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Securities Report

201st Period From April 1, 2024
to March 31, 2025

NIPPN CORPORATION

(E00345)

Contents

Cover	Page
Part I Company Information	4
Section 1 Overview of Company	4
1.Key financial data	4
2.History	6
3.Description of Business	7
4.Subsidiaries and associates	9
5.Employees	10
Section 2 Overview of Business	12
1.Management policy, business environment, issues to address	12
2.Disclosure of sustainability-related financial information	17
3.Business risks	24
4.Management analysis of financial position, operating results and cash flows	28
5.Critical contracts, etc.	32
6.Research and development activities	33
Section 3 Information About Facilities	34
1.Overview of capital expenditures	34
2.Major facilities	34
3.Planned addition, retirement, and other changes of facilities	36
Section 4 Information About Reporting Company	37
1.Company's shares, etc.	37
2.Acquisition and disposal of treasury shares	48
3.Dividend policy	49
4.Corporate governance	50
Section 5 Financial Information	76
1.Consolidated financial statements, etc.	77
2.Non-consolidated financial statements, etc.	129
Section 6 Outline of Share-related Administration of Reporting Company	140
Section 7 Reference Information of Reporting Company	141
1.Information about parent of reporting company	141
2.Other reference information	141
Part II Information About Reporting Company's Guarantor, etc.	142
[Audit Report]	

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[Company name]	NIPPON CORPORATION
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Part I. Company Information

Section 1. Overview of Company

1. Key financial data

(1) Key financial data of group

Fiscal period		197th period	198th period	199th period	200th period	201st Period
Fiscal year ended		FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	Millions of yen	288,324	321,317	365,525	400,514	410,878
Ordinary income	Same as above	12,659	14,270	14,816	23,280	24,393
Profit attributable to owners of parent	Same as above	8,636	9,327	10,260	26,367	24,757
Comprehensive income	Same as above	13,322	12,514	17,481	39,614	23,779
Total net assets	Same as above	169,063	178,697	192,613	228,285	246,484
Total liabilities and net assets	Same as above	307,813	325,869	344,606	386,692	399,226
Net assets per share	Yen	2,141.16	2,268.30	2,421.48	2,874.28	3,102.27
Basic profit per share	Same as above	112.62	121.59	132.16	338.20	317.27
Fully diluted profit per share	Same as above	98.25	106.02	115.39	295.46	276.75
Equity ratio	%	53.3	53.4	54.8	58.0	60.7
Return on equity	Same as above	5.43	5.51	5.66	12.78	10.62
Price-earnings ratio	Times	14.76	13.68	12.16	6.23	7.05
Net cash provided by (used in) operating activities	Millions of yen	14,804	11,975	15,055	24,022	18,768
Net cash provided by (used in) investing activities	Same as above	(12,585)	(10,103)	(5,026)	(9,489)	(7,807)
Net cash provided by (used in) financing activities	Same as above	2,553	(4,278)	(8,402)	(7,241)	(10,533)
Cash and cash equivalents at end of period	Same as above	35,320	31,215	33,157	40,728	41,471
Number of employees [Other than the above, average number of temporary employees]	Persons	3,880 [5,717]	3,775 [5,257]	3,848 [4,953]	3,829 [5,448]	3,863 [5,618]

Notes: 1. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020) and other relevant standards have been applied from the start of the 198th fiscal period. The key financial data for the 197th fiscal period reflect the retrospective application of those accounting standards.

2. The Company introduced the Board Benefit Trust (BBT) in the 200th fiscal period. The Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust (BBT) are included in the treasury shares to be deducted from the total number of issued shares at the fiscal year-end for the purpose of calculating net assets per share, and are also included in the treasury shares to be deducted in the calculation of the average number of shares in the fiscal year for the purpose of calculating basic profit per share and fully diluted profit per share.

(2) Key financial data of reporting company

Fiscal period		197th period	198th period	199th period	200th period	201st Period
Fiscal year ended		FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	Millions of yen	181,135	193,558	225,014	248,176	253,240
Ordinary income	Same as above	10,611	12,496	11,613	15,677	18,719
Profit	Same as above	7,591	10,222	3,414	22,159	21,959
Capital stock	Same as above	12,240	12,240	12,240	12,240	12,240
(Total number of issued shares)	(Thousands of shares)	(78,824)	(78,824)	(78,824)	(78,824)	(78,824)
Total net assets	Millions of yen	140,747	150,552	158,797	186,540	198,324
Total liabilities and net assets	Same as above	238,998	257,369	271,119	302,123	313,247
Net assets per share	Yen	1,827.68	1,953.89	2,030.01	2,384.85	2,534.42
Dividend per share	Same as above	36.00	38.00	40.00	66.00	66.00
(In the above, interim dividend per share)	(Same as above)	(17.00)	(18.00)	(19.00)	(28.00)	(33.00)
Basic profit per share	Same as above	98.76	132.93	43.88	283.65	280.86
Fully diluted profit per share	Same as above	86.16	115.96	38.23	247.84	245.04
Equity ratio	%	58.8	58.4	58.5	61.7	63.3
Return on equity	Same as above	5.56	7.03	2.21	12.85	11.42
Price-earnings ratio	Times	16.84	12.51	36.62	7.43	7.96
Dividend payout ratio	%	36.58	28.59	91.16	23.27	23.50
Number of employees	Persons	1,070	1,137	1,156	1,173	1,210
[Other than the above, average number of temporary employees]		[190]	[217]	[201]	[209]	[209]
Total shareholder return	%	100.4	103.0	105.2	151.3	143.2
(Benchmark: TOPIX)	%	(142.1)	(145.0)	(153.4)	(216.8)	(213.4)
Share price, highs	Yen	1,795	1,740	1,703	2,422	2,491
Share price, lows	Same as above	1,561	1,546	1,532	1,677	2,097

Notes: 1. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020) and other relevant standards have been applied from the start of the 198th fiscal period. The key financial data for the 197th fiscal period reflect the retrospective application of those accounting standards.

2. The Company introduced the Board Benefit Trust (BBT) in the 200th fiscal period. The Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust (BBT) are included in the treasury shares to be deducted from the total number of issued shares at the fiscal year-end for the purpose of calculating net assets per share, and are also included in the treasury shares to be deducted in the calculation of the average number of shares in the fiscal year for the purpose of calculating basic profit per share and fully diluted profit per share.

3. "Dividend per share" for the 197th fiscal period included two yen for the company name change commemorative dividend.

4. The share price highs and lows are based on the prices of the Company's shares listed on the Tokyo Stock Exchange Prime Market since the 199th fiscal period. The highs and lows for the periods before that are based on the prices on the First Section of the Tokyo Stock Exchange.

2. History

December 1896	Nippon Flour Mills Co., Ltd. established in Fukagawa-Ougibashi, Tokyo. Equipped with Japan's first Western-style mechanical milling facilities, commenced operation with a monthly flour production capacity of 440 tons.
May 1924	Yokohama Mill completed as Japan's first full-fledged large-scale coastal mill.
September 1925	Otaru Mill completed.
July 1928	Nagoya Mill completed.
May 1949	Listed on the Tokyo and Osaka Stock Exchanges.
April 1951	Ogiya Shoten KK established (the company name was changed to Nihon Shoji KK in 1964).
March 1952	Central Laboratory established. Completed the reconstruction of the plants and mills affected by the Pacific War.
February 1955	Nippn Foods Co., Ltd. established (the company name was changed to OHMY Co., Ltd. in 1983). "Oh' my" brand debuted.
August 1958	Matsuya Flour Mills Co., Ltd. established.
September 1967	Head office relocated to Shibuya-ku, Tokyo.
October 1972	NIPPN Donut Co., Ltd. established.
February 1974	Kobe-Konan Mill completed.
June 1975	Nippn Kikou Co., Ltd. established (currently Nippn Engineering Co., Ltd.).
July 1976	Shin Nihon Shoji KK. established.
February 1978	Chiba Mill completed.
July 1982	Nippon Rich Co., Ltd. established.
February 1985	Fukuoka Mill completed.
March 1989	NPF Japan Co., Ltd. established.
June	Ryugasaki Plant completed.
October 1990	Absorbed and merged with OHMY Co., Ltd. and started operating its sites as Atsugi and Kakogawa Plants.
April 1995	Acquired shares of Fast Foods Co., Ltd.
June 1996	Nihon Shoji KK absorbed and merged with Shin Nihon Shoji KK. and changed its company name to Shin Nihon Shoji KK. NIPPN Frozen Foods Co., Ltd. established.
November	Nippon Flour Mills (Thailand) Ltd. established in Thailand (currently NIPPN FOODS CORPORATION (THAILAND) LTD.
March 1998	OHMY Co., Ltd. established.
April	Spun off the pasta manufacturing department; and Atsugi and Kakogawa Plants became Atsugi and Kakogawa Plants, OHMY Co., Ltd.
July	Shin Nihon Shoji KK. absorbed and merged with Pros KK and changed its company name to NIPPN SHOJI Co., Ltd.
May 2000	Acquired Pasta Montana, L.L.C. in the United States. NIPPN Donut Kansai Co., Ltd. established.
2003	Launched "Oh'my Premium," a frozen pasta series.
October	Acquired shares of OK Food Industry Co., Ltd.
April 2005	NIPPN SHOJI CORPORATION established.
March 2006	NIPPN (Thailand) Co., Ltd. established in Thailand.
June	NIPPN California Inc. established in the United States.
September 2013	Acquired shares of NAGANO TOMATO Co., Ltd.
April 2014	PT. NIPPN FOODS INDONESIA established in Indonesia.
August 2016	Head office relocated to current location.
August 2019	The construction of Link Square Shinjuku completed.
January 2021	Changed the company name to NIPPN CORPORATION.
April	Absorbed and merged with Tofuku Flour Mills Co., Ltd. and started operating it as Fukuoka Nanotsu Mill. Received a transfer of frozen food manufacturing business from NIPPN Frozen Foods Co., Ltd. and started operating its sites as Isesaki Plant and Ryugasaki Frozen Food Plant.
July 2022	Acquired additional shares of OK Food Industry Co., Ltd., making it a wholly owned subsidiary.
May 2023	Invested in Utah Flour Milling, LLC in the United States, making it a company accounted for using the equity method.
July 2024	NIPPN Vietnam Company Limited established in Vietnam.

3. Description of Business

The NIPPN Group (the Company, its subsidiaries and associates; hereinafter referred to as “the Group,” “we,” or other relevant designations) consists of NIPPN CORPORATION (hereinafter also referred to as “the Company”) and its 58 subsidiaries and 20 associates.

The main businesses of the Group and the relationships among the Company and its subsidiaries and associates in terms of those businesses are as follows.

(1) Flour Milling business

The Company produces wheat flour and bran and sells them through appointed distributors which include NIPPN SHOJI Co., Ltd., NIPPN SHOJI CORPORATION, SUZUKI Co., Ltd., and Marushichi Co., Ltd.

Matsuya Flour Mills Co., Ltd. produces and sells buckwheat flour.

(2) Food business

<In Japan>

The Company manufactures wheat flour for home use, premixes, frozen foods, etc. and sells them through appointed distributors.

OHMY Co., Ltd. manufactures pasta products using wheat flour produced by the Company and sells such products to the Company.

Nippon Rich Co., Ltd. purchases from the Company and sells frozen ingredients.

Fast Foods Co., Ltd., Ichifuji Seimenjo Co., Ltd., Fast Foods Tsukuba Co., Ltd., and Fast Foods Nagoya Co., Ltd. manufacture and sell Nakashoku (ready-made meal) related food products.

OK Food Industry Co., Ltd. and NAGANO TOMATO Co., Ltd. manufacture and sell processed/prepared products.

<Overseas>

In Thailand, NIPPN (Thailand) Co., Ltd. manufactures premixes and frozen dough, and NIPPN FOODS CORPORATION (THAILAND) LTD. sells premixes, etc.

In China, NIPPN (Shanghai Jinshan) Co., Ltd. manufactures premixes, and NIPPN (Shanghai) Trading Co., Ltd. sells premixes, etc.

In the United States, Pasta Montana, L.L.C. manufactures and sells pasta products, and NIPPN California Inc. purchases premixes, etc. from the Company and other relevant parties and sells them.

In Indonesia, PT NIPPN PRODUCTS INDONESIA manufactures premixes, and PT NIPPN FOODS INDONESIA sells premixes, etc.

(3) Other businesses

The Company undertakes real property leasing.

NPF Japan Co., Ltd. manufactures and sells pet foods.

Nippon Life Innovation Co., Ltd. purchases from the Company and sells health foods.

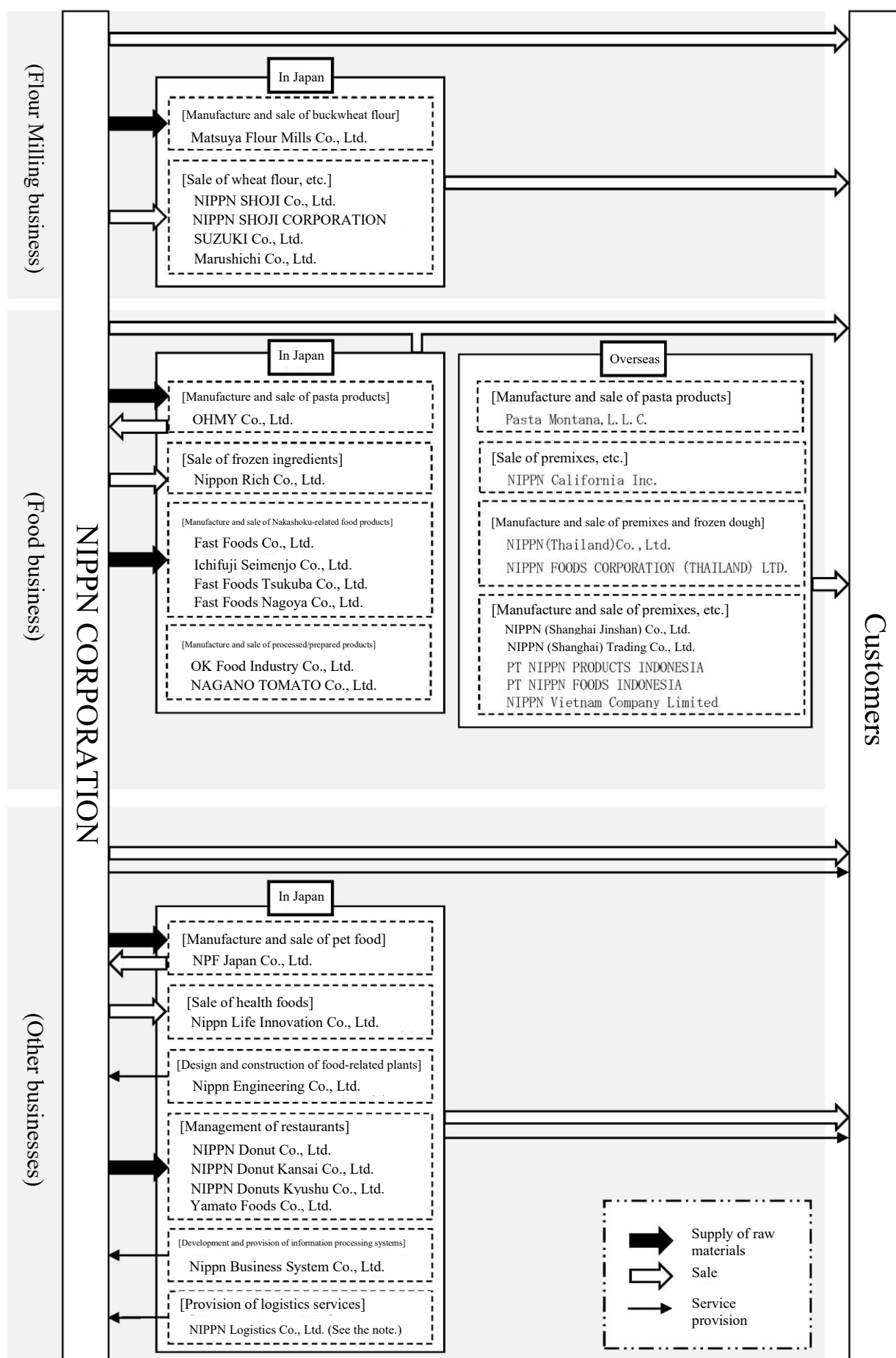
Nippon Engineering Co., Ltd. designs and constructs food-related plants.

NIPPN Donut Co., Ltd., NIPPN Donut Kansai Co., Ltd., NIPPN Donuts Kyushu Co., Ltd., and Yamato Foods Co., Ltd. operate restaurants using premixes manufactured by the Company.

Nippon Business System Co., Ltd. develops and provides information processing systems.

NIPPN Logistics Co., Ltd. provides logistics services.

The following systematic diagram illustrates the structure of the above-mentioned businesses.



Note: An unconsolidated subsidiary accounted for using the equity method

4. Subsidiaries and associates

Name	Address	Capital stock	Main business	Percentage of voting rights owned (%)	Details on relationship			
					Officer's concurrent position	Business transaction	Leasing of facilities	Other
(Consolidated subsidiaries)								
Matsuya Flour Mills Co., Ltd.	Kaminokawa-machi, Tochigi	100 million yen	Flour Milling	100.0	—	This company purchases NIPPN CORPORATION's products and sells its products to NIPPN CORPORATION.	—	Note 3
NIPPN SHOJI Co., Ltd.	Chuo-ku, Osaka City	65 million yen	Flour Milling	95.6	—	This company sells NIPPN CORPORATION's products.	NIPPN CORPORATION leases out buildings, etc. to this company.	—
NIPPN SHOJI CORPORATION	Shibuya-ku, Tokyo	70 million yen	Flour Milling	100.0	—	This company sells NIPPN CORPORATION's products.	—	Note 3
SUZUKI Co., Ltd.	Naka-ku, Hiroshima City	150 million yen	Flour Milling	63.7	—	This company sells NIPPN CORPORATION's products.	—	—
Marushichi Co., Ltd. Note 1	Higashi-ku, Niigata City	79 million yen	Flour Milling	68.7 (8.5)	—	This company sells NIPPN CORPORATION's products.	—	—
OHMY Co., Ltd.	Atsugi City, Kanagawa	80 million yen	Food	100.0	One person	This company purchases NIPPN CORPORATION's products and sells its products to NIPPN CORPORATION.	NIPPN CORPORATION leases out land to this company.	Note 3
Nippon Rich Co., Ltd.	Chiyoda-ku, Tokyo	30 million yen	Food	100.0	—	This company sells NIPPN CORPORATION's products.	—	—
Fast Foods Co., Ltd. Note 1	Hachioji City, Tokyo	100 million yen	Food	100.0 (100.0)	—	This company purchases NIPPN CORPORATION's products.	NIPPN CORPORATION leases out land to this company.	—
OK Food Industry Co., Ltd.	Asakura City, Fukuoka	350 million yen	Food	100.0	One person	—	—	Note 3 Note 4
NAGANO TOMATO Co., Ltd.	Matsumoto City, Nagano	100 million yen	Food	51.0	—	—	—	Note 4
NPF Japan Co., Ltd.	Mihama-ku, Chiba City	100 million yen	Other	100.0	—	This company purchases NIPPN CORPORATION's products and sells its products to NIPPN CORPORATION.	NIPPN CORPORATION leases out land, buildings, etc. to this company.	—
Nippon Engineering Co., Ltd.	Shibuya-ku, Tokyo	20 million yen	Other	100.0	—	NIPPN CORPORATION purchases this company's products.	—	—
NIPPN Donut Co., Ltd. Note 1	Shibuya-ku, Tokyo	20 million yen	Other	100.0 (100.0)	—	This company purchases NIPPN CORPORATION's products.	—	—
Pasta Montana, L.L.C. Notes 1 and 2	United States	35.453 million US dollars	Food	100.0 (100.0)	—	NIPPN CORPORATION sells this company's products.	—	Note 3
26 other companies								
(Companies accounted for using the equity method)								
NIPPN Logistics Co., Ltd. Note 1	Mihama-ku, Chiba City	20 million yen	Other	80.0 (6.2)	—	This company is entrusted with the logistics operations of NIPPN CORPORATION.	NIPPN CORPORATION leases out buildings, etc. to this company.	—
12 other companies								

Notes: 1. The figures in parentheses in the column for the percentage of voting rights owned indicate the percentages of indirect ownership included.

2. This company is a specified subsidiary.

3. NIPPN CORPORATION has loaned operating funds, etc. to this company.

4. This company has concluded a business collaboration agreement with NIPPN CORPORATION.

5. Employees

(1) Information about group

As of March 31, 2025

Business segment	Number of employees (persons)	
Flour Milling	623	[93]
Food	1,988	[3,274]
Other	839	[2,173]
Corporate-wide functions (shared)	413	[78]
Total	3,863	[5,618]

Note: The number of employees refers to that of full-time employees (excluding those seconded to unconsolidated entities). The figures for temporarily employed workers are separately provided in square brackets.

(2) Information about reporting company

As of March 31, 2025

Number of employees (persons)	Average age	Average length of service	Average annual pay (yen)
1,210 [209]	39 years, 8 months	15 years, 1 month	7,469,682

Business segment	Number of employees (persons)	
Flour Milling	334	[64]
Food	451	[62]
Other	12	[5]
Corporate-wide functions (shared)	413	[78]
Total	1,210	[209]

Notes: 1. Average annual pay includes non-standard wages and bonuses.

2. The number of employees refers to that of full-time employees (excluding those seconded outside the Company). The figures for temporarily employed workers are separately provided in square brackets.

(3) Labor unions

The following labor unions have been organized: the NIPPON Labor Union (882 members including seconded employees) at the Company; the Matsuya Flour Labor Union (45 members) at Matsuya Flour Mills Co., Ltd.; the Marushichi Labor Union (58 members) at Marushichi Co., Ltd.; the NAGANO TOMATO Labor Union (99 members) at NAGANO TOMATO Co., Ltd.; the NPFJ Labor Union (36 members) at NPF Japan Co., Ltd.; and the ITO-PAN Labor Union (358 members) at ITO-PAN Co., Ltd.

With stable labor-management relations maintained, there are no reportable matters.

(4) Ratio of female employees in managerial positions, ratio of male employees taking childcare leave, and differences in wages between male and female employees

(i) Reporting company

(1) Reporting company					Supplementary explanation
FY2025					
Ratio of female employees in managerial positions (%) Note 1	Ratio of male employees taking childcare leave (%) (Note 2)	Differences in wages between male and female employees (%) Note 1			
		All employees	Regular employees	Part-time/Fixed-term employees	
10.0	88.2	73.5	79.7	66.9	

Notes: 1. The ratios of female employees in managerial positions and the differences in wages between male and female employees are calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. For the ratios of male employees taking childcare leave, the ratios of taking childcare leave, etc. under Article 71-6, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) are calculated pursuant to the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

(ii) Consolidated subsidiaries

(ii) Consolidated subsidiaries						Supplementary explanation
FY2025						
Name	Ratio of female employees in managerial positions (%) Note 1	Ratio of male employees taking childcare leave (%) (Note 2)	Differences in wages between male and female employees (%) Note 1			
			All employees	Regular employees	Part-time/Fixed-term employees	
Matsuya Flour Mills Co., Ltd.	—	100.0	—	—	—	
OK Food Industry Co., Ltd.	—	—	82.1	73.5	115.7	
Fast Foods Co., Ltd.	18.2	100.0	78.6	68.0	92.8	
Ichifuji Seimenjo Co., Ltd.	—	—	71.9	87.4	84.9	
NIPPON Donuts Kyushu Co., Ltd.	—	—	68.6	84.7	122.9	
Yamato Foods Co., Ltd.	—	—	73.4	70.3	135.3	
G&L mart Co., Ltd.	8.3	80.0	68.3	81.4	101.6	
ITO-PAN Co., Ltd.	6.5	66.7	73.9	77.3	84.2	
Fast Foods Nagoya Co., Ltd.	—	—	68.0	84.8	81.7	

Notes: 1. The ratios of female employees in managerial positions and the differences in wages between male and female employees are calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. For the ratios of male employees taking childcare leave, the ratios of taking childcare leave, etc. under Article 71-6, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) are calculated pursuant to the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

Section 2. Overview of Business

1. Management policy, business environment, issues to address

All matters concerning the future in the following text are based on the views of the Group as of the end of FY2025.

(1) The Company's basic management policy

With the Flour Milling business, which the Company has continued to be engaged in since its founding, and also the Food business as its core businesses, the Group has been making progress in diversifying its businesses into areas such as frozen foods and Nakashoku (ready-made meals). We are now also putting our energy into healthcare, the soy and vegetable businesses, etc. for the future. Furthermore, with the aim of expanding our business domains with new businesses added and thereby promoting sustainable growth, we uphold our management philosophy "We pursue people's well-being (happiness, health, and smiles) and contribute to the realization of a sustainable society."

With the environment surrounding the Company undergoing rapid changes, the Company aims to create "food" for a new era, which proactively responds to changes, by integrating the technological capabilities developed since its founding with a new concept of digital transformation (DX) and thereby driving innovation.

Internally, with the aim of taking on challenges in new business domains, the Company seeks to build a workplace environment where each employee, without forgetting the pioneering spirit that has been held since the Company's founding, can nurture creativity and diversity and actively engage in all endeavors.

Through these corporate activities, we will faithfully face social issues such as climate change and other environmental problems, effective utilization of food resources, conservation of biodiversity, population issues, and extension of healthy life expectancy, and will contribute to the realization of a sustainable society. As a resilient company that practices ESG management, we are committed to working with our partners both within and outside of Japan with a focus on the actual situation in Japan and overseas to create a "better society" and a "better planet."

In order to attain the management philosophy, we will, together with stakeholders including customers, employees, shareholders, and society, continue creating value for the future.

We aim to be a company whose products are cherished in various scenes of daily life, and that can deliver happiness, physical and mental health, and smiles to everyone in the world.

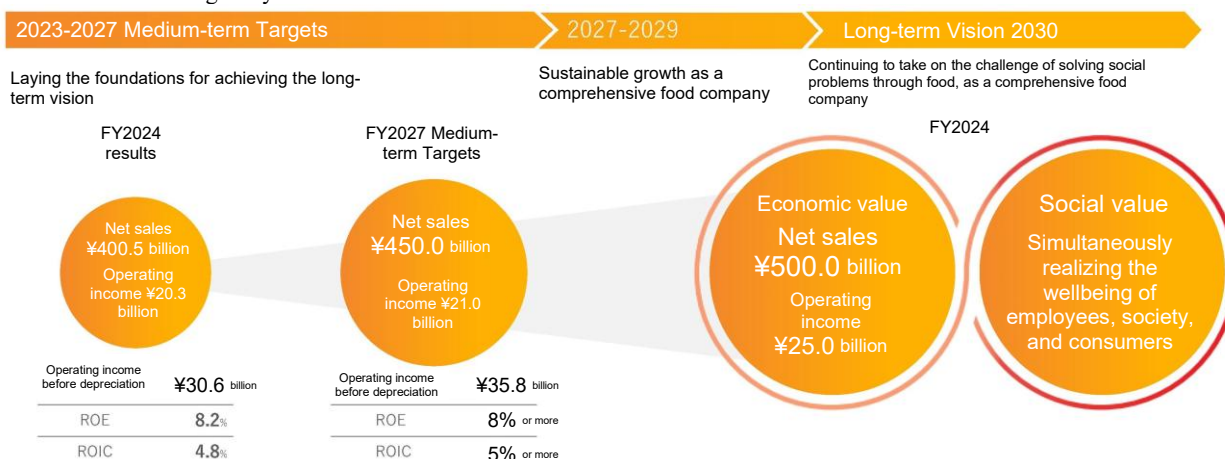
(2) Business environment surrounding the Company

During FY2025, the Japanese economy underwent a moderate recovery, supported by an expansion of domestic demand owing to improvements in the employment and income situations, as well as by an expansion of inbound tourism demand. On the other hand, the situation required us to continuously stay alert to the impact of factors affecting the Group's business environment, including persistently high prices of raw materials and energy due to the yen's continued depreciation in the foreign exchange market, the growing number of budget-minded consumers due to rising prices, and developments in the policies of the United States such as trade policies.

In order to achieve sustainable growth, we have been working to strengthen our brand power and develop differentiated products, as well as to improve sales and earnings by developing and expanding production bases and promoting business acquisitions and alliances. However, factors such as changes in consumer behavior in Japan and overseas are sources of concern which may have a significant impact on our business performance.

(3) Issues to be addressed by the Company and its medium- to long-term management strategy and target management indicators
(i) Long-term Vision 2030

In pursuit of attaining the management philosophy, we formulated, in May 2024, the Long-term Vision 2030 “As a comprehensive food company, the NIPPON Group will continue to take on the challenge of solving social problems through food.” In addition to pursuing economic value by aiming for growth to the scale of ¥500 billion in net sales and ¥25 billion in operating income, we also seek to organize our envisioned future and strategic direction in order to focus our efforts on creating social value, and to achieve our targets by FY2031.



<Measures to attain the long-term vision>

■ Formulation of human resources vision

To link our management strategy and human resources strategy, we formulated the Human Resources Vision. Through engagement, primarily guided by the Human Resources Vision, in the development of human resources, the revision of personnel systems, and the creation of an organizational culture in the hope that this engagement will lead to the securing of required human resources, we seek to achieve the sustainable growth of both individuals and their organizations while building up a workplace environment where employees can nurture creativity and diversity and actively work on all endeavors.
(Overview of the Human Resources Vision)



<Determination of key initiatives>

- The Frozen Food business aims to achieve net sales of ¥90.0 billion/year by FY2031.

For home use frozen food, we will strive to expand the sales of cooked rice products and one-plate complete meal products whose markets are expanding, and also the sales of single-serving pasta.

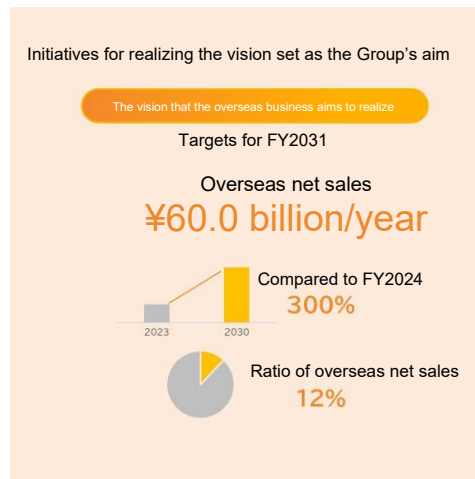
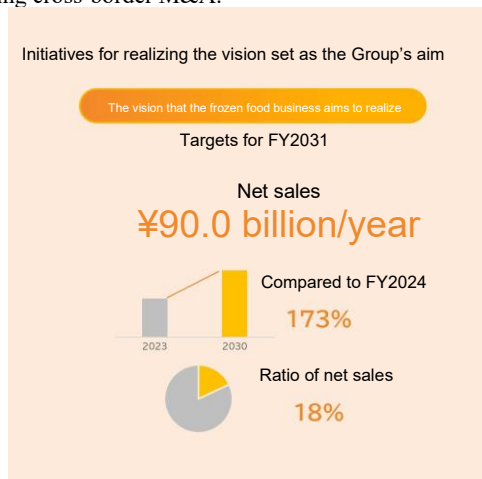
For professional use frozen food, we will strive to expand the sales of frozen pasta, pasta sauce, etc., in response to strong demand for food services and inbound tourism.

As the means of achieving these sales expansions, we are considering investment in our own facilities and enhancement of arrangements with manufacturing contractors to strengthen supply capacity.

- The Overseas business aims to achieve net sales of ¥60.0 billion/year by FY2031.

We will work on expanding sales into new demand regions, in addition to aiming for business expansion in the countries where we have already conducted business.

Furthermore, we will strive to expand our export of Japanese products while considering the possibility of aggressive investment including cross-border M&A.



(ii) Medium-term targets

As a milestone to achieve ¥500 billion in net sales and ¥25 billion in operating income as set out in the Long-term Vision 2030, the Company has set medium-term targets of ¥450 billion in net sales, ¥21 billion in operating income, a ROE of 8% or higher, and a ROIC of 5% or higher by FY2027.

With the five basic strategic policies of strengthening profitability in core areas, making strategic investment in growth and new areas, pursuing M&A and business partnership opportunities, strengthening corporate competitiveness through DX promotion, and promoting sustainability management, the Company will work on attaining the FY2027 Medium-term Targets by steadily implementing strategies in line with these basic policies.



<Strategies and measures of each business segment>

In the Flour Milling business, the construction of the new Chita Mill, into which state-of-the-art equipment will be introduced, is stably in progress. We will develop, and expand the sale of, our unique and value-added products, such as whole wheat flour and domestically produced wheat, utilize DX to put into practice highly productive sales activities and eliminate wasteful actions, improve logistics, and enhance each mill's/plant's production efficiency, thereby generating cash in a stable manner.

In the Food business, we will strive to further enhance profitability through differentiation of our premix products and seasoning products by leveraging the Company's know-how and through thorough profitability management by utilizing DX. In the area of home use food, we will develop a master brand through cultivation of our brands based on marketing strategies and through effective advertising activities such as placing TV commercials, and at the same time, will enhance our frozen food supply capacity as frozen food is a growth area of business.

In the Overseas business, we will accelerate our market development inside and outside the Group's locations and capital investment for overseas business expansion. Furthermore, we will enhance our market development activities for the markets of the neighboring countries of the Group's locations, create synergy with the existing two locations in the United States in light of the commencement of operation of the new Utah mill, and develop a system for the commencement of operation of a new plant of NIPPON Vietnam.

<Growth strategies toward the attainment of the FY2027 Medium-term Targets>

As specific measures to ensure the attainment of the medium-term targets, the Company has engaged in the promotion of marketing strategies and the new establishment and reallocation of manufacturing facilities.

■Promotion of marketing strategies

Regarding collaboration with Katana Inc. as human resource investment, the Company has made progress in its organizational reform and has continuously developed the “Oh’mmy Premium” brand since the commencement of relevant measures for it in October 2023.

The Company will expand the application of thorough consumer-oriented marketing to cover processional-use fields and transfer the marketing know-how of Katana Inc. into the Company’s organizations in their entirety, with the aim of enhancing its organizational strength, further improving the recognition of the brand, and thereby expanding revenues.

■New establishment and reallocation of manufacturing facilities

In Japan, the new Chita Mill is scheduled to start operating from February 2026. Its location enables large-sized grain vessels to berth, leading to reductions in the cost of procurement of raw materials. In addition, the Company will strengthen its revenue base through promotion of the mill as a smart factory by utilizing the latest automation technology and DX.

At the end of FY2027, the construction of a new plant of HATANAKA FOODS Co., Ltd., which became a consolidated subsidiary of the Company in April 2025, is scheduled to be completed. This plant will be the largest frozen food plant within the Group. With this plant, we will enhance our supply system in anticipation of increased demand in the future in the frozen food market, which involves single serving pasta products, such as “Oh’mmy Premium” products, and one-plate complete meal products.

Furthermore, the Group’s R&D base is scheduled to be relocated to the NIPPON R&D Center in October 2026. The NIPPON R&D Center will stimulate communication with people both inside and outside the Company and promote open innovation, thereby encouraging the creation of new value.

With respect to countries other than Japan, a new plant of Utah Flour Milling, LLC started operating in February 2025. With that plant, we aim to enhance the overall capabilities of our Flour Milling business and further expand our overseas business by creating synergy with the Company’s two existing locations in the United States.

Furthermore, in July 2024, the Company established a local subsidiary, NIPPON Vietnam Company Limited, 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. A new plant for premixes is scheduled to be placed in operation in 2027. The Company will thereby promote expansion of its sales and business in the Vietnamese market, enhance its supply system within the ASEAN region, and accordingly ensure a more stable supply.



<Reduction of cross-shareholdings>

With respect to the Group's cross-shareholdings, we aim to improve our capital efficiency by verifying the significance of holding each stock with an eye to the cost of capital, and by continuously reducing the shareholdings that we determine should be reduced since the rationality of holding those stocks has become weak. In FY2025, we promoted dialogue with the issuers of the stocks held under our cross-shareholdings and sold our cross-shareholdings worth ¥4.9 billion. We aim to continue making reductions during FY2026 onward to lower the amount of our cross-shareholdings to under 20% of our consolidated new assets by the final year of the medium-term target period (FY2027).

In pursuit of attaining the management philosophy of the Group, "Contributing to realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people," we aim to achieve our long-term vision and medium-term targets by investing management resources into business growth strategies for pursuing economic value, as well as into social value creation strategies.

(iii)Initiatives for sustainability management

The Group conducts business by benefiting from the blessings of the Earth, such as 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 recognized as an urgent issue for the continuation of the Group's business. Furthermore, in the promotion of sustainability management, initiatives for human capital supporting such management are essential. For the human resources development set out in the Human Resources Vision, we have set key themes with the aim of achieving sustainable growth as a comprehensive food company.

<Climate change>

We regard addressing climate change as an important issue in attaining our corporate philosophy. Recognizing the importance of reducing GHG emissions, we have set a target of reducing Scope 1 and Scope 2 GHG emissions by 42% compared to FY2022 by FY2031. We have been implementing specific initiatives to achieve carbon neutrality by 2050.

In the times ahead, we will formulate a roadmap for the introduction of energy-efficient facilities and renewable energy facilities and the procurement of renewable energy based electricity and make precise efforts in reducing GHG emissions.

<Sustainable procurement>

We use a variety of raw materials, including wheat, rice, soybeans, buckwheat, corn, sugarcane, and vegetables, and turn them into products through advanced processing technologies.

As our business has expanded, our supply chain has also grown. We recognize that, in this process, relevant social and environmental impacts, such as those concerning human rights, biodiversity, and climate change, grow greater. In particular, the loss of biodiversity may pose a risk to the stable supply of agricultural and marine products that support our business. Therefore, its conservation is an extremely important theme.

We believe that minimizing the negative impact of our business activities on biodiversity and building a sustainable supply chain are part of our corporate responsibility and essential for sustainable business growth.

We have revised our Human Rights Policy and Basic Procurement Policy and have formulated the Basic Policy on Biodiversity, recognizing the importance of those concepts. Going forward, we will, in accordance with these policies, implement human rights due diligence and identify risks and opportunities related to natural capital through the LEAP approach.

