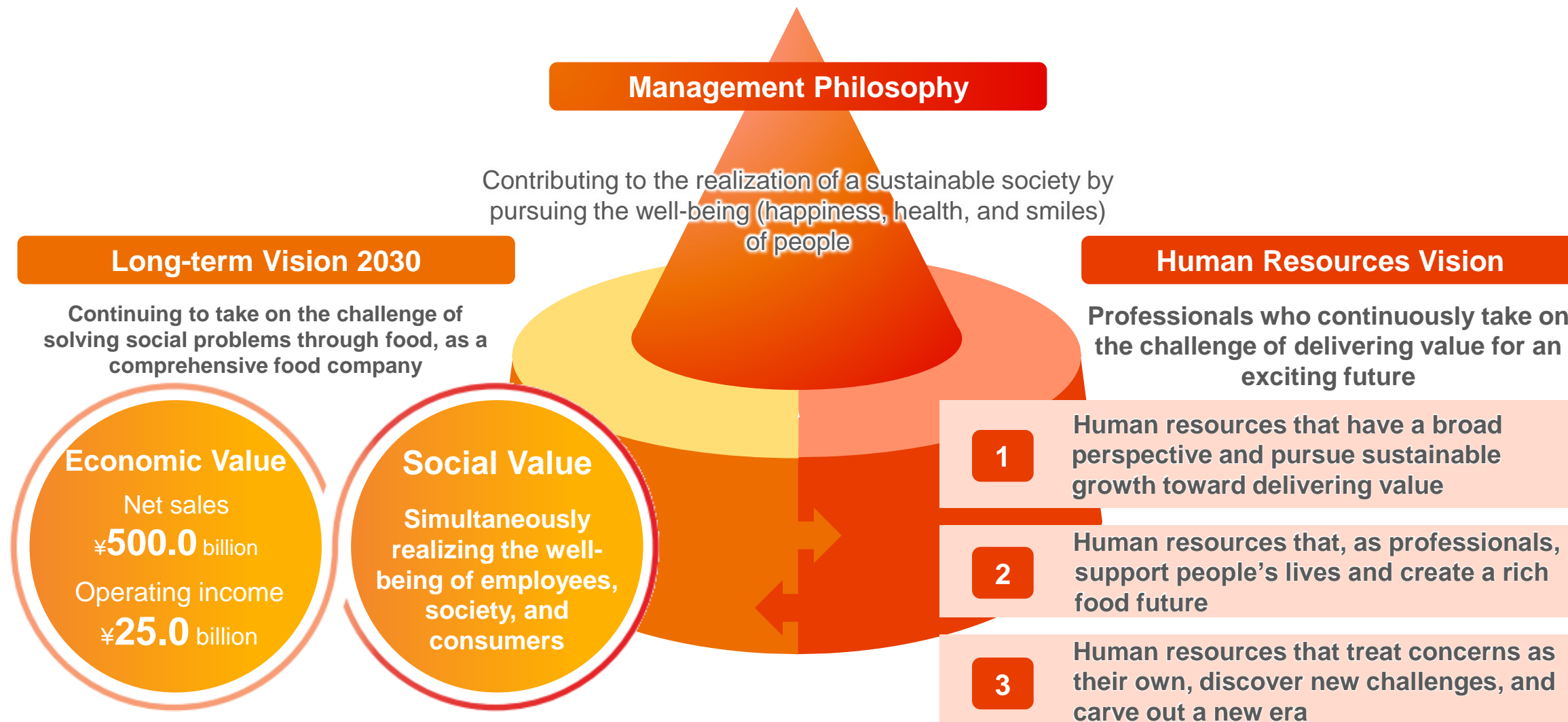
Strategic investment in growth fields

**IV**

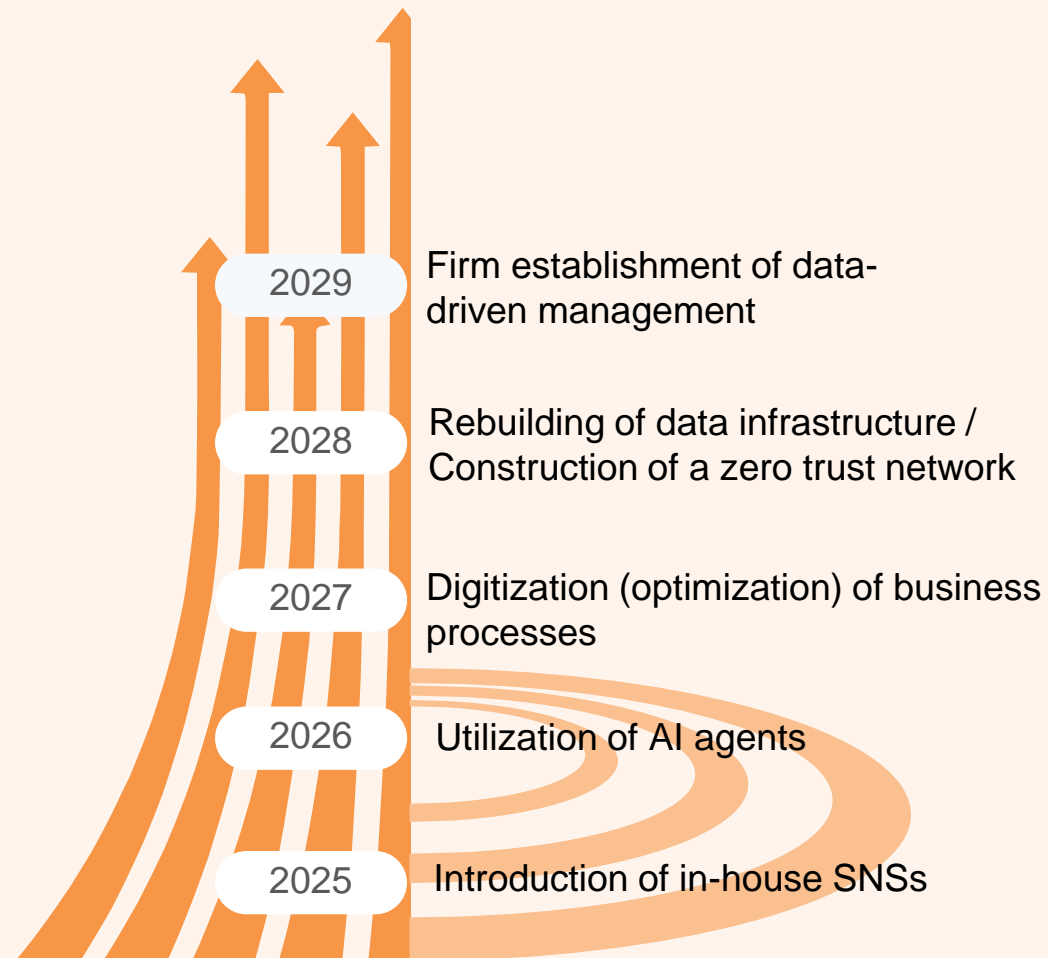
## **Toward Realizing Economic Value of Long-term Vision 2030**



