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Securities Report

202nd Period From April 1, 2025 to March 31, 2026

NIPPN CORPORATION

(E00345)

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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		198th period	199th period	200th period	201st period	202nd period
Fiscal year ended		FY2022	FY2023	FY2024	FY2025	FY2026
Net sales	Millions of yen	321,317	365,525	400,514	410,878	418,425
Ordinary income	Same as above	14,270	14,816	23,280	24,393	24,874
Profit attributable to owners of parent	Same as above	9,327	10,260	26,367	24,757	21,803
Comprehensive income	Same as above	12,514	17,481	39,614	23,779	36,507
Total net assets	Same as above	178,697	192,613	228,285	246,484	289,877
Total liabilities and net assets	Same as above	325,869	344,606	386,692	399,226	476,826
Net assets per share	Yen	2,268.30	2,421.48	2,874.28	3,102.27	3,415.52
Profit per share	Same as above	121.59	132.16	338.20	317.27	262.51
Fully diluted profit per share	Same as above	106.02	115.39	295.46	276.75	257.03
Equity ratio	%	53.4	54.8	58.0	60.7	59.2
Return on equity	Same as above	5.51	5.66	12.78	10.62	8.31
Price-earnings ratio	Times	13.68	12.16	6.23	7.05	9.05
Net cash provided by (used in) operating activities	Millions of yen	11,975	15,055	24,022	18,768	25,272
Net cash provided by (used in) investing activities	Same as above	(10,103)	(5,026)	(9,489)	(7,807)	(27,088)
Net cash provided by (used in) financing activities	Same as above	(4,278)	(8,402)	(7,241)	(10,533)	24,467
Cash and cash equivalents at end of period	Same as above	31,215	33,157	40,728	41,471	64,222
Number of employees [Other than the above, average number of temporary employees]	Persons	3,775 [5,257]	3,848 [4,953]	3,829 [5,448]	3,863 [5,618]	3,935 [6,035]

Note: 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 profit per share and fully diluted profit per share.

(2) Key financial data of reporting company

Fiscal period		198th period	199th period	200th period	201st Period	202nd Period
Fiscal year ended		FY2022	FY2023	FY2024	FY2025	FY2026
Net sales	Millions of yen	193,558	225,014	248,176	253,240	253,608
Ordinary income	Same as above	12,496	11,613	15,677	18,719	16,701
Profit	Same as above	10,222	3,414	22,159	21,959	16,799
Capital stock (Total number of issued shares)	Same as above (Thousands of shares)	12,240 (78,824)	12,240 (78,824)	12,240 (78,824)	12,240 (78,824)	18,670 (84,727)
Total net assets	Millions of yen	150,552	158,797	186,540	198,324	230,197
Total liabilities and net assets	Same as above	257,369	271,119	302,123	313,247	380,256
Net assets per share	Yen	1,953.89	2,030.01	2,384.85	2,534.42	2,778.47
Dividend per share (In the above, interim dividend per share)	Same as above (Same as above)	38.00 (18.00)	40.00 (19.00)	66.00 (28.00)	66.00 (33.00)	68.00 (33.00)
Profit per share	Same as above	132.93	43.88	283.65	280.86	201.89
Fully diluted profit per share	Same as above	115.96	38.23	247.84	245.04	197.68
Equity ratio	%	58.4	58.5	61.7	63.3	60.5
Return on equity	Same as above	7.03	2.21	12.85	11.42	7.84
Price-earnings ratio	Times	12.51	36.62	7.43	7.96	11.77
Dividend payout ratio	%	28.59	91.16	23.27	23.50	33.68
Number of employees [Other than the above, average number of temporary employees]	Persons	1,137 [217]	1,156 [201]	1,173 [209]	1,210 [209]	1,244 [236]
Total shareholder return (Benchmark: TOPIX)	% %	102.7 (102.0)	104.9 (107.9)	151.8 (152.5)	143.6 (150.2)	180.5 (202.2)
Share price, highs	Yen	1,740	1,703	2,422	2,491	2,869
Share price, lows	Same as above	1,546	1,532	1,677	2,097	2,093

Notes: 1. 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 profit per share and fully diluted profit per share.