<Human capital>

On the belief that the foundation for all matters lies in the good mental and physical health of employees and their families, we have promoted health in the workplace. Based on that foundation, each employee performs their duties at their full potential in implementing measures in line with the following key themes based on the Human Resources Vision, with the aim of attaining the well-being of society and consumers and realizing our sustainable growth as a comprehensive food company.

(Key themes)

1	2	3	4	5
Strengthening of support for independent learning and career formation	Enhancement of professional expertise and creative thinking ability	Promotion of DE&I to enhance strategic execution	Engagement enhancement based on an environment that encourages challenges and psychological safety	Promotion of health-oriented management
Promotion of career designing and independent learning based on individual initiative	Enhancement of advanced strategic execution capabilities based on expertise	Human resource management to encourage the creation of new value	Creation of engagement opportunities and job satisfaction through acceptance of diverse values	Promotion with the physical and mental health of employees and their families regarded as the foundation of all activities

2. Disclosure of sustainability-related financial information

All matters concerning the future in the following text are based on the views of the Group as of the end of FY2025.

The Group announced its Long-term Vision 2030 in May 2024. In order to realize the management philosophy, the vision “As a comprehensive food company, the NIPPN Group will continue to take on the challenge of solving social problems through food” has been set to be achieved by 2030. This vision outlines its growth strategy as a comprehensive food company that will create economic value through business growth, while at the same time realizing the well-being of its employees, society, and consumers that together form the social value serving as a source of value creation. We believe that by increasing awareness of the Long-term Vision 2030 among our officers and employees, awareness of sustainability will also increase, leading to the acquisition of new business opportunities and the increased value of the NIPPN Group.

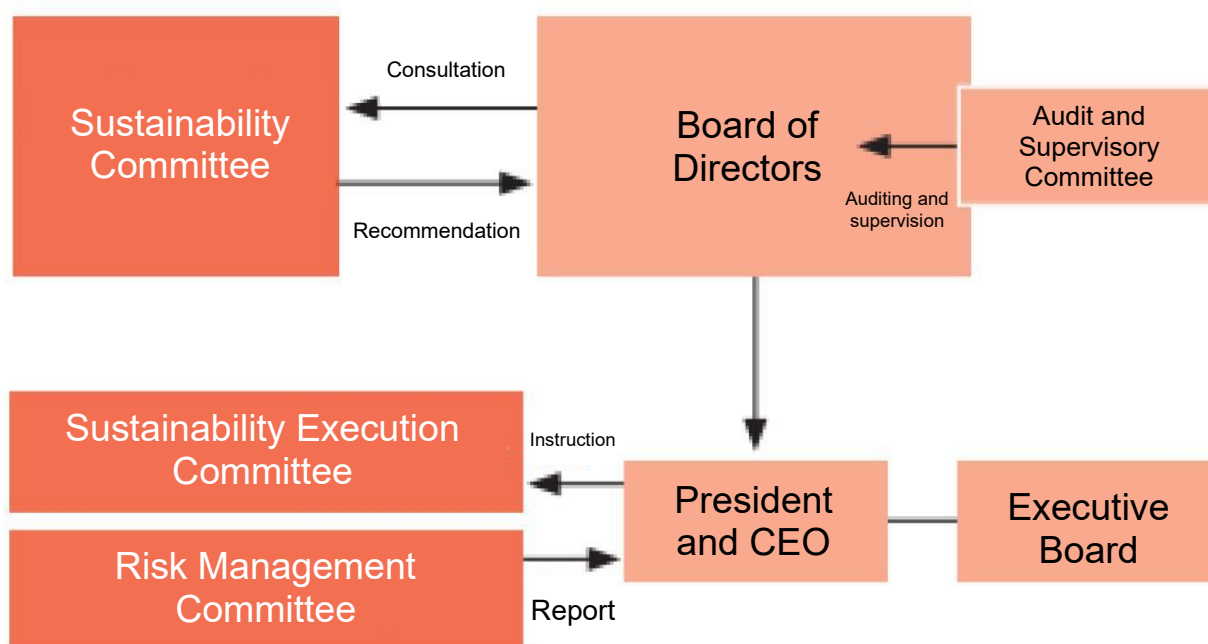
As a comprehensive food company, the Group has organized the full range of sustainability-related issues and has taken specific actions in relation thereto as follows, for sustainable corporate growth and the sustainable development of society.

(1) Governance

We have established a deliberative structure under which our Sustainability Committee chaired by the President and CEO of the Company, the highest-ranking Executive Officer in management, deliberates on various sustainability issues, with the aim of creating economic value through business growth toward the attainment of the Long-term Vision 2030 and also simultaneously realizing the well-being of employees, society, and consumers, which constitutes social value.

The Sustainability Committee meets twice a year to discuss the direction of the Group’s sustainability and the role of materiality strategies and reports to the Board of Directors. Particularly important cases are deliberated and resolved by the Board of Directors.

Sustainability-related Governance Structure

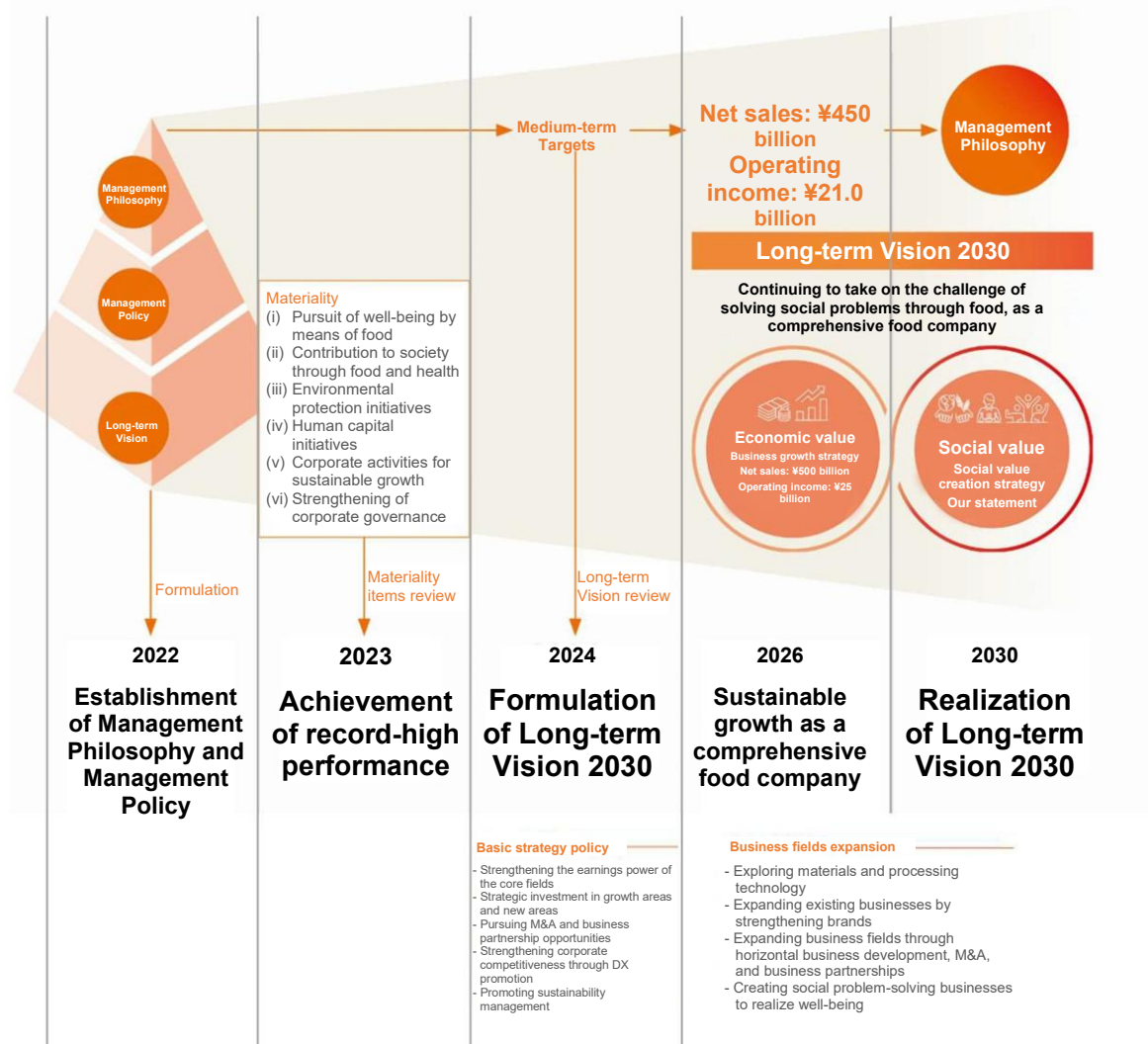


(2) Strategies

Since its founding in 1896, the Group has been working with many customers, business partners, and other stakeholders. As it continues to grow from wheat Flour Milling business to a comprehensive food company, it has demonstrated various synergies.

The comprehensive strength of the NIPPON Group lies in its unique business model, which can solve various issues that its stakeholders face. Our “procurement capabilities” allow the stable procurement of distinctive and special raw materials; our high “R&D capabilities” allow flexible and diverse responses to customer needs; our “production and manufacturing capabilities” cultivated through many years of knowledge and experience underpin our “high processing technology”; our “sales and marketing capabilities” take advantage of group synergies to respond to various customer requirements; our “logistics capabilities” ensure reliable delivery of products to customers; and our “quality assurance and responsiveness to customers” are based on our high-level quality control know-how and traceability system.

By continuing to take on the challenge of solving social problems through food as a comprehensive food company working together with stakeholders, we will continue to contribute to the pursuit of realizing a sustainable society with our knowledge and execution capabilities cultivated through our long-term relationships based on trust.



(3) Risk management

The Risk Management Committee has been established to address the impact of various risks on business, including those related to climate change. With changes happening more rapidly than ever before, companies must be ready to handle unforeseen risks. We identify the risks the Group faces, including possible risks, prioritize significant risks, and devise measures to address them. The committee comprises four subcommittees (Business Execution, Disaster Response, Compliance, and Information Security), each of which evaluates cases falling under its responsibility and takes action accordingly. The Risk Management Committee meets twice a year and reports the details of its meetings to the Board of Directors.

(4) Response to climate change

The Group conducts business by benefiting from the blessings of the Earth, such as 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 Group's business.

In order to realize the management philosophy "Contributing to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people," we will carry out environmental protection efforts throughout our entire business.

<GHG emissions>

(i) Indicators and targets

The Group regards addressing climate change as one of the most important issues in attaining its corporate philosophy. Recognizing the importance of working on reducing GHG emissions in order to mitigate their negative impact on food sustainability, we set a target of reducing total Scope 1 and Scope 2 GHG emissions by 42% compared to FY2022 by FY2031. We will put specific initiatives into practice to achieve carbon neutrality by 2050.

NIPPN Group Targets for FY2031

Reduction of GHG emissions (Scope 1+2) by **42%** compared to FY2022



Carbon neutrality by 2050

* Applies to the Company and its consolidated subsidiaries

(Reference) Changes in GHG Emissions

(1,000 t-CO₂)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Scope 1	48	49	44	47	47	47
Scope 2	114	113	112	113	115	118
Scope 3	—	—	—	—	3,120	3,930

Notes

Scope 1 and Scope 2: NIPPN CORPORATION and its consolidated subsidiaries

Scope 3: The figure for FY2023 attributes to the Flour Milling business of the Company only, while the figure for FY2024 attributes to its Flour Milling business and Food business.

(ii) Specific activities

Following the introduction of photovoltaic power generation systems at plants and mills in Japan, the Company has started introducing and operating such systems at overseas plants and mills. In 2025, the installation and operation of a photovoltaic power generation system is scheduled for its Chiba Mill. Furthermore, the Chiba Mill has been registered for the Chiba City Decarbonization Partnership and is expected to contribute to building up further momentum toward the realization of a decarbonized society.

Fiscal year	FY2023	FY2024	FY2025	FY2026 (scheduled)
Installation locations (total)	2	4	5	6
Power generation (MWh)	253	1,870	2,811	3,253
CO ₂ emissions reduction (t-CO ₂)	110	920	1,509	1,737

<TCFD scenario analysis>

In 2023, the Group expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD). Based on TCFD recommendations, we will promote information disclosure in four areas: governance, strategy, risk management, and indicators and targets.

(Strategies)

We recognize that, in order to continue to create value through the continuation of sustainable business and to realize a sustainable society, it is important to evaluate potential business impact from the risks and opportunities posed by climate change and to plan and implement countermeasures. We began scenario analysis in 2023 for our core Flour Milling business and, in 2024, expanded the scope of our analysis to the Food business. Through climate change scenario analysis on the assumption of a worldview that global temperatures would rise by 1.5°C and 4°C, we identified climate change risks and opportunities for 2030 and 2050. Going forward, we will identify and assess the significance of such risks and opportunities and develop countermeasures. We will then update our management strategies with more specific measures to address the risks and opportunities of climate change, while also promoting GHG emissions reduction measures to achieve our targets for FY2031.

		4°C	1.5°C
Main scenarios used	Transition scenario IEA World Energy Outlook (WEO) 2022	STEPS	NZE
	Physical scenario IPCC Fifth Assessment Report (AR5)	RCP 8.5 RCP 6.0	RCP 1.9
Timeline of the assumed worldview	2030 and 2050		
Businesses analyzed	Flour Milling business and Food business (frozen foods, food materials, and processed foods) in Japan		

(Risks)

<Worldview of the 1.5°C scenario>

- > Risks associated with the transition to a decarbonized society: High
 - Climate change countermeasures will be strengthened, and a tighter target for reducing greenhouse gas emissions will be set.
 - With the transition to a decarbonizing society, operating costs will increase due to the introduction of carbon pricing and the shift to renewable energy.
 - By 2030, all new buildings will be ZEBs (net Zero Energy Buildings), and by 2050, more than 85% of existing buildings will be ZEBs, which will increase the cost of infrastructure development.
 - With the transition to a decarbonizing society, operating costs will increase due to the introduction of carbon pricing and the shift to renewable energy.
 - The ratio of renewable energy to total power generation volume will reach 61% in 2030 and 88% in 2050.
 - As consumers' consumption patterns change, there will be an increasing demand for products and services that have a low environmental impact, as well as for recyclable and reusable ones.
 - As interest in low-carbon technology and energy-saving grows, environmentally-friendly business activities will enhance corporate value.
 - With the use of ESG investment, green bonds, and carbon credits, fundraising through credit creation and sale, etc. will be actively conducted.
- > Physical risks such as extreme weather: Low

Classification	Expected event	Specific content	Financial impact	Solutions
Transition risks	Policies / Regulations	Carbon tax / carbon price	Significant	<ul style="list-style-type: none"> - Introduction of photovoltaic power generation systems - Switching to renewable energy - Switching to high-efficiency facilities - Utilization of joint logistics and modal shifting - Visualization of the financial impact of introducing internal carbon pricing
		New regulations to promote decarbonization	Medium	<ul style="list-style-type: none"> - Development of environmentally-friendly manufacturing methods - Proactive collaboration with material and container/packaging suppliers - Considering alternative materials

	Technology	Transition to low-carbon technology	- Increase in development costs and capital investment costs due to a shift to environmentally friendly products and low-carbon services	Medium	- Development of environmentally-friendly manufacturing methods - Proactive collaboration with material and container/packaging suppliers - Considering alternative materials
	Market	Adapting to a decarbonizing society	- Decline in the Company's market share due to increasing demand for low-carbon products caused by heightened environmental awareness - Enhanced environmental awareness regarding procurement, and loss of business opportunities due to delays in taking responses	Significant	- Development of low-carbon products - Promotion of environmentally-friendly procurement - Promotion of certified materials
	Reputation	Reputation with stakeholders	- Decline in reputation with stakeholders if responses to climate change are inadequate	Significant	- Responses to climate change and appropriate information disclosure

<Worldview of the 4°C scenario>

- > Risks associated with the transition to a decarbonized society: Low > Physical risks such as extreme weather: High
- Climate change countermeasures will not be required beyond the current level, and transition risks can be kept at a certain level.
 - The use of energy derived from fossil fuels will continue, and the use of renewable energy will remain limited. However, demand for energy-saving technology will increase due to cost considerations.
 - As global warming progresses, extreme weather (typhoons, torrential rain, etc.) become more severe, and the physical damage to the Company's bases and employees will increase.
 - The risk of physical damage to business partners, the risk of business interruption due to disruption to the supply chain, or other relevant risks will increase.
 - The growth environment for raw materials will change due to rising temperatures and water risks, and consequently the procurement cost for raw materials will increase.
 - The development of social infrastructure to prepare for disasters caused by climate change will accelerate.
 - Due to rising temperatures, the working environment will change and infectious diseases will increase. Consequently, the performance of business partners, etc. will be likely to deteriorate.
 - Demand for products for disaster countermeasures and disaster recovery will increase (the development of technologies for shelf life extension and packing will progress).

Classification		Expected event	Specific content	Financial impact	Solutions
Physical risks	Acute risks	Increasing severity of extreme weather	- Decline in revenue due to the shutdown of plants and mills caused by wind and flood damage - Decline in production efficiency due to severe water shortages in grain-producing regions	Significant	- Capital investment to deal with damage caused by wind and floods - Securing multiple suppliers - Breeding drought-resistant varieties - Identifying and responding to areas affected by wind and flood damage
	Chronic risks	Rising average temperatures	- Changes in suitable cultivation areas, or lower yields or quality deterioration of agricultural products, caused by rising temperatures, chronic irregular precipitation, etc., leading to higher raw material prices and manufacturing costs - Increase in the cost of procuring raw materials due to changes in procurement routes - Increase in procurement risks due to a temporary suspension of business activities at procurement sources	Significant	- Securing multiple suppliers - Breeding drought-resistant varieties - Identifying and responding to areas affected by wind and flood damage - Strengthening the engagement of procurement sources
			- Increase in the cost of procuring raw materials due to reduced crop yields and quality deterioration due to the spread of crop damage caused by pests or diseases	Significant	- Securing multiple suppliers - Breeding varieties resistant to pests and diseases

(Opportunities)

Classification		Expected event	Specific content	Financial impact	Solutions
Opportunities	Resource efficiency	- Efficient use of transportation - Efficient production and distribution processes	- Reducing transportation costs by switching to more efficient means of transportation and improving vehicle loading efficiency	Significant	- Adopting modal shifting - Promoting the standardization of product packaging
		- Use of recycled materials	- Reducing the environmental impact and procurement costs by using recycled materials	Medium	- Establishing a recycling scheme for distribution pallets
	Products and services	- Use of new technologies	- Increased sales of products with low environmental impact and products that meet demand for reducing food loss	Medium	- Development of environmentally-friendly products and technologies
	Market	- Changes in consumer behavior and preferences	- Increasing demand for alternative protein (Plant-based Food/PBF) products due to growing health needs and an increasing ethical awareness - Increasing demand for easy-to-prepare foods, such as frozen foods, and products requiring only short cooking times, due to rising temperatures	Medium	- Development of alternative protein products - Use of products made from sustainable raw materials - Development of environmentally-friendly manufacturing methods and products
		- Access to new markets	- Increasing demand for alternative proteins (Plant-based Food/PBF) due to population growth in emerging countries	Medium	- Development of alternative protein products - Use of products made from sustainable raw materials - Global survey of consumer demands - Strengthening global communication
	Resilience	- Resource replacement/diversification	- Cost reduction through diversification of raw material suppliers to reduce the risk of procurement failure	Low	- Identifying procurement risks - Strengthening supplier communication

(5) Initiatives for biodiversity

Since the business activities of the Group rely on natural capital, we consider it necessary to conduct in-depth analysis of the relationship between natural capital-related risks and opportunities and our business operations and to strive to preserve biodiversity in various scenes through business activities performed in line with our Biodiversity Policy, which is the basis of our business strategies. To this end, we evaluated vulnerabilities at each manufacturing base and in raw material procurement country, as well as dependency and impact within the value chain, and, based on those dependency and impact, organized relevant risks and opportunities. Going forward, we will establish indicators and targets for promoting nature-positive initiatives and proceed with the development of a framework for such initiatives.

Furthermore, the Company has been developing and opening its own land in Fukagawa City, Hokkaido, to the public as the NIPPON Shikinomori Forest, carrying out activities for both the citizens of the city and the Company's employees to learn the importance of preserving biodiversity.

(6) Indicators and targets concerning human capital

By clarifying indicators and targets for human capital, we aim to foster a better organizational culture, develop employee capabilities, maintain their health, and promote diversity. In order to attain such indicators and targets, we will monitor the progress of initiatives as necessary and work toward enhancing our corporate value.

Indicators and targets

		FY2025 results	FY2026 targets	FY2027 targets
Ratio of female managers		10.0%	11.0%	12.0%
Childcare leave acquisition rate	Male employees	88.2%	100.0%	100.0%
	Female employees	100.0%	100.0%	100.0%

Notes: 1. NIPPON CORPORATION's results only

2. Persons who took childcare leave include those who started their postpartum leave within the fiscal year concerned.

Information disclosure concerning human capital

		FY2023 results	FY2024 results	FY2025 results
Engagement survey results		—	70.4 (+2.1 compared to the average among other companies)	72.3 (+2.8 compared to the average among other companies)
Number of mid-career hires		12 persons	30 persons	42 persons
Amount of investment in education and training		51,394,000 yen	71,932,000 yen	104,987,000 yen
Average number of annual paid leave days taken		12.7 days	13.3 days	13.7 days
Average number of childcare leave days taken	Male employees	12.4 days	20.1 days	18.2 days
	Female employees	304.5 days	311.1 days	373.3 days
Ratio of employees maintaining appropriate body weights (BMI)		64.8%	63.3%	64.5%
Ratio of employees with high stress levels		9.7%	8.5%	9.3%

Notes: 1. NIPPON CORPORATION's results only

2. For childcare leave, each of the figures is the average number of leave days taken among those whose childcare leave ended within the fiscal year concerned.

Differences in wages between male and female employees

	FY2023 results	FY2024 results	FY2025 results
All employees	74.9%	73.3%	73.5%
Among all employees, regular employees	80.9%	80.3%	79.7%
Among all employees, part-time/fixed-term employees	74.5%	65.4%	66.9%

Notes: 1. NIPPON CORPORATION's results only

2. The figures for part-time employees are calculated based on the number of part-time employees obtained by converting the prescribed working hours of regular employees (7.7 hours per day). In light of the calculation revision during FY2024, the results for FY2023 have also been revised.

3. Business risks

The following are the risks that potentially affect the operating results, share price, financial standing, and other relevant matters of the Group. All matters concerning the future in the following text are based on the views of the Group as of the end of FY2025.

Furthermore, those risks marked with “◎” are recognized as particularly critical risks that have a significant impact on the Group’s operating results if any of those risks actually emerges.

	Risk	Solutions
1. Business	1-1. Changes in trade liberalization and wheat policy (◎)	
	In the core businesses of the Group (flour milling, premix, and pasta businesses), the progress of trade liberalization as seen in the enforcement/expansion of the CPTPP (TPP11), the Japan-EU EPA, the Japan-U.S. Trade Agreement, etc., as well as the review of the current wheat policy and of the framework of state trading, may lead to significant changes in systems related to wheat, wheat flour, wheat-related secondary processed products, etc., changes in wheat procurement methods, and reorganization within related industries. These factors may pose a considerable impact on the Group’s business operations.	To address increased imports of wheat flour-related products due to reduced border control mechanisms such as import tariffs, and to respond to changes in relevant systems, we are working to mitigate risks by, for example, closing small-scale plants in Japan and consolidating production at large waterfront plants to strengthen cost competitiveness, developing competitive and differentiated products, and expanding our overseas business.
	1-2. Fluctuations in foreign exchange rates	
	The Group procures certain raw materials and products from overseas, and fluctuations in foreign exchange rates may affect the cost of such procurement. In addition, the profit/loss and financial conditions of overseas subsidiaries may be affected by yen-based currency conversions.	To mitigate such risks, we have established foreign exchange contract rules and strive to suppress substantial fluctuations in our business performance by reflecting the cost of procurement of raw materials and products appropriately in product prices.
	1-3. Changes in product market conditions	
	In relation to the domestic businesses of the Group, competition is intensifying amid declining population and aging society with fewer children. Any changes in product market conditions may become destabilizing factors for the Group’s performance. In addition, the price of bran, which is a by-product in the Flour Milling business, fluctuates due to its supply-demand balance and the market conditions, etc. of competing feed ingredients. Accordingly, it may have an adverse effect on our business performance.	We sell our products at appropriate prices commensurate with their costs, according to market condition fluctuations. We are also working on differentiating ourselves from other companies through the development of products that meet changing market needs and of high value-added products. With regard to bran, we are working to mitigate this risk by making efforts to sell it at prices that reflect the supply-demand situation and market conditions, and by maintaining an appropriate inventory level in line with product production.
	1-4. Outsourcing of logistics (◎)	
	The delivery of products to business partners may be delayed due to a shortage or aging of drivers or various logistics-related problems associated with the so-called “2024 Problem.” This may adversely affect the Group’s business performance.	In response to predominantly reduced transportation and delivery capacity due to the amendment to the Act on Advancement of Integration and Streamlining of Distribution Business in April 2024, we are implementing efforts to understand and improve the situation surrounding relevant difficult operations, prolonged truck waiting times, and loading/unloading times. Furthermore, we are advancing our measures to improve logistics efficiency, including the expansion of joint logistics and the increasing of load capacity.
	1-5. Potential risks in the overseas business	
	The Group conducts business in the United States and Asian countries. In overseas markets, however, business activities may be hindered by unexpected changes in the political or economic situation, amendments to laws or regulations, political instability attributable to events such as terrorist activities, coups, or conflicts, or other similar reasons.	We strive to reduce risks by gathering information on overseas situations and implementing appropriate management and operational support for overseas associates.

	Risk	Solutions
2. Sustainability	2-1. Product safety	
	Consumer awareness of food safety is rising every day, and relevant laws and regulations are becoming increasingly stringent. While the Group works on strengthening its quality assurance system through efforts such as introducing new technologies and conducting in-house training on quality control, there remains the possibility that unforeseen factors may lead to sale suspension or product recalls.	We are working to reduce risks by promoting the strengthening of our quality assurance system through initiatives such as obtaining certifications for quality control systems and food safety management systems including JFS-C, reinforcing food defense measures, thoroughly implementing quality control at manufacturing bases including those of contract manufacturers, and maintaining our traceability system.
	2-2. Climate change (◎)	
	Climate change may affect various parts of the supply chain, from raw material procurement to sale to customers, and the transition to a low-carbon economy may hinder the Group's business activities due to factors such as increased costs.	With its Sustainability Committee and Sustainability Execution Committee established, the Company has put in place a structure to comprehensively and specifically address climate-related risks for the Group. Furthermore, in February 2023, the Company expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD), and will work to reduce risks by implementing initiatives in line with the TCFD recommendations on "governance, strategy, risk management, and indicators and targets."
	2-3. Procurement of raw materials (◎)	
	The procurement of raw materials may become difficult due to factors such as the reduced yield of plants and animals caused by global warming and natural disasters; increased procurement costs driven by rising energy costs and personnel costs and exchange rate fluctuations; and disruptions in logistics caused by conflicts, political instability, or the spread of infectious diseases. In addition, fluctuations in raw material costs may adversely affect business performance if they are not appropriately reflected in product costs. Furthermore, failure to appropriately address social issues involving procurement, such as environmental or human-rights issues, may damage the Group's brand or negatively impact its business performance.	We seek out safe and competitively priced raw materials with consideration for the environment and human rights, secure a multi-route procurement system with various changes and risks taken into consideration, and appropriately reflect the fluctuations of raw material costs in product costs, thereby mitigating the risk concerned.
3. Governance	2-4. Fundraising	
	The Group raises necessary funds through borrowings from banks and other financial institutions. Accordingly, the Group's financial position and business performance may be affected by a sharp rise in interest rates or a downgrade in credit rating due to, for example, the failure to achieve a business plan, resulting in a deteriorated fundraising environment or an increased interest burden.	We are working to mitigate this risk by maintaining and strengthening our financial strength while also diversifying funding sources, methods, and periods.
	3-1. Cyberattacks, computer system failures, and data leaks (◎)	
	If a system failure occurs within the Group, it may disrupt its business operations. In addition, if there is a data leak involving personal information, a data encryption attack, or other similar incident, the Group may incur costs in responding to the incident.	We have established our Basic Policy on Information Security, Information Security Management Rules, etc. and provide education and training to employees. In addition to the strengthening of both hardware and software in preparation for external attacks, this type of risk is reduced through thorough implementation of strict access controls and password management for information devices, while also the Board of Directors regularly monitors the status of information security management.
	3-2. Impact of statutory regulations	
	The Group is subject to domestic and international statutory regulations including the Food Sanitation Act, the Food Labeling Act, and the Basic Act on the Environment. The tightening of regulations and the introduction of new regulations exceeding assumptions may impose restrictions on business activities or costs for dealing with such regulations, potentially impacting business performance.	In our efforts to reduce this risk, we strive to stay informed of amendments to relevant laws and regulations, participate in external study sessions, hold in-house study sessions, and carry out internal audits to strengthen our compliance framework.

	Risk	Solutions
3. Governance	3-3. Intellectual property rights	
	The business performance of the Group may be adversely affected if there is a possibility that the Group's intellectual property rights or proprietary know-how is infringed, or that the Group becomes subject to any right exercised by a third party against the Group, such as a claim for damages, on the grounds of the Group's unintentional infringement of any intellectual property rights of such third party.	Efforts have been made to reduce this risk, including the acquisition of relevant intellectual property rights through the legal department or intellectual property department; the systematization of know-how by related departments; investigations into intellectual property rights; and product development and business activities that respect intellectual property rights.
	3-4. Impact of disasters (◎)	
	In the event of a large-scale disaster or other similar incident, the Group may suffer significant damage or face disruptions to the manufacture or shipment of its products.	The Disaster Response Subcommittee, a subordinate body of the Risk Management Committee, reviews relevant systems on a group-wide scale. In addition to the implementation of safety inspections of facilities and devices and disaster drills to firmly establish a system for safe operations and accident prevention, measures such as those listed below have been taken to reduce the risk concerned: the introduction of an employee safety confirmation system; the formulation of an initial response plan; the revision of the business continuity plan; the adoption of communication means and information tools; the expansion of emergency supplies; the stockpiling of food; and subscription to insurance against damage.
	3-5. Securing of human resources	
	If the Group finds it difficult to secure or develop human resources, its appropriate allocation of human resources may be hindered, and in particular, a shortage of human resources at manufacturing sites may affect its business continuity.	We strive to secure necessary human resources, including manufacturing personnel, and develop them through, for example, on-the-job training (OJT) and off-the-job training (Off-JT), and engage in designing programs for pleasant work to promote health-oriented management, such as the promotion of work-life balance and the introduction of a childcare leave and childcare shift program. Furthermore, we are working to improve productivity and reduce risk by utilizing the IoT and AI to streamline operations and save labor.
	3-6. Alliances and acquisitions	
	The Group forms alliances with, and acquires, other companies as a means of expanding its business. However, if the initially expected outcome from an alliance or acquisition cannot be realized due to various uncertainties such as changes in the business environment, the Group's business performance may be adversely affected.	In forming alliances and acquiring other companies, the Company reduces this risk by conducting detailed due diligence and, after acquisition, etc., ensuring operational support and thorough management.
	3-7. Asset management	
	Plan assets associated with the employees of the Group are managed through an external financial institution. However, if it is not possible to achieve the expected rate of return on plan assets due to worsened market conditions, etc., or if there are any changes in the preconditions set for actuarial calculation, such as discount rates, the amount of the retirement benefit obligations recognized in some future period may change, potentially affecting actual performance adversely. Additionally, the Group has cross-shareholdings, which means that the Group's financial position and business performance may be adversely affected, such as through a decline in equity, by a drop in market value associated with trends in the economic environment or corporate earnings, the issuing company's poor performance, or other similar factors.	For pension assets, detailed management information is regularly gathered to monitor the status of asset management. As for cross-shareholdings, the economic rationale for each individual stock, covering the purpose and benefits of holding it, is verified and reported to the Board of Directors. We are working to reduce our cross-shareholdings if the rationality of holding specific stocks is not found. In this verification, whether the benefits and risks are commensurate with the cost of capital is examined, and a comprehensive judgment covering qualitative evaluations, such as an evaluation from a viewpoint on business strategies, is made.

	Risk	Solutions
3. Governance	3-8. Impairment of non-current assets and goodwill	
	The Group owns various non-current assets both in Japan and overseas and may also hold goodwill and investment securities in connection with investment, etc. for business expansion or the development of new businesses. If future profitability in relation to production facilities declines due to factors such as sluggish sales, or if it is found impossible to realize the income or benefits initially expected at the time when the relevant decision for the goodwill or investment securities was made, impairment losses are required to be recognized, potentially affecting business performance adversely.	With respect to plans for capital investment, M&A, etc. involving an amount exceeding a certain level, the Investment and Loan Committee has been established to scrutinize the economic rationale of each plan in light of internal standards, and the Board of Directors resolves on each plan upon deliberation on investment effects and other related matters. In addition, we work to mitigate the risk concerned by continuously monitoring the status of post-investment performance progress, etc.
	3-9. Infectious diseases, etc.	
	The spread of infectious diseases may result in employees contracting such diseases or difficulty in securing raw materials, etc., thereby hindering the stable supply of products and potentially affecting business performance adversely.	We have formulated a business continuity plan against infectious disease outbreaks and make preparations to minimize the impact of such outbreaks on business performance.

4. Management analysis of financial position, operating results and cash flows

(1) Overview of operating results, etc.

The following is an overview of the financial position, operating results, and cash flows (hereinafter referred to as the “operating results, etc.”) of the Group (meaning the Company and its consolidated subsidiaries and companies accounted for using the equity method) for FY2025.

(i) Financial position and operating results

(Millions of yen)

	FY2024	FY2025	Difference	Change
Net sales	400,514	410,878	10,364	102.6%
Operating income	20,340	21,486	1,145	105.6%
Ordinary income	23,280	24,393	1,112	104.8%
Profit attributable to owners of parent	26,367	24,757	(1,610)	93.9%

During FY2025, the Japanese economy underwent a moderate recovery, supported by an expansion of domestic demand owing to improvements in the employment and income situations, as well as by an expansion of inbound tourism demand. On the other hand, the situation required us to continuously stay alert concerning the impact of factors affecting the Group’s business environment, including persistently high prices of raw materials and energy due to the yen’s continued depreciation in the foreign exchange market, the growing number of budget-minded consumers due to rising prices, and developments in the policies of the United States such as trade policies. In these circumstances, in accordance with the management philosophy “Contributing to realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people,” we strive to achieve sustainable enhancement of corporate value.

During FY2025, as part of efforts to strengthen profitability, we continued to expand the sales of the “Oh’m Premium” brand (dried pasta and frozen pasta) based on a marketing strategy enhanced through collaboration with Katana Inc. Furthermore, the construction of the new mill in Chita City, Aichi, which began in 2023, was smoothly progressing toward the commencement of operation scheduled for February 2026. Furthermore, Utah Flour Milling, LLC, in which we invested in 2023, started operations in February 2025.

In addition, as part of efforts to expand into growth areas, NIPPON Vietnam Company Limited was established in the Socialist Republic of Vietnam, which has started preparation for the commencement of operation of its plant in 2027. Also, it was decided to consolidate HATANAKA FOODS Co., Ltd. as a subsidiary, and currently the preparation for construction of its new frozen food plant is underway. Furthermore, in order to strengthen our R&D functions and improve convenience, we have decided to establish a new research and development facility base, NIPPON R&D Center, in Tsuzuki-ku, Yokohama City, Kanagawa, in October 2026.

In April 2025, organizational reforms were implemented in the Food business, and the departments previously separated by product temperature zones were reorganized and consolidated into the Retail Products Department and Food Service Products Department, so as to enable the previous departments to depart from being based on product orientation and allow swift decision-making based on customer needs. At the same time, a new department, the “Marketing Department,” was established in order to implement product development and sales support activities in an integrated manner.

With respect to the consolidated results of the Group for FY2025, net sales increased by 2.6% year-on-year to ¥410,878 million due to factors such as the expansion of food service market demand and inbound tourism demand, price revisions implemented during the previous and current fiscal years, and a growth in the sales volume of the “Oh’m Premium” brand products driven by the strengthening of marketing strategies. In terms of profit, despite an increase in various costs in each business, including personnel and logistics costs, due to an increase in sales volume in the Flour Milling business and the Food business, operating income increased by 5.6% year-on-year to ¥21,486 million and ordinary income increased by 4.8% year-on-year to ¥24,393 million, while profit attributable to owners of parent decreased by 6.1% year-on-year to ¥24,757 million.

The performance of the individual business segments was as follows.

<Flour Milling Business>

(Millions of yen)

	FY2024	FY2025	Difference	Change
Net sales	125,316	121,663	(3,652)	97.1%
Operating income	9,186	9,203	16	100.2%

In the Flour Milling Business, sales volume was higher year-on-year, due to continued efforts made to promote the problem-solving sales style that meets customer needs and dietary diversification.

In addition, we revised the prices of wheat flour products for professional use in July of the previous year and January of the current year, following the reduction of the government selling price of foreign wheat in April and October of the previous year.

As a result, net sales of the Flour Milling business decreased by 2.9% year-on-year to ¥121,663 million, while operating income increased by 0.2% year-on-year to ¥9,203 million.

<Food Business>

(Millions of yen)

	FY2024	FY2025	Difference	Change
Net sales	226,661	238,353	11,691	105.2%
Operating income	8,354	9,283	928	111.1%

In the professional use food products category, net sales increased year-on-year, led by the strong sales of premixes and other products, and due to increased demand from restaurants and the expansion of inbound tourism demand.

In the home use food products category, net sales increased year-on-year, due to a growth in the sales volume of the “Oh’mY Premium” Series and other dried and frozen pasta products, as well as a steady growth in the sales volume of frozen food products such as the “One Plate Meal” Series and “Trendy Meal” Series, each product item of which is ready to be served in a tray and can be utilized as a complete meal by itself. Additionally, price revisions implemented following the rise of various costs contributed to the sales increase.

We are striving to further strengthen the sales of home use products, with “Exquisitely Al Dente Delicious Spaghetti” launched in February 2025 and the “Oh’mY” brand marking its 70th anniversary.