# Toward Realizing Long-term Vision 2030: Linking Management Strategy with Human Resources Strategy



# Toward Realizing Long-term Vision 2030: New Outlook for Business Evolution Through DX



## Strengthening of Management Foundation

Amid rapidly changing external conditions, we seek to fundamentally streamline and advance our business operations and strengthen our management foundation, with the goals of evolving our existing businesses, developing new ones, and realizing well-being.

## DX Vision

DX should not be regarded as a passing initiative; each employee should constantly pursue optimal business processes into the future, conduct analysis using necessary data, and utilize AI and cutting-edge technologies.

## AI Shift / Data Shift

We will realize an AI/data shift and build an environment where it is possible to seamlessly utilize generative AIs and other evolving digital technologies, without being bound by the conventional manner of existing business operations.

## Development of human resources for DX and creation of a DX culture

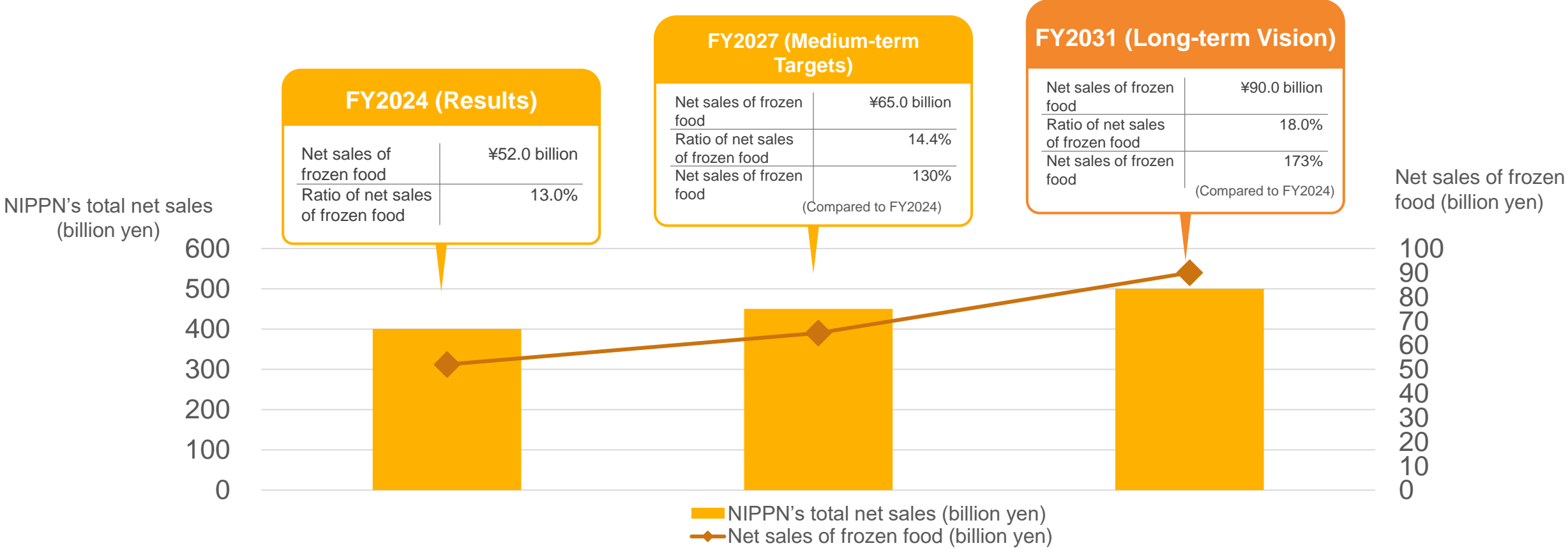
By utilizing digital technologies, we will develop human resources that can think independently, take on challenges, and advance their operations and businesses, and will create a culture in which such mindset is the norm.

# Key Initiatives for Realizing Long-Term Vision 2030: Frozen Food Business (1)



We are aiming to achieve annual net sales of ¥90.0 billion in the Frozen Food Business by FY2031.

Changes in the ratio of net sales of frozen food to NIPPN's total net sales



# Key Initiatives for Realizing Long-Term Vision 2030: Frozen Food Business (2)

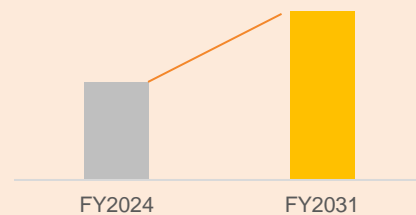


## Initiatives for realizing the vision set as our aim

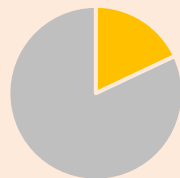
The vision that the Frozen Food Business aims to realize

Targets for FY2031

Net sales  
**90.0 billion yen/year**



Compared to  
FY2024:  
**173%**



Ratio of net sales  
**18%**

01

### Home-use frozen food

- ▶ Measures to expand the markets for single serving cooked rice products and one-plate complete meal products
  - HATANAKA FOODS' new plant (scheduled to start operation at the end of FY2027) is to develop a production increase structure (Approx. 160% compared to FY2027)
  - Expand the recognition of our products through TV commercials and promotional campaigns targeting consumers, and increase the product turnover rate
  - Consider rebranding of our single serving cooked rice products and one-plate complete meal products
- ▶ Measures to expand the market share of single serving pasta
  - Strengthen the supply capacity of manufacturing plants to respond to the growing market for single serving pasta (Approx. 120% compared to FY2027)
  - Continue the brand strategy for “Oh'my Premium,” and rebrand “Oh'my Big”
  - Consider acquiring overseas manufacturing facilities, carrying out a corporate M&A, etc.