2. 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.

3. Of the ¥68.00 per share dividend for the 202nd period, the year-end dividend of ¥35.00 is subject to resolution at the Annual General Meeting of Shareholders scheduled to be held on June 26, 2026.

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.
April 2025	Made HATANAKA FOODS Co., Ltd. a consolidated subsidiary.
February 2026	Chita Mill Completed.

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 59 subsidiaries and 21 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.

HATANAKA FOODS Co., Ltd. manufactures frozen foods using ingredients produced by the Company and sells such products to the Company.

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 meals) -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.

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

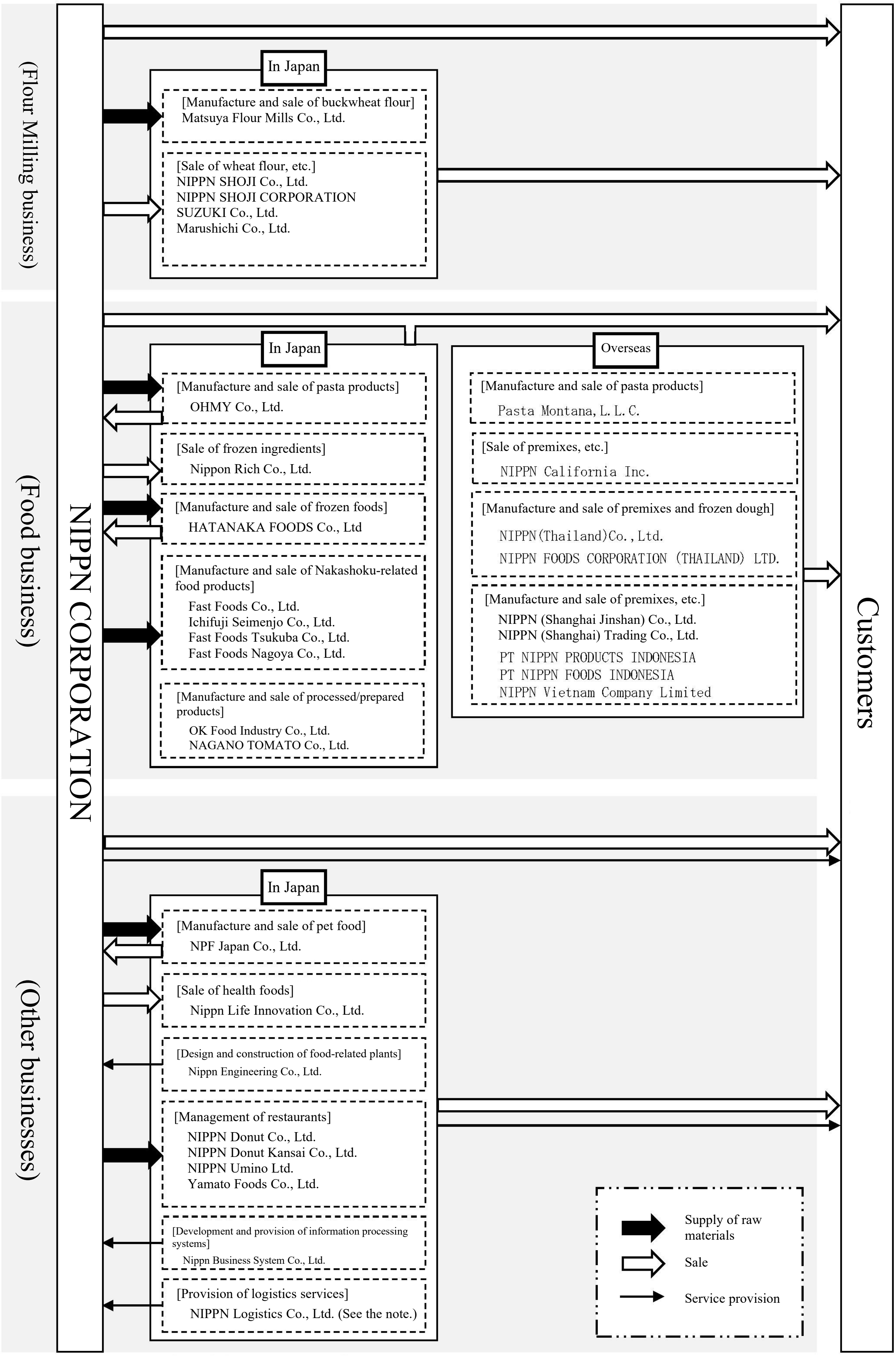
Nippn Engineering Co., Ltd. designs and constructs food-related plants.