In the Nakashoku (ready-made meal) business, net sales remained at the same level as the previous year.

As a result, net sales of the Food Business increased by 5.2% year-on-year to ¥238,353 million, and operating income increased by 11.1% year-on-year to ¥9,283 million.

<Other Businesses>

(Millions of yen)

	FY2024	FY2025	Difference	Change
Net sales	48,536	50,861	2,324	104.8%
Operating income	2,799	3,171	371	113.3%

In the Pet Food business, net sales increased year-on-year due to a growth in the sales volume of high-unit-price products, among other factors.

In the Food Service business, net sales increased year-on-year due to strong sales led by increased customer traffic and also the price revisions implemented.

As a result, net sales for the Other businesses increased by 4.8% year-on-year to ¥50,861 million, and operating income increased by 13.3% year-on-year to ¥3,171 million.

(ii) Assets, liabilities and net assets

(Millions of yen)

	FY2024	FY2025	Difference
Current assets	157,759	159,014	1,254
Non-current assets	228,919	240,210	11,291
Deferred assets	13	1	(12)
Total assets	386,692	399,226	12,534
Current liabilities	84,403	104,407	20,003
Non-current liabilities	74,002	48,334	(25,667)
Total liabilities	158,406	152,742	(5,664)
Net assets	228,285	246,484	18,198
Total liabilities and net assets	386,692	399,226	12,534

Total assets at the end of FY2025 increased by ¥12,534 million from the previous fiscal year end to ¥399,226 million. This was mainly because of an increase in property, plant and equipment, long-term loans receivable, merchandise and finished goods, and net defined benefit asset by ¥10,004 million, ¥4,280 million, ¥3,440 million, and ¥2,538 million, respectively; and because of a decrease in investment securities and notes and accounts receivable - trade and contract assets by ¥5,088 million and ¥2,427 million, respectively.

Total liabilities decreased by ¥5,664 million from the previous fiscal year end to ¥152,742 million. This was mainly because of an increase in deferred tax liabilities by ¥2,276 million, and a decrease in income taxes payable, long-term loans payable, and short-term loans payable by ¥3,515 million, ¥2,521 million, and ¥1,531 million, respectively.

Net assets increased by ¥18,198 million from the previous fiscal year end to ¥246,484 million. This was mainly because of an increase in retained earnings, foreign currency translation adjustments, and retirement benefit liability adjustments by ¥19,190 million, ¥2,016 million, and ¥1,535 million, respectively; and because of a decrease in unrealized holding gain (loss) on securities by ¥4,805 million.

(iii) Cash flows

(Millions of yen)

	FY2024	FY2025	Difference
Net cash provided by (used in) operating activities	24,022	18,768	(5,253)
Net cash provided by (used in) investing activities	(9,489)	(7,807)	1,682
Net cash provided by (used in) financing activities	(7,241)	(10,533)	(3,291)
Effect of exchange rate changes on cash and cash equivalents	293	315	22
Net increase (decrease) in cash and cash equivalents	7,584	743	(6,840)
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(13)	—	13
Cash and cash equivalents at end of period	40,728	41,471	743

The balance of cash and cash equivalents at the end of FY2025 stood at ¥41,471 million, an increase of ¥743 million compared with the end of FY2024. The conditions of cash flows were as follows.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities amounted to ¥18,768 million. This mainly reflected ¥36,879 million for profit before income taxes, ¥10,894 million for depreciation, ¥2,698 million for decrease in notes and accounts receivable - trade, ¥12,291 million for income taxes paid, ¥8,682 million for gain on sales of fixed assets, ¥5,192 million for increase in inventories and ¥4,735 million for gain on sales of investment securities.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities amounted to ¥7,807 million. This mainly reflected ¥20,154 million for the purchase of fixed assets, ¥4,447 million for payments of loans receivable, and ¥4,030 million for the purchase of securities; and ¥8,506 million for proceeds from the sale of fixed assets, ¥6,342 million for proceeds from the sale and redemption of securities, and ¥5,183 million for proceeds from the sale and redemption of investment securities.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities amounted to ¥10,533 million. This mainly reflected ¥5,566 million for cash dividends paid and ¥3,495 million for repayment of long-term loans payable.

(iv) Status of production, orders received, and sales performance

i) Production

Production values by segment during FY2025 were as follows.

Business segment	FY2025 (from April 1, 2024 to March 31, 2025)	Year-on-year change (%)
Flour Milling (Millions of yen)	125,899	97.5
Food (Millions of yen)	186,628	107.4
Other (Millions of yen)	25,371	92.0
Total (Millions of yen)	337,899	102.3

Notes: 1. The above amounts are based on the average sales prices during the fiscal year.

2. Inter-segment transactions have been set off.

ii) Orders received

The Group (the Company and its consolidated subsidiaries) does not produce products based on orders received, and this item is therefore omitted.

iii) Sales performance

Sales performance by segment during FY2025 was as follows.

Business segment	FY2025 (from April 1, 2024 to March 31, 2025)	Year-on-year change (%)
Flour Milling (Millions of yen)	121,663	97.1
Food (Millions of yen)	238,353	105.2
Other (Millions of yen)	50,861	104.8
Total (Millions of yen)	410,878	102.6

Notes: 1. Inter-segment transactions have been set off.

2. Sales performance by major customer during the immediately preceding two fiscal years and the ratio of such sales performance to total sales were as shown in the table below.

Major customer	FY2024 (from April 1, 2023 to March 31, 2024)		FY2025 (from April 1, 2024 to March 31, 2025)	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
Itochu Corporation	58,351	14.6	57,838	14.1
FamilyMart Co., Ltd.	48,823	12.2	49,452	12.0

(v) Significant accounting policies and accounting estimates

The Group's consolidated financial statements are prepared in accordance with accounting standards generally accepted in Japan. The preparation of such statements requires the management to select and apply accounting policies and to make estimates that have an impact on the reported amounts and disclosure of assets, liabilities, revenues, and expenses. With respect to such estimates, the management makes reasonable judgments, taking into account past performance and other relevant factors. However, due to the inherent uncertainties of estimates, actual results may differ from those estimates. The significant accounting policies adopted for the Group's consolidated financial statements are as described in "Section 5. Financial Information, 1. Consolidated financial statements, etc. - Notes (Basis of preparation of the consolidated financial statements)" and "Section 5. Financial Information, 1. Consolidated financial statements, etc. - Notes (Significant accounting estimates)."

(vi) Analysis of capital resources and liquidity

As its management policy, the Group basically aims to ensure a stable supply of funds necessary for business activities and to maintain liquidity sufficient to withstand changes in the business environment, under the principle of reducing interest-bearing debts.

The Group's main short-term funding needs include operating funds for manufacturing and sales activities, research and development expenses, repayment of borrowings, and the payment of dividends and income taxes. The Group's policy is to cover those needs through cash flows from operating activities and borrowings from financial institutions, and, if necessary, by issuing commercial paper.

The Group's long-term funding needs include long-term operating funds and capital expenditures. The key elements of capital expenditures include the large-scale investments described in "Section 3. Information About Facilities, 3. Planned addition, retirement, and other changes of facilities," as well as capital expenditures for streamlining of production. The Group's policy is to cover those investment funds through cash flows from operating activities and borrowings from financial institutions, and, if necessary, primarily by issuing corporate bonds.

To maintain liquidity, the Company and its major consolidated subsidiaries have introduced the Cash Management System (CMS), under which the surplus funds of each company are centralized at the Company for unified management so as to improve capital efficiency and reduce financial expenses. Furthermore, in making a capital expenditure, the timing of fund usage and the amount of the fund are determined based on the validity of the investment plan. In addition, the Group ensures sufficient liquidity through conclusion of commitment line agreements and overdraft facility agreements with its main financing banks.

As of the end of FY2025, the balance of interest-bearing debts including corporate bonds, convertible bond-type bonds with share acquisition rights, borrowings, and lease obligations was ¥58,769 million, and the balance of cash and cash equivalents was ¥41,471 million, resulting in a 22.2% year-on-year decrease in net interest-bearing debt to ¥17,298 million.

5. Critical contracts, etc.

Not applicable

6. Research and development activities

In close collaboration with customers and related departments, the Group (the Company and its consolidated subsidiaries) conducts research and development with the aim of developing differentiated new products and technologies that match customer needs, with the Company's Central Laboratory (Food Research Center, Innovation Center, and Research Planning Center) and Research & Development Dept.(Planning & Development Div., Food Research & Development Div., Research & Development Div.) playing central roles.

The research, key challenges, and research results of each business segment during FY2025 were as follows. The group-wide research and development expenses for FY2025 amounted to ¥3,647 million.

(1) Flour Milling business

With respect to flour varieties including wheat flour, we conduct research on the quality characteristics of raw materials and on their physical or chemical properties, striving to improve the quality of wheat flour-related products. In addition, we conduct comprehensive research on the processability of wheat flour and other flour varieties into bread, cakes, noodles, etc., engaging in the development of, for example, wheat flour-related products with distinctive flavors and products with new properties or functionalities.

In relation to analysis, we are advancing the development of analytical technologies related to safety and reassurance, and working to improve the reliability of our analysis through measures such as obtaining ISO 17025 certification for our testing center.

Research and development expenses related to the Flour Milling business amounted to ¥1,036 million.

(2) Food business

We are engaged in the development of home use products (groceries and frozen foods) and the development of professional use products, including, premixes, frozen dough, frozen foods, noodles, pasta, pasta sauces, retort foods, whipped cream, corn products, and rice flour, as well as of cooking recipes for various business types.

With respect to home use grocery products, under the "NIPPN" brand, we are developing new products linked to our brand enhancement efforts, including wheat flour in package sizes suited to specific uses; various types of premixes designed to meet consumer needs such as convenience; a variety of dried noodles; pasta and pasta-related products (sauces, lasagnette, etc.) under the brands of "Oh'my," "Oh'my Premium," and "REGALO;" and flaxseed-related health and functional products (such as flaxseed oil and dressings). With respect to home use frozen food products, we are enhancing our single-serving cooked rice product lineups and one-plate complete meal product lineups, such as the "Trendy Meal" Series and the "nippn One Plate Meal" series, in addition to single-serving cooked pasta products including the "Oh'my Premium" and "Big" Series and the top-selling "Oh'my Lunch Box" Series. Additionally, we launch new products, such as pie sheets and plant-based food products, in the expanding frozen food market.

Furthermore, as part of our efforts to develop new business domains, we actively engage in the development of ingredients and products using grains, soybeans, vegetables, etc. as their raw materials, and refine "SOYL PRO," which is a launched product lineup of new plant-based protein materials, based on customer feedback.

Research and development expenses related to the Food business amounted to ¥1,894 million.

(3) Other businesses

(i) Pet Food business

The Company and NPF Japan Co., Ltd. play central roles in the research and development of staple and supplementary pet foods that take into account preferences and health.

(ii) Engineering business

We are engaged in the research and development of machinery and equipment for powder and granular materials and for secondary processing of wheat flour, along with control systems and information processing systems related to such machinery and equipment.

(iii) Functionality-related business

We conduct basic and applied research on functional components contained in plants and engage in joint research with universities, public research institutions, etc. In addition, we are also engaged in the development of functional food ingredients, health foods, foods with function claims, functional vegetables, etc. that use such functional components.

(iv) Other businesses

We conduct research and development applying biotechnological techniques and jointly cultivate new wheat varieties in collaboration with public research institutions, etc. We are also engaged in the development of technologies for utilizing microorganisms and in the research and development of new analytical technologies.

Research and development expenses related to other businesses amounted to ¥716 million.

Section 3. Information About Facilities

1. Overview of capital expenditures

The Group (the Company and its consolidated subsidiaries) makes capital expenditures to rationalize production and update its facilities, in addition to preparing for future business expansion. The capital expenditures made during the FY2025 amounted to ¥20,960 million on a construction basis.

In the Flour Milling business, capital expenditures of ¥13,368 million were made.

In the Food business, capital expenditures of ¥5,986 million were made.

In other businesses, capital expenditures of ¥1,432 million were made.

Group-wide capital expenditures and eliminated inter-segment transactions amounted to ¥174 million.

2. Major facilities

The major facilities of the Group are as follows.

(1) Reporting company

(As of March 31, 2025)

Business site name (location)	Description of facilities (business segment)	Book value (Millions of yen)						Number of employees (persons)
		Buildings and structures	Machinery, equipment and vehicles	Land (area: m ²)	Leased assets	Tools, furniture and fixtures	Total	
Yokohama Mill (Kanagawa-ku, Yokohama City)	Flour milling facilities (Flour Milling)	2,185	1,250	2,828 (45,922)	—	38	6,303	61
Chiba Mill (Mihama-ku, Chiba City)	Facilities for flour milling/corn production (Flour Milling / Food)	4,805	1,425	5,415 (80,798)	—	38	11,684	58
Ryugasaki Plant (Ryugasaki City) Note 1	Premix manufacturing facilities (Food)	622	657	1,597 (52,789)	—	59	2,936	16
Ryugasaki Frozen Food Plant (Ryugasaki City) Note 1	Manufacturing facilities for frozen ingredients and food products (Food)	1,076	1,137	—	—	9	2,223	13
Isesaki Plant (Isesaki City)	Manufacturing facilities for frozen ingredients and food products (Food)	3,534	1,644	1,366 (38,590)	—	80	6,625	15
Nagoya Mill (Minato-ku, Nagoya City)	Flour milling facilities (Flour Milling)	296	406	62 (6,459)	—	23	787	23
Kobe-Konan Mill (Higashinada-ku, Kobe City)	Facilities for flour milling/premix manufacturing (Flour Milling / Food)	5,548	1,723	3,959 (56,007)	6	62	11,301	55
Fukuoka Mill (Higashi-ku, Fukuoka City)	Facilities for flour milling/premix manufacturing (Flour Milling / Food)	1,304	749	1,233 (33,000)	—	58	3,345	32
Fukuoka Nanotsu Mill (Chuo-ku, Fukuoka City)	Facilities for flour milling/premix manufacturing (Flour Milling / Food)	406	439	976 (8,323)	—	15	1,837	18
Otaru Mill (Otaru City)	Flour milling facilities (Flour Milling)	1,029	322	512 (22,555)	—	30	1,895	20
Head Office (Chiyoda-ku, Tokyo)	Business office (corporate-wide functions)	2,529	—	6,523 (1,575)	—	90	9,143	437
Central Laboratory (Atsugi City)	Research and development facilities (corporate-wide functions)	282	11	4,626 (16,653)	—	154	5,075	128
Link Square Shinjuku (Shibuya-ku, Tokyo)	Rental property (Other)	3,646	—	1 (915)	—	0	3,647	—

Note: 1. The land of the Company's Ryugasaki Plant and the land of its Ryugasaki Frozen Food Plant are treated as a single property. The book value and area of the land are included in the figures for the Ryugasaki Plant.

(2) Subsidiaries in Japan

(As of March 31, 2025)

Company name	Business site name (location)	Description of facilities (business segment)	Book value (Millions of yen)						Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (area: m ²)	Leased assets	Tools, furniture and fixtures	Total	
Matsuya Flour Mills Co., Ltd.	Home office and plant (Kaminokawa-machi)	Buckwheat flour mix manufacturing facilities (Flour Milling)	651	396	621 (19,365)	—	19	1,688	66
OHMY Co., Ltd. Note 1	Atsugi Plant (Atsugi City)	Pasta manufacturing facilities (Food)	404	631	64 (15,453)	—	21	1,122	56
Fast Foods Co., Ltd. Note 1	Musashi Plant (Iruma City)	Manufacturing facilities for Nakashoku-related food products (Food)	561	158	621 (5,550)	—	22	1,363	29
OK Food Industry Co., Ltd.	Amagi Plant (Asakura City)	Manufacturing facilities for deep-fried bean curd (Food)	263	132	317 (19,111)	2	2	718	44
OK Food Industry Co., Ltd.	Asakura Plant (Asakura City)	Manufacturing facilities for deep-fried bean curd (Food)	2,130	1,412	373 (24,136)	89	11	4,017	108
NPF Japan Co., Ltd. (Note 2)	Chiba Plant (Mihama-ku, Chiba City)	Manufacturing facilities for pet foods (Other)	228 [223]	535 [535]	669 [—] (15,616)	1 [1]	8 [8]	1,444 [770]	20

Notes: 1. The Company owns the land.

2. The figures are the totals of the properties owned and leased by the Company and those owned by the consolidated subsidiary. The figures indicating the properties owned by the consolidated subsidiary are shown in square brackets.

(3) Overseas subsidiaries

(As of December 31, 2024)

Company name	Business site name (location)	Description of facilities (business segment)	Book value (Millions of yen)						Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (area: m ²)	Leased assets	Tools, furniture and fixtures	Total	
Pasta Montana, L.L.C. (Note 2)	Home office and plant (United States)	Pasta manufacturing facilities (Food)	532	2,161	60 (21,133)	46	13	2,813	139
NIPPN (Thailand) Co., Ltd.	Home office and plant (Thailand)	Facilities for manufacturing premixes and frozen dough (Food)	1,131	607	635 (35,520)	0	27	2,401	140

Notes: 1. The situation as of December 31, 2024, which was the end of the accounting period concerned, was shown.

2. This company owns the land.

3. Planned addition, retirement, and other changes of facilities

Currently ongoing or scheduled major capital investment plans are as listed below. There are not major retirement plans, etc.

Company name Business site name	Location	Description of facilities (business segment)	Planned investment amount		Fund procurement method	Scheduled month and year of commencement/ completion		Increased capacity after completion
			Total amount (Millions of yen)	Amount already paid (Millions of yen)		Commencement	Completion	
The Company New Chita Mill (tentative name)	Chita City	Flouring mill construction (Flour Milling)	25,500 *1	10,328	Self-funded	Dec. 2022	Feb. 2026	600 t/day
The Company Kobe-Konan Mill	Higashinada-ku, Kobe City	Flour warehouse construction (Flour Milling)	3,500	3,200	Self-funded	Mar. 2022	Aug. 2025 *2	Storage volume 135,000 bags
The Company Kobe-Konan Mill	Higashinada-ku, Kobe City	Bran silo construction (Flour Milling)	1,700	0	Self-funded	Dec. 2025	Oct. 2026	Storage volume 360 t
The Company NIPPON R&D Center	Tsuzuki-ku, Yokohama City	Research and development facilities (corporate-wide functions)	11,000	6,150	Self-funded	Feb. 2024	Oct. 2026	—
HATANAKA FOODS Co., Ltd. *3	Izumi City	Frozen food plant construction (Food)	19,600	0	Self-funded	May 2025	Mar. 2027	114 million food items/ year

*1. Due to rising material costs and other factors, the total planned investment amount has been revised from that at the end of FY2024.

*2. Due to a revision to the capital investment plan and other factors, the scheduled month and year of completion has been changed from those at the end of FY2024.

*3. The Company subscribed to a third-party allotment of shares by HATANAKA FOODS Co., Ltd. on April 1, 2025, making it a consolidated subsidiary.

Section 4. Information About Reporting Company

1. Company's shares, etc.

(1) Total number of shares

(i) Authorized shares

Class	Total number of shares authorized to be issued (shares)
Common stock	300,000,000
Total	300,000,000

(ii) Issued shares

Class	Number of issued shares as of fiscal year end (shares) (March 31, 2025)	Number of issued shares as of filing date (shares) (June 27, 2025)	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities are registered	Description
Common stock	78,824,009	81,082,466	Tokyo Stock Exchange Prime Market	Number of shares constituting a unit: 100 shares
Total	78,824,009	81,082,466	—	—

Note: The column “Number of issued shares as of filing date” does not include the number of shares issued through the exercise of share acquisition rights during the period from June 1, 2025 to the filing date of this Securities Report.

(2) Share acquisition rights

(i) Stock option plans

Date of resolution	June 26, 2015	June 29, 2016
Category and number of grantees	Directors of the Company (excluding Outside Directors): 11	Directors of the Company (excluding Outside Directors): 12
Number of share acquisition rights	58 share acquisition rights	54 share acquisition rights
Class, description, and number of shares to be issued upon the exercise of share acquisition rights	2,900 shares of common stock	2,700 shares of common stock
Amount to be paid at the time of exercise of share acquisition rights	The amount obtained by multiplying the number of shares to be granted by the payment amount of ¥1 per share issued upon the exercise of share acquisition rights	The amount obtained by multiplying the number of shares to be granted by the payment amount of ¥1 per share issued upon the exercise of share acquisition rights
Exercise period of share acquisition rights	From July 24, 2015 to July 23, 2045	From July 28, 2016 to July 27, 2046
Issue price and amount of capital incorporation for shares issued upon the exercise of share acquisition rights	Issue price: ¥1,591 Amount of capital incorporation: ¥796 (Note 2)	Issue price: ¥1,513 Amount of capital incorporation: ¥757 (Note 2)
Conditions for the exercise of share acquisition rights	The holder of share acquisition rights may exercise such rights only upon losing their position as a Director of the Company. However, in such case, the holder may exercise their share acquisition rights in a lump only during the period from the day following the date of losing their position as a Director of the Company until the day on which 10 days have elapsed.	
Matters concerning the transfer of share acquisition rights	The acquisition of share acquisition rights through transfer is subject to approval by the Board of Directors of the Company.	
Matters concerning the granting of share acquisition rights in connection with organization restructuring actions	(Note 3)	

Date of resolution	June 29, 2017	June 28, 2018
Category and number of grantees	Directors of the Company (excluding Outside Directors): 13	Directors of the Company (excluding Outside Directors): 13
Number of share acquisition rights	64 share acquisition rights	61 share acquisition rights
Class, description, and number of shares to be issued upon the exercise of share acquisition rights	3,200 shares of common stock	3,050 shares of common stock
Amount to be paid at the time of exercise of share acquisition rights	The amount obtained by multiplying the number of shares to be granted by the payment amount of ¥1 per share issued upon the exercise of share acquisition rights	The amount obtained by multiplying the number of shares to be granted by the payment amount of ¥1 per share issued upon the exercise of share acquisition rights
Exercise period of share acquisition rights	From July 27, 2017 to July 26, 2047	From July 26, 2018 to July 25, 2048
Issue price and amount of capital incorporation for shares issued upon the exercise of share acquisition rights	Issue price: ¥1,668 Amount of capital incorporation: ¥834 (Note 2)	Issue price: ¥1,799 Amount of capital incorporation: ¥900 (Note 2)
Conditions for the exercise of share acquisition rights	The holder of share acquisition rights may exercise such rights only upon losing their position as a Director of the Company. However, in such case, the holder may exercise their share acquisition rights in a lump only during the period from the day following the date of losing their position as a Director of the Company until the day on which 10 days have elapsed.	
Matters concerning the transfer of share acquisition rights	The acquisition of share acquisition rights through transfer is subject to approval by the Board of Directors of the Company.	
Matters concerning the granting of share acquisition rights in connection with organization restructuring actions	(Note 3)	

Date of resolution	June 27, 2019	June 26, 2020
Category and number of grantees	Directors of the Company (excluding Outside Directors): 12	Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors): 9
Number of share acquisition rights	116 share acquisition rights	326 share acquisition rights
Class, description, and number of shares to be issued upon the exercise of share acquisition rights	5,800 shares of common stock	16,300 shares of common stock
Amount to be paid at the time of exercise of share acquisition rights	The amount obtained by multiplying the number of shares to be granted by the payment amount of ¥1 per share issued upon the exercise of share acquisition rights	The amount obtained by multiplying the number of shares to be granted by the payment amount of ¥1 per share issued upon the exercise of share acquisition rights
Exercise period of share acquisition rights	From July 30, 2019 to July 29, 2049	From July 29, 2020 to July 28, 2050
Issue price and amount of capital incorporation for shares issued upon the exercise of share acquisition rights	Issue price: ¥1,659 Amount of capital incorporation: ¥830 (Note 2)	Issue price: ¥1,613 Amount of capital incorporation: ¥807 (Note 2)
Conditions for the exercise of share acquisition rights	The holder of share acquisition rights may exercise such rights only upon losing their position as a Director of the Company. However, in such case, the holder may exercise their share acquisition rights in a lump only during the period from the day following the date of losing their position as a Director of the Company until the day on which 10 days have elapsed.	
Matters concerning the transfer of share acquisition rights	The acquisition of share acquisition rights through transfer is subject to approval by the Board of Directors of the Company.	
Matters concerning the granting of share acquisition rights in connection with organization restructuring actions	(Note 3)	

Date of resolution	June 29, 2021	June 29, 2022
Category and number of grantees	Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors): 9	Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors): 9
Number of share acquisition rights	328 share acquisition rights	471 share acquisition rights
Class, description, and number of shares to be issued upon the exercise of share acquisition rights	16,400 shares of common stock	23,550 shares of common stock
Amount to be paid at the time of exercise of share acquisition rights	The amount obtained by multiplying the number of shares to be granted by the payment amount of ¥1 per share issued upon the exercise of share acquisition rights	The amount obtained by multiplying the number of shares to be granted by the payment amount of ¥1 per share issued upon the exercise of share acquisition rights
Exercise period of share acquisition rights	From July 29, 2021 to July 28, 2051	From July 28, 2022 to July 27, 2052
Issue price and amount of capital incorporation for shares issued upon the exercise of share acquisition rights	Issue price: ¥1,517 Amount of capital incorporation: ¥759 (Note 2)	Issue price: ¥1,515 Amount of capital incorporation: ¥758 (Note 2)
Conditions for the exercise of share acquisition rights	The holder of share acquisition rights may exercise such rights only upon losing their position as a Director of the Company. However, in such case, the holder may exercise their share acquisition rights in a lump only during the period from the day following the date of losing their position as a Director of the Company until the day on which 10 days have elapsed.	
Matters concerning the transfer of share acquisition rights	The acquisition of share acquisition rights through transfer is subject to approval by the Board of Directors of the Company.	
Matters concerning the granting of share acquisition rights in connection with organization restructuring actions	(Note 3)	

Notes: 1. The information stated is as of the end of the consolidated fiscal year under review (March 31, 2025). As of the end of the month prior to the filing date (May 31, 2025), there have been no changes to the information stated as of the end of the fiscal year.

2. Issue price and amount of capital incorporation for shares issued upon the exercise of share acquisition rights
 - (i) The amount of increase in capital stock when shares are issued upon the exercise of share acquisition rights shall be half of the maximum amount of increase in capital stock calculated in accordance with Article 17, paragraph (1) of the Regulations for Corporate Accounting, and any fraction of less than one yen resulting from this calculation shall be rounded up.
 - (ii) The amount of increase in legal capital surplus when shares are issued upon the exercise of share acquisition rights shall be the amount obtained by subtracting the increase in capital stock set forth in (i) above from the maximum amount of increase in capital stock set forth in (i).
3. Matters concerning the granting of share acquisition rights in connection with organization restructuring actions

If the Company undergoes a merger (limited to cases where the Company ceases to exist due to the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as an “organization restructuring action”), the Company shall grant the holders of its share acquisition rights remaining as of the effective date of such organization restructuring action (hereinafter referred to as “remaining share acquisition rights”) share acquisition rights of the stock company falling under one of subitems (a) to (e) of Article 236, paragraph (1), item (viii) of the Companies Act (hereinafter referred to as the “restructured company”) based on the following conditions. In such case, the remaining share acquisition rights will be extinguished, and the restructured company’s share acquisition rights will be newly granted; provided, however, that this shall apply only if the merger agreement, absorption-type split agreement, incorporation-type split plan, share exchange agreement, or share transfer plan specifies that share acquisition rights of the restructured company will be granted in accordance with the conditions below.

 - (i) Number of share acquisition rights of the restructured company to be granted
The same number as the number of the remaining share acquisition rights held by the holder shall be granted.
 - (ii) Class and number of shares of the restructured company to be issued on the basis of share acquisition rights
The class of shares to be issued on the basis of share acquisition rights shall be the common stock of the restructured company. The number of shares of common stock of the restructured company to be issued upon the exercise of share acquisition rights shall be determined in accordance with the provisions set forth for the remaining share acquisition rights with the conditions, etc. of the organizational restructuring action taken into consideration.

(iii) Value of assets to be contributed in the exercise of share acquisition rights

The value of assets to be contributed in the exercise of granted share acquisition rights shall be the amount calculated by multiplying the post-restructuring exercise value as defined below by the number of shares to be acquired upon the exercise of each share acquisition right. The post-restructuring exercise value shall be ¥1 per share of the restructured company to be issued upon the exercise of granted share acquisition rights.

(iv) Period during which share acquisition rights may be exercised

The period from the date of commencement of the exercise period for share acquisition rights as stated in the above table or the effective date of the organizational restructuring action, whichever is later, until the date of expiration of the exercise period for share acquisition rights as stated in the table.

(v) Matters concerning the acquisition of share acquisition rights

Such matters shall be determined in accordance with the provisions set forth for the remaining share acquisition rights.

(vi) Restrictions on transfer of share acquisition rights

The acquisition of share acquisition rights through transfer shall require approval by the Board of Directors of the restructured company.

(vii) Matters concerning the increase in capital stock and legal capital surplus upon the issuance of shares following the exercise of share acquisition rights

Such matters shall be determined in accordance with Note 2 above.

4. On October 1, 2016, we conducted a reverse share split to consolidate two shares of our common stock into one share.

Accordingly, we have made adjustments to “Number of shares to be issued upon the exercise of share acquisition rights” and “Issue price and amount of capital incorporation for shares issued upon the exercise of share acquisition rights.”

(ii) Rights plans

Not applicable

(iii) Share acquisition rights for other uses

Bonds with share acquisition rights issued under the Companies Act are as follows.

Euro-yen denominated convertible bond-type bonds with share acquisition rights due 2025 (issued on June 22, 2018)

Date of resolution	June 6, 2018
Number of share acquisition rights (number of rights) *	2,500 [1,946] (Note 1)
Number of treasury share acquisition rights among share acquisition rights (number of rights) *	—
Class, description, and number of shares to be issued upon the exercise of share acquisition rights (shares) *	11,292,290 [8,927,015] shares of common stock (Note 2)
Amount to be paid at the time of exercise of share acquisition rights (yen) *	2,213.9 [2,179.9] per share (Note 3)
Exercise period of stock acquisition rights *	July 6, 2018 to June 6, 2025 (Note 4)
Issue price and amount of capital incorporation for shares issued upon the exercise of share acquisition rights (yen) *	Issue price: 2,213.9 [2,179.9] Amount of capital incorporation: 1,108 [1,090] (Note 5)
Conditions for the exercise of share acquisition rights *	(Note 6)
Matters concerning the transfer of share acquisition rights *	The share acquisition rights concerned are attached to convertible bond-type bonds with share acquisition rights, and may not be separated and transferred independently from the bonds.
Matters concerning the granting of share acquisition rights in connection with organization restructuring actions *	(Note 7)
Description and value of assets to be contributed in the exercise of share acquisition rights *	In the exercise of the share acquisition rights concerned, the bonds associated therewith shall be contributed, and the value of the asset contributed in the exercise of one share acquisition right shall be equal to the face value of each of the bonds.
Balance of bonds with share acquisition rights (Millions of yen) *	25,002 [19,460]

*: The information stated is as of the end of the consolidated fiscal year under review (March 31, 2025). For changes made during the period between the last day of FY2025 and the end of the month prior to the filing date (May 31, 2025), the details as of the end of the month prior to the filing date are stated in square brackets, and no changes have been made to the other items since the last day of FY2025.

Notes: 1. One share acquisition right is granted for every ¥10 million in face value of the bonds.

2. The number of shares of the Company's common stock that the Company issues when the share acquisition rights are exercised shall be the number obtained by dividing the total face value of the bonds subject to the exercise request by the conversion value stated in Note 3 below; provided, however, that any fraction of less than one share resulting from the exercise shall be rounded down, without any cash adjustments to be made.

3. (1) In exercising each of the share acquisition rights concerned, the bond associated with the share acquisition right shall be contributed. The value of the bond shall be equal to its face value.
(2) The conversion value was adjusted to ¥2,179.9 in accordance with the resolution on dividends of surplus adopted at the Annual General Meeting of Shareholders held on June 27, 2025, setting a year-end dividend of ¥33 per share and thereby finalizing the annual dividend for FY2025 at ¥66 per share. This adjusted value has been applied since April 1, 2025.
(3) If, after the issuance of bonds with share acquisition rights, the Company issues shares of common stock at a price below the market value or disposes of treasury shares of its common stock at such a price, the conversion value will be adjusted in accordance with the following formula. In the formula below, "Number of outstanding shares" refers to the total number of issued shares of common stock of the Company (excluding treasury shares).

$$\text{Adjusted conversion value} = \frac{\text{Pre-adjustment conversion value} \times \left(\frac{\text{Number of outstanding shares} + \frac{\text{Number of shares issued or disposed}}{\text{Market value}} \times \text{Amount to be paid per share}}{\text{Number of outstanding shares} + \text{Number of shares issued or disposed}} \right)}{\text{Market value}}$$

Furthermore, the conversion value may also be adjusted appropriately in cases such as splits or reverse splits of shares of the Company's common stock, or the issuance of share acquisition rights (including those attached to bonds with share acquisition rights) that entitle their holders to request the issuance of shares of its common stock at a price below the market value of such shares, or on certain other grounds.

4. The period shall be from July 6, 2018 to June 6, 2025 (local time at the place of receipt of the exercise request).

However, the period shall be (i) up to the third business day in Tokyo prior to the redemption date in the case of advanced redemption of the bonds by the Company (excluding, however, the share acquisition rights associated with the bonds for which advanced redemption is not elected in the case where advanced redemption is triggered by changes in the taxation system, as stipulated in the terms and conditions of the bonds with share acquisition rights); (ii) in the case where retirement by purchase is implemented for the bonds, until the time of retirement of the bonds; or (iii) in the case of losing the benefit of time in respect of the bonds, until the time of such loss.

In any of the above cases, the share acquisition rights may not be exercised after June 6, 2025 (local time at the place of receipt of the exercise request).

Notwithstanding the above, if the Company reasonably determines it necessary to carry out organization restructuring, etc. as specified in the terms and conditions of the bonds with share acquisition rights, the share acquisition rights may not be exercised during the period that the Company designates to be within 30 days ending within 14 days from the day following the effective date of the organization restructuring, etc.

Furthermore, if the date on which the exercise of the share acquisition rights becomes effective (or, if such date is not a business day in Tokyo, the following business day in Tokyo) falls within the period from the second business day in Tokyo prior to the record date set by the Company or the other date specified for determining shareholders in connection with Article 151, paragraph (1) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (hereinafter collectively referred to as the “shareholder determination date”) (or, if this shareholder determination date is not a business day in Tokyo, three business days in Tokyo prior to this shareholder determination date) to the shareholder determination date (or, if this shareholder determination date is not a business day in Tokyo, the following business day in Tokyo), such share acquisition rights may not be exercised; provided, however, that if any laws or practices regarding the issuance of shares upon the exercise of share acquisition rights through the book-entry transfer system under the aforementioned Act are amended, the Company may revise the restrictions on the exercise period for the share acquisition rights under this paragraph accordingly to reflect such amendments.

5. The amount of increase in capital stock when shares are issued upon the exercise of share acquisition rights shall be the amount obtained by multiplying the maximum amount of increase in capital stock calculated in accordance with Article 17 of the Regulations for Corporate Accounting by 0.5, and any fraction of less than one yen resulting from this calculation shall be rounded up. The amount of increase in legal capital surplus shall be the amount obtained by subtracting the increase in capital stock from the maximum amount of increase in capital stock.

6. (1) Each of the share acquisition rights may not be exercised in part.

(2) Until March 20, 2025 (inclusive), the holders of the bonds with share acquisition rights may, only if the closing price (as defined below) of the Company’s common stock during a 20 consecutive trading day period ending on the final trading day (as defined below) of a given quarter exceeds 130% of the conversion value applicable on the final trading day, exercise the share acquisition rights during the period from the first day to the last day of the following quarter (however, for the quarter commencing on January 1, 2025, to March 20, 2025); provided, however, that the conditions for exercising the share acquisition rights described in (2) do not apply during any of the following periods (i), (ii), and (iii):

(i) [i] any period during which the Company’s long-term issuer rating by Japan Credit Rating Agency, Ltd. or its successor rating agency (hereinafter referred to as “JCR”) is BBB+ or below; [ii] any period during which the Company ceases to be rated with a long-term issuer rating by JCR; or [iii] any period during which the Company’s long-term issuer rating from JCR is suspended or withdrawn;

(ii) any period after the day on which the Company issues a notice of advanced redemption of the bonds (excluding, however, the share acquisition rights associated with the bonds for which advanced redemption is not elected in the case where advanced redemption is triggered by changes in the taxation system, as stipulated in the terms and conditions of the bonds with share acquisition rights); and

(iii) the period from the day on which, in implementing organization restructuring, etc., the Company issues a notice regarding the organization restructuring, etc. to the holders of the bonds with share acquisition rights in accordance with the terms and conditions of the bonds, until the effective date of the organization restructuring, etc., unless the exercise of the share acquisition rights is prohibited as stated in Note 4 above.

A “trading day” refers to a day on which the Tokyo Stock Exchange, Inc. is open, excluding days on which no closing price is published.

The “closing price” of the Company’s common stock on a given day refers to the closing price for regular transactions of the Company’s common stock on the Tokyo Stock Exchange, Inc. on that day.

7. (1) In the event of organization restructuring, etc., the Company shall make its best efforts to cause the successor company, etc. (as defined below) to succeed to the status of principal obligor of the bonds with share acquisition rights in accordance with the terms and conditions of the bonds, and also to grant new share acquisition rights in substitution for the share acquisition rights concerned; provided, however, that such succession and granting shall be subject to the following preconditions: [i] such succession and granting are legally feasible under laws applicable at the time; [ii] the mechanisms necessary for such succession and granting have already been in place or are capable of being developed; and [iii] the Company or the successor company, etc. is able to implement such succession and granting without bearing unreasonable (as determined by the Company) costs (including taxes) in light of the organization restructuring, etc. as a whole. Where relevant, the Company shall also make its best efforts to ensure that the successor company, etc. is a listed company in Japan as of the effective date of the organization restructuring, etc. The Company's obligation to make efforts as stated in (1) above does not apply if the Company issues, to the trustee company for the bonds with share acquisition rights, a certificate stating to the effect that the Company does not expect, for any reason, the successor company, etc. to be a listed company in Japan as of the effective date of the organization restructuring, etc.