02

### Professional-use frozen food

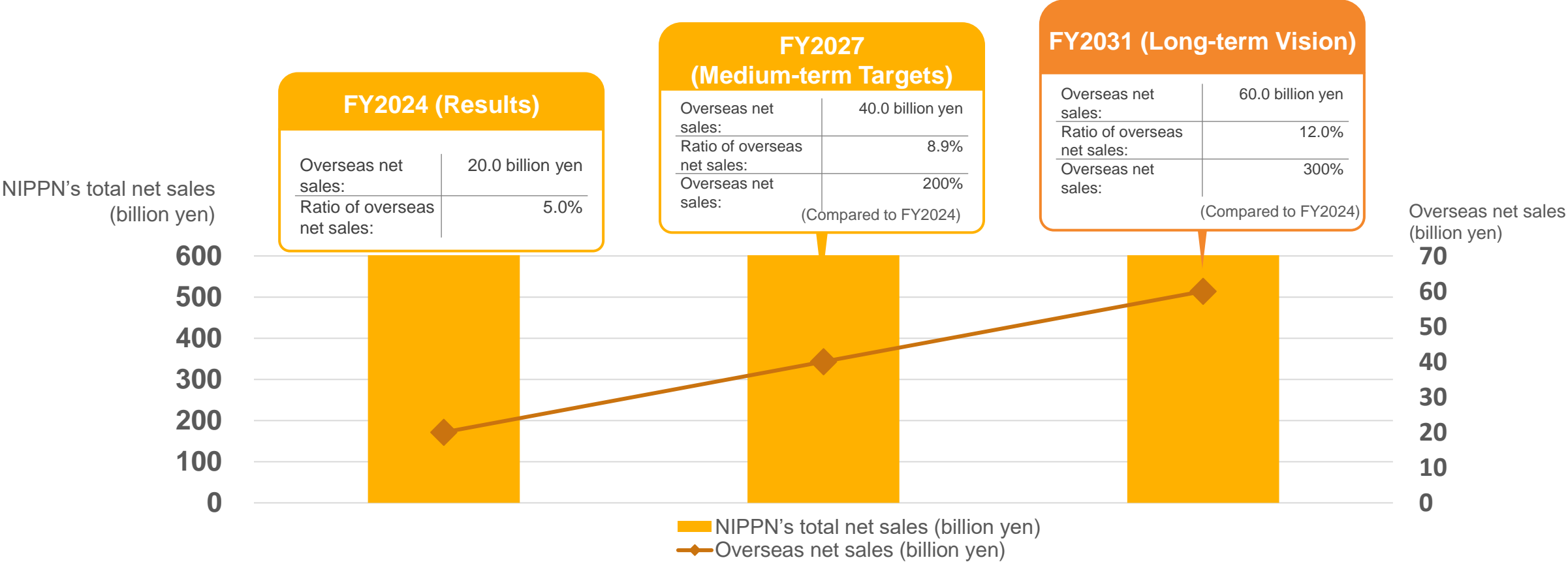
- ▶ Respond to strong demand for food services and inbound demand
  - Strengthen supply capacity and expand the sales of products for food services
  - Consider acquiring overseas manufacturing facilities, carrying out a corporate M&A, etc.

# Key Initiatives for Realizing Long-Term Vision 2030: Overseas Business (1)



We are aiming to achieve annual net sales of ¥60.0 billion in the Overseas Business by FY2031.

Changes in the ratio of overseas net sales to NIPPN's total net sales



# Key Initiatives for Realizing Long-Term Vision 2030: Overseas Business (2)

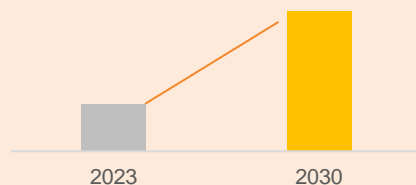
Initiatives for realizing the vision set as our aim

The vision that the Overseas Business aims to realize

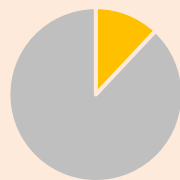
Targets for 2030

Overseas net sales:

**60.0 billion yen/year**



Compared to  
FY2024:  
**300%**



Ratio of overseas net  
sales:  
**12%**

01

## Business expansion in the countries where our Group has already conducted business

- ▶ Asia region
  - Optimize the supply systems and thoroughly implement LCO (low-cost operation)
  - Strengthen collaboration within the Group and expand exports to third countries
- ▶ North America region
  - Create synergy among categories (flour milling, pasta, premixes)
  - Expand bases (the West -> the East Coast, the Middle West, and the South)

02

## Aggressive investment including cross-border M&A

03

## Sales expansion into new demand regions

- ▶ Aim to expand sales to various areas in Europe, the Middle East, and Africa, with supply assumed to come from nearby areas

04

## Expansion of exports of Japanese products

- ▶ Make efforts to expand the sale of high-quality wheat flour mainly in rapidly economically-developing Asian countries
- ▶ In parallel with the sales expansion of wheat flour exports, focus on developing sales channels for food ingredients, frozen foods, etc. tailored to the needs of each country