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

Nippn 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	One person	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	–	–	–	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.	–
Nippn 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)	One person	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.	–	–
27 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.

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 FY2026.

(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, challenges regarding human rights, 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 FY2026, the Japanese economy gradually recovered against the background of factors such as improvements in the employment and income environment. On the other hand, the economic outlook is becoming more uncertain, due to the trends in the international trade policy of the United States and the changes in the financial and capital market, as well as soaring energy prices and disruption of the supply chain driven by the escalating tension in the Middle East.

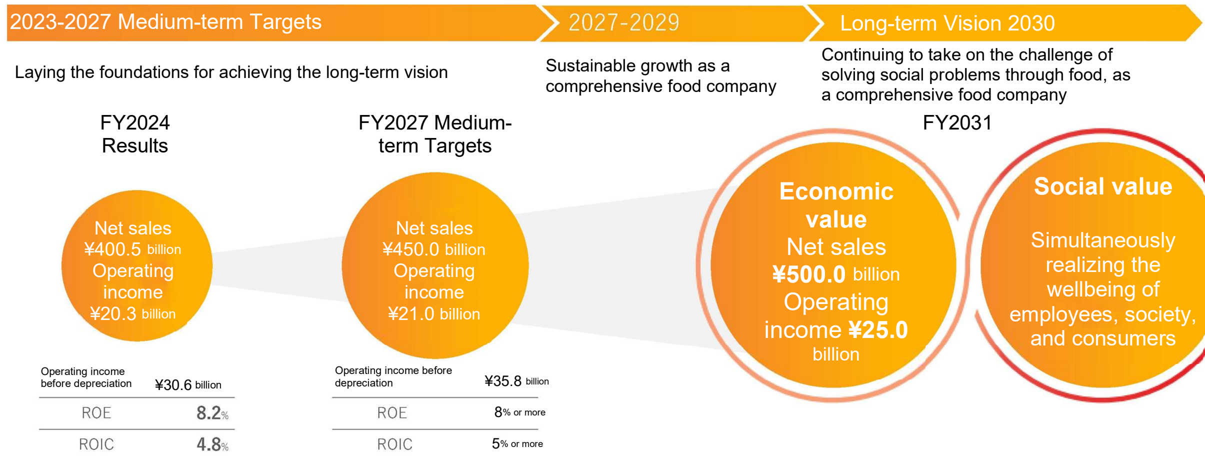
In the food industry, although a gradual upswing has remained thanks to the expansion of inbound demand and the recovery of the food service industry, we continued to pay the utmost attention to the impact on our business environment from rising raw material prices and logistics costs, procurement risks for oil-derived materials like packaging materials, due to crude oil price surges and supply instability stemming from geopolitical risks in the Middle East, and growing consumer tendency toward cost-conscious spending.