The "successor company, etc." refers to the counterparty to the relevant organizational restructuring, etc., which is a company assuming the obligations of the Company in relation to the bonds with share acquisition rights and/or those share acquisition rights.

- (2) The details of the share acquisition rights of the successor company, etc. to be granted in accordance with the provisions of (1) above shall be as follows.

- (i) Number of share acquisition rights

The number shall be equal to the number of the share acquisition rights associated with the bonds with share acquisition rights that remain outstanding immediately prior to the effective date of the relevant organization restructuring, etc.

- (ii) Class of shares to be issued upon the exercise of share acquisition rights

The common stock of the successor company, etc.

- (iii) Number of shares to be issued upon the exercise of share acquisition rights

The number of shares of common stock of the successor company, etc. to be issued upon the exercise of its share acquisition rights shall be determined with reference to the terms and conditions of the bonds with share acquisition rights, taking into account factors such as the conditions of the relevant organization restructuring, etc., and in accordance with either [i] or [ii] below. The conversion value shall be subject to the same manner of adjustment as provided in 3. (3) above.

- [i] In the case of a merger, share exchange, or share transfer, the conversion value shall be set such that each person holding the number of shares of the Company's common stock that can be acquired upon exercise of the share acquisition rights concerned immediately prior to the effective date of the relevant organization restructuring, etc. can, upon exercise of the share acquisition rights of the successor company, etc. immediately after the effective date of the organization restructuring, etc., receive the number of shares of common stock of the successor company, etc. that can be received through the organization restructuring, etc. If securities or other assets than the common stock shares of the successor company, etc. are granted in the course of the organization restructuring, etc., it shall be ensured that the number of common stock shares of the successor company, etc. that is equal to the number obtained by dividing the value of such securities or assets by the market value of such shares can be received together with such securities or assets.

- [ii] In other cases of organization restructuring, etc. than those specified above, the conversion value shall be set such that, upon the exercise of the share acquisition rights of the successor company, etc. immediately after the effective date of the organization restructuring, etc., it is possible to receive an economic benefit equivalent to that which holders of the bonds with share acquisition rights can obtain upon exercising those share acquisition rights immediately prior to the effective date of the organization restructuring, etc.

- (iv) Description and value of assets to be contributed in the exercise of share acquisition rights

In exercising the share acquisition rights of the successor company, etc., the bonds that the successor company, etc. has succeeded to shall be contributed, and the value of such bonds shall be equal to their face value.

- (v) Period during which share acquisition rights may be exercised

The period from the effective date of the organization restructuring, etc. (or a day within 14 days after the effective date, if applicable) until the expiration date of the exercise period for the share acquisition rights as provided in 4. above.

- (vi) Other conditions for the exercise of share acquisition rights

Each share acquisition right of the successor company, etc. may not be exercised in part. Furthermore, the exercise of the share acquisition rights of the successor company, etc. shall be subject to the same restrictions as those set forth in 6. (2) above.

- (vii) Increase in capital stock and legal capital surplus upon the issuance of shares following the exercise of share acquisition rights

The amount of increase in capital stock when shares are issued upon the exercise of the share acquisition rights of the successor company, etc. shall be the amount obtained by multiplying the maximum amount of increase in capital stock calculated in accordance with Article 17 of the Regulations for Corporate Accounting by 0.5, and any fraction of less than one yen resulting from this calculation shall be rounded up. The amount of increase in legal capital surplus shall be the amount obtained by subtracting the increase in capital stock from the maximum amount of increase in capital stock.

- (viii) In the event of organization restructuring, etc.

If the successor company, etc. undergoes organization restructuring, etc., the same treatment as that of the bonds with share acquisition rights shall be applied.

- (ix) Other

Any fraction of less than one share resulting from the exercise of the share acquisition rights of the successor

company, etc. shall be rounded down, without any cash adjustments to be made. The share acquisition rights of the successor company, etc. may not be separated and transferred independently from the bonds that the successor company, etc. has succeeded to.

- (3) In the event that the Company, pursuant to the provisions of (1) above, causes the successor company, etc. to assume or succeed to the Company's obligations under the deed of trust relating to the bonds and bonds with share acquisition rights, the Company shall comply with the terms and conditions of the bonds with share acquisition rights, in addition to providing guarantee in certain cases specified in the terms and conditions.

- (3) Exercise of moving strike convertible bonds, etc.

Not applicable

- (4) Changes in total number of issued shares, capital stock, etc.

Date	Change in total number of issued shares (shares)	Total number of issued shares after change (shares)	Change in capital stock (Millions of yen)	Capital stock balance (Millions of yen)	Change in legal capital surplus (Millions of yen)	Legal capital surplus balance (Millions of yen)
February 22, 2019 (Note 1)	(3,700,000)	78,824,009	–	12,240	–	10,666
May 15, 2025 (Note 2)	1,355,074	80,179,083	1,500	13,740	1,500	12,166
May 20, 2025 (Note 2)	903,383	81,082,466	1,000	14,740	1,000	13,166

Notes: 1. This concerns the disposal of treasury shares.

2. During the period from April 1, 2025 to May 31, 2025, as a result of the exercise of share acquisition rights, the total number of issued shares increased by 2,258,457 shares, and both capital stock and legal capital surplus increased by ¥2,500 million, respectively.

- (5) Shareholding by shareholder category

As of March 31, 2025

Category	Shareholding status (number of shares constituting a unit = 100 shares)								Shares less than one unit (shares)
	Governments (national and local)	Financial institutions	Financial instruments dealers	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Shareholders (persons/entities)	–	26	29	357	188	48	28,474	29,122	–
Number of shares held (units)	–	219,345	28,216	183,528	123,927	180	231,613	786,809	143,109
Percentage of shareholdings (%)	–	27.877	3.586	23.325	15.750	0.022	29.437	100.000	–

Notes: 1. With respect to the 391,599 treasury shares, 3,915 units are listed under “Individuals and others,” and 99 treasury shares are listed under “Shares less than one unit.”

2. The units of shares listed under the column “Other corporations” include 25 units of shares nominally registered under the name of Japan Securities Depository Center, Inc.

(6) Major shareholders

As of March 31, 2025

Name	Address	Number of shares held (Thousands of shares)	Shareholding ratio to total shares issued (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (trust account)	8-1, Akasaka 1 chome, Minato-ku, Tokyo	7,554	9.6
NIPPON Clients Shareholding Association	8, Kojimachi 4 chome, Chiyoda-Ku, Tokyo	4,429	5.6
Taiju Life Insurance Co., Ltd.	1-1, Otemachi 2 chome, Chiyoda-ku, Tokyo	3,497	4.5
DUSKIN CO., LTD.	1-33, Toyotsu-cho, Suita City, Osaka	2,510	3.2
MITSUI & CO., LTD.	2-1, Otemachi 1 chome, Chiyoda-ku, Tokyo	2,350	3.0
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1 chome, Chiyoda-ku, Tokyo	2,246	2.9
The Norinchukin Bank	2-1, Otemachi 1 chome, Chiyoda-ku, Tokyo	2,060	2.6
Mitsui Sumitomo Insurance Co., Ltd.	9, Kanda-Surugadai 3 chome, Chiyoda-ku, Tokyo	1,879	2.4
Sanuki Maruichi Seimen Co., Ltd.	1370, Kamo-cho, Sakaide City, Kagawa	1,755	2.2
Toyo Suisan Kaisha, Ltd.	13-40, Kounan 2 chome, Minato-ku, Tokyo	1,697	2.2
Total	—	29,980	38.2

Notes: 1. The shareholding ratios are calculated with treasury shares deducted from this calculation and are rounded to the nearest first decimal place. Please note that those treasury shares do not include 225,000 shares held under the Board Benefit Trust.

2. The Report of Large Volume Holding (statement of changes) made available to the public on November 25, 2024, indicated that the shares listed below were held by Nomura Securities Co., Ltd. and its two joint shareholding companies as of November 19, 2024. However, because the Company is unable to verify their actual shareholding status as of March 31, 2025, the above list of major shareholders is based on the shareholder registry. The content of the aforementioned statement is as follows.

Name	Address	Number of shares, etc. held (thousands of shares)	Holding ratio of share certificates, etc. (%)
Nomura Securities Co., Ltd.	13-1, Nihonbashi 1 chome, Chuo-ku Tokyo	10,080	11.34
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	825	0.93
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2 chome, Koto-ku, Tokyo	2,310	2.93
Total	—	13,216	13.35

* The above “Number of shares, etc. held” and “Holding ratio of share certificates, etc.” include the number of dilutive shares held in connection with the holding of bonds with share acquisition rights.

3. The Report of Large Volume Holding made available to the public on December 4, 2020, indicated that the shares listed below were held by Sumitomo Mitsui Trust Bank, Limited and its two joint shareholding companies as of November 30, 2020. However, because the Company is unable to verify their actual shareholding status as of March 31, 2025, the above list of major shareholders is based on the shareholder registry. The content of the aforementioned statement is as follows.

Name	Address	Number of shares, etc. held (thousands of shares)	Holding ratio of share certificates, etc. (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1 chome, Chiyoda-ku, Tokyo	1,132	1.44
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shiba Koen 1 chome, Minato-ku, Tokyo	2,034	2.58
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9 chome, Minato-ku, Tokyo	795	1.01
Total	—	3,961	5.02

(7) Voting rights
(i) Issued shares

As of March 31, 2025

Category	Number of shares (shares)	Number of voting rights (rights)	Description
Shares with no voting rights	—	—	—
Shares with restricted voting rights (treasury shares, etc.)	—	—	—
Shares with restricted voting rights (other)	—	—	—
Shares with full voting rights (treasury shares, etc.)	Treasury shares	—	—
	Common stock 391,500		
	Reciprocally held shares		
	Common stock 200		
Shares with full voting rights (Other)	Common stock 78,289,200	782,892	—
Shares less than one unit	Common stock 143,109	—	—
Total number of issued shares	78,824,009	—	—
Number of voting rights held by all shareholders	—	782,892	—

Note: The column “Shares with full voting rights (Other)” includes 2,500 shares (25 voting rights) held under the name of Japan Securities Depository Center, Inc. and 225,900 shares (2,259 voting rights) held by Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust, which was established for the purpose of stock compensation for the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors).
(ii) Treasury shares, etc.

As of March 31, 2025

Name of shareholder	Address of shareholder	Number of shares held in one’s own name (shares)	Number of shares held in others’ names (shares)	Total number of shares held (shares)	Shareholding ratio to total shares issued (%)
NIPPON CORPORATION	8, Kojimachi 4 chome, Chiyoda-Ku, Tokyo	391,500	—	391,500	0.4
TOUFUKUGOKO Co., Ltd.	1-35, Nagahama 1 chome, Chuo-ku, Fukuoka City, Fukuoka	200	—	200	0.0
Total	—	391,700	—	391,700	0.4

Note: 225,900 shares (2,259 voting rights) held by Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust are not included in the above treasury shares.

(8) Share ownership plan for Directors and employees

(i) [Overview of share ownership plan for Directors]

At its 199th Annual General Meeting of Shareholders held on June 29, 2023, the Company introduced a performance-linked stock compensation plan known as the Board Benefit Trust (BBT) (hereinafter referred to as the “Plan”) for Directors (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors; the same applies hereinafter in this item) of the Company.

The Plan is a scheme under which the Company’s shares are granted to its Directors who meet certain requirements, in accordance with the Regulations on Directors’ Stock Benefits established by the Company in advance.

The Company grants points to its Directors based on the degree of achievement of performance targets and other factors and grants them the Company’s shares corresponding to the granted points, in principle, at the time of their retirement. The shares to be granted to Directors are acquired in advance, including the portion for future grants, by using funds managed under a trust established, and are managed separately as trust property.

(ii) Total amount of shares scheduled to be granted to Directors

For each fiscal year, each Director is granted certain points determined by taking into account their position and other factors in accordance with the Regulations on Directors’ Stock Benefits. The total number of points granted per fiscal year is capped at 80,000 points, and one point is converted into one share of the Company’s common stock.

(iii) Scope of persons eligible to receive beneficial interests or other rights under the Plan

Directors who have acquired the right to receive stock benefits in accordance with the Regulations on Directors’ Stock Benefits

2. Acquisition and disposal of treasury shares

[Class of shares, etc.] Acquisitions of common stock according to Article 155, item (vii) of the Companies Act

(1) Acquisition by resolution of shareholders meeting

Not applicable

(2) Acquisition by resolution of board of directors meeting

Not applicable

(3) Acquisition not based on resolution of shareholders meeting or board of directors meeting

Acquisitions based on purchase requests for shares less than one unit, according to Article 155, item (vii) of the Companies Act

Category	Number of shares (shares)	Total value (yen)
Treasury shares acquired during FY2025	609	1,352,266
Treasury shares acquired during the period up to the date of filing of this report	10	21,673

Note: The treasury shares acquired during the period up to the date of filing of this Securities Report do not include those shares which were acquired through each purchase of shares less than a unit during the period from June 1, 2025 to the date of filing of this Securities Report.

(4) Disposal of acquired treasury shares and number of treasury shares held

Category	FY2025		Period up to the date of filing of this report	
	Number of shares (shares)	Total disposal value (yen)	Number of shares (shares)	Total disposal value (yen)
Acquired treasury shares that were put on offer	—	—	—	—
Acquired treasury shares that were retired	—	—	—	—
Acquired treasury shares involved in transfers accompanying merger, share exchange, share delivery, or corporate demerger	—	—	—	—
Other (Note 1)	66,800	110,044,425	—	—
Other (Note 2)	—	—	243,913	402,020,365
Treasury shares held	391,599	—	147,696	—

Notes: 1. The treasury shares disposed of during FY2025 and listed under “Other” refer to those associated with the exercise of share acquisition rights (66,800 shares and total disposal value of ¥110,044,425).

2. The treasury shares listed under this category are those associated with the exercise of share acquisition rights attached to convertible bond-type bonds with share acquisition rights.

3. The treasury shares disposed of during the period up to the date of filing of this Securities Report do not include those shares disposed of through requests for additional purchases by holders of shares less than a unit during the period from June 1, 2025 to the date of filing of this Securities Report.

4. The treasury shares held during the period up to the date of filing of this Securities Report do not reflect those shares subject to purchase or sale upon request in connection with shares less than a unit during the period from June 1, 2025 to the date of filing of this Securities Report.

5. The treasury shares held do not include 225,900 shares of the Company held by Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust.

3. Dividend policy

Considering returning profits to shareholders as an important management objective and issue, the Company determines the amounts of dividends by taking account of its business performance and future business environment, etc., with the aim of maintaining a consolidated dividend payout ratio of 30% or more, calculated by excluding “special and extraordinary income/loss from asset sales and other factors,” while taking into consideration the strengthening of the corporate structure, future business development, and the business environment, as well as internal reserve.

The Company has a basic policy to pay dividends of surplus twice a year, an interim dividend and a year-end dividend. With respect to the decision-making bodies for dividends of surplus, the Company’s Articles of Incorporation provide that matters related to the payment of dividends may be resolved by general meetings of shareholders and the Board of Directors pursuant to Article 459, paragraph (1) of the Companies Act, and also that the Board of Directors may resolve matters concerning interim dividends.

With respect to the year-end dividend for the fiscal year ended March 31, 2025, the payment of an ordinary dividend of ¥33 per share has been decided. Accordingly, with the interim dividend of ¥33 per share, the total annual dividend for the fiscal year under review amounts to ¥66 per share.

Details of the dividends of surplus for FY2025 are as follows.

Date of resolution	Total amount of dividends (Millions of yen)	Dividend per share (yen)
November 7, 2024 Resolution of the Board of Directors	2,588	33
June 27, 2025 Resolution of the annual general meeting of shareholders	2,588	33

4. Corporate governance

(1) Overview of corporate governance

(i) Basic principle of corporate governance

Based on its Management Philosophy and Management Policy, the Company is committed to the pursuit and ongoing enhancement of the best corporate governance, with the aim of achieving sustainable growth and improving its corporate value over the medium to long term.

1) Management Philosophy

“Contributing to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people”

2) Management Policy

- Together with customers

We deliver health and smiles to all customers through “food experiences.” We will create a new era of “Food” by developing products and services that anticipate changes, harnessing the technological capabilities developed since our founding and DX.

- Together with our employees

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

- Together with our shareholders

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

- Together with society

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

(ii) Overview of corporate governance systems and reasons for adopting such systems

The Company has adopted a company system with an Audit and Supervisory Committee. By granting voting rights exercisable at meetings of the Board of Directors to Directors who are Audit and Supervisory Committee Members, the Company aims to strengthen its audit and supervisory functions, further develop its corporate governance system, and enhance its corporate value.

The Company has also introduced an executive officer system, under which Executive Officers execute their duties under the authority of the Board of Directors, and has established the Executive Board consisting of all Executive Officers to report important matters related to business execution.

Under these systems, the functions, operation, and activity status of each relevant organ are as follows.

1) Board of Directors

As of the date of filing, the Company has 12 Directors, including those serving as Audit and Supervisory Committee Members, of whom five are Outside Directors.

The Board of Directors makes important business execution decisions and supervises business execution, meeting once a month in principle and also holding extraordinary meetings as necessary.

The Company appoints Directors who are well-versed in its business and also Outside Directors in order to enhance the effectiveness of its supervisory function. There are currently five Outside Directors. In light of its business characteristics and scale, the Company considers that this system can ensure both governance efficiency and effective supervisory functions.

The members of the Board of Directors are as follows.

Chairperson: Toshiya Maezuru, President and CEO

Constituent members: Tomio Kimura, Hiroaki Kawasaki, Hiroshi Koura, Toru Otao, Naoki Abe, Naotaka Kawamata (Outside Director), Hitomi Kumagai (Outside Director), Mika Takaoka (Outside Director), Takaaki Aonuma, Kazuhiko Yoshida (Outside Director), and Yoshiko Hayama (Outside Director)

2) Audit and Supervisory Committee

Among the Directors, there are three who are Audit and Supervisory Committee Members. To ensure transparency and objectivity, two of them, which means the majority of the committee members, are Outside Directors.

The Directors who are Audit and Supervisory Committee Members are able to obtain sufficient information by attending important meetings, and a system to supervise and audit the execution of Directors’ duties has been established.

The members of the Audit and Supervisory Committee are as follows.

Chairperson: Takaaki Aonuma

Constituent members: Kazuhiko Yoshida (Outside Director) and Yoshiko Hayama (Outside Director)

3) Nomination and Compensation Committee

The Nomination and Compensation Committee has been established to provide opinions to the Board of Directors regarding proposals to be submitted to general meetings of shareholders on the appointment and dismissal of Directors and their compensation; and also opinions to the Board of Directors regarding proposals submitted to the Board of Directors on the appointment and dismissal of Representative Directors, as well as regarding Directors' compensation.

The members of the Nomination and Compensation Committee are as follows.

Chairperson: Naotaka Kawamata (Outside Director)

Constituent members: Toshiya Maezuru, Tomio Kimura, Kazuhiko Yoshida (Outside Director), and Mika Takaoka (Outside Director)

4) Management Meeting

In principle, two meetings of this meeting body are held each month as a forum for discussing important management matters.

The members of the Management Meeting are as follows.

Chairperson: Toshiya Maezuru, President and CEO

Constituent members: Tomio Kimura, Hiroaki Kawasaki, Hiroshi Koura, Toru Otao, Naoki Abe, Hiroyuki Hidaka, Itsuo Hayashi, Masahiko Korematsu, Ryo Ikeo, and Takahiro Sato

5) Other committees

(a) Sustainability Committee

Established to monitor and manage sustainability-related risks and opportunities and to facilitate relevant controls and procedures, the Sustainability Committee, chaired by the President and CEO, multilaterally examines the sustainability of society from a long-term perspective, discusses the Group's sustainability direction, materiality, and strategy, and issues recommendations to the Board of Directors.

(b) Value-up Taskforce

Established for the purpose of promoting initiatives to co-create economic value and social value through business, the Value-up Taskforce is an organization that is chaired by the President and CEO and discusses matters concerning the enhancement of the corporate value of the Group and reports its findings to the Board of Directors.

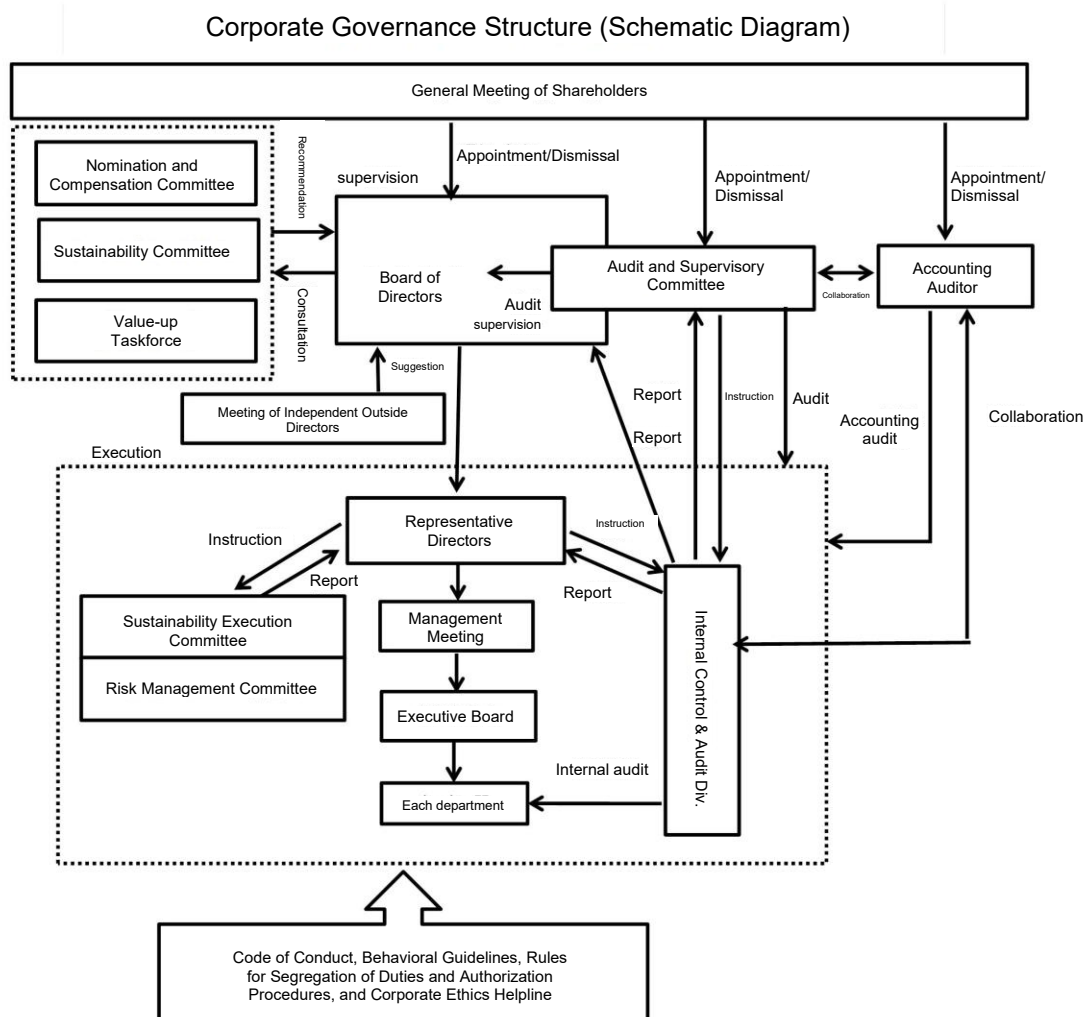
(c) Sustainability Execution Committee

Established for the purpose of discussing and determining actions policies concerning the sustainability of the Group and important matters such as materiality, the Sustainability Execution Committee, with the President and CEO acting as its chairperson, has each of its subcommittees, namely the Health & Productivity Management Promotion Committee, the Human Capital Subcommittee, and the Environmental Subcommittee, report on their respective activities and future objectives, and exchanges opinions.

(d) Risk Management Committee

Chaired by the President and CEO, the Risk Management Committee was established for the purpose of determining matters necessary for the management of risks that have certain impact on the Group's achievement of corporate objectives and thereby preventing such risks and minimizing losses, has each of its subcommittees, namely the Compliance Subcommittee, the Disaster Response Subcommittee, the Business Execution Subcommittee, and Information Security Subcommittee, report on their respective activities and future objectives, and exchanges opinions.

The following is a schematic diagram of the Company's corporate governance structure.



(iii) Internal control systems

It is ensured that business operations are executed in accordance with the separation of duties and internal authorization procedures to thereby promote the appropriateness of such operations and the clarity of responsibilities.

For compliance systems, a specific Code of Conduct and Behavioral Guidelines have been formulated, and compliance therewith is ensured. Furthermore, a whistleblowing system, the Corporate Ethics Helpline, has been established with its contact points set up in a department of the Company and also outside the Company to strengthen legal compliance frameworks.

In complying with the internal control and reporting system under the Financial Instruments and Exchange Act, the Internal Control & Audit Division takes the lead in developing internal control systems related to the Group's financial reporting and conducting relevant assessments.

The following are the details of the systems to ensure that the execution of duties by Directors and employees complies with laws and the Articles of Incorporation, and the details of decisions regarding other systems that ensure the appropriateness of the corporation's business operations.

- 1) Systems to ensure that the execution of duties by Directors and employees complies with laws and the Articles of Incorporation
 - The Company has established the Code of Conduct that presents the vision it pursues, and the Behavioral Guidelines that serve as specific standards of conduct to be followed to put the Code of Conduct into practice. These code and guidelines are distributed to all officers and employees and covered in their training as appropriate.
 - To prevent or promptly detect and rectify acts that are contrary to ethics or laws, such as statutory violations or internal misconduct, the Corporate Ethics Helpline has been established and operated to allow the employees of the Company and its group companies to receive advice and make reports.
 - It is ensured that business is executed in accordance with the separation of duties and internal authorization procedures to thereby promote the appropriateness of business execution and the clarity of responsibilities.
 - The Company has established the Basic Procurement Policy, which is communicated to suppliers to ensure fair transactions.
 - The Internal Control & Audit Division has been established to audit whether business operations are executed in line with Board of Directors resolutions and the approvals of the President and CEO, and to provide guidance for improvement with respect to issues identified.
 - The Company will not respond to any unjust demands from antisocial forces and will handle such demands by taking institutional responses in cooperation with external expert organizations.
- 2) Systems for the preservation and management of information related to the execution of duties by Directors
 - Meeting minutes of the Board of Directors' deliberations are prepared, preserved, and managed, and information related to approvals concerning the execution of important duties is preserved and managed in a manner that ensures high retrievability.
 - For information related to the execution of duties, a basic policy and internal regulations on information security have been established to ensure required security.
- 3) Regulations and other systems for managing the risk of loss
 - The Company has established the Risk Management Committee to develop risk management plans and systems in relation to the Company's business execution, and prevents risks and prepares for risk occurrence even in normal times, in accordance with the Risk Management Regulations.
 - In the event of a crisis that has a significant impact on the Company's management, the Company will respond swiftly and appropriately in accordance with the Crisis Management Basic Rules, which provide for the establishment of the Emergency Response Headquarters led by the President and CEO, thereby preventing losses from increasing.
 - The Company regards the assurance of product safety and trustworthiness as a critical issue and implements measures to reduce associated risks.
- 4) Systems to ensure efficient execution of duties by directors
 - Important management matters are determined by the Board of Directors. For investment and loan cases, the Investment and Loan Committee prioritizes such cases from a financial standpoint, and the Management Meeting, which is composed of Directors concurrently serving as Executive Officers and Executive Officers appointed by the President and CEO, organizes issues from a comprehensive management perspective and then refers those cases to the Board of Directors.
- 5) Systems to ensure the appropriateness of business operations within the corporate group consisting of the company under review, the parent company, and subsidiaries
 - (a) Systems to ensure that the execution of duties by subsidiaries' Directors, etc. and employees complies with laws and the Articles of Incorporation
 - Compliance training and similar training programs are arranged as appropriate for the Directors of group companies.
 - Group companies are obliged to cooperate in the development of systems necessary for internal control assessment in relation to consolidated financial reporting.
 - (b) Systems for reporting to the company under review on matters concerning the execution of duties by the directors, etc. of subsidiaries
 - Group companies are required to report to the Company on the important matters set forth in regulations on group company management and in agreements concluded between the Company and those group companies.
 - (c) Regulations and other systems for managing subsidiaries' risk of loss
 - With respect to risks related to the Group's business execution, the frequency and magnitude of such risks are analyzed and assessed, and systems for identifying and managing such risks are established.
 - In the event of serious statutory violations or other similar incidents that may damage the credibility of the Group, group companies are required to promptly report so as to enable swift and appropriate responses, thereby preventing losses from increasing.
 - (d) Systems to ensure efficient execution of duties by the directors, etc. of subsidiaries
 - The Company reviews the business performance of group companies on a monthly basis and manage business

- performance results.
 - The Investment and Loan Committee discusses the investment and loan cases of group companies and appropriately allocates management resources.
- 6) Matters related to employees assigned to assist the Audit and Supervisory Committee in the execution of its duties, and matters related to ensuring the independence of such employees and the effectiveness of instructions given to such employees
 - The Internal Control & Audit Division assists the Audit and Supervisory Committee in the execution of its duties.
 - Employees assigned to assist the Audit and Supervisory Committee with the execution of its duties are, during the performance of their duties, not subject to instructions or orders from any persons other than the Directors who are also Audit and Supervisory Committee Members.
 - The consent of the Audit and Supervisory Committee is required in the case of a personnel transfer of any employees assigned to assist the Audit and Supervisory Committee in the execution of its duties.
 - With respect to the personnel evaluation of employees assigned to assist the Audit and Supervisory Committee in the execution of its duties, such employees are evaluated in consultation with the Committee.
 - 7) Systems for reporting to the Audit and Supervisory Committee by Directors (excluding those who are Audit and Supervisory Committee Members) or employees; by subsidiaries' Directors, Auditors, or employees; or by persons who have received reports from these persons
 - Audit and Supervisory Committee Members attend important meetings at which Directors and Executive Officers report on the status of execution of their duties, and obtain information on company operations.
 - It is ensured that matters that may cause significant damage to the Company are reported to the Audit and Supervisory Committee.
 - Reports made to the Corporate Ethics Helpline are reported to the Audit and Supervisory Committee.
 - The Internal Control & Audit Division reports internal audit results to the Audit and Supervisory Committee.
 - The Audit and Supervisory Committee may, as necessary, request reports from the Company's or its subsidiaries' Directors or employees.
 - 8) Systems to ensure that persons who have made reports to the Audit and Supervisory Committee are not treated disadvantageously on the grounds of making such reports
 - Regulations have been put in place to prohibit any disadvantageous treatment of persons who have made reports to the Audit and Supervisory Committee for the reason of having made such reports.
 - 9) Procedures for prepayment or reimbursement of expenses arising from the execution of duties by the Audit and Supervisory Committee, and policies on the processing of other expenses and liabilities arising in relation to the execution of duties
 - It is ensured that, when an Audit and Supervisory Committee Member requests reimbursement of expenses, or repayment of liabilities, incurred in the execution of their duties, such expenses or liabilities are promptly processed.
 - 10) Other systems to ensure that audits are conducted effectively by the Audit and Supervisory Committee
 - It is ensured that opportunities are provided for the Audit and Supervisory Committee to exchange information and opinions with the Internal Control & Audit Division and the Accounting Auditor.

(iv) Development status of risk management systems

The Company has established the Risk Management Committee to develop risk management plans and systems in relation to the Company's business execution, and prevents risks and prepares for risk occurrence even in normal times, in accordance with the Risk Management Regulations.

In order to respond accurately and swiftly to emergencies, such as a crisis that has a significant impact on the Company's management, the Company has established the Crisis Management Basic Rules and a crisis management system headed by the President and CEO.

In the development of its systems, the Company regards the assurance of product safety and trustworthiness as a critical issue. In its product development process, the Company maintains a rigorous check system. For inquiries or complaints from consumers regarding products in the market, the Company has developed and maintained a system that enables institutional responses from the consumers' standpoint. Furthermore, the Company has put in place a system that ensures the reliable implementation of product recalls in accordance with predesignated standards, in unlikely events that potentially affect consumer health, such as product defects or improper labeling.

(v) Development status of systems to ensure proper business operations at subsidiaries

The matters that require subsidiaries to obtain prior approval from, or to report to, the Company are stipulated in the Group Company Management Regulations, as well as in agreements executed with those subsidiaries.

The relevant administrative departments of the head office provide support to divisions responsible for such matters and to group companies, based on their respective areas of expertise.

(vi) Outline of limited liability agreements

In accordance with the provisions of the Articles of Incorporation, the Company has entered into limited liability agreements with all Outside Directors and full-time Directors who are Audit and Supervisory Committee Members, as provided under Article 427, paragraph (1) of the Companies Act, to limit their liability for damages under Article 423, paragraph (1) of the same Act. The limit of liability under such agreements is the statutorily prescribed amount.

(vii) Outline of the directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract with an insurance company, as provided in Article 430-3, paragraph (1) of the Companies Act. This insurance policy indemnifies the insured against those losses that the insureds would be required to bear, such as damages and legal expenses. However, the insurance policy provides for certain exclusions and deductibles; for example, it will not cover damages resulted from any acts committed with the awareness that such acts would amount to violations of laws. The insureds include the Directors and Executive Officers of the Company, as

well as the officers of its subsidiaries, and the full amount of insurance premiums is borne by the Company.

(viii) Basic policy regarding control over the corporation

The Company's basic principle regarding the parties that hold control over decisions on the Company's financial and business policies is as follows.

Based on its Management Philosophy and Management Policy, the Company is pursuing the global expansion of its business and the creation of new businesses with the goal of enhancing its corporate value for the future, under the mission of continuing to grow as a company trusted by all stakeholders.

The Company believes that, even in the case of a large-scale acquisition of the Company's shares involving a change in its control, the decision of whether or not to accept an offer for such acquisition should ultimately rest with shareholders. Furthermore, if such a large-scale acquisition seeks to contribute to the Company's corporate value and, by extension, the common interests of shareholders, it is not the Company's intention to categorically oppose it.

However, if the purpose, method, etc. of such acquisition is considered to pose a significant risk of harm to the Company's corporate value and ultimately the common interests of shareholders, it is the Company's belief that the acquirer would not be appropriate as the party to exercise control over decisions on the Company's financial and business policies.

As its responsibility arising from being the body entrusted with its management, the Board of Directors of the Company will, in the event of a potential acquirer that may pose a significant threat to the Company's corporate value and thus the common interests of shareholders, strive to provide sufficient information and secure the time necessary for shareholders to reach an appropriate decision, and take appropriate measures such as engaging in negotiations with the potential acquirer, within the scope permitted by laws and the Articles of Incorporation.

(ix) Number of Directors

The Articles of Incorporation of the Company provide that the number of Directors be not more than 15, of which not more than five are Directors concurrently serving as Audit and Supervisory Committee Members.

(x) Requirements for resolutions on the appointment of Directors

The Articles of Incorporation of the Company provide that a resolution on the appointment of Directors be adopted by a majority of the voting rights held by shareholders who are attending the general meeting of shareholders and collectively hold at least one-third of the voting rights of all the shareholders entitled to exercise their voting rights. The Articles of Incorporation also provide that cumulative voting shall not be applied to pass a resolution on the appointment of Directors.

(xi) Requirements for special resolutions by general meetings of shareholders

In order to ensure the integrity of deliberation on matters subject to special resolutions by general meetings of shareholders, the Company provides in its Articles of Incorporation that, as the requirement for special resolution adoption, such a special resolution be adopted by two-thirds or more of the voting rights held by shareholders who are attending the general meeting of shareholders and collectively hold at least one-third of the voting rights of all the shareholders entitled to exercise their voting rights.

(xii) Matters that are subject to resolutions by general meetings of shareholders and may be resolved by the Board of Directors in lieu of general meetings of shareholders

In order to enable agile execution of capital policies, the Company provides in its Articles of Incorporation that the matters set forth in the items of Article 459, paragraph (1) of the Companies Act, including the distribution of dividends from surplus, may be determined by resolution of the Board of Directors in addition to resolutions by general meetings of shareholders, unless otherwise provided by law.

Furthermore, in order to flexibly return profits to shareholders, the Company provides in its Articles of Incorporation that, pursuant to Article 454, paragraph (5) of the Companies Act, an interim dividend may be paid by resolution of the Board of Directors, with September 30 of each year as the record date.

(xiii) Activity status of the Board of Directors and the Advisory Panel

1) Activity status of the Board of Directors

During FY2025, the Board of Directors of the Company met once a month. The attendance of each Director was as follows.

Name	Number of meetings held	Number of meetings attended
Toshiya Maczuru	16 meetings	16 meetings
Keizo Kagawa	16 meetings	16 meetings
Tomio Kimura	16 meetings	16 meetings
Hiroaki Kawasaki	16 meetings	16 meetings
Hiroshi Koura	16 meetings	16 meetings
Toru Otao	13 meetings	13 meetings (Note 1)
Naoki Abe	13 meetings	13 meetings (Note 1)
Naotaka Kawamata	16 meetings	16 meetings
Hitomi Kumagai	16 meetings	16 meetings
Mika Takaoka	13 meetings	13 meetings (Note 1)
Takaaki Aonuma	16 meetings	16 meetings
Kazuhiko Yoshida	16 meetings	16 meetings
Yoshiko Hayama	13 meetings	13 meetings (Note 1)
Toshifumi Horiuchi	3 meetings	3 meetings (Note 2)
Atsuo Ouchi	3 meetings	3 meetings (Note 2)
Yasunori Tanaka	3 meetings	3 meetings (Note 2)
Akio Okuyama	3 meetings	3 meetings (Note 2)
Kentaro Naruse	3 meetings	3 meetings (Note 2)
Etsuzo Tamagawa	3 meetings	3 meetings (Note 2)

Specific matters deliberated by the Board of Directors include long-term visions, medium-term targets, director compensation, personnel affairs, capital investment plans, greenhouse gas emission reduction targets, sustainability initiatives, asset sale, reduction of cross-shareholdings, information security, organizational reform, and the division of duties.