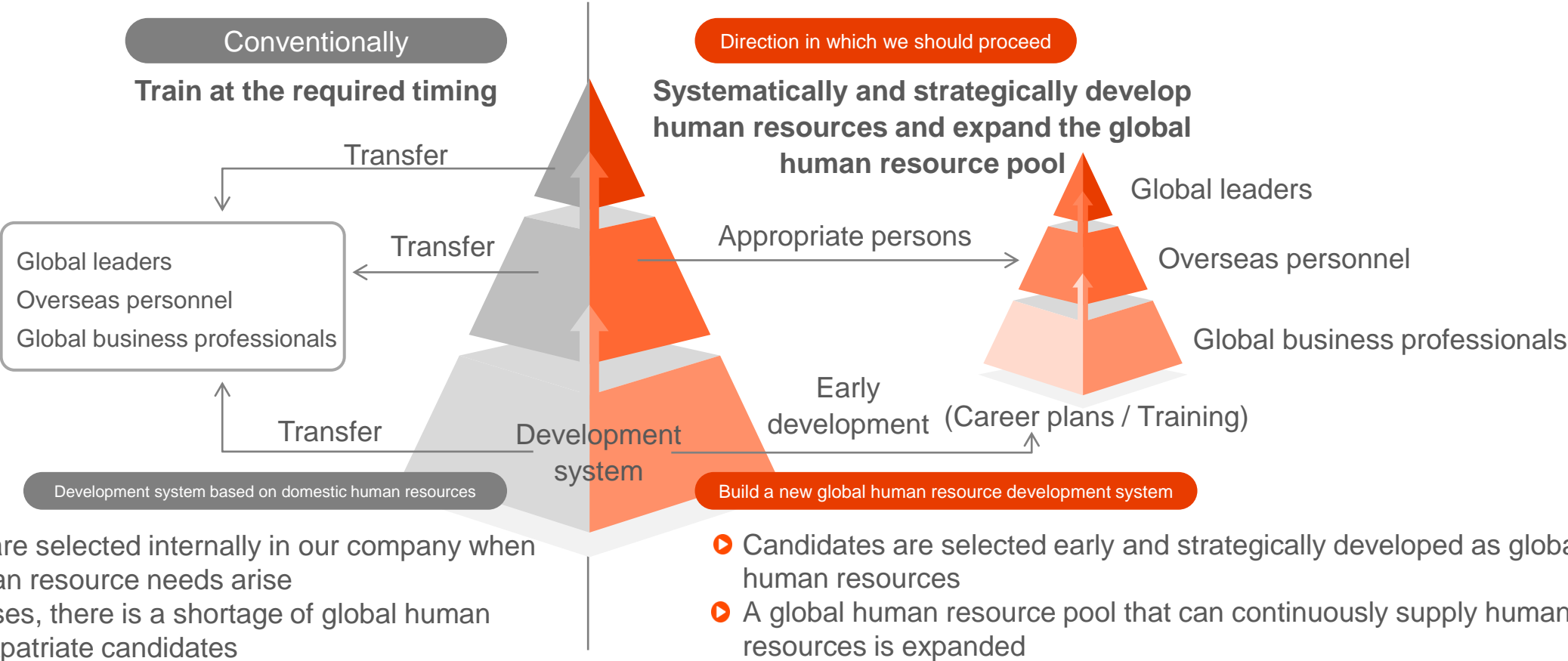
# Key Initiatives for Realizing Long-Term Vision 2030: Overseas Business (3)



## Human resources strategy

### Development of global human resources

- ▶ Systematically and strategically develop the global human resources required for overseas business expansion





## **Initiatives and Financial Strategies for Management Conscious of Cost of Capital and Share Price**



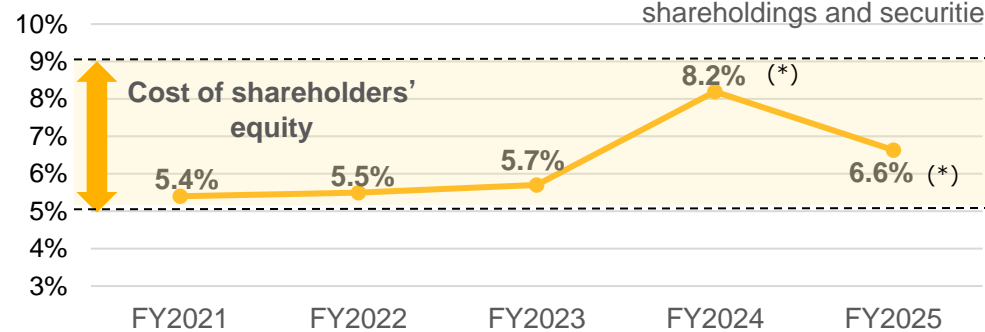
# Initiatives for Management Conscious of Cost of Capital and Share Price

## Analysis of Current Situation

- ▶ The underlying ROE (excluding the impact of extraordinary income) as of the end of March 2025 was 6.6%. The cost of shareholders' equity is estimated to be around 5-9%, based on the CAPM and earnings yield. The situation **requires an improvement in profit margin and a review of the capital structure**.
- ▶ The PER as of the end of March 2025, calculated without the impact of extraordinary income taken into consideration, was 10.9 times, falling below the average of Prime Market listed companies (around 16 times). **Accordingly, it is necessary to raise expectations for mid- to long-term growth.**
- ▶ While BPS increased by ¥228 from the end of the previous fiscal year due to an increase in retained earnings, the share price fell by ¥202, resulting in a PBR of 0.7 times (down by 0.13 points) as of the end of March 2025.

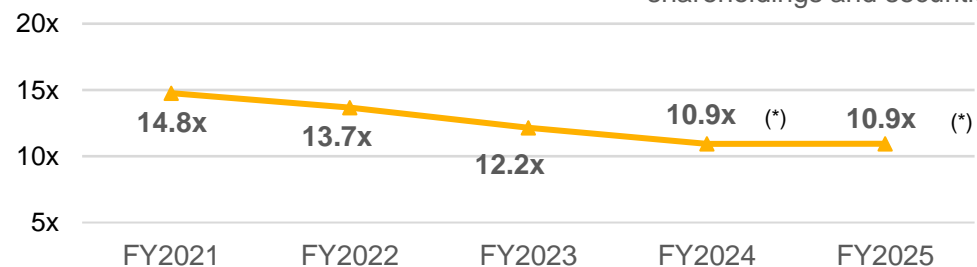
### Changes in ROE

(\*) Calculated excluding gains on sales of our cross-shareholdings and securities

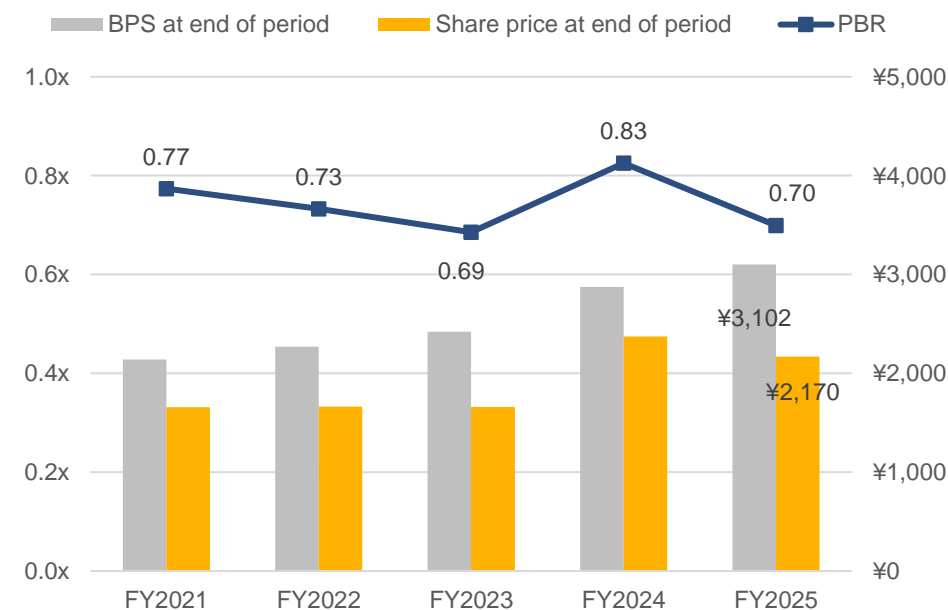


### Changes in PER

(\*) Calculated excluding gains on sales of our cross-shareholdings and securities