In order to achieve sustainable growth, we have been working to strengthen our brand power and develop differentiated products, as well as to improve our 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

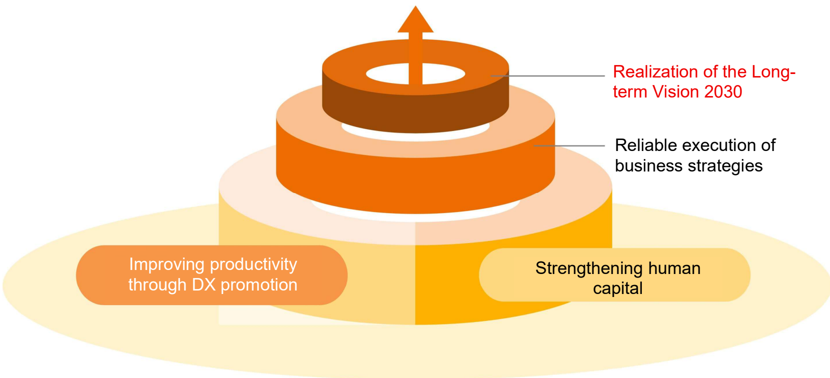
In pursuit of attaining the Management Philosophy, we formulated, in May 2024, the Long-term Vision 2030 “As a comprehensive food company, the NIPPN Group will continue to take on the challenge of solving social problems through food.” In addition to pursuing economic value by aiming for growth to the 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>

Toward the realization of the Long-term Vision 2030, we are in the process of developing group-wide foundations to support the execution of our business strategies.

In particular, designating the promotion of DX, which is directly linked to productivity improvement, and the strengthening of human capital serving as a source of value creation to be our group-wide, top priority measures, we will seek to both streamline and enhance operations.

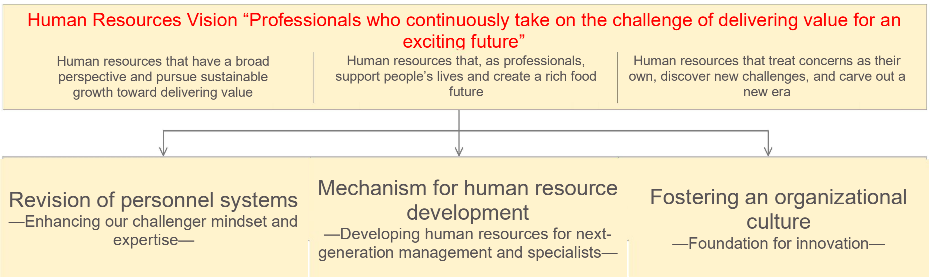


■ Improving productivity through DX promotion

The Group has been progressively advancing the digitization of analog data, as well as the automation and visualization of business operations. To step up toward a more substantive form of DX, we have formulated the Nippn DX Overall Concept. For the evolution of our existing businesses, the creation of new ones, and the realization of well-being, we promote DX that fundamentally streamlines and advances our operations and creates the time and human resources required to take on challenges. We will lay a foundation that can seamlessly link new technologies such as generative AI with group-wide accumulated data for their utilization, and will form a corporate culture in which the frontline-led optimization and improvement of business processes are iterated.

■ Strengthening human capital

In order to link our management strategies with our human resources strategies toward the attainment of the Long-term Vision and the realization of the well-being of our employees, we have formulated a 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 development of the human resources we require, 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.



<Strategies and challenges in growth areas>

■ 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 sales with a focus on one-plate complete meal products whose market has continued growing, in addition to frozen pasta products such as the "Oh'my Premium" series.

For professional use frozen food, we will strive to expand the sales of products meeting user needs, in response to strong demand for food services and inbound tourism.