Notes: 1. Messrs. Toru Otao and Naoki Abe, and Mses. Mika Takaoka and Yoshiko Hayama attended all the 13 meetings of the Board of Directors held after their appointment as directors in June 2024.

2. Messrs. Toshifumi Horiuchi, Atsuo Ouchi, Yasunori Tanaka, Akio Okuyama, Kentaro Naruse, and Etsuzo Tamagawa attended all three meetings of the Board of Directors held during the period from April 2024 until their retirement as Directors in June 2024.

2) Activity status of the Advisory Panel (currently the Nomination and Compensation Committee)

During FY2025, the Advisory Panel of the Company met nine times. The attendance of each Director was as follows.

Name	Number of meetings held	Number of meetings attended
Naotaka Kawamata	9 meetings	9 meetings
Toshiya Maczuru	9 meetings	9 meetings
Keizo Kagawa	8 meetings	8 meetings (Note 1)
Mika Takaoka	8 meetings	8 meetings (Note 1)
Kazuhiko Yoshida	9 meetings	9 meetings
Akio Okuyama	1 meeting	1 meeting (Note 2)

Specific matters deliberated by the Advisory Panel include succession plans, matters related to the personnel affairs of Directors including Director candidates, and matters concerning decisions on Directors' compensation.

Notes: 1. Both Mr. Keizo Kagawa and Ms. Mika Takaoka attended all the eight meetings of the Advisory Panel held in and after June 2024.

2. Mr. Akio Okuyama attended a meeting of the Advisory Panel held during the period from April 2024 until his retirement as a Director in June 2024.

(2) Officers

(i) List of officers

Officers' main career summaries and shareholdings

Male: 9 Female: 3 (Percentage of female officers: 25.0%)

Official title/position	Name	Date of birth	Career summary	Term of office	Number of shares held (hundreds of shares)
Representative Director; President and CEO	Toshiya Maezuru	January 7, 1961	<p>April 1983 Joined the Company</p> <p>June 2011 General Manager, Fukuoka Mill</p> <p>June 2013 General Manager, Production & Technology Div.</p> <p>June 2014 Executive Officer; General Manager, Production & Technology Div.</p> <p>June 2015 Director; Executive Officer; Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div., Production & Technology Dept.</p> <p>June 2017 Director; Managing Director; General Manager, Production & Technology Dept.; General Manager, Production & Technology Div., Production & Technology Dept.</p> <p>December 2019 Director; Managing Director; General Manager, Production & Technology Dept.; Chairman, Food Research & Development Committee</p> <p>April 2020 Director; Senior Managing Director; General Manager, Production & Technology Dept.; Chairman, Food Research & Development Committee</p> <p>June 2020 Representative Director, President & CEO (incumbent)</p>	Note 3	208
Representative Director; Senior Managing Director; Executive Assistant to the President	Tomio Kimura	March 13, 1961	<p>April 1984 Joined the Company</p> <p>June 2016 Associate Director; General Manager, Kanto Branch</p> <p>June 2017 Associate Director; General Manager, Sapporo Branch</p> <p>June 2019 Executive Officer; General Manager, Sales & Marketing Div., Wheat Flour Business Dept.</p> <p>June 2020 Managing Director; General Manager, Wheat Flour Business Dept.; General Manager, Sales & Marketing Div., Wheat Flour Business Dept.</p> <p>June 2021 Senior Executive Officer; General Manager, Wheat Flour Business Dept.</p> <p>June 2022 Director; Managing Director; General Manager, Wheat Flour Business Dept.</p> <p>June 2024 Director; Senior Managing Director; General Manager, Wheat Flour Business Dept.</p> <p>June 2025 Representative Director; Senior Managing Director (incumbent)</p>	Note 3	46
Director; Managing Director; In charge of Distribution Administration Div., Marketing Dept., Food Service Products Dept., and Foods Business Administration Div.	Hiroaki Kawasaki	October 4, 1961	<p>April 1986 Joined the Company</p> <p>June 2015 General Manager, Otaru Mill</p> <p>June 2017 General Manager, Foods Business Administration Div., Foods Business Administration Dept.</p> <p>June 2019 Associate Director; General Manager, Foods Business Administration Div., Foods Business Administration Dept.</p> <p>June 2020 Executive Officer; Vice General Manager, Foods Business Dept.; General Manager, Foods Business Administration Div., Foods Business Dept.</p> <p>June 2021 Senior Executive Officer; General Manager, Foods Business Dept.; General Manager, Foods Business Administration Div., Foods Business Dept.; General Manager, Frozen Foods Business Administration Div., Frozen Foods Business Dept.</p> <p>January 2022 Senior Executive Officer; General Manager, Foods Business Dept.; General Manager, Foods Business Administration Div., Foods Business Dept.</p> <p>April 2022 Senior Executive Officer; General Manager, Foods Business Dept.</p> <p>June 2022 Director; Managing Director; General Manager, Foods Business Dept.</p> <p>June 2024 Director; Managing Director (incumbent)</p>	Note 3	91
Director; Managing Director; In charge of General Administration Div., Human Resources Div., Corporate Communications Div., and Internal Control & Audit Div.	Hiroshi Koura	November 27, 1963	<p>April 1987 Joined the Company</p> <p>July 2017 Vice General Manager, Human Resources Div.</p> <p>June 2018 General Manager, Human Resources Div.</p> <p>June 2020 Executive Officer; General Manager, Human Resources Div.</p> <p>June 2023 Director; Executive Officer</p> <p>June 2024 Director; Managing Director (incumbent)</p>	Note 3	26
Director; Managing Director; In charge of CSR; In charge of Accounting & Finance Div., Corporate Planning Div., and Sustainability Promotion Div.	Toru Otao	November 26, 1963	<p>April 1987 Joined the Company</p> <p>June 2013 General Manager, Secretariat Office, General Administration Div.</p> <p>July 2017 Vice General Manager, General Administration Div.; General Manager, Secretariat Office, General Administration Div.</p> <p>February 2020 General Manager, Accounting & Finance Div.</p> <p>June 2022 Executive Officer; General Manager, Accounting & Finance Div.</p> <p>June 2024 Director; Executive Officer</p> <p>June 2025 Director; Managing Director (incumbent)</p>	Note 3	39

Official title/position	Name	Date of birth	Career summary	Term of office	Number of shares held (hundreds of shares)
Director; Managing Director; In charge of Raw Material Procurement Div., E-Commerce Business Div., Nakashoku (Ready-made Meal) Business Dept., and Health Care Business Div.	Naoki Abe	August 8, 1964	<p>April 1988 Joined the Company</p> <p>June 2018 General Manager, Production & Technology Div., Production & Technology Dept.</p> <p>June 2020 Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div., Production & Technology Dept.</p> <p>April 2021 Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div.-1, Production & Technology Dept.</p> <p>June 2022 Executive Officer; Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div.-1, Production & Technology Dept.</p> <p>October 2022 Executive Officer; Vice General Manager, Production & Technology Dept.</p> <p>June 2024 Director; Executive Officer; General Manager, Production & Technology Dept.</p> <p>June 2025 Director; Managing Director (incumbent)</p>	Note 3	88
Director	Naotaka Kawamata	May 1, 1965	<p>April 1990 Joined the Ministry of Transport</p> <p>April 1994 (currently, the Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>April 1994 Registered as attorney</p> <p>Joined Marunouchi Sogo Law Office</p> <p>January 2008 Partner, Marunouchi Sogo Law Office (incumbent)</p> <p>June 2014 Auditor, the Company</p> <p>April 2015 Professor, Legal Training and Research Institute, Supreme Court of Japan</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member), TOREX</p> <p>June 2017 SEMICONDUCTOR LTD. (incumbent)</p> <p>Director, the Company (incumbent)</p> <p>June 2020 Outside Director (Audit and Supervisory Committee Member), NIPPON DENSETSU KOGYO CO., LTD. (incumbent)</p>	Note 3	74
Director	Hitomi Kumagai	October 15, 1959	<p>April 1990 Research assistant, College of Agriculture and Veterinary Medicine (currently College of Bioresource Sciences) of Nihon University</p> <p>April 1994 Full-time lecturer, College of Agriculture and Veterinary Medicine (currently College of Bioresource Sciences) of Nihon University</p> <p>April 2002 Assistant professor, College of Bioresource Sciences of Nihon University</p> <p>March 2011 Professor, College of Bioresource Sciences of Nihon University</p> <p>June 2022 Director, the Company (incumbent)</p> <p>April 2025 Project Professor, College of Bioresource Sciences of Nihon University (incumbent)</p>	Note 3	—
Director	Mika Takaoka	June 19, 1968	<p>April 2001 Assistant Professor, Institute of Economic Research, Osaka City University (currently Osaka Metropolitan University)</p> <p>April 2002 Assistant Professor, College of Economics, Rikkyo University</p> <p>April 2006 Assistant Professor, College of Business, Rikkyo University</p> <p>April 2007 Associate Professor, College of Business, Rikkyo University</p> <p>April 2009 Professor, College of Business, Rikkyo University (incumbent)</p> <p>June 2015 Outside Director, Kyodo Printing Co., Ltd. (incumbent)</p> <p>June 2018 Outside Director, SG Holdings Co., Ltd. (incumbent)</p> <p>June 2024 Director, the Company (incumbent)</p>	Note 3	—

Official title/position	Name	Date of birth	Career summary	Term of office	Number of shares held (hundreds of shares)
Director (Audit and Supervisory Committee Member)	Takaaki Aonuma	December 16, 1959	<p>April 1982 Joined the Company</p> <p>March 2014 General Manager, Related Business Div.</p> <p>June 2015 Associate Director; General Manager, Related Business Div.</p> <p>June 2016 Executive Officer; General Manager, Related Business Div.</p> <p>June 2017 Executive Officer; General Manager, Accounting & Finance Div.</p> <p>June 2019 Director; Executive Officer; General Manager, Accounting & Finance Div.</p> <p>February 2020 Director, Executive Officer</p> <p>June 2020 Director; Managing Director</p> <p>June 2023 Director; Senior Managing Director</p> <p>June 2024 Director (Audit and Supervisory Committee Member), the Company (incumbent)</p>	Note 4	140
Director (Audit and Supervisory Committee Member)	Kazuhiko Yoshida	November 7, 1963	<p>April 1990 Registered as attorney</p> <p>April 1990 Joined Nakamura & Partners</p> <p>March 1993 Registered as patent attorney</p> <p>May 1998 Registered as attorney in New York State, U.S.</p> <p>January 2001 Partner, Nakamura & Partners</p> <p>January 2017 Representative Partner, Nakamura & Partners (incumbent)</p> <p>June 2017 Auditor, the Company</p> <p>June 2020 Director (Audit and Supervisory Committee Member), the Company (incumbent)</p>	Note 4	50
Director (Audit and Supervisory Committee Member)	Yoshiko Hayama	October 7, 1959	<p>April 1983 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>September 1984 Joined Surugadai Academy</p> <p>October 1990 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>March 1994 Registered as certified public accountant</p> <p>January 2007 Joined Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)</p> <p>January 2015 Representative, Yoshiko Hayama Certified Public Accountant Office (incumbent)</p> <p>August 2016 Senior Researcher, the Japanese Institute of Certified Public Accountants (incumbent)</p> <p>May 2023 Outside Corporate Auditor, BELLSYSTEM24 Holdings, Inc. (incumbent)</p> <p>May 2024 Auditor, SUGI Holdings Co., Ltd. (incumbent)</p> <p>June 2024 Director (Audit and Supervisory Committee Member), the Company (incumbent)</p>	Note 4	—
Total					762

Notes: 1. Three Directors—Naotaka Kawamata, Hitomi Kumagai, and Mika Takaoka—are Outside Directors.

2. Both Directors Kazuhiko Yoshida and Yoshiko Hayama are Outside Directors who are Audit and Supervisory Committee Members.

3. The term of office began upon appointment at the Annual General Meeting of Shareholders held on June 27, 2025, and will end at the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2026.

4. The term of office began upon appointment at the Annual General Meeting of Shareholders held on June 27, 2024, and will end at the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2026.

5. In order to develop an agile and flexible management structure, the Company put in place an executive officer system in April 2002, under which the Board of Directors focuses on the functions of decision-making in relation to important matters related to business execution and of business execution supervision, while Executive Officers are responsible for executing day-to-day business operations.

The Executive Officers of the Company are the 21 persons listed below, of whom six concurrently serve as Directors.

Position	Name	Responsibilities
President and CEO	Toshiya Maezuru	
Senior Managing Director	Tomio Kimura	
Managing Director	Hiroaki Kawasaki	
Managing Director	Hiroshi Koura	
Managing Director	Toru Otao	
Managing Director	Naoki Abe	
Senior Executive Officer	Hiroyuki Hidaka	General Manager, International Business Div.
Senior Executive Officer	Itsuo Hayashi	In charge of IT; General Manager, Information System Promotion Dept.
Senior Executive Officer	Masahiko Korematsu	In charge of environmental issues; in charge of Central Laboratory and Research & Development Dept.; General Manager, Production & Technology Dept.
Senior Executive Officer	Ryo Ikeo	General Manager, Retail Products Dept.
Senior Executive Officer	Takahiro Sato	General Manager, Wheat Flour Business Dept.; General Manager, Sales & Marketing Div., Wheat Flour Business Dept.
Executive Officer	Kazuhiko Hazama	General Manager, Central Laboratory; General Manager, Innovation Center, Central Laboratory
Executive Officer	Tsuyoshi Shinagawa	General Manager, Chiba Mill
Executive Officer	Yasushi Nakamura	General Manager, Research & Development Dept.
Executive Officer	Takehiro Fujiwara	Vice General Manager, Wheat Flour Business Dept.; General Manager, Wheat Flour Business Operation Div., Wheat Flour Business Dept.
Executive Officer	Tokihisa Soga	General Manager, Food Service Products Dept.; General Manager, Food Ingredient Management Div., Food Service Products Dept.
Executive Officer	Nobuhiro Yokoo	General Manager, Tokyo No.1 Branch
Executive Officer	Yasuhiko Murase	General Manager, Marketing Dept.
Executive Officer	Takeshi Kajitani	Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div.-1, Production & Technology Dept.
Executive Officer	Koji Shinoyama	Vice General Manager, Retail Products Dept.
Executive Officer	Hideki Tomizawa	General Manager, Nakashoku (Ready-made Meal) Business Dept.; General Manager, Nakashoku (Ready-made Meal) Business Administration Div., Nakashoku (Ready-made Meal) Business Dept.

(ii) Status of Outside Officers

The Company appoints Outside Directors in order to enhance the effectiveness of the supervisory function of the Board of Directors. The Company has five Outside Directors, of whom two are Directors concurrently serving as Audit and Supervisory Committee Members.

Mr. Naotaka Kawamata and Ms. Hitomi Kumagai and Mika Takaoka have been appointed as Outside Directors (Directors who are not Audit and Supervisory Committee Members). Mr. Naotaka Kawamata possesses expertise as an attorney and demonstrates a high level of independence; Ms. Hitomi Kumagai possesses expertise in the field of food science and demonstrates a high level of independence; and Ms. Mika Takaoka possesses expertise in the field of business administration and demonstrates a high level of independence. Accordingly, these Outside Directors are deemed capable of performing appropriate supervisory functions.

As for Outside Directors serving as Audit and Supervisory Committee Members, Mr. Kazuhiko Yoshida and Ms. Yoshiko Hayama have been appointed. Mr. Kazuhiko Yoshida possesses expertise as an attorney and demonstrates a high level of independence, and Ms. Yoshiko Hayama possesses expertise as a certified public accountant and demonstrates a high level of independence. Accordingly, the Company believes that necessary audits and supervision are carried out to ensure that the execution of business operations properly gives due consideration to the interests of general shareholders.

The Company entrusts the processing of its legal affairs to Nakamura & Partners, with which Mr. Kazuhiko Yoshida, an Outside Director and Audit and Supervisory Committee Member of the Company, is affiliated. However, the fees paid by the Company to the law firm account for less than 1% of the total remuneration that the firm receives, and there is no other relationship existing between the Company and the firm. Similarly, the Company entrusts the processing of its legal affairs to the Marunouchi Sogo Law Office, with which Mr. Naotaka Kawamata, an Outside Director of the Company, is affiliated. However, the fees paid by the Company to the law office account for less than 1% of the total remuneration that the law office receives, and there is no other relationship existing between the Company and the law office.

There are no special interests between the Company and either Ms. Hitomi Kumagai or Ms. Mika Takaoka, both of whom are Outside Directors, or between the Company and Ms. Yoshiko Hayama, who is an Outside Director and Audit and Supervisory Committee Member.

Mr. Naotaka Kawamata, who is an Outside Director, and Mr. Kazuhiko Yoshida, who is an Outside Directors and Audit and Supervisory Committee Member, own some shares of the Company.

While there are not specifically established internal standards for Outside Officers' independence, the Company appoints individuals who are deemed capable of conducting supervision and audits with proper consideration given to the interests of general shareholders, by referencing the independence criteria for independent officers set down by the stock exchange.

(iii) Mutual relationship of supervision and audits conducted by Outside Directors with internal audits, audits by the Audit and Supervisory Committee, and accounting audits, and their relationship with internal control departments

Outside Directors receive reports on internal audits and other relevant matters at meetings of the Board of Directors. Outside Directors who are Audit and Supervisory Committee Members receive reports and explanations from the Accounting Auditor regarding the audit plan, audit policy, audit details, audit methods, and results for the fiscal year, and exchange information, thereby facilitating coordination. With the Internal Control & Audit Division, they also exchange information, as appropriate, on the appropriateness and efficiency of business operations and the status of establishment of risk management.

(3) Audits

(i) Audits by the Audit and Supervisory Committee

i) Organization and personnel of the Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three members, two of whom are Outside Directors, and one of whom is a full-time member. Furthermore, one dedicated staff member is assigned to assist the Committee with its operations.

One of the members of the Committee is an attorney with advanced expertise in law. Another member is a certified public accountant with considerable expertise in finance and accounting.

Upon receipt of reports on the results of internal audits conducted by the Internal Control & Audit Division, the Audit and Supervisory Committee may instruct the division to conduct investigations and report on its findings. During the performance of operations assisting the Committee, the personnel of the Internal Control & Audit Division are not subject to instructions or orders from any persons other than the Directors who are also Audit and Supervisory Committee Members.

ii) Activities of the Audit and Supervisory Committee

During FY2025, the Audit and Supervisory Committee of the Company met 14 times. The attendance of the members was as detailed below.

(From April 1, 2024 to June 27, 2024)

Official title/position	Name	Number of meetings held	Number of meetings attended
Director and Audit and Supervisory Committee Member	Akio Okuyama	2 meetings	2 meetings
Director and Audit and Supervisory Committee Member	Kazuhiko Yoshida	2 meetings	2 meetings
Director and Audit and Supervisory Committee Member	Kentaro Naruse	2 meetings	2 meetings
Director and Audit and Supervisory Committee Member	Etsuzo Tamagawa	2 meetings	2 meetings

Notes: 1. Audit and Supervisory Committee Members Akio Okuyama, Kazuhiko Yoshida, and Kentaro Naruse are

- Outside Directors as provided in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.
2. Audit and Supervisory Committee Members Akio Okuyama, Kentaro Naruse, and Etsuzo Tamagawa retired from the office of Audit and Supervisory Committee Member at the conclusion of the 200th Annual General Meeting of Shareholders held on June 27, 2024.

(From June 27, 2024 to March 31, 2025)

Official title/position	Name	Number of meetings held	Number of meetings attended
Director and Audit and Supervisory Committee Member	Takaaki Aonuma	12 meetings	12 meetings
Director and Audit and Supervisory Committee Member	Kazuhiko Yoshida	12 meetings	12 meetings
Director and Audit and Supervisory Committee Member	Yoshiko Hayama	12 meetings	12 meetings

- Notes: 1. Audit and Supervisory Committee Members Takaaki Aonuma and Yoshiko Hayama were appointed as such at the 200th Annual General Meeting of Shareholders held on June 27, 2024.
2. Audit and Supervisory Committee Members Kazuhiko Yoshida and Yoshiko Hayama are Outside Directors as provided in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.

Based on the audit results for FY2024, the Audit and Supervisory Committee determined the audit policy and audit plan for FY2025, promptly after the conclusion of the general meeting of shareholders. The main activities conducted under the policy and plan are as follows.

Activity	Timing of implementation	Handled by
Discussion with the President and CEO	December	Audit and Supervisory Committee
Communication with the Accounting Auditor	May, September, November, and February	Audit and Supervisory Committee
Communication with the Internal Control & Audit Div.	May, July, and January	Audit and Supervisory Committee
Communication between Outside Directors and the Audit and Supervisory Committee	December and February	Audit and Supervisory Committee
Attendance at important meetings and inspection of key documents	Throughout the year	Audit and Supervisory Committee
Business audits of nationwide business sites and group companies	October to December	Audit and Supervisory Committee
Business audits of business departments and head office divisions	April and between February and March	Audit and Supervisory Committee
Communication with the Accounting & Finance Div.	March	Audit and Supervisory Committee

In accordance with the audit plan, the full-time Audit and Supervisory Committee Member attended important meetings and inspected key approval documents and other relevant materials, while also participating in all on-site audits of the head office, key business sites, and group companies. The full-time member exchanged information with the Outside Directors serving as Audit and Supervisory Committee Members, thereby ensuring that the proceedings of the Audit and Supervisory Committee were conducted efficiently.

The main matters deliberated by the Audit and Supervisory Committee in connection with the audit activities conducted in FY2025 were as follows.

- Matters to be confirmed through discussions with the President and CEO
- Confirmation of the execution of duties by Directors
- Legality of the matters submitted to the general meeting of shareholders
- Whether any opinions were to be expressed at the general meeting of shareholders
- Plan for periodic communication with the Accounting Auditor
(covering priority audit items in accounting audits, which were candidates for KAMs)
- Evaluation and selection of an Accounting Auditor, and agreement therewith on the amount of fees
- Matters to be periodically reported by the Internal Control & Audit Div. (particularly, the progress and results of internal audits)
- Reasonableness of the development/operation status of internal control systems
- Appropriateness of the content of business reports and financial statements
- Formulation of audit plans for the head office, key business sites, and group companies
- Promotion of communication with group companies' auditors
- Reduction of cross-shareholdings and review of the investment and loan plan
- Preparation of a FY2025 audit report
- Periodic reports from the Secretariat of the Audit and Supervisory Committee

(ii) Internal audits

The Company has established a tripartite audit coordination system among the Audit and Supervisory Committee, the Accounting Auditor, and the Internal Control & Audit Division. For internal audits, the Company has established the Internal Control & Audit Division (consisting of eight members), which, in accordance with the Internal Audit Regulations, formulates an audit plan for each fiscal year covering, among other matters, the status of business execution and responses to risks that impede the achievement of management objectives, conducts internal audits systematically and in a planned manner, and also carries out information security audits as a measure against cyber risks. Where necessary, the division subsequently provides guidance on improvement and checks on the status of improvement. Furthermore, the division conducts internal control evaluations to eliminate errors and improprieties in the Company's operations and ensure statutory compliance, to improve operational efficiency, and to enhance the reliability of the Company's financial reporting, thereby seeking to safeguard the Company's assets. The results of such internal audits and internal control evaluations are reported directly to the President and CEO, the Board of Directors, and the Audit and Supervisory Committee.

The Company undergoes accounting audits and internal control audits conducted by its Accounting Auditor. The Audit and Supervisory Committee receives reports and explanations from the Accounting Auditor regarding the audit plan, audit policy, audit details, accounting audit methods, and results for the fiscal year, and exchanges information with the Accounting Auditor to facilitate coordination. The Internal Control & Audit Division also exchanges opinions with the Accounting Auditor as necessary.

(iii) Accounting audits

i) Name of audit corporation

Ernst & Young ShinNihon LLC

ii) Continuous audit period

Since 1965

The above continuous audit period represents the duration that the Company is able to investigate, and thus the actual continuous audit period may extend beyond the above-stated period.

iii) Certified public accountants who executed the audit

Kiyonobu Takeuchi, Designated Engagement Partner
Shigeyoshi Sato, Designated Engagement Partner

iv) Composition of assistants involved in the auditing services

The assistants involved in the Company's accounting audit services consisted of eight certified public accountants and 31 other personnel.

v) Audit corporation selection policy and reasons for appointment

In selecting an Accounting Auditor, the Audit and Supervisory Committee considers factors such as the audit quality control system and audit track record of the candidate auditor and the appropriateness and efficiency of its auditing services. If the Accounting Auditor is deemed to be unable to properly conduct audits on the grounds of falling under any of the items of Article 340, paragraph (1) of the Companies Act, the Audit and Supervisory Committee will, with the unanimous consent of its members, dismiss the Accounting Auditor. Furthermore, the Audit and Supervisory Committee determines the content of proposals concerning the dismissal or non-reappointment of the Accounting Auditor, taking into account the independence and expertise of the Accounting Auditor and the appropriateness and efficiency of its auditing services, among other factors.

Ernst & Young ShinNihon LLC is affiliated with Ernst & Young Global, which provides audit and consulting services in countries around the world. This affiliation enables the former to efficiently perform audit operations commensurate with the wide-ranging business operations of the Company, and also allows the Company to receive high-quality services in deploying its overseas strategies in the future.

vi) Evaluation of the audit corporation by Auditors and the Board of Auditors

In May 2024, the Audit & Supervisory Committee conducted an evaluation of Ernst & Young ShinNihon LLC and determined that it possesses the independence and expertise required of the Company's Accounting Auditor, and that it has a system in place to ensure that the Company's accounting audits are conducted appropriately and efficiently.

(iv) Details on audit fees

i) Fees to the certified public accountants and others involved in the audits

Category	FY2024		FY2025	
	Fees for audit and attestation services (Millions of yen)	Fees for services other than auditing services (Millions of yen)	Fees for audit and attestation services (Millions of yen)	Fees for services other than auditing services (Millions of yen)
Reporting company	90	1	89	—
Consolidated subsidiaries	—	—	—	—
Total	90	1	89	—

(FY2024)

The Company made payments to the Accounting Auditor in consideration of the agreed procedural services, which were services other than those provided in Article 2, paragraph (1) of the Certified Public Accountants Act (non-auditing services).

ii) Fees paid to parties within the same network as the certified public accountants and others involved in the audits (excluding those covered in i) above)

Category	FY2024		FY2025	
	Fees for audit and attestation services (Millions of yen)	Fees for services other than auditing services (Millions of yen)	Fees for audit and attestation services (Millions of yen)	Fees for services other than auditing services (Millions of yen)
Reporting company	—	0	—	6
Consolidated subsidiaries	2	—	2	—
Total	2	0	2	6

(FY2024)

The non-auditing services provided to the Company were mainly tax advisory services rendered by Ernst & Young Tax Co.

(FY2025)

The non-auditing services provided to the Company were mainly tax advisory services rendered by Ernst & Young Tax Co.

iii) Fees for other important audit and attestation services

Not applicable

iv) Policy for determining the audit fees

Although there were no applicable policies, the audit fees were determined according to relevant factors such as the number of days required for the audits.

v) Reason for the approval of the Board of Auditors for the fees, etc. of the Accounting Auditor

The Audit and Supervisory Committee gave approval, as prescribed in Article 399, paragraphs (1) and (3) of the Companies Act, for the fees, etc. of the Accounting Auditor, as a result of verifying and deliberating on, among other factors, the Accounting Auditor's audit plan, execution of accounting audit duties, and basis for calculating the estimated fees.

(4) Remuneration, etc. for officers

(i) Policy and method for determining the amount of compensation, etc. for officers or its calculation method

As for the method for determining the amount of compensation, etc. for officers, within the scope of the amount of compensation, etc. resolved in advance at the relevant general meeting of shareholders, the amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) is determined by resolution of the Board of Directors, while the amount for Directors who are Audit and Supervisory Committee Members is determined through consultation among the Directors in the Audit and Supervisory Committee. When the Board of Directors adopts a resolution on Directors' compensation, etc., it is first deliberated by the Nomination and Compensation Committee that chiefly consists of Outside Officers, and then is referred to the Board of Directors.

(ii) Position-based policy on determining the amount of officer compensation or its calculation method

The compensation for Directors, excluding Outside Directors and Directors who are Audit and Supervisory Committee Members, consists of base compensation, which comprehensively takes into account such factors as each position and job responsibility, the business performance for the fiscal year, and social circumstances; incentive compensation, which fluctuates according to short-term performance; and stock compensation, which is linked to medium- to long-term performance.

Compensation for Outside Directors and Directors who are Audit and Supervisory Committee Members consists only of base compensation.

The policy regarding decisions on the compensation, etc. of individual Directors as provided in Article 361, paragraph (7) of the Companies Act is as outlined below.

a. Compensation system

For the compensation, etc. of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members), a base amount for the total compensation amount is established by comprehensively taking into account various factors such as each position and job responsibility, the business performance for the fiscal year, and social circumstances. Then, the compensation, etc. of each of those Directors is determined with the objectivity and reasonableness of its amount verified by referencing the survey results of external organizations on compensation levels by position at listed companies in Japan with a scale of sales comparable to that of the Company.

The base total compensation for Executive Directors (i.e., Directors excluding those who are Audit and Supervisory Committee Members and Outside Directors) consists of monetary compensation and stock compensation.

Monetary compensation consists of fixed compensation and incentive compensation that fluctuates based on short-term performance.

Stock compensation refers to stock-based compensation linked to medium- to long-term performance (Board Benefit Trust).

As for the general breakdown of compensation types, fixed compensation accounts for 65%, incentive compensation for 15%, and stock compensation for 20% approximately, which is appropriately established according to each position and job responsibility.

Outside Directors (excluding Directors who are Audit and Supervisory Committee Members) receive only fixed compensation, are not entitled to seniority-based pay increases after their appointment, and are excluded from the scope of company-wide performance evaluations.

b. Policy on the determination of individual monetary compensation amounts

The fixed compensation for Directors is determined based on "a. Compensation system" above. Fixed compensation is paid as monthly monetary compensation.

The short-term incentive compensation for Executive Directors is regarded as an incentive for Directors' commitment to business performance for each fiscal year, and is paid as a bonus at certain times each year, with its amount determined within a certain range based on the pre-established base amount by position and according to business performance, such as consolidated operating income and return on equity (ROE), and other factors such as the degree of the individual contribution to business performance.

c. Policy on the determination of the content and amount of non-monetary compensation (stock compensation) and the number of relevant shares

For stock compensation, which is incentive-based compensation for Executive Directors that fluctuates according to medium- to long-term business performance, points calculated according to the degree of achievement of the target value for consolidated operating profit, which is a medium-term target, are granted at certain times each year, and the number of the Company's shares corresponding to the cumulative points granted, and an amount of money equivalent to a certain percentage of such cumulative points, are provided at retirement from office, with the aim of further enhancing their motivation and morale toward improving medium- to long-term business performance and corporate value. However, in the event of dismissal by resolution at a general meeting of shareholders, resignation due to certain misconduct during the term of office, or any inappropriate acts, etc. causing damage to the Company during the term of office, the right to receive the benefits will not be granted.

d. Method of determining the amount of compensation, etc.

In order to enhance the objectivity and transparency of the deliberation process, the amount of each Directors' compensation is determined by resolution of the Board of Directors within the scope of the compensation limit resolved at the relevant general meeting of shareholders, based on the deliberation and recommendations of the Nomination and Compensation Committee, which is chaired by an Outside Director and consists of two Executive Directors and three Outside Directors.

With respect to the individual compensation, etc. of each Director for FY2025, the Board of Directors has confirmed that the method of determining the content of Directors' compensation, etc. and the determined content of such compensation, etc. were consistent with the relevant policy on determination, and that the recommendations of the Advisory Panel were respected. The Board of Directors has therefore considered that the individual compensation, etc. of each Director for FY2025 was in line with the policy on determination.

(iii) Resolution at the general meeting of shareholders regarding officer compensation

With respect to the limit of compensation for Directors, the 200th Annual General Meeting of Shareholders held on June 27, 2024, resolved that the amount of compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members) be limited to ¥410 million per year (including up to ¥60 million per year for Outside Directors), which applied to 10 Directors (including three Outside Directors). Furthermore, the 196th Annual General Meeting of Shareholders held on June 26, 2020, resolved that the amount of compensation for Directors serving as Audit and Supervisory Committee Members be limited to ¥80 million per year, which applied to four Directors. As a separate framework from monetary compensation, at the 199th Annual General Meeting of Shareholders held on June 29, 2023, a performance-linked stock compensation plan, Board Benefit Trust (BBT), was introduced for Directors (excluding Directors serving as Audit and Supervisory Committee Members, and Outside Directors). It was resolved that the total number of points to be granted to Directors under the BBT be capped at 80,000 points per fiscal year, and that, in the provision of the Company's shares, etc., the granted points be converted into one share of the Company's common stock per point. The number of Directors subject to the BBT was nine.

(iv) Name of the person or body authorized to determine the policy on determining the amount of officer compensation or the method of calculating it

The compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) is determined by the Board of Directors based on the recommendation of the Nomination and Compensation Committee in response to a proposal submitted by the President and CEO. The Nomination and Compensation Committee consists of two Executive Directors and three Outside Directors.

The compensation for Directors who are Audit and Supervisory Committee Members is determined through consultation among the Directors who are Audit and Supervisory Committee Members.

(v) Activities of the Board of Directors, committees, etc. regarding the determination of the amount of officer compensation for FY2025

The Advisory Panel deliberated on the proposal for monetary compensation and stock compensation for Directors, as well as the proposal for a policy on the determination of the content of individual compensation, etc. of each Director, submitted by the President and CEO, and reported its recommendations to the Board of Directors.

Based on the recommendations of the Advisory Panel, the Board of Directors adopted a resolution on the monetary compensation and stock compensation of Directors, and on the policy on the determination of the content of individual compensation, etc. of each Director.

(vi) Total amounts of compensation, etc. by officer category and by type of compensation, etc., and number of eligible officers

Category	Total amount of compensation, etc. (Millions of yen)	Total amount by type of compensation, etc. (Millions of yen)			Number of eligible officers (persons)
		Fixed compensation	Incentive compensation	Non-monetary compensation, etc.	
				Board Benefit Trust	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	308	164	77	66	11
Audit and Supervisory Committee Members (excluding Outside Directors)	20	20	—	—	2
Outside Officers	57	57	—	—	7

Notes: 1. The above-mentioned figures include data on the six Directors who retired from the office at the conclusion of the 200th Annual General Meeting of Shareholders held on June 27, 2024.

2. The amount of Directors' compensation, etc. does not include the salaries that those directors concurrently holding positions as employees received in their capacity as employees.

3. The amount of incentive compensation is the relevant amount recorded as expense for FY2025. This amount includes the amount scheduled for payment and the difference between the total amount of incentive compensation paid in June 2024 and the amount scheduled for payment disclosed in the Securities Report for FY2024.

4. The amount of the Board Benefit Trust as non-monetary compensation, etc. is the amount recorded as expense for FY2025.

5. The performance indicators used as the basis for calculating the amount of incentive compensation and the amount for the Board Benefit Trust, both of which are performance-linked compensation schemes, are as follows.

Incentive compensation	Consolidated operating income	¥21,486 million
	Return on equity (ROE)	6.64% *
Board Benefit Trust	Consolidated operating income	Same as above

* This is a corrected value that excludes special or extraordinary gains/losses resulting from the sale of assets, etc.

The reasons for selecting these indicators are as described in (ii) “Position-based policy on determining the amount of officer compensation or its calculation method.”

6. In addition to the above, as the payment for discontinuance of retirement benefits for officers based on a resolution at the 190th Annual General Meeting of Shareholders held on June 27, 2014, an amount of ¥10 million was paid to one Director (Audit and Supervisory Committee Member) who retired at the conclusion of the 200th Annual General Meeting of Shareholders held on June 27, 2024. The amount of this payment includes the allowance for retirement benefits for officers stated in the Securities Report for FY2024.

(5) Shareholdings

(i) Standards and principles of classification of investment shares

With respect to the categories of “investment shares held solely for pure investment” and “investment shares held for purposes other than pure investment,” the Company classifies its shareholdings into investment shares held solely for pure investment, or shares scheduled for sale after the purposes of their cross-holding have ceased to exist, in the case of investment shares which are held for the purpose of gaining profits from fluctuations in the value of such shares or from dividends related to such shares. The Company classifies all the other shareholdings it holds into investment shares held for purposes other than pure investment.

(ii) Investment shares held for purposes other than pure investment

i) Shareholding policy, method for examining the shareholding rationality, and details of examination by the Board of Directors, etc. regarding the adequacy of holding individual issues

For sustainable growth and the medium- to long-term enhancement of corporate value, it is important to strengthen relationships as part of the Company’s management strategies for purposes such as facilitating business operations with investee companies, financing, and procurement of raw materials. Taking into account its business relationships comprehensively, the Company holds cross-shareholdings.