### Changes in PBR, BPS at end of period, and share price at end of period



# Initiatives for Management Conscious of Cost of Capital and Share Price

## Measures

### Results of recently implemented measures

#### Improving ROE

Improving net income

Improving total asset turnover

Optimizing financial leverage

**[Profit improvement:** performance is steadily making progress]

- Reorganization of manufacturing facilities (Chukyo and Kansai areas)
- Promotion of measures to expand growth businesses (start of operation of Utah Flour Milling's plant)
- Sophistication of marketing strategies

**[Financial strategies / Capital policies]**

- Reduction of our cross-shareholdings and sale of idle assets
- Maintenance of optimal inventory levels
- Implementation of stable and sustainable dividend returns

**[Measures for achieving the management strategy]**

- Promotion of initiatives for human capital-based management
- Formulation of a human resources vision and development of overseas human resources

#### Improving PER

Suppressing the cost of shareholders' equity

Improving the expected growth date

**[Reduction of business risks]**

- Clarification of the hurdle rates of investment cases
- Formulation of GHG emission reduction targets

**[Stimulation of IR/SR activities]**

- Formulation of Long-term Vision 2030
- Increasing the number of interview with investors

### Future measures

**[Profit improvement]**

- Steady execution of growth investment, investment for enhancing production capacity, etc.
- Horizontal deployment of marketing strategies
- Business portfolio management with ROE in mind
- Enhancement of corporate value through M&A, DX promotion, etc.

**[Financial strategies / Capital policies]**

- Reduction of our cross-shareholdings
- Improvement of total payout ratio through share buybacks

**[Measures for achieving the management strategy]**

- Revision of personnel systems (enhancement of productivity, vitality, and engagement)
- Development of overseas human resources and human resources for DX

**[Optimization of cash allocation]**

- Balancing strategic investment, shareholder returns, and the equity capital level

**[Reduction of business risks]**

- Conservation of biodiversity and development of a sustainable supply chain

**[Stimulation of IR/SR activities]**

- Communication of clear growth strategies

# Changes in Capital Investment Amounts and Depreciation

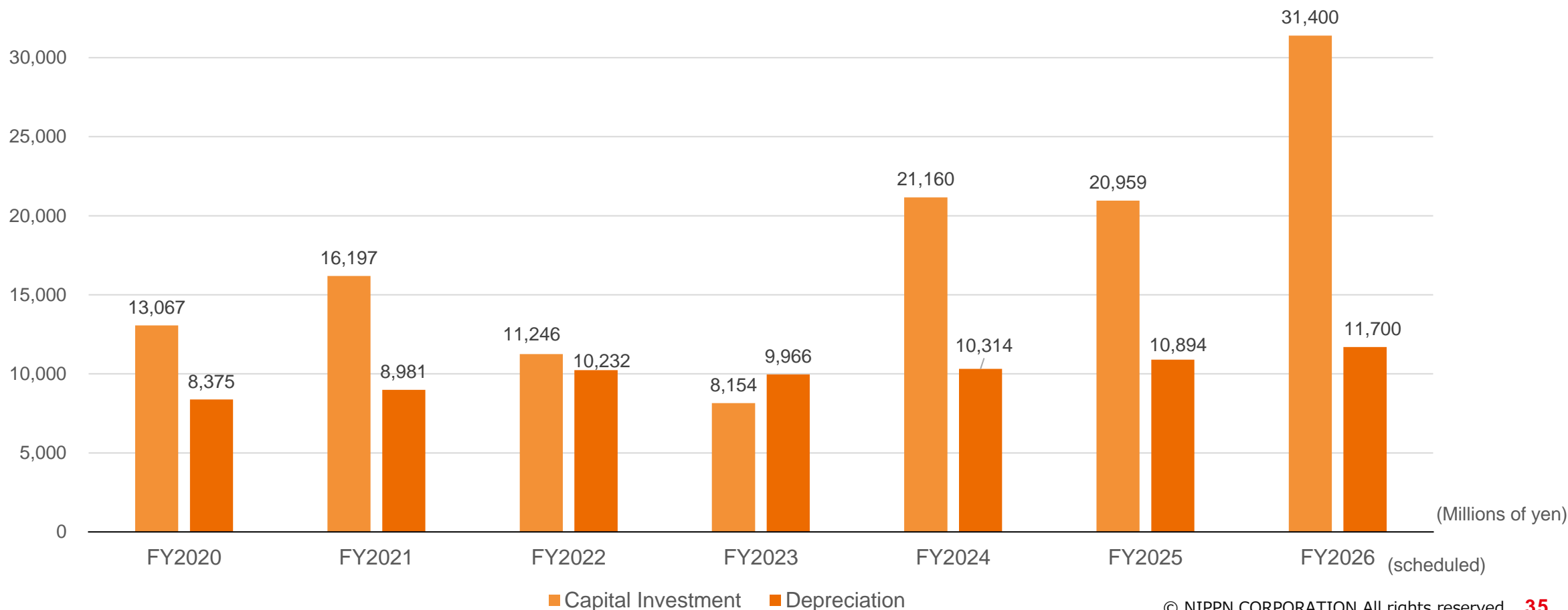


## Capital Investment

Due to the construction of the new Chita mill and the expansion work at the Kobe-Konan Mill, the capital investment amount for FY2025 reached **¥20.9 billion**. For FY2026, with the construction of the new Chita mill and that of HATANAKA FOODS' new plant, the capital investment amount is projected to reach **a record high of ¥31.4 billion**.

## Depreciation

Along with the capital investment, the amount of depreciation for FY2025 reached **a record high of ¥10.8 billion**. For FY2026, due to the start of depreciation for the new Chita mill, among other factors, it is projected to reach **¥11.7 billion**.