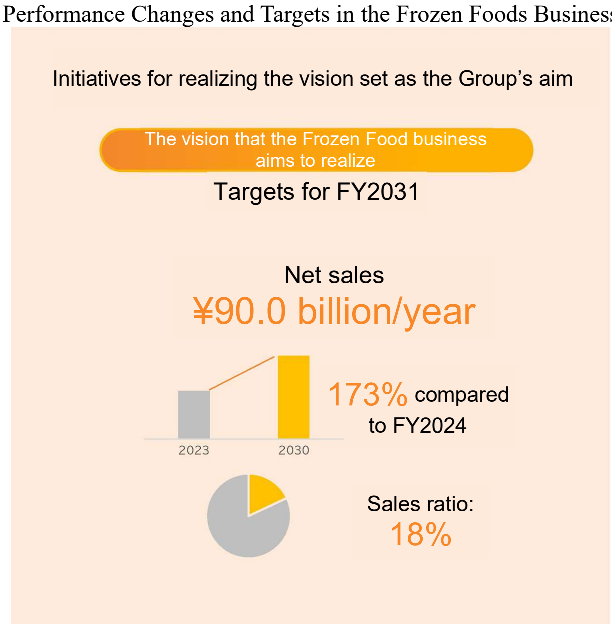
To achieve sales growth, we will work to increase our supply capacity by proceeding with the construction of a new plant for frozen foods and the introduction of automation technology at HATANAKA FOODS Co., Ltd., which became a consolidated subsidiary in April 2025.

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

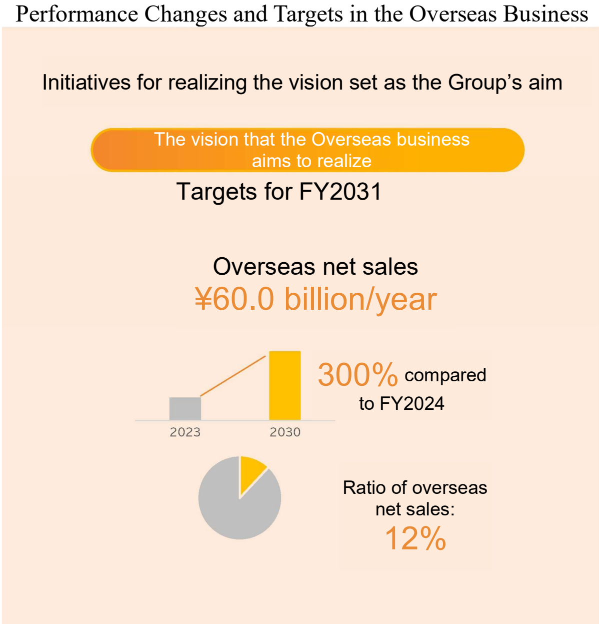
We will work on expanding sales into new demand regions, in addition to aiming for business expansion in the countries where we have already conducted business.

Furthermore, we will focus on developing global human resources capable of contributing to the expansion of our overseas business, while also working to increase exports of Japanese products.

Performance Changes and Targets in the Frozen Foods Business



Performance Changes and Targets in the Overseas Business



(ii) Medium-term Targets

We set the achievement of net sales of ¥400,000 million and operating income of ¥15,000 million by FY2027 as a medium-term target in May 2022 toward achieving the net sales of ¥500,000 million and operating income of ¥25,000 million set in our Long-term Vision 2030. Subsequently, as this target was achieved in FY2024 ahead of schedule, we revised the medium-term target upward in May 2024, and we have since set a target of achieving net sales of ¥450,000 million, operating income of ¥21,000 million, ROE of 8% or higher, and ROIC of 5% or higher by FY2027.

Although the future outlook is becoming more uncertain, due to rising raw material costs and logistics costs, and supply instability driven by the geopolitical risks in the Middle East, we will strive to achieve our medium-term target by FY2027 by implementing strategies based on the five pillars: strengthening profitability in our core areas, strategic investment in growth areas and new business areas, pursuing M&A and business partnership opportunities, strengthening corporate competitiveness through DX promotion, and promoting sustainability management.

<Strategies and measures of each business segment>

In the Flour Milling Business, the Chita Mill began operations in February 2026 and is achieving high productivity through the latest automation technologies while taking account of sustainability, including energy conservation and environmental considerations. We will also strive to differentiate ourselves by developing, and expanding the sale of, our unique value-proposition products, such as Yawara wheat. Furthermore, we will strive to generate cash in a stable manner by implementing highly productive sales activities that leverage DX, eliminating waste, improving logistics, and enhancing production efficiency at each mill/plant.