With regard to the holding of individual stocks, the profitability and economic feasibility of the individual issues, such as their dividends and transaction volume, are examined with reference to the significance of acquisition and holding, certain management indicators, capital cost, etc. Furthermore, the Board of Directors annually examines the adequacy of holding each issue, comprehensively taking into account the Company’s business strategies and business relationships. If the examination finds no adequacy of holding of a specific issue, it is, in principle, designated for sale. The actual sale of such an issue is carried out in stages, with factors such as the impact on the market comprehensively taken into consideration.

ii) Number of issues and carrying amounts

	Number of issues (issuers)	Total carrying amount (Millions of yen)
Unlisted stocks	31	3,656
Stocks other than unlisted stocks	47	55,993

(Issues whose number of shares increased during FY2025)

	Number of issues (issuers)	Total acquisition cost for increased shares (Millions of yen)	Reason for increase in the number of shares
Unlisted stocks	—	—	—
Stocks other than unlisted stocks	15	483	Increase due to stock listing

(Issues whose number of shares decreased during FY2025)

	Number of issues (issuers)	Total sale amount for decreased shares (Millions of yen)
Unlisted stocks	1	3
Stocks other than unlisted stocks	8	4,955

Note: The issues whose number of shares decreased due to share consolidations are included only in the number of issues.

iii) Information regarding specified investment shares, the number of shares deemed held per issuer, and carrying amounts
Specified investment shares

Issuer	FY2025	FY2024	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding, and reason for increase in shares	The Company's shares owned
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
MS&AD Insurance Group Holdings, Inc.	2,962,500	987,516	To facilitate insurance transactions and maintain a good relationship with this company. Note that the number of shares has increased due to a share split.	No (Note 2)
	9,554	8,031		
Toyo Suisan Kaisha, Ltd.	1,079,422	1,079,422	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	Yes
	9,492	10,227		
MITSUI & CO., LTD.	3,073,800	1,736,900	To strengthen trade connections in the Flour Milling business and Food business and maintain a good relationship with this company. Note that the number of shares has increased due to a share split.	Yes
	8,605	12,342		
DUSKIN CO., LTD.	1,850,237	1,847,412	To strengthen trade connections in the Food business and maintain a good relationship with this company. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	Yes
	6,733	6,094		
ITOCHU Corporation	826,000	1,156,400	To strengthen trade connections in the Flour Milling business and Food business and maintain a good relationship with this company.	Yes
	5,700	7,477		
NISSIN FOODS HOLDINGS CO., LTD.	1,781,201	1,780,390	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	No
	5,438	7,477		
HOTLAND HOLDINGS Co., Ltd.	1,078,000	1,078,000	To strengthen trade connections in the Food business and maintain a good relationship with this company.	Yes
	2,366	2,293		
YAMAZAKI BAKING CO., LTD.	500,000	500,000	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	No
	1,440	1,960		
Meiji Holdings Co., Ltd.	361,900	506,700	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	Yes
	1,176	1,715		
S&B FOODS INC.	171,090	171,090	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	Yes
	912	754		
Sumitomo Mitsui Financial Group, Inc.	156,000	52,000	To facilitate financial transactions and maintain a good relationship with this company. Note that the number of shares has increased due to a share split.	No (Note 2)
	592	463		

Issuer	FY2025	FY2024	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding, and reason for increase in shares	The Company's shares owned
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
Morinaga & Co., Ltd.	189,746	262,185	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	No
	475	688		
Toyota Tsusho Corporation	190,000	114,400	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company. Note that the number of shares has increased due to a share split.	Yes
	473	1,174		
NAKAMURAYA CO., LTD.	148,829	148,181	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	Yes
	465	457		
Shimadaya Corporation	265,900	–	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company. Note that the shares of this company have been classified as specified investment shares since FY2025 due to the listing of its stock.	Yes
	443	–		
HOUSE FOODS GROUP INC.	112,841	112,841	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	No
	307	349		
Bourbon Corporation	77,152	76,382	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	No
	195	182		
EAT&HOLDINGS Co., Ltd.	90,000	90,000	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	No
	185	183		
Ezaki Glico Co., Ltd.	38,115	38,115	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	No
	176	161		
ITOCHU-SHOKUHIN Co., Ltd.	20,000	20,000	To strengthen trade connections in the Food business and maintain a good relationship with this company.	Yes
	150	146		
Kitoku Shinryo Co., Ltd.	18,032	18,032	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	Yes
	125	96		
FUJIYA CO., LTD.	49,039	47,728	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	No
	117	119		
Rock Field Co., Ltd.	66,932	65,837	To strengthen trade connections in the Food business and maintain a good relationship with this company. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	No
	106	113		

Issuer	FY2025	FY2024	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding, and reason for increase in shares	The Company's shares owned
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
SHOEI FOODS CORPORATION	24,482	24,482	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	No
	101	115		
FIRST BAKING CO., LTD.	142,000	142,000	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	No
	83	95		
McDonald's Holdings Company (Japan), Ltd.	12,444	12,197	To strengthen trade connections in the Food business and maintain a good relationship with this company. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	No
	71	83		
Sojitz Corporation	17,300	17,300	To strengthen trade connections in the Flour Milling business and Food business and maintain a good relationship with this company.	Yes
	56	68		
ROYAL HOLDINGS Co., Ltd.	21,228	21,228	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	No
	54	53		
TRIAL Holdings, Inc.	20,000	20,000	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	43	57		
ZENSHO HOLDINGS CO., LTD.	5,000	10,000	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	40	64		
MARUICHI CO., LTD.	32,838	91,151	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	36	112		
Towa Food Service CO., LTD.	16,000	16,000	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	No
	34	33		
RETAIL PARTNERS CO., LTD.	25,244	25,244	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	34	46		
OIE SANGYO Co., Ltd.	12,650	12,650	To strengthen trade connections in the Food business and maintain a good relationship with this company.	Yes
	24	21		
Yakiniku Sakai Holdings Inc.	338,800	338,800	To strengthen trade connections in the Flour Milling business and Food business and maintain a good relationship with this company.	No
	24	28		

Issuer	FY2025	FY2024	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding, and reason for increase in shares	The Company's shares owned
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
ARCS COMPANY, LIMITED	5,800	5,800	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	16	18		
TOHO Co., Ltd.	4,800	4,800	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	16	14		
Central Forest Group, Inc.	5,000	5,000	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	15	10		
Valor Holdings Co., Ltd.	6,336	6,336	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	15	15		
H2O RETAILING CORPORATION	6,600	–	To strengthen trade connections in the Food business and maintain a good relationship with this company. Note that the number of shares has increased due to a share exchange.	No
	14	–		
KOMEDA Holdings Co., Ltd.	5,000	5,000	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	14	13		
TEN ALLIED CO., LTD.	48,672	48,672	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	13	14		
KEY COFFEE INC.	6,000	6,000	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	12	12		
HIGASHIMARU CO., LTD.	10,000	10,000	To strengthen trade connections in the Flour Milling business and maintain a good relationship with this company.	No
	11	9		
LIFE CORPORATION	5,796	2,898	To strengthen trade connections in the Food business and maintain a good relationship with this company. Note that the number of shares has increased due to a share split.	No
	11	11		
YAMANAKA CO., LTD.	15,040	15,040	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	8	10		
FUJIO FOOD GROUP INC.	7,000	–	To strengthen trade connections in the Food business and maintain a good relationship with this company.	No
	8	–		

Issuer	FY2025	FY2024	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding, and reason for increase in shares	The Company's shares owned
	Number of shares (shares)	Number of shares (shares)		
	Carrying amount (Millions of yen)	Carrying amount (Millions of yen)		
KATO SANGYO CO., LTD.	—	54,503	There are no shares of this company held as of the last day of FY2025.	No
	—	249		
KANSAI FOOD MARKET LTD.	—	6,600	There are no shares of this company held as of the last day of FY2025.	No
	—	11		
NittoBest Corporation	—	13,200	There are no shares of this company held as of the last day of FY2025.	No
	—	11		

Notes: 1. Quantitative effects of shareholdings are not disclosed due to considerations to trade secrets, etc. between the Company and business partners. However, with regard to the rationality of shareholdings, the profitability and economic feasibility of the individual issues, such as their dividends and transaction volume, are examined with reference to certain management indicators, capital cost, etc. Furthermore, the Company's business strategies and business relationships are comprehensively taken into account in the examination of shareholding rationality.

2. Although the issuer does not hold the Company's shares, a subsidiary of the issuer holds some of such shares.

3. The symbol "—" indicates that no shares of the issuer are held.

Deemed shareholdings

Not applicable

(iii) Investment shares held solely for pure investment

Category	FY2025		FY2024	
	Number of issues (issuers)	Total carrying amount (Millions of yen)	Number of issues (issuers)	Total carrying amount (Millions of yen)
Unlisted stocks	17	180	18	258
Stocks other than unlisted stocks	7	12,566	8	10,455

Category	FY2025		
	Total amount of received dividends (Millions of yen)	Total gain/loss on sales (Millions of yen)	Total gain/loss on valuation (Millions of yen)
Unlisted stocks	5	—	—
Stocks other than unlisted stocks	470	6	11,242

(iv) During FY2025, there were no investment shares for which the Company changed the purpose of holding from "held solely for pure investment" to "held for purposes other than pure investment."

(v) Investment shares for which the Company changed the purpose of holding from “held for purposes other than pure investment” to “held solely for pure investment” during FY2025 or during the four fiscal years preceding FY2025

Issuer	Number of shares (shares)	Carrying amount (Millions of yen)	Fiscal year of change	Reason for change, and policy on holding or sale after change
Kyokuto Securities Co., Ltd.	434,000	631	FY2022	With an agreement reached with the issuer on the sale of its shares, the purpose of holding such shares was changed from cross-holding to pure investment. Following the change in purpose, the Company intends to proceed with the sale of those shares in stages, continuously paying attention to factors such as the financial balance and the levels of this company's dividends and share price.

Section 5 Financial Information

1. Method of preparing consolidated and non-consolidated financial statements

(1) The Company's consolidated financial statements are prepared in conformity with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976).

(2) The Company's non-consolidated financial statements are prepared in conformity with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Regulation No. 59 of 1963; hereinafter referred to as the "Regulation on Financial Statements").

Falling under the category of special companies submitting financial statements, the Company prepares its financial statements in accordance with the provisions of Article 127 of the Regulations on Financial Statements.

2. Audit certification

Pursuant to the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, the Company underwent audits conducted by Ernst & Young ShinNihon LLC on the consolidated and non-consolidated financial statements for the consolidated and non-consolidated fiscal year under review (April 1, 2024 to March 31, 2025).

3. Specific efforts to ensure fair presentation of consolidated financial statements, etc.

The Company has made specific efforts to ensure fair presentation of its consolidated financial statements, etc. Specifically, in an effort to organize a structure to ensure proper understanding of corporate accounting standards and accurate responses to any changes in such accounting standards, the Company has joined the Financial Accounting Standards Foundation, participates in educational opportunities provided by the Foundation, audit corporations, and other institutions, and subscribes to accounting journals.

1. Consolidated financial statements, etc.

(1) Consolidated financial statements

(i) Consolidated balance sheets

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	45,594	44,945
Notes and accounts receivable - trade and contract assets	60,556	58,128
Merchandise and finished goods	23,185	26,626
Work in process	123	109
Raw materials and supplies	20,760	22,687
Other	7,582	6,542
Allowance for doubtful accounts	(43)	(25)
Total current assets	157,759	159,014
Non-current assets		
Property, plant and equipment		
Buildings and structures	113,666	117,293
Accumulated depreciation	(66,282)	(68,755)
Buildings and structures, net	47,383	48,537
Machinery, equipment and vehicles	133,847	137,754
Accumulated depreciation	(111,681)	(114,655)
Machinery, equipment and vehicles, net	22,166	23,099
Land	45,694	45,862
Construction in progress	5,646	13,022
Other	15,250	16,213
Accumulated depreciation	(11,734)	(12,323)
Other, net	3,516	3,890
Total property, plant and equipment	124,407	134,412
Intangible assets	2,423	2,023
Investments and other assets		
Investment securities	90,618	85,530
Long-term loans receivable	121	4,401
Deferred tax assets	1,846	1,862
Net defined benefit asset	5,590	8,129
Other	4,208	4,124
Allowance for doubtful accounts	(296)	(271)
Total investments and other assets	102,088	103,775
Total non-current assets	228,919	240,210
Deferred assets	13	1
Total assets	386,692	399,226

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	33,786	34,279
Short-term loans payable	18,873	17,341
Current portion of bonds	128	—
Current portion of convertible bond-type bonds with share acquisition rights	—	25,002
Income taxes payable	7,513	3,998
Accrued expenses	9,139	9,154
Refund liabilities	7,543	7,794
Provision for bonuses	909	961
Other	6,510	5,876
Total current liabilities	84,403	104,407
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	25,020	—
Long-term loans payable	17,207	14,685
Deferred tax liabilities	22,468	24,744
Net defined benefit liability	3,808	3,641
Accrued retirement benefits for directors	379	361
Provision for share awards for directors (and other officers)	73	102
Other	5,045	4,798
Total non-current liabilities	74,002	48,334
Total liabilities	158,406	152,742
Net assets		
Shareholders' equity		
Capital stock	12,240	12,240
Capital surplus	9,762	9,758
Retained earnings	151,492	170,683
Treasury shares	(1,317)	(1,183)
Total shareholders' equity	172,177	191,499
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	46,122	41,317
Deferred gain (loss) on hedges	19	(23)
Foreign currency translation adjustment	3,131	5,148
Accumulated retirement benefits liability adjustments	2,663	4,199
Total accumulated other comprehensive income	51,937	50,641
Share acquisition rights	221	115
Non-controlling interests	3,948	4,227
Total net assets	228,285	246,484
Total liabilities and net assets	386,692	399,226

(ii) Consolidated statements of income and comprehensive income
(Consolidated statements of income)

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Net sales	400,514	410,878
Cost of sales	306,513	311,288
Gross profit	94,000	99,590
Selling, general and administrative expenses		
Freight, sales commission and other expenses	24,337	26,518
Salaries and allowances	24,090	25,313
Retirement benefit expenses	649	490
Depreciation	1,526	1,675
Other	23,055	24,105
Total selling, general and administrative expenses	73,659	78,103
Operating income	20,340	21,486
Non-operating income		
Interest income	113	379
Dividend income	2,089	2,353
Rent income on fixed assets	179	379
Equity in earnings of unconsolidated subsidiaries and associates	136	—
Foreign exchange gains	117	—
Other	698	408
Total non-operating income	3,335	3,520
Non-operating expenses		
Interest expenses	190	263
Rent cost on fixed assets	58	29
Foreign exchange losses	—	67
Equity in losses of unconsolidated subsidiaries and associates	—	85
Other	147	168
Total non-operating expenses	396	614
Ordinary income	23,280	24,393
Extraordinary income		
Gain on sales of fixed assets	49	8,692
Gain on sales of investment securities	13,504	4,707
Gain on sales of businesses	350	—
Other	9	—
Total extraordinary income	13,913	13,399
Extraordinary expenses		
Loss on sales and disposal of fixed assets	238	117
Impairment losses	25	695
Loss on sale of shares of subsidiaries and associates	245	—
Loss on valuation of investment securities	324	72
Loss on plant closures	129	—
Other	67	28
Total extraordinary expenses	1,030	913
Profit before income taxes	36,163	36,879
Income taxes - current	9,725	8,871
Income taxes - deferred	(203)	2,931
Total income taxes	9,522	11,802
Profit	26,641	25,077
Profit attributable to non-controlling interests	273	320
Profit attributable to owners of parent	26,367	24,757

(Consolidated statements of comprehensive income)

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Profit	26,641	25,077
Other comprehensive income (loss)		
Unrealized holding gain (loss) on securities	9,753	(4,814)
Deferred gain (loss) on hedges	39	(39)
Foreign currency translation adjustment	926	1,524
Retirement benefits liability adjustments	2,189	1,535
Share of other comprehensive income of entities accounted for using equity method	63	495
Total other comprehensive income (loss)	12,972	(1,298)
Comprehensive income	39,614	23,779
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	39,308	23,461
Comprehensive income attributable to non-controlling interests	305	318

(iii) Consolidated statements of changes in net assets
FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,240	9,693	128,965	(1,287)	149,612
Changes during period					
Dividends of surplus			(3,834)		(3,834)
Profit attributable to owners of parent			26,367		26,367
Change in scope of consolidation			(6)		(6)
Purchase of treasury shares				(448)	(448)
Disposal of treasury shares		50		417	467
Change in ownership interest of parent due to transactions with non-controlling interests		18			18
Net changes of items other than shareholders' equity					
Total changes during period	—	68	22,526	(30)	22,564
Balance at end of period	12,240	9,762	151,492	(1,317)	172,177

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Unrealized holding gain (loss) on securities	Deferred gain (loss) on hedges	Foreign currency translation adjustment	Accumulated retirement benefits liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of period	36,462	(23)	2,161	473	39,074	226	3,699	192,613
Changes during period								
Dividends of surplus								(3,834)
Profit attributable to owners of parent								26,367
Change in scope of consolidation								(6)
Purchase of treasury shares								(448)
Disposal of treasury shares								467
Change in ownership interest of parent due to transactions with non-controlling interests								18
Net changes of items other than shareholders' equity	9,659	43	970	2,189	12,862	(4)	249	13,107
Total changes during period	9,659	43	970	2,189	12,862	(4)	249	35,672
Balance at end of period	46,122	19	3,131	2,663	51,937	221	3,948	228,285

FY2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,240	9,762	151,492	(1,317)	172,177
Changes during period					
Dividends of surplus			(5,566)		(5,566)
Profit attributable to owners of parent			24,757		24,757
Change in scope of consolidation					—
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(4)		136	132
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes of items other than shareholders' equity					
Total changes during period	—	(4)	19,190	134	19,321
Balance at end of current period	12,240	9,758	170,683	(1,183)	191,499

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Unrealized holding gain (loss) on securities	Deferred gain (loss) on hedges	Foreign currency translation adjustment	Accumulated retirement benefits liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of current period	46,122	19	3,131	2,663	51,937	221	3,948	228,285
Changes during period								
Dividends of surplus								(5,566)
Profit attributable to owners of parent								24,757
Change in scope of consolidation								—
Purchase of treasury shares								(1)
Disposal of treasury shares								132
Change in ownership interest of parent due to transactions with non-controlling interests								—
Net changes of items other than shareholders' equity	(4,805)	(43)	2,016	1,535	(1,295)	(105)	278	(1,122)
Total changes during period	(4,805)	(43)	2,016	1,535	(1,295)	(105)	278	18,198
Balance at end of current period	41,317	(23)	5,148	4,199	50,641	115	4,227	246,484

(iv) Consolidated statements of cash flows

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Operating activities		
Profit before income taxes	36,163	36,879
Depreciation	10,314	10,894
Changes in net defined benefit asset and net defined benefit liability	(178)	(425)
Increase (decrease) in accrued retirement benefits for directors	(27)	(18)
Increase (decrease) in provision for share awards for directors (and other officers)	73	28
Increase (decrease) in allowance for doubtful accounts	(44)	(44)
Impairment losses	25	695
Interest and dividend income	(2,202)	(2,733)
Interest expenses	190	263
Loss (gain) on sales of investment securities	(13,506)	(4,735)
Loss (gain) on valuation of investment securities	324	72
Foreign exchange losses (gains)	(51)	24
Equity in (earnings) losses of unconsolidated subsidiaries and associates	(136)	85
Loss (gain) on sales of fixed assets	(22)	(8,682)
Loss (gain) on sales of businesses	(350)	—
Loss on disposal of fixed assets	220	123
Loss (gain) on sale of shares of subsidiaries and associates	245	—
Loss on plant closures	129	—
Decrease (increase) in notes and accounts receivable - trade	(6,284)	2,698
Decrease (increase) in inventories	3,611	(5,192)
Increase (decrease) in notes and accounts payable - trade	(3,068)	212
Increase (decrease) in accrued consumption taxes	(148)	(1,406)
Decrease (increase) in other receivables	(668)	(471)
Increase (decrease) in other payables	2,120	213
Other	124	96
Subtotal	26,852	28,579
Interest and dividend income received	2,227	2,742
Interest expenses paid	(189)	(261)
Income taxes paid	(4,868)	(12,291)
Net cash provided by (used in) operating activities	24,022	18,768

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Investing activities		
Decrease (increase) in time deposits	(959)	1,931
Purchase of fixed assets	(21,157)	(20,154)
Proceeds from sale of fixed assets	409	8,506
Purchase of securities	(3,030)	(4,030)
Proceeds from sale and redemption of securities	1,016	6,342
Purchase of investment securities	(157)	(1,207)
Proceeds from sale and redemption of investment securities	16,275	5,183
Purchase of shares of subsidiaries and associates	(3,506)	—
Proceeds from sale of shares of subsidiaries and associates	979	—
Proceeds from sale of businesses	350	—
Payments of loans receivable	(98)	(4,447)
Collection of loans receivable	13	18
Decrease (increase) in other investments	375	51
Net cash provided by (used in) investing activities	(9,489)	(7,807)
Financing activities		
Net increase (decrease) in short-term loans payable	736	(834)
Proceeds from long-term loans payable	300	278
Repayments of long-term loans payable	(3,891)	(3,495)
Redemption of bonds	(221)	(128)
Purchase of treasury shares	(448)	(1)
Proceeds from sale of treasury shares	446	26
Cash dividends paid	(3,834)	(5,566)
Dividends paid to non-controlling interests	(37)	(39)
Repayments of finance lease obligations	(292)	(772)
Other	0	—
Net cash provided by (used in) financing activities	(7,241)	(10,533)
Effect of exchange rate changes on cash and cash equivalents	293	315
Net increase (decrease) in cash and cash equivalents	7,584	743
Cash and cash equivalents at beginning of period	33,157	40,728
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(13)	—
Cash and cash equivalents at end of period	40,728	41,471

Notes to consolidated financial statements

(Basis of preparation of the consolidated financial statements)

1. Scope of consolidation

(1) Number and names of consolidated subsidiaries

40 companies

Names of major consolidated subsidiaries:

Matsuya Flour Mills Co., Ltd., NIPPON SHOJI Co., Ltd., NIPPON SHOJI CORPORATION, SUZUKI Co., Ltd., Marushichi Co., Ltd., OHMY Co., Ltd., Nippon Rich Co., Ltd., Fast Foods Co., Ltd., OK Food Industry Co., Ltd., NAGANO TOMATO Co., Ltd., NIPPON Donut Co., Ltd., NPF Japan Co., Ltd., NIPPON ENGINEERING CO., Ltd., and Pasta Montana, L.L.C.

In the current fiscal year, NIPPON Vietnam Company Limited was included in the scope of consolidation due to its corporate establishment, and one company was excluded therefrom due to a merger.

(2) Names of major unconsolidated subsidiaries:

NIPPON Logistics Co., Ltd. and Chiba Grain Center Co., Ltd.

(Reasons for exclusion of unconsolidated subsidiaries from the scope of consolidation)

Each of the 18 unconsolidated subsidiaries is small in scale and their total assets, sales, net profit or loss (amount corresponding to the equity interest), retained earnings (amount corresponding to the equity interest), and other items do not have a material effect on the consolidated financial statements.

2. Application of the equity method

(1) Number of unconsolidated subsidiaries and associates accounted for using the equity method

13 companies (of which six are unconsolidated subsidiaries and seven are associates)

Names of major equity method companies

NIPPON Logistics Co., Ltd.

In the current fiscal year, one company was excluded from the scope of application of the equity method due to the completion of its liquidation.

(2) Names of major unconsolidated subsidiaries and associates not accounted for using the equity method

Isesaki Foodworks Co., Ltd.

(Reasons for not applying the equity method)

There are 12 unconsolidated subsidiaries and 13 associates not accounted for using the equity method. They are not included in the scope of application of the equity method because they have only a minor effect on net profit or loss (amount corresponding to the equity interest), retained earnings (amount corresponding to the equity interest), and other items, and have no significance as a whole, either.

3. Fiscal year end of consolidated subsidiaries

The consolidated subsidiaries whose balance sheet date is different from the consolidated balance sheet date are as follows.

Company name	Balance sheet date	
Pasta Montana, L.L.C. and nine other companies	December 31	(Note)

Note: The financial statements of each consolidated subsidiary as of the balance sheet date have been used. However, necessary adjustments for consolidation have been made for significant transactions that occurred between the balance sheet date of these subsidiaries and the consolidated financial statements date.

4. Significant accounting policies

(1) Valuation bases and methods for significant assets

(i) Securities

Other securities

Securities other than shares, etc. that do not have market prices

Stated at fair value (unrealized gain or loss is included as a separate component of net assets, and the cost of securities sold is determined based on the moving-average method).

Shares, etc. that do not have market prices

Stated at cost using the moving-average method.

(ii) Derivatives

Derivatives financial instruments are stated at fair value.

(iii) Inventories

Merchandise and finished goods

The Company and domestic consolidated subsidiaries mainly adopt the cost method based on the (monthly) gross average method (carrying amounts in the balance sheet are subject to the book value reduction method based on decreased profitability), and foreign consolidated subsidiaries mainly adopt the lower of cost or market value method, with cost determined by the first-in first-out method.

Raw materials and supplies

For raw materials on an immediate sale basis, the Company and domestic consolidated subsidiaries mainly adopt the first-in first-out cost method (carrying amounts in the balance sheet are subject to the book value reduction method based on decreased profitability). For other raw materials and supplies, they mainly adopt the cost method based on the (monthly) gross average method (carrying amounts in the balance sheet are subject to the book value reduction method based on decreased profitability). Foreign consolidated subsidiaries mainly adopt the lower of cost or market value method, with cost

determined by the first-in first-out method.

- (2) Depreciation and amortization methods for major depreciable and amortizable assets
- (i) Property, plant and equipment (excluding leased assets)
- The Company and domestic consolidated subsidiaries mainly adopt the declining-balance method. However, they adopt the straight-line method for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016. Foreign consolidated subsidiaries mainly adopt the straight-line method.
- The estimated useful lives of major items are as follows.
- | | |
|-----------------------------------|---------------|
| Buildings and structures | 3 to 50 years |
| Machinery, equipment and vehicles | 4 to 12 years |
- (ii) Intangible assets (excluding leased assets)
- The straight-line method is applied.
- Software for internal use is amortized based on the estimated useful life as internally determined (five years).
- (iii) Leased assets
- The straight-line method is applied on the assumption that the useful life equals the lease term and the residual value is zero.
- (3) Accounting policy for significant provisions
- (i) Allowance for doubtful accounts
- In preparation for losses from bad debts, the Company and domestic consolidated subsidiaries provide estimates of irrecoverable amounts based on historical loan loss ratios for general receivables, or based on the recoverability of individual receivables for specific accounts receivable such as doubtful accounts.
- (ii) Provision for bonuses
- To prepare for the payment of bonuses to employees, the amount is provided based on the expected amount to be paid.
- (iii) Accrued retirement benefits for directors
- To provide for the payment of Directors' retirement benefits, the Company and domestic consolidated subsidiaries reserve the amount required as of the end of the current fiscal year based on their internal regulations.
- (iv) Provision for share awards for directors (and other officers)
- To provide for the delivery of the Company's shares through the Board Benefit Trust, the Company reserves the estimated monetary amount corresponding to the number of shares to be delivered on the basis of the points granted to officers in accordance with internal regulations.
- (4) Accounting methods for retirement benefits
- (i) Method of attributing expected retirement benefits to periods
- In calculating retirement benefit obligations, the benefit formula basis is used as the method for attributing the expected retirement benefit to the applicable period up to the end of the current fiscal year.
- (ii) Amortization method for actuarial gain or loss
- Actuarial gain or loss is amortized using the straight-line method over a fixed period (principally ten years), which is within the average remaining service period of employees as of the consolidated fiscal year in which such gain or loss arises, with amortization starting from the consolidated fiscal year following the one in which the gain or loss arises.
- (5) Accounting policy for reporting significant earnings and expenses
- The Group's core businesses are the Flour Milling business and the Food business. The Group sells to customers finished goods and merchandise (such as wheat flour and premixes) manufactured by the Group. Revenue from the sale of such finished goods and merchandise is recognized when they are delivered to customers.
- In addition, revenue is measured at the amount of consideration promised in contracts with customers less sales incentives, etc.
- (6) Significant hedge accounting method
- (i) Hedge accounting method
- Deferred hedge accounting is applied. Interest rate swaps that satisfy certain requirements are accounted for by special treatment.
- (ii) Hedging instruments and hedged items
- Hedging instruments: interest rate swaps and forward exchange contracts
 - Hedged items: loans payable, receivables and payables denominated in foreign currencies, or expected transactions denominated in foreign currencies
- (iii) Hedging policy
- For interest rate-related transactions, hedges are entered into solely to avoid risks arising from possible interest rate changes in the future. For currency-related transactions, forward exchange contracts are used to hedge risks arising from possible fluctuations of foreign exchange rates on transactions denominated in foreign currencies.
- (iv) Assessment of hedge effectiveness
- The hedge effectiveness of interest rate swaps is assessed by comparing the accumulated cash flow changes of the hedged items and the accumulated cash flow changes of the hedging instruments. However, the assessment of hedge effectiveness is omitted for interest rate swaps which are subject to special treatment. For forward foreign exchange contracts, the evaluation of hedge effectiveness is omitted as such exchange contracts and their hedged items or scheduled transactions share the same material conditions, and it is assumed in advance that market fluctuations or cash flow changes are offset at the time of commencement of hedging and thereafter.

(7) Method and period for amortization of goodwill

Goodwill is amortized by the straight-line method over a period of five to ten years.

(8) Scope of cash and cash equivalents in consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows consist of cash on hand, demand deposits, and short-term investments which have a maturity of three months or less from the time of acquisition, which can easily be converted into cash, and also which are subject to little risk of change in value.

(9) Method for processing deferred assets

Bond issuance cost is amortized by the straight-line method across the period from the date of issuance until the date of redemption.

(Significant accounting estimates)

FY2024 (From April 1, 2023 to March 31, 2024)

(Evaluation of investments in and financing to subsidiaries and associates)

1. Amounts recorded in the consolidated financial statements for the current fiscal year

The Group acquired 25% of the shares of Utah Flour Milling, LLC for ¥3,402 million and included this company in the scope of application of the equity method for the current fiscal year. The balance of goodwill included in the amount of investment in the said company accounted for using the equity method and the amortization period of goodwill at the end of the fiscal year are as follows:

Amount of goodwill: ¥2,526 million (amortization period: 10 years)

2. Other information that contributes to the understanding of the users of the financial statements

The Company determined that it was unnecessary to recognize impairment on the amount of goodwill, based on estimated future cash flows with reference to the business plan.

(1) Calculation method for amounts recorded in the consolidated financial statements for the current fiscal year

The amount of goodwill is a difference between the amount of investment and net assets at fair value corresponding to the investment. An amortization period of goodwill is determined based on the business plan.

(2) Significant assumptions

Significant assumptions in the business plan included trends in the market to which the relevant company accounted for using the equity method belonged, the sales volume and sales margins of wheat flour based on sales contracts with major customers, capital investment, and interests on loans payable.

(3) Impact on the consolidated financial statements for the next fiscal year

Changes in those significant assumptions might cause actual results to deviate substantially from the business plan. In such a case, the amount of goodwill might indicate impairment, and an impairment loss might be recognized.

FY2025 (From April 1, 2024 to March 31, 2025)

Not applicable

(Accounting standards not yet applied)

- Accounting Standard for Leases (ASBJ Statement No. 34 of September 13, 2024, the Accounting Standards Board of Japan)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33 of September 13, 2024, the Accounting Standards Board of Japan) etc.

(1) Overview

As part of efforts by the Accounting Standards Board of Japan (ASBJ) to align Japanese standards with international standards, deliberations were held, based on international accounting standards, on the development of accounting standards for leases that would require lessees to recognize assets and liabilities for all leases. As a basic policy, while the standards were to be based on the single accounting model of IFRS 16, only the principal provisions of IFRS 16 were to be incorporated rather than all of its provisions. On this basis, with the aim of creating simple and highly convenient accounting standards that would, in principle, require no modifications even in the case of applying the provisions of IFRS 16 to individual financial statements, the Accounting Standard for Leases and its guidance, etc. were published.

In the lessee's accounting treatment, the method of expense allocation for the lessee's leases is, as provided under IFRS 16, subject to a single accounting model in which, regardless of whether the leases are finance leases or operating leases, depreciation expenses related to the right-of-use assets and interest equivalents related to the lease liabilities are required to be recorded for all leases.

(2) Scheduled commencement date of application

The new accounting standards, etc. will be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Effects of the accounting standards upon application

The impact of the application of the Accounting Standard for Leases, etc. on consolidated financial statements in terms of amount is currently under evaluation.

(Additional information)

(Performance-linked stock compensation plan for Directors)

The Company has introduced a performance-linked stock compensation plan known as the Board Benefit Trust (BBT) (hereinafter referred to as the "Plan") for Directors (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors; the same applies hereinafter in this item) of the Company.

1. Overview of the transaction

The Plan is a performance-linked stock compensation plan. The Company's shares are acquired through a trust (the trust established under the Plan is hereinafter referred to as the "Trust") with money contributed by the Company as a source of funds, and the Company's shares and money equivalent to its shares converted at market value (hereinafter referred to as "Company Shares, etc.") are delivered to Directors through the Trust in accordance with the Regulations on Directors' Stock Benefits established by the Company. In principle, Directors will receive Company Shares, etc. at the time of their retirement.

2. Company's own shares remaining in the trust

The Company's shares remaining in the trust are recorded as "Treasury shares" under "Net assets" based on the book value of the trust (excluding the amount of incidental expenses). The book value and number of such treasury shares at the end of the previous and current fiscal years were 446 million and 240,000 shares and ¥420 million and 225,900 shares, respectively.

3. Book value of loans payable recorded due to the application of the gross price method

Not applicable

(Consolidated balance sheets)

*1. Investment securities in relation to unconsolidated subsidiaries and associates are as follows.

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Investment securities	8,148	8,468

*2. The amounts of receivables from contracts with customers and contract assets included in “Notes and accounts receivable - trade” and “Contract assets” are as follows.

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Notes receivable - trade	1,398	691
Accounts receivable - trade	58,839	56,948
Contract assets	318	489
Total	60,556	58,128

*3. The accumulated reduction entry amount deducted from the acquisition cost of property, plant and equipment due to the acceptance of government subsidies and other funds are as follows.

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
	852	852

*4. Assets pledged as collateral
(1) Assets pledged as collateral

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Buildings and structures	734	657
Machinery and equipment	39	0
Land	947	947
Property, plant and equipment (other)	0	0
Investment securities	216	200
Total	1,937	1,806

(2) Liabilities corresponding to assets pledged as collateral

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Short-term loans payable	1,300	1,500
Long-term loans payable (including current portion)	302	272
Notes and accounts payable - trade	730	695
Total	2,332	2,468

*5. The amounts of contract liabilities included in “Other current liabilities” are as follows.

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Contract liabilities	301	751

6. The Company has provided guarantees for the borrowings of its employees and others as follows.

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Employees	3	2

Subsidiaries and associates	37	28
Total	41	30

(Consolidated statements of income)

*1. The amounts of revenue from contracts with customers and revenue from other sources are provided in the notes to “Segment information, etc.” in the consolidated financial statements.

*2. Research and development expenses included in general and administrative expenses are as follows.

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
	3,606	3,647

*3. Gain on sales of fixed assets is primarily gains on the sale of land, etc.

*4. Loss on sales and disposal of fixed assets is losses attributable to the disposal or sale of machinery, equipment, etc.

*5. Impairment losses

Impairment losses have been recorded for the following assets.

FY2024 (From April 1, 2023 to March 31, 2024)

Location	Intended use	Type of assets
Oyama City, Tochigi	Business assets	Buildings, etc.

In assessing the possibility of impairment, the Group categorized its assets into business assets that were grouped by branches and factories and based on certain regions, etc. according to mutual complementarity in cash flows, an asset group for common use, leased assets, and idle assets. The book value of some of the above-mentioned asset group was reduced to a recoverable amount. The amount recorded as an impairment loss was ¥25 million.

Although the recoverable amount was measured at value in use, it is stated as zero, as no future cash flow was expected.

FY2025 (From April 1, 2024 to March 31, 2025)

Location	Intended use	Type of assets
Indonesia	Business assets	Other (property, plant and equipment), etc.

In assessing the possibility of impairment, the Group categorized its assets into business assets that were grouped by branches and factories and based on certain regions, etc. according to mutual complementarity in cash flows, an asset group for common use, leased assets, and idle assets. The book value of some of the abovementioned asset group has been reduced to a recoverable amount. The amount recorded as an impairment loss is ¥687 million.

The recoverable amount is measured at value in use, and a discount rate of 13.38% is applied.

Location	Intended use	Type of assets
Tachikawa City, Tokyo	Business assets	Buildings, etc.

The book value of the above-mentioned assets has been reduced to a recoverable amount. The amount recorded as an impairment loss is ¥7 million.

Although the recoverable amount is measured at value in use, it is stated as zero, as no future cash flow is expected.

*6. Loss on plant closures

FY2024 (From April 1, 2023 to March 31, 2024)

This was a loss associated with the closure of Osaka Mill of the Company. The breakdown is as follows.

Details	Amount (Millions of yen)
Loss relating to impairment losses	63
Other miscellaneous expenses (equipment removal costs, etc.)	65
Total	129

Details of the impairment loss are as follows.

Location	Intended use	Type of assets
Osaka City, Osaka	Business assets	Machinery and equipment, etc.

For the abovementioned asset groups, the book value of relevant assets was reduced to a recoverable amount following the decision to close the mill.

The recoverable amount is stated as zero, with no future cash flow expected because the impairment loss was attributable to the closure of the mill.

(Consolidated statements of comprehensive income)

*1. Reclassification adjustments, income taxes, and tax effects relating to other comprehensive income

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Unrealized holding gain (loss) on securities:		
Amount arising during the year	27,315	(1,430)
Reclassification adjustments	(13,262)	(4,721)
Before income taxes and tax effect adjustments	14,052	(6,151)
Income taxes and tax effects	(4,299)	1,337
Unrealized holding gain (loss) on securities	9,753	(4,814)
Deferred gain (loss) on hedges:		
Amount arising during the year	229	(55)
Reclassification adjustments	(172)	(2)
Before income taxes and tax effect adjustments	57	(57)
Income taxes and tax effects	(17)	17
Deferred gain (loss) on hedges	39	(39)
Foreign currency translation adjustment:		
Amount arising during the year	926	1,524
Retirement benefits liability adjustments:		
Amount arising during the year	3,139	2,472
Reclassification adjustments	(39)	(273)
Before income taxes and tax effect adjustments	3,100	2,198
Income taxes and tax effects	(910)	(662)
Retirement benefits liability adjustments	2,189	1,535
Share of other comprehensive income of entities accounted for using equity method:		
Amount arising during the year	63	495
Total other comprehensive income (loss)	12,972	(1,298)

(Consolidated statements of changes in net assets)

FY2024 (From April 1, 2023 to March 31, 2024)

1. Class and total number of issued shares and treasury shares

	Number of shares as of April 1, 2023	Increase in number of shares during fiscal year	Decrease in number of shares during fiscal year	Number of shares as of March 31, 2024
Issued shares				
Common stock	78,824	—	—	78,824
Treasury shares				
Common stock (Notes 1, 2, and 3)	860	240	253	848

Notes: 1. The number of treasury shares as of March 31, 2024, includes the Company's shares of 240 thousand shares held by Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust, which was established for the purpose of stock compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors) of the Company.

2. The increase in the number of treasury shares of common stock was due to the acquisition of 240 thousand treasury shares by the trust and the purchase of shares less than one unit in the volume of 0 thousand shares.