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



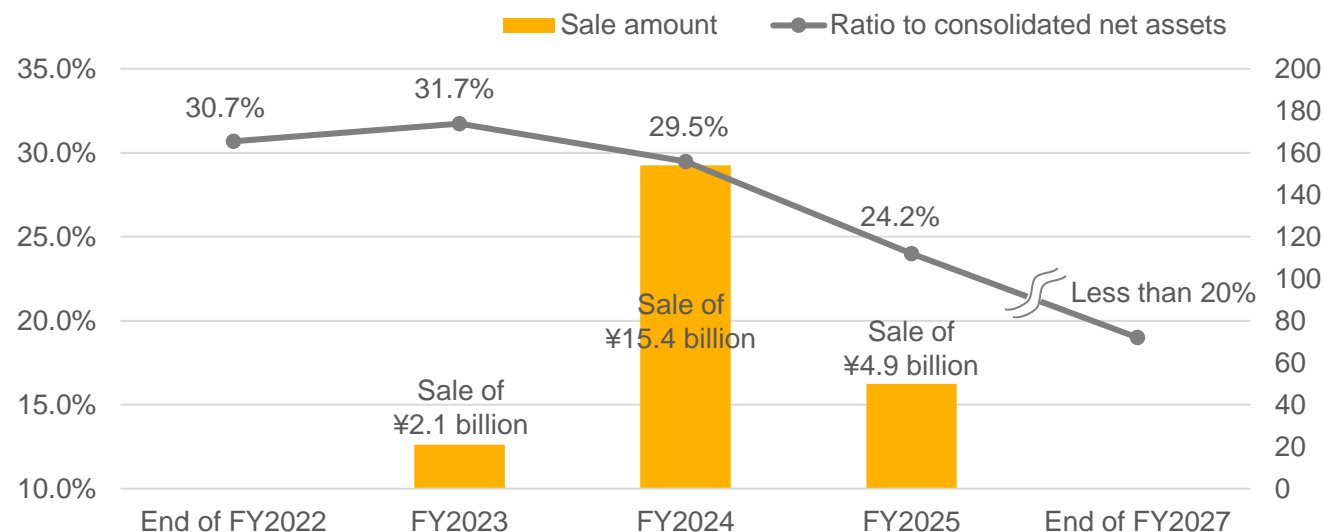
## Cash-in

## Cash-out

FY2025-FY2027 plan	FY2025 Results	FY2025-FY2027 plan		FY2025 Results	FY2026-FY2027 estimation
Cash flows from operating activities: ¥70.0 billion or more	Cash flow results from operating activities (before strategic investment): ¥22.0 billion	Investment based on business strategies: ¥140.0 billion	Growth investment	Investment and loans for Utah Flour Milling: ¥4.0 billion Line enhancement of Pasta Montana: ¥1.0 billion	Construction of the new plant for frozen foods: ¥20.0 billion Other growth investment: ¥12.0 billion yen
			Investment for production system reallocation and renewal	Construction of the new Chita mill: ¥9.0 billion Enhancement of manufacturing facilities: ¥3.5 billion Investment for renewal, etc.: ¥7.5 billion	Construction of the new Chita mill: ¥16.0 billion Production system reallocation and facility enhancement: ¥35.0 billion Investment for renewal, etc.: ¥18.0 billion
Sale of assets: Approx. ¥30.0 billion	Sale of idle assets: ¥8.5 billion Sale of shares: ¥5.0 billion		Strategic investment	Investment in DX, advertising, and marketing: ¥3.0 billion	Investment related to the R&D Center: ¥5.0 billion Investment in DX, advertising, and marketing: ¥6.0 billion
Procurement of funds: Approx. ¥80.0 billion	Not procured	Shareholder returns: ¥15.0 billion or more		Maintenance of stable dividends: ¥5.0 billion	Maintenance of stable dividends and flexible share buybacks: ¥10.0 billion or more
		Redemption of bonds: ¥25.0 billion			¥25.0 billion