3. The decrease in the number of treasury shares of common stock was due to the payout of 240 thousand treasury shares by the trust, the disposal of 13 thousand shares through the exercise of stock options, and the sale of shares less than one unit in the volume of 0 thousand shares.

2. Share acquisition rights and treasury share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares to be issued upon exercise of share acquisition rights	Number of shares to be issued upon exercise of share acquisition rights (shares)				Balance as of March 31, 2024 (Millions of yen)
			As of April 1, 2023	Increase	Decrease	As of March 31, 2024	
Reporting company (parent company)	Euro-yen denominated convertible bond-type bonds with share acquisition rights due 2025	Common stock	11,021,955	71,406	—	11,093,361	— (Note)
	Share acquisition rights as stock options	—	—	—	—	—	221
Total		—	—	—	—	—	221

Note: The lump-sum method is used for the convertible bond-type bonds with share acquisition rights.

3. Dividends

(1) Cash dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (yen)	Record date	Effective date
Annual Shareholders Meeting held on June 29, 2023	Common stock	1,640	21.0	March 31, 2023	June 30, 2023
Board of Directors meeting held on November 7, 2023	Common stock	2,194	28.0	September 30, 2023	December 4, 2023

Note: The total amount of dividends based on a resolution of the Board of Directors meeting held on November 7, 2023, includes dividends of ¥6 million on the Company's shares held by the Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust (BBT).

(2) Dividends for which the record date was in the fiscal year but whose effective date was in the following fiscal year

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividends per share (yen)	Record date	Effective date
Annual Shareholders Meeting held on June 27, 2024	Common stock	2,977	Retained earnings	38.0	March 31, 2024	June 28, 2024

Note: The total amount of dividends includes dividends of ¥9 million on the Company's shares held by the Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust (BBT).

FY2025 (From April 1, 2024 to March 31, 2025)

1. Class and total number of issued shares and treasury shares

	Number of shares as of April 1, 2023	Increase in number of shares during fiscal year	Decrease in number of shares during fiscal year	Number of shares as of March 31, 2024
Issued shares				
Common stock	78,824	—	—	78,824
Treasury shares				
Common stock (Notes 1, 2, and 3)	848	0	80	767

Notes: 1. The number of treasury shares as of March 31, 2025, includes the Company's shares of 225 thousand shares held by the Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust, which was established for the purpose of stock compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors) of the Company.

2. The increase in the number of treasury shares of common stock is due to the purchase of shares less than one unit in the volume of 0 thousand shares.

3. The decrease in the number of treasury shares of common stock is due to the payout of 14 thousand treasury shares by the trust and the disposal of 66 thousand shares through the exercise of stock options.

2. Share acquisition rights and treasury share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares to be issued upon exercise of share acquisition rights	Number of shares to be issued upon exercise of share acquisition rights (shares)				Balance as of March 31, 2024 (Millions of yen)
			As of April 1, 2023	Increase	Decrease	As of March 31, 2024	
Reporting company (parent company)	Euro-yen denominated convertible bond-type bonds with share acquisition rights due 2025	Common stock	11,093,361	198,929 (Note 1)	—	11,292,290	— (Note 2)
	Share acquisition rights as stock options	—	—	—	—	—	115
Total		—	—	—	—	—	115

Notes 1. The increase in the Euro Yen-denominated convertible bonds with share subscription rights due 2025 is due to the adjustment of the conversion price.

2. The lump-sum method is used for the convertible bond-type bonds with share acquisition rights.

3. Dividends

(1) Cash dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (yen)	Record date	Effective date
Annual Shareholders Meeting held on June 27, 2024	Common stock	2,977	38.0	March 31, 2024	June 28, 2024
Board of Directors meeting held on November 7, 2024	Common stock	2,588	33.0	September 30, 2024	December 3, 2024

Note: The total amount of dividends based on a resolution of the Annual Shareholders Meeting held on June 27, 2024, and a resolution of the Board of Directors meeting held on November 7, 2024, includes dividends of ¥9 million and ¥7 million, respectively, on the Company's shares held by the Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust (BBT).

(2) Dividends for which the record date was in the fiscal year but whose effective date was in the following fiscal year

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividends per share (yen)	Record date	Effective date
Annual Shareholders Meeting held on June 27, 2025	Common stock	2,588	Retained earnings	33.0	March 31, 2025	June 30, 2025

Note: The total amount of dividends includes dividends of ¥7 million on the Company's shares held by the Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the Board Benefit Trust (BBT).

(Consolidated statements of cash flows)

*1. Cash and cash equivalents as of the year end are reconciled to the accounts reported in the consolidated balance sheets as follows.

	(Millions of yen)	
	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Cash and deposits	45,594	44,945
Time deposits with maturities over three months	(4,866)	(3,473)
Cash and cash equivalents	40,728	41,471

(Lease transactions)

(Lessee)

1. Finance leases transactions

Finance lease transactions in which ownership is not transferred

(1) Details of leased assets

Property, plant and equipment

Principally production facilities (machinery, equipment and vehicles) and others in the Food business

(2) Depreciation method for leased assets

The depreciation method for leased assets is as described in “4. Significant accounting policies, (2) Depreciation and amortization methods for major depreciable and amortizable assets” under the Basis of preparation of the consolidated financial statements above.

2. Operating lease transactions

Future lease payments for non-cancelable operating lease transactions

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Due within one year	208	170
Due after one year	955	799
Total	1,164	970

(Lessor)

1. Operating lease transactions

Future lease payments for non-cancelable operating lease transactions

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Due within one year	600	527
Due after one year	3,797	3,764
Total	4,397	4,292

(Financial instruments)

1. Conditions of financial instruments

(1) Policy for financial instruments

The Group limits its fund management activities to short-term deposits and other activities, and procures funds through bank loans and the issuance of corporate bonds. It conducts derivative transactions only for the purpose of hedging risks as described below within the scope of actual demand, and no speculative or high risk transactions are allowed in principle.

(2) Details and risks of financial instruments and risk management system

Notes and accounts receivable - trade and contract assets, which are operating receivables, are exposed to customer credit risk. The Group reduces the risk by performing credit research into primary trading partners, controlling the maturity dates of receivables of each customer, and preparing reports on the balance for each customer.

Investment securities are primarily shares in companies with which the Group has business relationships, and of which listed shares are exposed to market price fluctuation risk. Consequently, the market values of the listed shares are monitored on a quarterly basis.

Most notes and accounts payable - trade, which are operating debts, are due within one year.

Among loans payable, short-term loans are mainly operating funds, and long-term loans are mainly for procuring funds relating to capital investments. Though loans are exposed to interest rate fluctuation risk, the Group may enter into derivative transactions (interest rate swap transactions) as necessary to hedge that risk.

Bonds payable are issued for the purpose of procuring funds for repayment of loans and operating funds.

Convertible bond-type bonds with share acquisition rights are issued for the purpose of procuring funds for business investments and the acquisition of treasury shares.

Derivative transactions are comprised of forward exchange contracts with the purpose to hedge exchange rate fluctuation risk in respect of foreign currency denominated operating receivables and operating payables, as well as interest rate swaps transactions with the purpose to hedge fluctuation risk in interest rates on loans payable. Hedging instruments, hedged items, hedging policy, assessment of hedge effectiveness, and other matters relating to hedge accounting are described in "4. Significant accounting policies (6) Significant hedge accounting method" above.

Derivative transactions are executed and controlled by internal rules for transaction authorization. In order to reduce credit risk, the counterparties to these derivative transactions are limited to major financial institutions with high credit ratings.

Operating payables and loans payable are exposed to liquidity risk. The Group manages the risk by each member company's preparing a monthly plan for raising funds and other methods.

(3) Supplementary explanation on the fair values of financial instruments

The notional amounts of derivatives in "2. Fair values of financial instruments," in themselves, do not reflect the market risk relating to the derivative transactions.

2. Fair values of financial instruments

Carrying amounts, fair values, and their differences are as shown in the following table. The amounts shown in the following tables do not include shares, etc. that do not have market prices (see Note 3 below).

FY2024 (As of March 31, 2024)

(Millions of yen)

	Carrying amount *	Fair value*	Difference
(1) Investment securities	78,464	78,464	—
(2) Bonds payable (including current portion of bonds payable)	(128)	(127)	0
(3) Convertible bond-type bonds with share acquisition rights	(25,020)	(27,937)	(2,917)
(4) Long-term loans payable (including current portion of long-term loans payable)	(20,638)	(20,361)	277
(5) Derivatives	47	47	—

* Liabilities are presented in parentheses.

FY2025 (As of March 31, 2025)

(Millions of yen)

	Carrying amount *	Fair value*	Difference
(1) Investment securities	73,117	73,117	—
(2) Current portion of convertible bond-type bonds with share acquisition rights	(25,002)	(25,702)	(700)
(3) Long-term loans payable (including current portion of long-term loans payable)	(17,420)	(17,008)	411
(4) Derivatives	(34)	(34)	—

* Liabilities are presented in parentheses.

Note 1: Descriptions for “Cash and deposits,” “Notes and accounts receivable - trade and contract assets,” “Notes and accounts payable - trade,” and “Short-term loans payable (excluding current portion of long-term loans payable)” have been omitted because they are settled in a short period and, accordingly, their carrying amounts approximate their fair values.

Note 2: The amounts of receivables and payables accrued from derivative transactions are presented on a net basis, and items that are liabilities on a net basis when totaled are presented in parentheses.

Note 3: Shares, etc. that do not have market prices are not included in “(1) Investment securities.” The carrying amounts for those financial instruments are as follows.

(Millions of yen)

Category	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Unlisted stocks and others	12,085	12,329

Note 4: Investments in partnerships and equivalent business structures for which the equity interest is recorded on a net basis in the consolidated balance sheets are not included in the above table. The carrying amounts of those investments are as follows.

(Millions of yen)

Category	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Investments in investment partnerships	68	83

Note 5: Redemption schedule for monetary receivables and securities with maturities after the consolidated balance sheet date
FY2024 (As of March 31, 2024)

(Millions of yen)

	Within one year	Over one year and within five years	Over five years and within ten years	Over ten years
Deposits	45,276	—	—	—
Notes and accounts receivable - trade and contract assets	60,556	—	—	—
Securities and investment securities				
Other securities with maturities				
(1) Bonds (corporate bonds)	200	30	121	60
(2) Other	2,120	209	83	147
Total	108,153	239	205	207

FY2025 (As of March 31, 2025)

(Millions of yen)

	Within one year	Over one year and within five years	Over five years and within ten years	Over ten years
Deposits	44,704	—	—	—
Notes and accounts receivable - trade and contract assets	58,128	—	—	—
Securities and investment securities				
Other securities with maturities				
(1) Bonds (corporate bonds)	0	30	183	60
(2) Other	—	94	81	268
Total	102,833	124	265	328

Note 6: Repayment schedule for short-term loans payable, bonds payable, convertible bond-type bonds with share acquisition rights, and long-term loans payable after the consolidated balance sheet date
FY2024 (As of March 31, 2024)

		(Millions of yen)				
	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years	Over five years
Short-term loans payable	15,441	—	—	—	—	—
Bonds payable	128	—	—	—	—	—
Convertible bond-type bonds with share acquisition rights	—	25,000	—	—	—	—
Long-term loans payable	3,431	3,732	888	10,624	866	1,095
Total	19,001	28,732	888	10,624	866	1,095

FY2025 (As of March 31, 2025)

		(Millions of yen)				
	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years	Over five years
Short-term loans payable	14,606	—	—	—	—	—
Bonds payable	—	—	—	—	—	—
Current portion of convertible bond-type bonds with share acquisition rights	25,002	—	—	—	—	—
Long-term loans payable	2,734	2,023	11,147	832	383	299
Total	42,343	2,023	11,147	832	383	299

3. Information on fair value by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are subject to measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs that are significant to fair value measurement are used, the fair value is categorized in its entirety at the level of the lowest-priority input that is significant to the entire measurement.

(1) Financial instruments measured at fair value in the consolidated balance sheets
FY2024 (As of March 31, 2024)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stocks	77,497	—	—	77,497
Bonds	—	169	—	169
Other current assets	—	798	—	798
Total assets	77,497	967	—	78,464
Derivatives				
Currency-related transactions	—	47	—	47
Total liabilities	—	47	—	47

FY2025 (As of March 31, 2025)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stocks	71,628	—	—	71,628
Bonds	—	598	—	598
Other current assets	—	890	—	890
Total assets	71,628	1,488	—	73,117
Derivatives				
Currency-related transactions	—	(34)	—	(34)
Total liabilities	—	(34)	—	(34)

(2) Financial instruments other than those measured at fair value in the consolidated balance sheets
FY2024 (As of March 31, 2024)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Bonds payable (including current portion of bonds payable)	—	127	—	127
Convertible bond-type bonds with share acquisition rights	27,937	—	—	27,937
Long-term loans payable (including current portion of long-term loans payable)	—	20,361	—	20,361
Total liabilities	27,937	20,488	—	48,426

FY2025 (As of March 31, 2025)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Bonds payable (including current portion of bonds payable)	—	—	—	—
Current portion of convertible bond-type bonds with share acquisition rights	25,702	—	—	25,702
Long-term loans payable (including current portion of long-term loans payable)	—	17,008	—	17,008
Total liabilities	25,702	17,008	—	42,710

Note: Descriptions of the valuation techniques and inputs used in the fair value measurement:

Investment securities

As the fair value of stocks is calculated on the basis of prices on stock exchanges, their fair value is classified as Level 1.

As the fair value of investment securities other than stocks is calculated on the basis of prices obtained from financial institutions, their fair value is classified as Level 2.

Derivatives

As the fair value of derivatives is calculated on the basis of prices obtained from financial institutions, their fair value is classified as Level 2.

Bonds payable

As the fair value of bonds payable is calculated by discounting the total amount of principal and interest at a rate that reflects the remaining periods of the bonds and their credit risk, their fair value is classified as Level 2.

Convertible bond-type bonds with share acquisition rights, and the current portion of convertible bond-type bonds with share acquisition rights

As the fair value of those convertible bond-type bonds with share acquisition rights is calculated at their market prices, their fair value is classified as Level 1.

Long-term loans payable

The fair value of long-term loans payable is calculated by discounting the total amount of principal and interest at an interest rate that would apply if the same loan were newly taken out. In addition, among long-term loans payable with variable interest rates, the fair value of those that qualify for special treatment concerning interest rate swaps is calculated by discounting the total amount of principal and interest together with interest rate swaps at a reasonably estimated interest rate that would apply if the same loan were newly taken out. Therefore, their fair value is classified as Level 2.

(Securities)

1. Other securities

FY2024 (As of March 31, 2024)

(Millions of yen)

	Type	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	(1) Stocks	77,003	10,548	66,454
	(2) Bonds	109	102	7
	(3) Other	665	532	133
	Subtotal	77,778	11,183	66,595
Securities whose carrying amount does not exceed their acquisition cost	(1) Stocks	494	504	(10)
	(2) Bonds	259	260	(0)
	(3) Other	2,253	2,266	(13)
	Subtotal	3,006	3,030	(24)
Total		80,785	14,214	66,571

Note: Shares, etc. that did not have market prices (carrying amount: ¥3,936 million), and investments in partnerships, etc. for which the equity interest was recorded on a net basis in the consolidated balance sheets (carrying amount: ¥68 million), are not included in the above table "Other securities."

FY2025 (As of March 31, 2025)

(Millions of yen)

	Type	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	(1) Stocks	71,150	10,720	60,430
	(2) Bonds	64	57	6
	(3) Other	434	333	100
	Subtotal	71,649	11,111	60,537
Securities whose carrying amount does not exceed their acquisition cost	(1) Stocks	478	545	(67)
	(2) Bonds	533	548	(14)
	(3) Other	456	492	(36)
	Subtotal	1,467	1,586	(118)
Total		73,117	12,698	60,419

Note: Shares, etc. that do not have market prices (carrying amount: ¥3,860 million), and investments in partnerships, etc. for which the equity interest is recorded on a net basis in the consolidated balance sheets (carrying amount: ¥83 million), are not included in the above table "Other securities."

2. Other securities sold

FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

Type	Proceeds from sales	Total gain on sales	Total loss on sales
(1) Stocks	17,189	14,053	(22)
(2) Bonds	—	—	—
(3) Other	11	3	—
Total	17,200	14,057	(22)

FY2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Type	Proceeds from sales	Total gain on sales	Total loss on sales
(1) Stocks	5,082	4,707	(5)
(2) Bonds	—	—	—
(3) Other	88	4	—
Total	5,170	4,711	(5)

3. Securities subject to impairment

In the previous fiscal year, the Company recognized ¥324 million as impairment losses for securities.

In the current fiscal year, the Company has recognized ¥72 million as impairment losses for securities.

When the fair value of securities as of the end of the fiscal year declines by greater than or equal to 50% compared to their cost, the Company recognizes impairment losses, and when such decline is between 30% and 50%, the Company recognizes impairment losses in the amount deemed necessary, taking into consideration the potential for value recovery. For shares, etc. that do not have market prices, in principle, the Company recognizes impairment losses for those securities whose actual value at the consolidated balance sheet date has declined by greater than or equal to 50% compared to their cost, except in cases where there is the potential for value recovery.

(Derivatives)

1. Derivatives for which hedge accounting is not applied
Not applicable

2. Derivatives for which hedge accounting is applied

(1) Currency-related transactions

FY2024 (As of March 31, 2024)

(Millions of yen)

Hedge accounting	Type of transaction	Major hedged item	Contract amount, etc.	Contract amount, etc. over one year	Fair value
Deferred hedge accounting	Forward exchange contracts				
	Buy				
	USD	Accounts payable - trade	2,053	—	51
	EUR		123	—	(1)
	Sell				
	USD	Accounts receivable - trade	235	—	(2)
Total			2,413	—	47

Note: The calculation methods for fair value are described in the notes to “Financial instruments” in the consolidated financial statements.

FY2025 (As of March 31, 2025)

(Millions of yen)

Hedge accounting	Type of transaction	Major hedged item	Contract amount, etc.	Contract amount, etc. over one year	Fair value
Deferred hedge accounting	Forward exchange contracts				
	Buy				
	USD	Accounts payable - trade	19,951	—	(36)
	EUR		146	—	2
	Sell				
	USD	Accounts receivable - trade	175	—	(0)
Total			2,272	—	(34)

Note: The calculation methods for fair value are described in the notes to “Financial instruments” in the consolidated financial statements.

(2) Interest rate-related transactions

Not applicable

(Retirement benefits)

1. Overview of retirement benefit plan adopted by the Company

The Company and certain domestic consolidated subsidiaries have a defined benefit pension plan which includes a defined benefit corporate pension plan and a defined contribution plan, and the Company has established a retirement benefit trust. Certain other domestic consolidated subsidiaries have a retirement lump-sum plan as a defined benefit plan.

For the retirement lump-sum plans of some domestic consolidated subsidiaries, liabilities for retirement benefits and retirement benefit cost are calculated using the simplified method.

2. Defined benefit plan

- (1) Reconciliation of beginning and ending balances of retirement benefit obligations (except for plans to which the simplified method is applied)

	(Millions of yen)	
	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Balance of retirement benefit obligations at beginning of period	17,125	17,147
Service cost	895	906
Interest cost	120	121
Actuarial gain or loss	(39)	(2,044)
Retirement benefit paid	(955)	(885)
Other current assets	0	—
Balance of retirement benefit obligations at end of period	17,147	15,245

- (2) Reconciliation of beginning and ending balances of plan assets (except for plans to which the simplified method is applied)

	(Millions of yen)	
	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Balance of plan assets at beginning of period	17,583	20,999
Expected return	336	384
Actuarial gain or loss	3,099	427
Employer's contribution	698	704
Retirement benefit paid	(718)	(698)
Balance of plan assets at end of period	20,999	21,817

- (3) Reconciliation of beginning and ending balances of net defined benefit liability and net defined benefit asset relating to retirement benefit plans to which the simplified method is applied

	(Millions of yen)	
	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Net defined benefit liability and net defined benefit asset at beginning of period	1,968	2,070
Retirement benefit expenses	287	326
Retirement benefit paid	(131)	(236)
Contributions to plans	(58)	(83)
Other current assets	3	7
Net defined benefit liability and net defined benefit asset at end of period	2,070	2,084

(4) Reconciliation of ending balances of retirement benefit obligations and plan assets and net defined benefit liability and asset in the consolidated balance sheets

	(Millions of yen)	
	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Retirement benefit obligation for funded plans	17,886	14,926
Plan assets	(21,724)	(22,583)
	(3,837)	(7,656)
Retirement benefit obligation for non-funded plans	2,055	3,169
Net liabilities and assets recorded in the consolidated balance sheets	(1,782)	(4,487)
Net defined benefit liability	3,808	3,641
Net defined benefit asset	(5,590)	(8,129)
Net liabilities and assets recorded in the consolidated balance sheets	(1,782)	(4,487)

Note: The figures include those for plans to which the simplified method is applied.

(5) Retirement benefit expenses and the breakdown

	(Millions of yen)	
	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Service cost	895	906
Interest cost	120	121
Expected return	(336)	(384)
Amortization of actuarial gain or loss	(39)	(273)
Retirement benefit expenses based on simplified method	287	326
Retirement benefit expenses relating to defined benefit plan	928	696

(6) Retirement benefits liability adjustments

The components of retirement benefits liability adjustments (before income taxes and tax effect) are as follows.

	(Millions of yen)	
	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Actuarial gain or loss	3,100	2,198

(7) Accumulated retirement benefits liability adjustments

The components of accumulated retirement benefits liability adjustments (before income taxes and tax effect) are as follows.

	(Millions of yen)	
	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Unrecognized actuarial gains and losses	(3,830)	(6,029)

(8) Matters relating to plan assets

(i) Major breakdown of plan assets

The proportions of the major classes in the total plan assets are as follows.

	FY2024 (As of March 31, 2024) (%)	FY2025 (As of March 31, 2025) (%)
Bonds	34	34
Stocks	47	47
General account	0	0
Other current assets	19	19
Total	100	100

Note: The total plan assets include a retirement benefit trust established for the corporate pension plan, which accounts for 29% of the total plan assets as of the end of the current fiscal year (25% as of the end of the previous fiscal year).

(ii) Method for determining long-term expected rate of return on plan assets

To determine the long-term expected rate of return on plan assets, the Company considers the current and expected allocation of plan assets and the current and expected long-term rates of return for various assets that constitute plan assets.

(9) Matters relating to the calculation basis for actuarial assumptions

Calculation basis for major actuarial assumptions

	FY2024 (As of March 31, 2024) (%)	FY2025 (As of March 31, 2025) (%)
Discount rate	Mainly 0.8	Mainly 1.7
Long-term expected rate of return on plan assets	0.0-2.5	0.0-2.5
Expected rate of salary increase	0.0-3.6	0.0-3.7

3. Defined contribution plan

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Required contributions to defined contribution plan for consolidated subsidiaries	32	35

(Stock options)

1. Corresponding account item and amount of stock options charged as expenses

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Selling, general and administrative expenses	16	—

2. Details, size, and changes of stock options

(1) Details of stock options

	2015 Stock Options	2016 Stock Options
Category and number of grantees	Directors of the Company: 11	Directors of the Company: 12
Number of stock options by type of shares (Note)	51,100 shares of common stock	51,700 shares of common stock
Grant date	July 23, 2015	July 27, 2016
Vesting conditions	In principle, the eligible person may exercise his/her share subscription rights on a lump sum basis between the day subsequent to the expiration of his/her position as Director of the Company and the 10th day thereafter.	In principle, the eligible person may exercise his/her share subscription rights on a lump sum basis between the day subsequent to the expiration of his/her position as Director of the Company and the 10th day thereafter.
Vesting period	From July 1, 2015 to June 30, 2016	From July 1, 2016 to June 30, 2017
Exercise period	From July 24, 2015 to July 23, 2045	From July 28, 2016 to July 27, 2046

	2017 Stock Options	2018 Stock Options
Category and number of grantees	Directors of the Company: 13	Directors of the Company: 13
Number of stock options by type of shares (Note)	47,950 shares of common stock	46,900 shares of common stock
Grant date	July 26, 2017	July 25, 2018
Vesting conditions	In principle, the eligible person may exercise his/her share subscription rights on a lump sum basis between the day subsequent to the expiration of his/her position as Director of the Company and the 10th day thereafter.	In principle, the eligible person may exercise his/her share subscription rights on a lump sum basis between the day subsequent to the expiration of his/her position as Director of the Company and the 10th day thereafter.
Vesting period	From July 1, 2017 to June 30, 2018	From July 1, 2018 to June 30, 2019
Exercise period	From July 27, 2017 to July 26, 2047	From July 26, 2018 to July 25, 2048

	2019 Stock Options	2020 Stock Options
Category and number of grantees	Directors of the Company: 12	Directors of the Company: 9
Number of stock options by type of shares (Note)	45,700 shares of common stock	48,500 shares of common stock
Grant date	July 29, 2019	July 28, 2020
Vesting conditions	In principle, the eligible person may exercise his/her share subscription rights on a lump sum basis between the day subsequent to the expiration of his/her position as Director of the Company and the 10th day thereafter.	In principle, the eligible person may exercise his/her share subscription rights on a lump sum basis between the day subsequent to the expiration of his/her position as Director of the Company and the 10th day thereafter.
Vesting period	From July 1, 2019 to June 30, 2020	From July 1, 2020 to June 30, 2021
Exercise period	From July 30, 2019 to July 29, 2049	From July 29, 2020 to July 28, 2050

	2021 Stock Options	2022 Stock Options
Category and number of grantees	Directors of the Company: 9	Directors of the Company: 9
Number of stock options by type of shares (Note)	48,900 shares of common stock	44,050 shares of common stock
Grant date	July 28, 2021	July 27, 2022
Vesting conditions	In principle, the eligible person may exercise his/her share subscription rights on a lump sum basis between the day subsequent to the expiration of his/her position as Director of the Company and the 10th day thereafter.	In principle, the eligible person may exercise his/her share subscription rights on a lump sum basis between the day subsequent to the expiration of his/her position as Director of the Company and the 10th day thereafter.
Vesting period	From July 1, 2021 to June 30, 2022	From July 1, 2022 to June 30, 2023
Exercise period	From July 29, 2021 to July 28, 2051	From July 28, 2022 to July 27, 2052

Note: The number of stock options represents the number of shares. As the Company conducted a 1-for-2 share consolidation on October 1, 2016, the number of shares presented is the number after conversion based on the share consolidation.

(2) Size and changes of stock options

The following describes the number of stock options that existed during FY2025 (fiscal year ended March 31, 2025). The number of stock options represents the number of shares.

(i) Number of stock options

	2015 Stock Options	2016 Stock Options
Before vesting (shares)		
As of March 31, 2024	5,800	5,400
Granted	—	—
Forfeited	—	—
Vested	2,900	2,700
Unvested	2,900	2,700
After vesting (shares)		
As of March 31, 2024	—	—
Vested	2,900	2,700
Exercised	2,900	2,700
Forfeited	—	—
Exercisable	—	—

	2017 Stock Options	2018 Stock Options
Before vesting (shares)		
As of March 31, 2024	8,700	8,350
Granted	—	—
Forfeited	—	—
Vested	5,500	5,300
Unvested	3,200	3,050
After vesting (shares)		
As of March 31, 2024	—	—
Vested	5,500	5,300
Exercised	5,500	5,300
Forfeited	—	—
Exercisable	—	—

	2019 Stock Options	2020 Stock Options
Before vesting (shares)		
As of March 31, 2024	12,500	27,800
Granted	—	—
Forfeited	—	—
Vested	6,700	11,500
Unvested	5,800	16,300
After vesting (shares)		
As of March 31, 2024	—	—
Vested	6,700	11,500
Exercised	6,700	11,500
Forfeited	—	—
Exercisable	—	—

	2021 Stock Options	2022 Stock Options
Before vesting (shares)		
As of March 31, 2024	31,800	40,350
Granted	—	—
Forfeited	—	—
Vested	15,350	16,850
Unvested	16,450	23,500
After vesting (shares)		
As of March 31, 2024	—	—
Vested	15,350	16,850
Exercised	15,350	16,850
Forfeited	—	—
Exercisable	—	—

Note: As the Company conducted a 1-for-2 share consolidation on October 1, 2016, the number of shares presented is the number after conversion based on the share consolidation.

(ii) Unit price information

	2015 Stock Options	2016 Stock Options
Exercise price (yen)	1	1
Average price per share upon exercise (yen)	2,341	2,341
Fair value per share at grant date (yen)	1,590	1,512

	2017 Stock Options	2018 Stock Options
Exercise price (yen)	1	1
Average price per share upon exercise (yen)	2,341	2,341
Fair value per share at grant date (yen)	1,667	1,798

	2019 Stock Options	2020 Stock Options
Exercise price (yen)	1	1
Average price per share upon exercise (yen)	2,341	2,341
Fair value per share at grant date (yen)	1,658	1,612

	2021 Stock Options	2022 Stock Options
Exercise price (yen)	1	1
Average price per share upon exercise (yen)	2,341	2,341
Fair value per share at grant date (yen)	1,516	1,514

Note: As the Company conducted a 1-for-2 share consolidation on October 1, 2016, the per share prices presented reflect the share consolidation.

3. Method for estimating the fair value of stock options

No stock options were granted during the current fiscal year.

4. Method for estimating the number of stock options vested

Because it is difficult to reasonably estimate the number of stock options that will expire in the future, the number here reflects only those stock options that have actually been forfeited.

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

	(Millions of yen)	
	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Deferred tax assets		
Tax loss carried forward (Note)	1,824	1,612
Non-deductible accrued enterprise tax	523	335
Accrued bonuses	680	701
Net defined benefit liability	2,096	1,997
Loss on valuation of securities	116	119
Unrealized gain on sales of fixed assets	968	1,026
Loss on valuation of non-current assets	319	266
Other current assets	2,308	2,524
Subtotal deferred tax assets	8,837	8,585
Valuation allowance for tax loss carried forward (Note)	(1,649)	(1,459)
Valuation allowance for total future deductible temporary differences, etc.	(1,290)	(1,281)
Subtotal valuation allowance	(2,939)	(2,741)
Total deferred tax assets	5,898	5,844
Amount offset by deferred tax liabilities	4,052	3,981
Net deferred tax assets	1,846	1,862
Deferred tax liabilities		
Reserve for reduction entry	2,804	4,967
Unrealized holding gain (loss) on securities	20,376	19,038
Gain on contribution of securities to retirement benefit trust	408	420
Other current assets	2,930	4,298
Total deferred tax liabilities	26,520	28,726
Amount offset by deferred tax assets	4,052	3,981
Net deferred tax liabilities	22,468	24,744

Note: Tax loss carried forward and amount of said deferred tax assets by deferred deadline
FY2024 (As of March 31, 2024)

(Millions of yen)							
	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years	Over five years	Total
Tax loss carried forward*	25	51	106	92	93	1,455	1,824
Valuation allowance	(25)	(51)	(93)	(92)	(89)	(1,297)	(1,649)
Deferred tax assets	—	—	13	—	3	157	175

* Tax loss carried forward is the amount derived through multiplication by the effective statutory tax rate.

FY2025 (As of March 31, 2025)

(Millions of yen)							
	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years	Over five years	Total
Tax loss carried forward*	28	57	123	61	132	1,209	1,612
Valuation allowance	(28)	(24)	(120)	(61)	(93)	(1,131)	(1,459)
Deferred tax assets	—	32	3	—	39	77	152

* Tax loss carried forward is the amount derived through multiplication by the effective statutory tax rate.

2. Revision of deferred tax assets and deferred tax liabilities due to changes in the rates of income taxes

Following the enactment of the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) by the National Diet on March 31, 2025, the imposition of the special defense corporation tax will commence from the consolidated fiscal year beginning on or after April 1, 2026. Accordingly, for deferred tax assets and deferred tax liabilities relating to temporary differences, etc., expected to be reversed in or after the consolidated fiscal year beginning on April 1, 2026, the statutory effective tax rate has been changed from 30.6% to 31.5% for calculation purposes.

As a result of this tax rate change, deferred tax liabilities (the amount after the deduction of deferred tax assets) have increased by ¥692 million, and income taxes - deferred by ¥101 million, while unrealized holding gain (loss) on securities and accumulated retirement benefits liability adjustments recorded for the current consolidated fiscal year have decreased by ¥543 million and ¥47 million, respectively.

3. Major components attributable to the difference between the effective statutory tax rate and the actual effective tax rate after tax effect accounting

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Effective statutory tax rate	30.6	Description is omitted as the
(Adjustments)		difference between the
Entertainment expenses and other non-deductible permanent differences	0.5	effective statutory tax rate and
Non-taxable permanent differences such as dividend income	(0.3)	the actual effective tax rate
Per capita inhabitant taxes	0.2	after tax effect accounting does
Special deductions from income tax	(1.0)	not exceed 5% of the effective
Differences of tax rates at foreign subsidiaries	(0.3)	statutory tax rate.
Changes in valuation allowance	(4.2)	
Other current assets	0.9	
Actual effective tax rate after tax effect accounting	26.3	

(Asset retirement obligations)

The Group recognizes, as asset retirement obligations, liabilities relating to the duty to restore real estate to its original state upon vacating, based on real estate lease contracts for factories and other properties. However, the description of this information is omitted as the total amount of such obligations is immaterial.

(Rental properties and other real estate)

The Company and certain domestic consolidated subsidiaries own office buildings and other properties for rent (including land) in Tokyo and other areas. Income from those rental properties and gain and loss on sales of those properties are as follows.

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Income from rental properties (Note 1)	656	633
Gain on sales (Note 2)	36	8,702
Loss on sales (Note 3)	26	—

Notes: 1. Primary rental revenue is booked as net sales, and primary rental expenses as cost of sales.

2. Booked as extraordinary income.

3. Booked as extraordinary expenses.

The carrying amount of the rental properties, its changes, and the fair value of those properties are as follows.

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Carrying amount on the consolidated balance sheets (Note 1)		
Balance at beginning of fiscal year	8,261	8,214
Changes during fiscal year (Note 2)	(46)	(325)
Balance at end of fiscal year	8,214	7,889
Fair value at end of fiscal year (Note 3)	31,558	24,135

Notes: 1. The carrying amount in the consolidated balance sheets is the acquisition cost, less accumulated depreciation and accumulated impairment losses.

2. The changes in the carrying amount during the previous fiscal year mainly consisted of an increase of ¥483 million due to a change in use of properties, a decrease of ¥299 million due to the sale of rental properties, and a decrease of ¥230 million due to depreciation. The changes in the carrying amount during the current fiscal year mainly consist of an increase of ¥402 million due to new acquisitions, a decrease of ¥492 million due to the sale of rental properties, and a decrease of ¥235 million due to depreciation.

3. The fair value of key properties at the end of the fiscal year is determined based on appraisal reports obtained from independent real estate appraisers and other information. For other less important properties, the fair value is determined based on certain appraisal values or relevant indexes that are deemed to properly reflect the market prices. In addition, for properties newly acquired during the current consolidated fiscal year, their acquisition cost is recorded as their fair value since fluctuations in the fair value are considered insignificant.

(Revenue recognition)

1. Disaggregation of revenue from contracts with customers

This information is as described in the notes to “Segment information, etc.”

2. Useful information in understanding revenue from contracts with customers

The Company recognizes revenue from contracts with customers based on the following five steps.

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to each performance obligation.

Step 5: Recognize revenue when (as) a performance obligation is satisfied.

The Group’s main businesses are the Flour Milling business and the Food business. The Group sells to customers finished goods and merchandise (such as wheat flour and premixes) manufactured by the Group. For these finished goods and merchandise, sales prices are measured at the amount based on the consideration promised in contracts with customers less sales incentives, etc. An amount expected to be refunded to customers, such as sales incentives, is calculated using the probability-weighted amount estimated for each of such finished goods and merchandise. As a result, the Group recognizes refund liabilities.

In both of the Flour Milling and Food businesses, sales contracts identify the delivery of the Group’s finished goods and merchandise to customers as the performance obligations. These performance obligations are satisfied when the Company’s finished goods and merchandise are delivered to customers with control over these finished goods and merchandise also transferred to those customers. Therefore, revenue from the sale of such finished goods and merchandise is recognized when they are delivered to customers.

For transactions of providing finished goods and merchandise to customers, in which the Group acts as an agent, revenue is recognized at the net amount of the amount received from customers less the amount payable to the supplier of finished goods and merchandise.

3. Information on the relationship between the satisfaction of performance obligations under contracts with customers and the cash flows arising from those contracts, and the amount and timing of revenue expected to be recognized in the next consolidated fiscal year or later on the basis of contracts with customers existing as of the end of the current consolidated fiscal year

(1) Balance of contract assets and contract liabilities

FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

Receivables from contracts with customers (beginning balance)	54,119
Receivables from contracts with customers (ending balance)	60,556
Contract assets (beginning balance)	—
Contract assets (ending balance)	318
Contract liabilities (beginning balance)	396
Contract liabilities (ending balance)	301

The revenue that was recognized in the previous fiscal year and was included in the contract liability balance at the beginning of the same fiscal year was ¥307 million.

FY2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Receivables from contracts with customers (beginning balance)	60,556
Receivables from contracts with customers (ending balance)	58,129
Contract assets (beginning balance)	318
Contract assets (ending balance)	489
Contract liabilities (beginning balance)	301
Contract liabilities (ending balance)	751

The revenue that is recognized in the current fiscal year and was included in the contract liability balance at the beginning of the same fiscal year is ¥233 million.

(2) Transaction price allocated to the remaining performance obligations

The Group has applied the practical expedient to the notes regarding transaction prices allocated to the remaining performance obligations, and does not disclose contracts with an originally expected duration of one year or less. The total transaction price allocated to the remaining performance obligations, and the time frame in which the Group expects to recognize that amount as revenue, are as follows.

FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

Within one year	7
Over one year and within two years	3
Over two years and within three years	5
Over three years	15
Total	32

FY2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Within one year	10
Over one year and within two years	5
Over two years and within three years	4
Over three years	6
Total	26

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are those group components for which discrete financial information is available and that are regularly reviewed by the Board of Directors to determine the allocation of management resources and evaluate business results.

The Group consists of three main business units classified by product types—Flour Milling, Food, and Other. Each business unit formulates group business strategies and promotes business activities.

The Group has classified its operations into two reportable segments: Flour Milling and Food.

The Flour Milling segment covers wheat flour, bran, and buckwheat flour, while the Food segment covers wheat flour for home use, premixes, pasta, frozen foods, deli foods, and rice flour.

2. Calculation methods for sales, income (loss), assets, liabilities, and other items by reportable segment

The accounting methods used for reportable segments are the same as those described under "Basis of preparation of the consolidated financial statements."

Profit figures of reportable segments are based on operating income. Inter-segment sales and transfers are based on prevailing market prices.

3. Information on sales, income (loss), assets, liabilities, and other items, and information on disaggregation of revenue, by reportable segment
FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments			Other current assets	Total	Adjustment	Amount recorded in consolidated financial statements
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	125,316	226,615	351,931	47,574	399,506	—	399,506
Revenue from other sources	—	46	46	961	1,008	—	1,008
Net sales to external customers	125,316	226,661	351,977	48,536	400,514	—	400,514
Internal sales or transfers between segments	3,099	1,233	4,332	4,462	8,795	(8,795)	—
Total	128,415	227,894	356,310	52,999	409,310	(8,795)	400,514
Segment income	9,186	8,354	17,541	2,799	20,340	0	20,340
Segment assets	123,403	143,311	266,715	27,113	293,828	92,863	386,692
Other items							
Depreciation	2,881	5,655	8,536	1,294	9,831	483	10,314
Increase in property, plant and equipment and intangible assets	7,014	7,304	14,319	1,385	15,704	6,448	22,153

- Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including Pet Food, Health Food, Engineering, Food Service, and Real Estate businesses.
2. Segment income adjustment of ¥0 million included the elimination of inter-segment transactions and corporate expenses.
3. Corporate assets included in adjustments to segment assets amounted to ¥90,234 million and mainly comprised the Company’s surplus funds (cash and deposits, and securities) and property, plant and equipment associated with administrative departments.
4. Adjustments amounting to ¥6,448 million for the increase in property, plant and equipment and intangible assets were mainly attributable to capital investment by administrative departments and the elimination of inter-segment transactions.
5. Segment income was adjusted to reconcile total segment income to operating income in the consolidated financial statements.
6. Depreciation and the increase in property, plant and equipment and intangible assets included an increase in long-term prepaid expenses and the amortization thereof.
7. Different criteria were applied for the allocation of non-current assets to each segment and for the allocation of depreciation expenses to each segment, respectively.

FY2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Other current assets	Total	Adjustment	Amount recorded in consolidated financial statements
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	121,663	238,307	359,971	49,931	409,902	—	409,902
Revenue from other sources	—	46	46	930	976	—	976
Net sales to external customers	121,663	238,353	360,017	50,861	410,878	—	410,878
Internal sales or transfers between segments	3,144	1,093	4,238	3,706	7,944	(7,944)	—
Total	124,808	239,446	364,255	54,568	418,823	(7,944)	410,878
Segment income	9,203	9,283	18,486	3,171	21,657	(171)	21,486
Segment assets	133,862	146,299	280,161	28,526	308,688	90,538	399,226
Other items							
Depreciation	3,008	6,070	9,078	1,333	10,412	482	10,894
Increase in property, plant and equipment and intangible assets	13,960	6,236	20,196	1,481	21,678	(371)	21,307

Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including Pet Food, Health Food, Engineering, Food Service, and Real Estate businesses.

2. Segment income adjustment of ¥(171) million includes the elimination of inter-segment transactions and corporate expenses.

3. Corporate assets included in adjustments to segment assets amount to ¥85,675 million and mainly comprise the Company’s surplus funds (cash and deposits, and securities) and property, plant and equipment associated with administrative departments.

4. Adjustments amounting to ¥(371) million for the increase in property, plant and equipment and intangible assets are mainly attributable to capital investment by administrative departments and the elimination of inter-segment transactions.

5. Segment income was adjusted to reconcile total segment income to operating income in the consolidated financial statements.

6. Depreciation and the increase in property, plant and equipment and intangible assets included an increase in long-term prepaid expenses and the amortization thereof.

7. Different criteria were applied for the allocation of non-current assets to each segment and for the allocation of depreciation expenses to each segment, respectively.

[Related information]

FY2024 (From April 1, 2023 to March 31, 2024)

1. Information by product and service

The relevant information is omitted as the same information is disclosed in “Segment information.”

2. Information by geographical area

(1) Net sales

This information is omitted because net sales to external customers in Japan accounted for more than 90% of the net sales recorded in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeded 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

Name of customer	Net sales (Millions of yen)	Name of related segment
ITOCHU Corporation	58,351	Flour Milling and Food
FamilyMart Co., Ltd.	48,823	Food

FY2025 (From April 1, 2024 to March 31, 2025)

1. Information by product and service

The relevant information is omitted as the same information is disclosed in “Segment information.”

2. Information by geographical area

(1) Net sales

This information is omitted because net sales to external customers in Japan accounted for more than 90% of the net sales recorded in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeded 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

Name of customer	Net sales (Millions of yen)	Name of related segment
ITOCHU Corporation	57,838	Flour Milling and Food
FamilyMart Co., Ltd.	49,452	Food

[Information on impairment losses on non-current assets by reportable segment]
FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Flour Milling	Food	Other current assets	Adjustment and elimination	Total
Impairment losses (Note)	—	—	25	—	25

Note: “Loss on plant closures” in the consolidated statements of income includes an impairment loss of ¥63 million incurred in “Flour Milling.”

FY2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Flour Milling	Food	Other current assets	Adjustment and elimination	Total
Impairment losses (Note)	—	687	7	—	695

[Information on amortization and balance of goodwill by reportable segment]
FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Flour Milling	Food	Other (Note)	Adjustment and elimination	Total
Amortization during period	—	126	62	—	188
Balance at end of period	—	863	134	—	998

Note: The amounts under “Other” are those relating to the Food Service business and other relevant businesses.

FY2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Flour Milling	Food	Other (Note)	Adjustment and elimination	Total
Amortization during current period	—	126	62	—	188
Balance at end of current period	—	737	71	—	809

Note: The amounts under “Other” are those relating to the Food Service business and other relevant businesses.

[Information on gain on bargain purchase by reportable segment]
Not applicable

[Related parties]

Transactions with related parties

Transactions between the company submitting consolidated financial statements and the related party

(a) Unconsolidated subsidiaries, affiliated companies, etc. of the company submitting consolidated financial statements
FY2024 (From April 1, 2023 to March 31, 2024)

Not applicable

FY2025 (From April 1, 2024 to March 31, 2025)

Type	Name of company, etc.	Location	Capital stock or investment in capital	Description of business or trade	Percentage of voting rights, etc. owned by the Company (or held by related party)	Relationship with related party	Description of transaction	Transaction amount (Millions of yen)	Item	Balance at end of fiscal year (Millions of yen)
Affiliated company	Utah Flour Milling, LLC	Utah, the U.S.	3,402	Flour Milling	(Owned by the Company) Indirect 25.0	Financial assistance	Loan	4,406	Long-term loan	4,256

Among the above amounts, the transaction amount and the balance at end of fiscal year do not include consumption taxes, etc.

Transaction terms and conditions, policies on determining transaction terms and conditions, etc.

Note 1: For the loan, the interest rate has been determined in a reasonable manner by taking into account market interest rates. The transaction amount stated represents the total amount incurred during FY2025.

(Per-share information)

(Yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Net assets per share	2,874.28	3,102.27
Basic profit per share	338.20	317.27
Fully diluted profit per share	295.46	276.75

Note 1: The basis for the calculation of basic profit per share and fully diluted profit per share is as follows.

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Basic profit per share		
Profit attributable to owners of parent (Millions of yen)	26,367	24,757
Amount not attributable to common shareholders (Millions of yen)	—	—
Amount pertaining to common stock (Millions of yen)	26,367	24,757
Average number of shares of common stock in the fiscal year (Thousands of shares)	77,964	78,031
Fully diluted profit per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	(12)	(12)
[of which interest income (after deducting the amount equivalent to tax) (Millions of yen)]	[(12)]	[(12)]
Increase in common stock (Thousands of shares)	11,237	11,378
Summary of residual securities not included in the calculation of fully diluted profit per share due to no dilutive effects	—	—

Note 2: The Company has introduced the Board Benefit Trust (BBT), under which the Company's shares held by the Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the BBT are included in the treasury shares to be deducted from the total number of issued shares at the fiscal year-end for the purpose of calculating net assets per share, and are also included in the treasury shares to be deducted in the calculation of the average number of shares in the fiscal year for the purpose of calculating basic profit per share and fully diluted profit per share.

The number of the Company's shares held by the trust at the end of each of the previous and current fiscal years was 240,000 shares and 225,900 shares, respectively. The average number of shares in each of the previous and current fiscal years was 160,000 shares as of the end of the previous fiscal year and 230,600 shares as of the end of the current fiscal year.

(Significant subsequent events)

(Business combination by acquisition)

At the meeting of the Board of Directors held on September 26, 2024, it was resolved that the Company subscribe to a third-party allotment of shares by 株式会社HATANAKA FOODS to make it a consolidated subsidiary (hereinafter referred to as the “allotment subscription”), and the Company concluded an agreement regarding the allotment subscription on October 1, 2024. Based on this agreement, the Company subscribed to a third-party allotment of shares by 株式会社HATANAKA FOODS Co., Ltd. on April 1, 2025, thereby acquiring its shares.

1. Overview of the business combination

(1) Name of acquired company and its business

Name of acquired company: HATANAKA FOODS Co., Ltd.

Business: Manufacture and sale of frozen foods

Capital: ¥10 million

(2) Main reason for business combination

Regarding the frozen food business as a growth area, the Company recognizes that the enhancement of its supply system in anticipation of increased demand for frozen foods in the future is an important business issue. In order to ensure the stable supply of high-quality frozen foods, the Company has been making capital investment in its own mills and plants and working with contract manufacturers. On this occasion, the Company found that the production capability and processing technology of HATANAKA FOODS Co., Ltd. would contribute to strengthening the competitiveness of the Group, and therefore decided to subscribe to its third-party allotment of shares.

(3) Date of business combination

April 1, 2025

(4) Legal form of the business combination

Share acquisition through subscription to a third-party allotment of shares

(5) Name of company after business combination

No change

(6) Ratio of voting rights after share acquisition

62.02%

(7) Main basis for determining the company for acquisition

To acquire the shares of the acquired company in exchange for cash.

2. Cost of acquisition of the acquired company and the breakdown of consideration by type

Consideration for acquisition:	Cash	¥6,000 million
Acquisition cost		¥6,000 million

3. Details and amounts of major expenses related to the acquisition

Remuneration, fees, etc. for advisory services: approximately ¥9 million

4. Amount of goodwill that occurred, cause for its occurrence, amortization method, and amortization period

Yet to be determined.

5. Amounts of assets accepted and liabilities assumed on the date of business combination, and the major breakdown thereof

Yet to be determined.

6. Financing and payment method

Appropriation of cash reserves

(Capital increase through the exercise of share acquisition rights attached to convertible bond-type bonds with share acquisition rights)

Regarding the euro-yen denominated convertible bond-type bonds with share acquisition rights due 2025, which were issued by the Company in June 2018, the conversion of some of the bonds was carried out through the exercise of share acquisition rights during the period from the day after the end of FY2025 to June 6, 2025. The following is an overview of the conversion of those bonds with share acquisition rights.

(i) Number of share acquisition rights exercised:	1,340 rights
(ii) Total face value of converted bonds:	¥13,400 million
(iii) Amount of increase in capital stock:	¥6,430 million
(iv) Amount of increase in legal capital surplus:	¥6,430 million
(v) Class and number of increased shares:	5,903,000 shares of common stock
(vi) Decrease in the amount of treasury shares:	¥402 million
(vii) Class and number of decreased treasury shares:	243,000 shares

(v) Consolidated supplemental schedules
Schedule of bonds payable

Company name	Security title	Issue date	Balance at beginning of current period (Millions of yen)	Balance at end of current period (Millions of yen)	Interest rate (%)	Collateral	Maturity
NIPPON CORPORATION	Euro-yen denominated convertible bond-type bonds with share acquisition rights due 2025 (Notes 1 and 2)	June 22, 2018	25,020	25,002 (25,002)	—	None	June 20, 2025
G&L mart Co., Ltd.	21st Series of Bank-guaranteed Private Placement Bonds (Note 2)	September 25, 2019	28 (28)	—	0.30	None	September 25, 2024
Same as above	22nd Series of Unsecured Straight Bonds (Note 2)	September 25, 2019	100 (100)	—	0.10	None	September 25, 2024
Total	—	—	25,148 (128)	25,002 (25,002)	—	—	—

Note 1: Information regarding bonds with share acquisition rights are as follows.

Security title	Euro-yen denominated convertible bond-type bonds with share acquisition rights due 2025
Shares to be issued	Common stock
Issue price of share acquisition rights (yen)	Free of charge
Issue price of shares (yen)	2,213.9
Aggregate amount of issue price (Millions of yen)	25,000
Aggregate amount of the issue price of shares issued through the exercise of share acquisition rights (Millions of yen)	—
Ratio of share acquisition rights granted (%)	100
Exercise period of share acquisition rights	From July 6, 2018 to June 6, 2025

* In exercising each share acquisition right, the bond associated with the share acquisition right shall be contributed. The value of the bond shall be equal to its face value.

2. The figures in parentheses represent the amounts planned for redemption within one year.

3. The repayment schedule for five years after the consolidated balance sheet date is as follows.

(Millions of yen)

Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years
25,002	—	—	—	—

(Schedule of borrowings)

Category	Balance at beginning of current period (Millions of yen)	Balance at end of current period (Millions of yen)	Average interest rate (%)	Repayment date
Short-term loans payable	15,441	14,606	1.05	—
Current portion of long-term loans payable	3,431	2,734	0.36	—
Current portion of lease obligations	332	370	—	—
Long-term loans payable (excluding current portion)	17,207	14,685	0.32	2026-2032
Lease obligations (excluding current portion)	1,388	1,368	—	2026-2038
Other interest-bearing debt	—	—	—	—
Total	37,801	33,767		—

Notes: 1. The repayment schedule for long-term loans payable and lease obligations (excluding current portions) over five years after the consolidated balance sheet date is as follows.

(Millions of yen)

	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years
Long-term loans payable	2,023	11,147	832	383
Lease obligations	346	268	205	153

2. Average interest rates are computed using the interest rates at the end of the fiscal year.
3. Average interest rates on lease obligations are not provided because the lease obligations stated in the consolidated balance sheet represent the amounts with interest equivalents not deducted from the total lease payments.

(Schedule of asset retirement obligations)

The amount of asset retirement obligations at the beginning and end of the current fiscal year was not more than 1/100 of the amount of total liabilities and net assets at the beginning and end of the current fiscal year. Accordingly, pursuant to Article 92-2 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, this information is omitted.

(2) (Other matters)

Semiannual results for the current fiscal year

	Interim consolidated accounting period	Current fiscal year
Net sales (Millions of yen)	204,909	410,878
Interim profit before income taxes (Millions of yen)	20,515	36,879
Interim profit attributable to owners of parent (Millions of yen)	14,039	24,757
Interim basic profit per share (yen)	179.96	317.27

Note: The Company has introduced the Board Benefit Trust (BBT), under which the Company's shares held by the Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the BBT are included in the treasury shares to be deducted in the calculation of the average number of shares in the fiscal year for the purpose of calculating interim basic profit per share.

2. Non-consolidated financial statements, etc.

(1) Non-consolidated financial statements

(i) Non-consolidated balance sheets

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	25,827	24,560
Accounts receivable - trade	40,918	39,891
Merchandise and finished goods	17,607	21,149
Raw materials and supplies	16,714	18,404
Prepaid expenses	315	318
Accounts receivable - other	2,607	3,622
Short-term loans receivable	774	885
Current portion of long-term loans receivable	531	440
Other	4,321	1,149
Total current assets	109,618	110,424
Non-current assets		
Property, plant and equipment		
Buildings	27,397	28,593
Structures	3,550	3,440
Machinery, equipment and vehicles	10,489	10,377
Tools, furniture and fixtures	883	1,063
Land	39,219	39,271
Leased assets	8	6
Construction in progress	4,344	13,019
Total property, plant and equipment	85,893	95,773
Intangible assets	520	473
Investments and other assets		
Investment securities	79,112	73,621
Shares of subsidiaries and associates	14,056	16,014
Long-term loans receivable	11,510	15,363
Other	3,067	3,220
Allowance for doubtful accounts	(1,670)	(1,644)
Total investments and other assets	106,076	106,574
Total non-current assets	192,491	202,821
Deferred assets	13	1
Total assets	302,123	313,247

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	18,257	19,455
Short-term loans payable	14,200	17,157
Current portion of long-term loans payable	1,800	1,400
Current portion of convertible bond-type bonds with share acquisition rights	—	25,002
Accounts payable - other	1,392	1,589
Lease obligations	2	2
Income taxes payable	5,906	2,806
Accrued expenses	5,595	5,520
Refund liabilities	7,460	7,714
Deposits received	455	561
Other	1,144	49
Total current liabilities	56,216	81,258
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	25,020	—
Long-term loans payable	11,700	10,300
Lease obligations	5	3
Provision for retirement benefits	170	157
Accrued retirement benefits for directors	10	—
Provision for share awards for directors (and other officers)	73	102
Deferred tax liabilities	19,667	20,706
Other	2,718	2,395
Total non-current liabilities	59,366	33,664
Total liabilities	115,582	114,922
Net assets		
Shareholders' equity		
Capital stock	12,240	12,240
Capital surplus		
Legal capital surplus	10,666	10,666
Other capital surplus	50	45
Total capital surplus	10,716	10,712
Retained earnings		
Legal retained earnings	3,060	3,060
Other retained earnings		
Reserve for reduction entry	5,951	8,174
Reserve for special account for tax purpose reduction entry of non-current assets	—	2,111
General reserve	32,654	32,654
Retained earnings brought forward	78,394	90,453
Total retained earnings	120,060	136,453
Treasury shares	(1,200)	(1,065)
Total shareholders' equity	141,816	158,340
Valuation and translation adjustments		
Unrealized holding gain (loss) on securities	44,479	39,890
Deferred gain (loss) on hedges	23	(21)
Total valuation and translation adjustments	44,502	39,868
Share acquisition rights	221	115
Total net assets	186,540	198,324
Total liabilities and net assets	302,123	313,247

(ii) Non-consolidated statements of income

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Net sales	248,176	253,240
Cost of sales	195,226	197,122
Gross profit	52,949	56,117
Selling, general and administrative expenses	40,581	42,972
Operating income	12,368	13,145
Non-operating income		
Interest and dividend income	2,762	5,382
Rent income on fixed assets	419	623
Other	630	283
Total non-operating income	3,812	6,290
Non-operating expenses		
Interest expenses	94	121
Rent cost on fixed assets	339	317
Other	69	277
Total non-operating expenses	503	715
Ordinary income	15,677	18,719
Extraordinary income		
Gain on sales of investment securities	13,504	4,635
Gain on sales of fixed assets	36	8,465
Gain on sales of shares of subsidiaries and associates	548	—
Reversal of allowance for investment loss	500	—
Total extraordinary income	14,590	13,101
Extraordinary expenses		
Loss on sales and disposal of fixed assets	155	54
Loss on valuation of investment securities	324	72
Loss on valuation of shares of subsidiaries and associates	—	752
Loss on plant closures	129	—
Other	22	5
Total extraordinary expenses	631	884
Profit before income taxes	29,636	30,936
Income taxes - current	7,366	6,649
Income taxes - deferred	110	2,328
Total income taxes	7,476	8,977
Profit	22,159	21,959

(iii) Non-consolidated statements of changes in net assets
FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

(millions of yen)

	Shareholders' equity											
	Capital stock	Capital surplus			Retained earnings						Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Capital surplus	Legal retained earnings	Other retained earnings				Retained earnings		
						Reserve for reduction entry	Reserve for special account for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	12,240	10,666	—	10,666	3,060	6,140	—	32,654	59,880	101,734	(1,170)	123,471
Changes during period												
Adjustment to reserve due to change in tax rate												
Provision of reserve for tax purpose reduction entry						29			(29)	—		—
Reversal of reserve for tax purpose reduction entry						(217)			217	—		—
Provision of reserve for special account for tax purpose reduction entry of non-current assets							—		—	—		—
Dividends of surplus									(3,834)	(3,834)		(3,834)
Profit									22,159	22,159		22,159
Purchase of treasury shares									—	—	(448)	(448)
Disposal of treasury shares			50	50					—	—	417	467
Net changes of items other than shareholders' equity												
Total changes during period	—	—	50	50	—	(188)	—	—	18,514	18,325	(30)	18,344
Balance at end of period	12,240	10,666	50	10,716	3,060	5,951	—	32,654	78,394	120,060	(1,200)	141,816

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Unrealized holding gain (loss) on securities	Deferred gain (loss) on hedges	Total valuation and translation adjustments		
Balance at beginning of period	35,123	(23)	35,099	226	158,797
Changes during period					
Adjustment to reserve due to change in tax rate					—
Provision of reserve for tax purpose reduction entry					—
Reversal of reserve for tax purpose reduction entry					—
Provision of reserve for special account for tax purpose reduction entry of non-current assets					—
Dividends of surplus					(3,834)
Profit					22,159
Purchase of treasury shares					(448)
Disposal of treasury shares					467
Net changes of items other than shareholders' equity	9,356	46	9,403	(4)	9,398
Total changes during period	9,356	46	9,403	(4)	27,743
Balance at end of period	44,479	23	44,502	221	186,540

FY2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

(Millions of yen)

	Shareholders' equity											
	Capital stock	Capital surplus			Retained earnings						Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Capital surplus	Legal retained earnings	Other retained earnings				Retained earnings		
						Reserve for reduction entry	Reserve for special account for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of current period	12,240	10,666	50	10,716	3,060	5,951	—	32,654	78,394	120,060	(1,200)	141,816
Changes during period												
Adjustment to reserve due to change in tax rate						(107)			107			
Provision of reserve for tax purpose reduction entry						2,567			(2,567)	—		—
Reversal of reserve for tax purpose reduction entry						(237)			237	—		—
Provision of reserve for special account for tax purpose reduction entry of non-current assets							2,111		(2,111)	—		—
Dividends of surplus									(5,566)	(5,566)		(5,566)
Profit									21,959	21,959		21,959
Purchase of treasury shares									—	—	(1)	(1)
Disposal of treasury shares			(4)	(4)					—	—	136	132
Net changes of items other than shareholders' equity												
Total changes during period	—	—	(4)	(4)	—	2,223	2,111	—	12,058	16,393	134	16,523
Balance at end of current period	12,240	10,666	45	10,712	3,060	8,174	2,111	32,654	90,453	136,453	(1,065)	158,340

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Unrealized holding gain (loss) on securities	Deferred gain (loss) on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	44,479	23	44,502	221	186,540
Changes during period					
Adjustment to reserve due to change in tax rate					
Provision of reserve for tax purpose reduction entry					—
Reversal of reserve for tax purpose reduction entry					—
Provision of reserve for special account for tax purpose reduction entry of non-current assets					—
Dividends of surplus					(5,566)
Profit					21,959
Purchase of treasury shares					(1)
Disposal of treasury shares					132
Net changes of items other than shareholders' equity	(4,589)	(44)	(4,634)	(105)	(4,739)
Total changes during period	(4,589)	(44)	(4,634)	(105)	11,783
Balance at end of current period	39,890	(21)	39,868	115	198,324

Notes to non-consolidated financial statements

(Significant accounting policies)

1. Valuation bases and methods for securities

(1) Shares of subsidiaries and associates

Stated at cost using the moving-average method.

(2) Other securities

(i) Securities other than shares, etc. that do not have market prices

Stated at fair value (unrealized gain or loss is included as a separate component of net assets, and the cost of securities sold is determined based on the moving-average method).

(ii) Shares, etc. that do not have market prices

Stated at cost using the moving-average method.

2. Valuation bases and methods for derivatives, etc.

Derivatives financial instruments are stated at fair value.

3. Valuation bases and methods for inventories

(1) Merchandise and finished goods

The cost method based on the (monthly) gross average method (carrying amounts in the balance sheet are subject to the book value reduction method based on decreased profitability) is adopted.

(2) Raw materials and supplies

For raw materials on an immediate sale basis, the first-in first-out cost method (carrying amounts in the balance sheet are subject to the book value reduction method based on decreased profitability) is adopted. For other raw materials and supplies, the cost method based on the (monthly) gross average method (carrying amounts in the balance sheet are subject to the book value reduction method based on decreased profitability) is adopted.

4. Depreciation and amortization methods for non-current assets

(1) Property, plant and equipment (excluding leased assets)

The declining-balance method is applied.

However, they adopt the straight-line method for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016.

The estimated useful lives of major items are as follows.

Buildings	3 to 50 years
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Machinery, equipment and vehicles	4 to 12 years
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(2) Intangible assets (excluding leased assets)

The straight-line method is applied.

Software for internal use is amortized based on the estimated useful life as internally determined (five years).

(3) Leased assets

The straight-line method is applied on the assumption that the useful life equals the lease term and the residual value is zero.

5. Accounting policy for provisions

(1) Allowance for doubtful accounts

In preparation for losses from bad debts, estimates of irrecoverable amounts, which are based on historical loan loss ratios for general receivables, or based on the recoverability of individual receivables for specific accounts receivable such as doubtful accounts, are provided.

(2) Provision for retirement benefits

Provision for retirement benefits for employees is recorded based on the estimated amounts of retirement benefit obligations and pension assets at the end of the current fiscal year in preparation for the payment of retirement benefits to employees.

(i) Method of attributing expected retirement benefits to periods

In calculating retirement benefit obligations, the benefit formula basis is used as the method for attributing the expected retirement benefit to the applicable period up to the end of the current fiscal year.

(ii) Amortization method for actuarial gain or loss

Actuarial gain and loss is amortized using the straight-line method over a fixed period (ten years), which is within the average remaining service period of employees as of the fiscal year in which such gain or loss arises, with amortization starting from the fiscal year following the one in which the gain or loss arises.

(3) Accrued retirement benefits for directors

To provide for the payment of Directors' retirement benefits, the amount required as of the end of the current fiscal year is reserved based on relevant internal regulations.

(4) Provision for share awards for directors (and other officers)

To provide for the delivery of the Company's shares through the Board Benefit Trust, the Company reserves the estimated monetary amount corresponding to the number of shares to be delivered on the basis of the points granted to officers in accordance with internal regulations.

(5) Allowance for investment loss

To prepare for investment losses in subsidiaries and associates, an amount deemed necessary is recorded, with the soundness of the subsidiaries and associates' financial condition taken into consideration. For the allowance for investment loss, a deduction is directly made from the amount of the subsidiaries and associates' shares.

6. Accounting policy for reporting earnings and expenses

The Company's core businesses are the Flour Milling business and the Food business. The Company sells to customers the finished goods and merchandise (such as wheat flour and premixes) that the Company manufactures. Revenue from the sale of such finished goods and merchandise is recognized when they are delivered to customers.

In addition, revenue is measured at the amount of consideration promised in contracts with customers less sales incentives, etc.

7. Hedge accounting

(1) Hedge accounting

Deferred hedge accounting is adopted.

Interest rate swaps that satisfy certain requirements are accounted for by special treatment.

(2) Hedging instruments and hedged items

- Hedging instruments: interest rate swaps and forward exchange contracts

- Hedged items: loans payable, receivables and payables denominated in foreign currencies, or expected transactions denominated in foreign currencies

(3) Hedging policy

For interest rate-related transactions, hedges are entered into solely to avoid risks arising from possible interest rate changes in the future. For currency-related transactions, forward exchange contracts are used to hedge risks arising from possible fluctuations of foreign exchange rates on transactions denominated in foreign currencies.

(4) Assessment of hedge effectiveness

The hedge effectiveness of interest rate swaps is assessed by comparing the accumulated cash flow changes of the hedged items and the accumulated cash flow changes of the hedging instruments. However, the assessment of hedge effectiveness is omitted for interest rate swaps which are subject to special treatment. For forward foreign exchange contracts, the evaluation of hedge effectiveness is omitted as such exchange contracts and their hedged items or scheduled transactions share the same material conditions, and it is assumed in advance that market fluctuations or cash flow changes are offset at the time of commencement of hedging and thereafter.

8. Method for processing deferred assets

Bond issuance cost is amortized by the straight-line method across the period from the date of issuance until the date of redemption.

(Significant accounting estimates)

FY2024 (From April 1, 2023 to March 31, 2024)

Not applicable

FY2025 (From April 1, 2024 to March 31, 2025)

Not applicable

(Accounting standards not yet applied)

Since the relevant information is provided in the consolidated financial statements under "Notes (Accounting standards not yet applied)," the relevant notes are omitted here.

(Additional information)

(Performance-linked stock compensation plan for Directors)

Since the relevant information is provided in the consolidated financial statements under "Notes (Additional information)," the relevant notes are omitted here.

(Non-consolidated balance sheets)

*1. Monetary receivables and payables to subsidiaries and associates

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Short-term monetary receivables	14,131	13,228
Long-term monetary receivables	11,834	15,851
Short-term monetary payables	11,420	14,403

2. The Company has provided guarantees for the bank loans of the following companies and others.

(Millions of yen)

	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Employees	3	2

(Non-consolidated statements of income)

*1. Major components of selling, general and administrative expenses, and their amounts and approximate percentages, are as follows.

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Freight expenses	11,903	12,945
Advertising expenses	4,345	4,601
Remuneration for directors (and other officers) and salaries	5,900	6,017
Bonuses and various allowances	5,359	5,526
Retirement benefit expenses	400	218
Depreciation	661	718
Approximate percentages		
Selling expenses	65%	71%
General and administrative expenses	35	29

*2. Transaction balance with subsidiaries and associates

(Millions of yen)

	FY2024 (From April 1, 2023 to March 31, 2024)	FY2025 (From April 1, 2024 to March 31, 2025)
Net sales	70,503	74,628
Operating expenses	38,892	40,713
Transaction balance from non-operating transactions	1,071	3,240

*3. Gain on sales of fixed assets is primarily gains on the sale of land, etc.

*4. Loss on sales and disposal of fixed assets is losses attributable to the disposal or sale of machinery, equipment, etc.

*5. Loss on plant closures

FY2024 (From April 1, 2023 to March 31, 2024)

Since the relevant information is provided in the consolidated financial statements under "Notes (Consolidated statements of income)," the relevant notes are omitted here.

(Securities)

Shares of subsidiaries and associates

FY2024 (As of March 31, 2024)

The shares of subsidiaries and associates are not stated since they do not have market prices.

FY2025 (As of March 31, 2025)

The shares of subsidiaries and associates are not stated since they do not have market prices.

Note: Carrying amounts of shares, etc. that do not have market prices

(Millions of yen)

Category	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Shares of subsidiaries	11,940	11,843
Shares of associates	1,186	1,164

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

	(Millions of yen)	
	FY2024 (As of March 31, 2024)	FY2025 (As of March 31, 2025)
Deferred tax assets		
Non-deductible accrued enterprise tax	368	227
Accrued bonuses	390	400
Provision for retirement benefits	1,018	877
Loss on valuation of securities	272	517
Allowance for doubtful accounts	511	518
Other current assets	1,809	1,869
Subtotal deferred tax assets	4,370	4,409
Valuation allowance	(837)	(1,065)
Total deferred tax assets	3,533	3,343
Deferred tax liabilities		
Reserve for reduction entry	2,626	4,732
Unrealized holding gain (loss) on securities	19,630	18,360
Gain on contribution of securities to retirement benefit trust	408	420
Other current assets	535	535
Total deferred tax liabilities	23,201	24,050
Net deferred tax liabilities	19,667	20,706

2. Revision of deferred tax assets and deferred tax liabilities due to changes in the rates of income taxes

Following the enactment of the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) by the National Diet on March 31, 2025, the imposition of the special defense corporation tax will commence from the fiscal year beginning on or after April 1, 2026. Accordingly, for deferred tax assets and deferred tax liabilities relating to temporary differences expected to be reversed in or after the fiscal year beginning on April 1, 2026, the statutory effective tax rate has been changed from 30.6% to 31.5% for calculation purposes.

As a result of this tax rate change, deferred tax liabilities (the amount after the deduction of deferred tax assets) have increased by ¥635 million, and income taxes - deferred by ¥111 million, while unrealized holding gain (loss) on securities recorded for the current fiscal year has decreased by ¥524 million.

3. Major components attributable to the difference between the effective statutory tax rate and the actual effective tax rate after tax effect accounting

	FY2024 (As of March 31, 2024) (%)	FY2025 (As of March 31, 2025) (%)
Effective statutory tax rate	30.6	30.6
(Adjustments)		
Entertainment expenses and other non-deductible permanent differences	0.5	0.5
Non-taxable permanent differences such as dividend income	(1.1)	(3.2)
Per capita inhabitant taxes	0.1	0.1
Special deductions from income tax	(1.1)	(0.8)
Changes in valuation allowance	(3.7)	0.7
Change in effective tax rate		0.4
Other current assets	(0.1)	0.7
Actual effective tax rate after tax effect accounting	25.2	29.0

(Revenue recognition)

Since the information forming the basis for understanding revenue from contracts with customers is provided in the consolidated financial statements under “Notes (Revenue recognition),” the relevant notes are omitted here.

(Significant subsequent events)

Since the relevant information is provided in the consolidated financial statements under “Notes (Significant subsequent events),” the relevant notes are omitted here.

(iv) Non-consolidated supplemental schedules
Schedule of property, plant and equipment, etc.

(Millions of yen)

Category	Asset type	Balance at beginning of current period	Increase during current period	Decrease during current period	Amortization during current period	Balance at end of current period	Accumulated depreciation
Property, plant and equipment	Buildings	27,397	3,173	212	1,764	28,593	34,695
	Structures	3,550	224	18	315	3,440	9,805
	Machinery, equipment and vehicles	10,489	2,629	28	2,713	10,377	71,982
	Tools, furniture and fixtures	883	610	13	417	1,063	5,272
	Land	39,219	333	281	—	39,271	—
	Leased assets	8	—	—	1	6	130
	Construction in progress	4,344	15,646	6,971	—	13,019	—
	Total	85,893	22,617	7,525	5,212	95,773	121,886
Intangible assets	Intangible assets	520	85	0	132	473	750
	Total	520	85	0	132	473	750

Schedule of reserves

(Millions of yen)

Item	Balance at beginning of current period	Increase during current period	Decrease during current period	Balance at end of current period
Allowance for doubtful accounts	1,670	—	26	1,644
Accrued retirement benefits for directors	10	—	10	—
Provision for share awards for directors (and other officers)	73	66	37	102

(2) Major assets and liabilities

The relevant information is omitted since consolidated financial statements are prepared.

(3) Other

There are no reportable matters.

Section 6. Outline of Share-related Administration of Reporting Company

Fiscal year	From April 1 to March 31
Annual general meeting of shareholders	June
Record date	March 31
Record dates for dividends of surplus	September 30 and March 31
Number of shares constituting a share unit	100 shares
Purchase/Sale of shares in relation to shares less than one unit	
Handling office	(Special account) 4-1, Marunouchi 1 chome, Chiyoda-ku, Tokyo Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
Shareholder register administrator	(Special account) 4-1, Marunouchi 1 chome, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited
Contact place	_____
Share purchase/sale commissions	Free of charge
Method of public notice	The Company gives public notice by electronic means; provided, however, that in the event of accidents or other unavoidable circumstances that render public notice by electronic means impossible, the Company will publish the notice in the Nikkei newspaper. Electronic public notices are posted on the Company's website at the following address: http://www.nippon.co.jp/ir/announcement/koukoku/index.html
Shareholder privileges	Shareholder benefit program (1) Eligible shareholders (i) Shareholders who are recorded in the shareholder registry as of March 31 of each year and hold at least 200 shares (two units) (ii) Shareholders who are recorded in the shareholder registry as of March 31 of each year and hold at least 500 shares (five units) (iii) Shareholders who are recorded in the shareholder registry as of September 30 of each year and have continuously held at least 500 shares (five units) for over one year (2) Benefits (i) Products of the Company worth ¥1,500 or a donation of ¥1,500 to a social contribution organization (ii) Products of the Company worth ¥3,000 or a donation of ¥3,000 to a social contribution organization (iii) Products of the Company worth ¥1,500

Section 7. Reference Information of Reporting Company

1. Information about parent of reporting company

The Company has no parent company, etc. as prescribed in Article 24-7, paragraph (1) of the Financial Instruments and Exchange Act.

2. Other reference information

During the period from the start date of the fiscal year under review to the date of filing of this Securities Report, the following documents were submitted.

- (1) Securities Report and its supplementary documentation, and Confirmation Letter
For the fiscal year from April 1, 2023 to March 31, 2024 (200th period): submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2024.
- (2) Internal Control Report and its supplementary documentation
Submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2024
- (3) Semiannual Securities Report and Confirmation Letter
For the period from April 1, 2024 to September 30, 2024 (during the 201st period): submitted to the Director-General of the Kanto Local Finance Bureau on November 8, 2024.
- (4) Extraordinary Reports
 - [1] Submitted to the Director-General of the Kanto Local Finance Bureau on July 3, 2024.
This is an Extraordinary Report based on Article 19, paragraph (2), item (ix)-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Results of Exercise of Voting Rights at a General Meeting of Shareholders).
 - [2] Submitted to the Kanto Local Finance Bureau on July 23, 2024.
This is an Extraordinary Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (iii) of the Cabinet Office Order on Disclosure of Corporate Affairs.
 - [3] Submitted to the Kanto Local Finance Bureau on September 26, 2024.
This is an Extraordinary Report based on Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (iii) of the Cabinet Office Order on Disclosure of Corporate Affairs.
- (5) Shelf Registration Statement (Corporate Bond) and its supplementary documentation
Submitted to the Director-General of the Kanto Local Finance Bureau on December 16, 2024.
- (5) Amended Shelf Registration Statement
Submitted to the Director-General of the Kanto Local Finance Bureau on December 20, 2024.
This is an Amended Shelf Registration Statement pertaining to the Shelf Registration Statement submitted on December 16, 2024.

Part II. Information About Reporting Company's Guarantor, etc.

Not applicabl