# Initiatives for Reduction of Our Cross-shareholdings

## Reductions in our cross-shareholdings

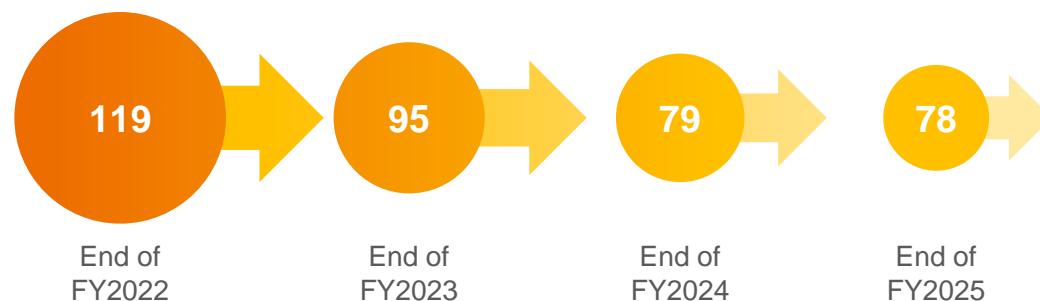


### Reduction target

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

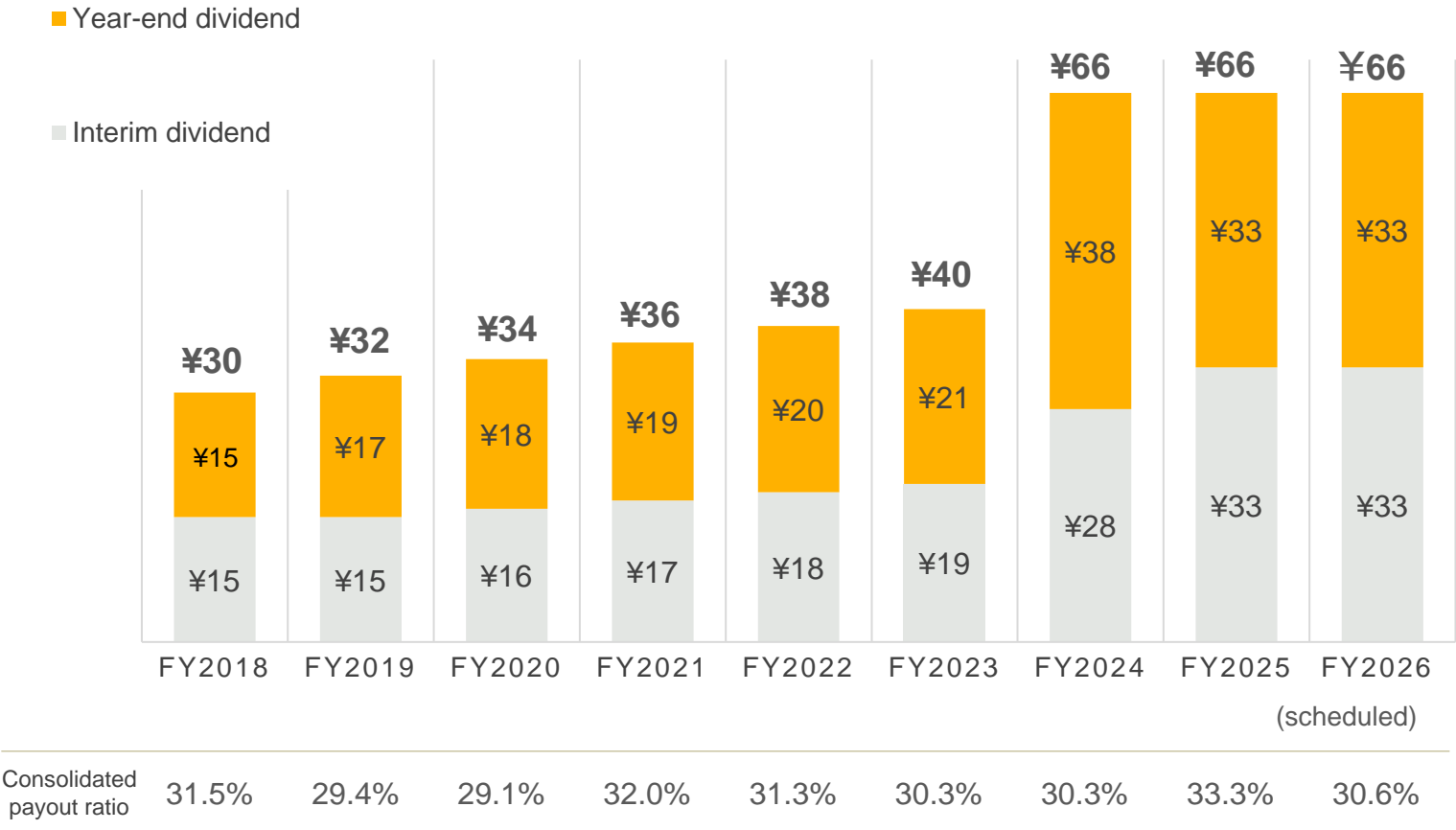
reduce our cross-shareholdings to under 20% of consolidated net assets

## Number of issues



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

## Changes in dividends



(The consolidated payout ratios for FY2024 and FY2025 are calculated excluding extraordinary gains and losses.)

### Basic dividend policy

Secure the internal reserves  
necessary for investment in future  
growth



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

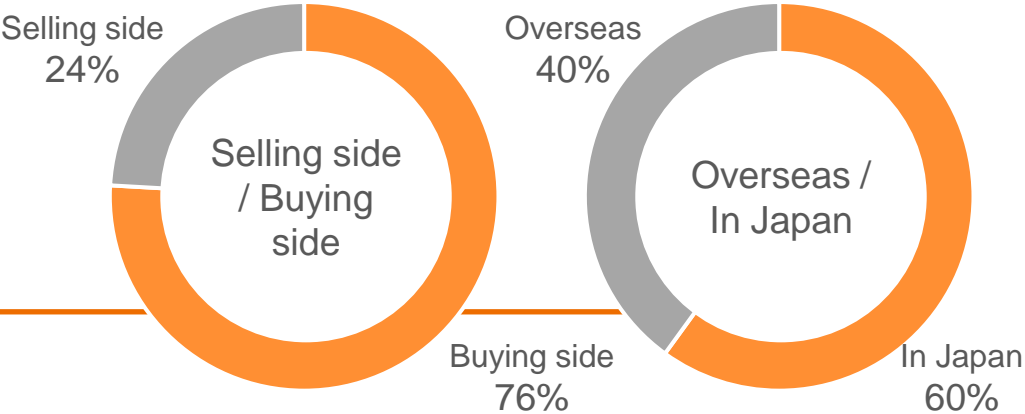
- ▶ We aim to achieve an increase in dividend amounts based on profit growth, with a target dividend payout ratio of 30% or more, which is calculated excluding special and extraordinary gains and losses such as from the sale of assets.
- ▶ We will consider and implement share buybacks, comprehensively taking into account each specific investment case, share price conditions, etc., in addition to capital structure optimization.

# Status of Engagement with Shareholders and Investors

## Engagement occasions held

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

## Attributes of the investors that we met



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

Issues	Efforts for improvement
Improvement of capital efficiency	▶ Reduced our cross-shareholdings (shares worth 4.9 billion yen sold during FY2025), and sold some idle real estate
Consideration of enhancement of shareholder returns	▶ Engaged in initiatives for increasing dividend amounts with a target dividend payout ratio of 30%
Enhancement of engagement	▶ Added invitations to new product launch events; also events such as plant tours are under consideration for the next fiscal year
Sustainability-related issues	▶ Redefined materiality items and established GHG emission reduction targets
Strengthening of the governance structure	▶ Reduced the number of directors and increased the ratio of independent outside directors from June 2024
Reporting to the Board of Directors	▶ Regularly reporting to the Board of Directors on engagement activities conducted

## VI Appendix



# Promotion of Sustainability Management



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

## Relationship Among Materiality Items

Balancing the two materiality items of “pursuit of well-being by means of food” and “contribution to society through food and health” and maintaining their virtuous cycle



In order to address our six key issues (materiality items), it is becoming increasingly important to respond to changes in the external environment toward achieving a sustainable society. We believe it is important to link our business goals to the social issues that we must solve through our business, and make sure these efforts serve to improve the social and economic value of the NIPPON Group. As a comprehensive food company, the NIPPON Group will continue to improve its corporate value and achieve sustainability management.

# Pursuit of Well-Being by Means of Food (1)

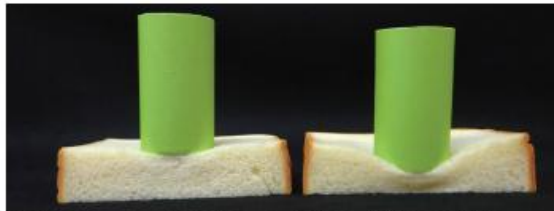


Up until now, we, the NIPPON Group, have expanded our business fields by exploring processing technologies using a wide variety of raw materials, from wheat to rice, soybeans, tomatoes, and more. In the future, we aim to become a comprehensive food company that creates further value through efforts such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

## Development of High-added Value Raw Materials

Sustainable Agriculture

### <Bread test>

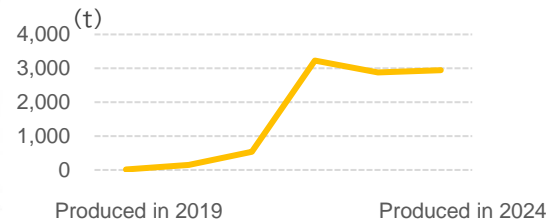


Bread 3 days after baking Left: regular wheat used Right: YAWARA KOMUGI used

We have been researching a group of wheat varieties that, due to the slow retrogradation of their starch, do not harden easily over time when used in processed products and allow the freshly-made texture to last longer. We have collectively trademarked those wheat varieties that possess these characteristics as “YAWARA KOMUGI®.”

Two wheat flour products featuring these characteristics were launched for professional use in February 2025. By promoting these products as functional wheat that meets the needs of consumers and food processing manufacturers, we aim to stimulate demand for domestically produced wheat and to expand the number of varieties and wheat acreage.

### <Changes in production volume>



## Conclusion of a Partnership Agreement for the Promotion of the Agricultural Sector

Sustainable Agriculture



From the left:  
Toshiya Maezuru, President and CEO of NIPPON CORPORATION  
Tsugumasa Muraoka, Governor of Yamaguchi Prefecture  
Takeshi Hiraoka, Japan Agricultural Cooperatives Yamaguchi Prefecture

A three-party partnership agreement was concluded 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, with the objective of maintaining and expanding a stable supply system for wheat produced in the prefecture.

The three parties will collaborate in three areas: production promotion, demand expansion, and human resource development. Our company will contribute to resolving the shortage of agricultural successors by providing technical guidance to producers and dispatching lecturers to Yamaguchi Prefectural College of Agriculture. In collaboration with local governments, etc., we are aiming to build a sustainable food system and to revitalize the regional economy.

## Specific Examples of Developed Functional Food Ingredients That Contribute to Health

Reinforcement of R&D

We are investigating and analyzing the health functional ingredients of plant-derived raw materials and by-products produced in food plants, and are researching the health functions of these ingredients. We are also developing production methods for these materials, in addition to developing functional food ingredients.

### Main plant-derived materials



Rice/Corn-derived ceramide  
(skin moisturizer/protectant)



Olive-derived maslinic acid  
(muscle/joint care, fatigue reduction)



Flaxseed-derived lignan  
(improves female hormone functions)



Grape-derived oleanolic acid  
(oral care)



Rosemary extract  
(stress relief)



Raw material selection



Material preparation



Product commercialization



Market launch

# Environmental protection initiatives



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

## Expansion of Photovoltaic Power Generation Systems

Responding to Climate Change



Following the introduction of photovoltaic power generation systems at plants in Japan, we have also introduced such systems at overseas plants and started their operation. In 2025, the installation and operation of a photovoltaic power generation system is scheduled for our Chiba Mill. Furthermore, the Chiba Mill has been registered for the “Chiba City Decarbonization Partnership” and contributes to further building up of momentum toward the realization of a decarbonized society.

Fiscal year of installation	FY2023	FY2024	FY2025 (forecast)	FY2026 (scheduled)
Installation locations (total)	2	4	5	6
Power generation (MWh)	253	1,870	2,993	3,513
CO <sub>2</sub> emissions reduction (t-CO <sub>2</sub> )	110	920	1,702	1,904

## Development of Environmentally Conscious Products

Responding to Climate Change

The new molded tray adopted for two new products in the “nippon Trendy Meal Series” was jointly developed from scratch with its supplier. With careful attention to its material, manufacturing method, and shape, the tray was designed to meet both external needs, such as its convenience and environmental considerations, and internal needs, including its compatibility with manufacturing processes and its ease of product development.

## Nature-Related Analysis Through Value Chains

We have commenced the “scoping” and “locate” analysis of the LEAP approach (the determination of analytical perspectives, priority analysis targets, and priority areas). The value chains targeted for analysis are flour milling and food processing, and wheat, sugarcane, chicken, rice, palm oil, and corn are selected as analysis targets. At mills and plants in Japan, we have begun analyses that focus on the impact of those mills and plants on nature.

Preserving Biodiversity



Mills and plants in Japan and natural reserves



New environmentally-friendly molded tray





# Initiatives for human capital



In order to help improve 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 formulated a Human Resources Vision. Primarily guided by the Human Resources Vision, we will engage in human resources development, the revision of personnel systems, and the creation of an organizational culture, which we hope will lead to the development of the human resources we require.

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

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

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

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

Broad perspective

Collaboration / Co-creation

Growth-oriented

Professionalism

Pride in supporting lives

Future-oriented

Independence / Self-accountability

Ability to enjoy

Decisiveness

## Key Themes and Specific Measures in the Human Resource Strategy

<p>(1) Strengthening of support for independent learning and career formation</p> <p>Promotion of career designing and independent learning based on individual initiative</p>	<ul style="list-style-type: none"><li>Expansion of self-development support programs</li><li>Enhancement of career support and management capabilities</li><li>Effective use of career planning sheets</li><li>Coordination of talent management systems</li></ul>	<p>(3) Promotion of DE&amp;I to enhance strategic execution</p> <p>Human resource management to encourage the creation of new value</p>	<ul style="list-style-type: none"><li>Diversity management training</li><li>Training for managers through external dispatch</li><li>Ikuboss lectures</li><li>Development of new measures to promote employment of persons with disabilities</li><li>Harassment prevention / Promotion of understanding toward LGBTQ</li></ul>
<p>(2) Enhancement of professional expertise and creative thinking ability</p> <p>Enhancement of advanced strategic execution capabilities based on expertise</p>	<ul style="list-style-type: none"><li>Clarification of skill requirement definitions</li><li>Creation of cross-border learning opportunities offered inside and outside Japan</li><li>Consideration of fellow/master systems</li><li>Recruitment and development of highly specialized human resources</li></ul>	<p>(4) Engagement enhancement based on an environment that encourages challenges and psychological safety</p> <p>Creation of engagement opportunities and job satisfaction through acceptance of diverse values</p>	<ul style="list-style-type: none"><li>Promotion of various measures that support work-life balance</li><li>Energization of internal communication (internal SNSs / internal support communities)</li><li>Deployment of organizational development workshops</li><li>Expansion of award and recognition systems / Creation of mechanisms for commendation</li></ul>

(5) Promotion of health-oriented management: promotion with the physical and mental health of employees and their families regarded as the foundation of all activities

**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**