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, in addition to continuing product development for our master brand "Oh'my Premium" in both the frozen and ambient product temperature zones, we will implement sales promotions linked to advertising and promotional activities to enhance brand awareness and further highlight the brand's value. Furthermore, we will work to strengthen our supply system through initiatives such as the construction of a new plant at HATANAKA FOODS Co., Ltd.

In the Overseas business, we will accelerate our initiatives for market development inside and outside the Group's locations and for overseas business expansion. With Utah Flour Milling, LLC's new plant having been in full operation since September 2025, we will not only continue to explore initiatives for business expansion but also work to expand sales channels in countries neighboring our bases and develop a structure for the operation commencement of NIPPN Vietnam Company Limited's new plant.

<Growth strategies toward the attainment of the medium-term targets>

As specific measures to ensure the attainment of the medium-term targets, the Group has engaged in the new establishment and reallocation of manufacturing facilities, the development and provision of value-added products, and the promotion of marketing strategies.

■ New establishment and reallocation of manufacturing facilities

In Japan, the Chita Mill began operations as a flour milling site in February 2026. Located in a coastal area adjacent to the raw material silos at Chita Wharf, where large grain vessels can dock, the mill has actually reduced raw material procurement costs through the direct transportation of raw wheat. In addition, we are promoting the adoption of smart factories by introducing systems that, for example, automatically measure flow rates and analyze products, thereby improving the accuracy and efficiency of milling processes. Furthermore, taking into account the potential impact of tsunamis following major earthquakes, we have raised the floor level of the first floor and taken other measures to enhance the building's resilience to natural disasters. This mill is our first carbon-neutral mill, realizing the use of 100% renewable energy on a net basis through the installation of photovoltaic power generation systems and through the use of non-fossil fuel certificates.

In addition, a new frozen food plant of HATANAKA FOODS Co., Ltd. is scheduled for completion at the end of FY 2027, and we plan to relocate our R&D base to the NIPPN R&D Center to be newly established. Furthermore, outside of Japan, NIPPN Vietnam Company Limited's new plant for premixes is scheduled to begin its operations in 2027. We will continue to carefully assess the effectiveness of our investments while considering the new establishment and reallocation of bases.

■ Development and provision of value-added products

Through joint research with the National Agriculture and Food Research Organization (NARO), we have developed a domestically produced wheat variety that slows starch retrogradation (i.e., does not harden) and retains a fresh-made texture for an extended period, for which we have registered the trademark "Yawara wheat®." In recognition of the development and practical application of this wheat variety, we received the "Chairman's Award of the Agriculture, Forestry and Fisheries Research Council, the Ministry of Agriculture, Forestry and Fisheries" at the 2025 Private Sector Awards for Achievements in Agricultural, Forestry, and Fisheries Research and Development. In March 2026, we launched NIPPN Soft Until Tomorrow Bread Flour, a new product for home use that offers consumers the new value of "enjoying a soft texture not only when freshly baked but also on the next day and beyond.” We will continue to work on developing various products so that Yawara wheat® can be widely utilized.

■ Promotion of marketing strategies

To achieve expansion and growth even in mature markets through consumer-centric initiatives, we have been implementing our marketing strategies since October 2023. Specifically, with a focus on the Oh’my Premium brand, we will develop products that allow consumers to experience their deliciousness regardless of product temperature zone—ambient or frozen—thereby creating products and brands that consumers choose.

Additionally, in April 2025, we newly established the Marketing Dept., and the product development and sales support functions have been incorporated into this department to put into place a structure that enables integrated strategic planning and swift decision-making. Going forward, we will also deploy thorough consumer-centric marketing approaches in the professional use area, aiming to further enhance brand awareness and drive revenue expansion.

“YAWARA NO CHIKARA”

“Soft Until Tomorrow Bread Flour”

<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 FY2026, we promoted dialogue with the issuers of the stocks held under our cross-shareholdings and sold our cross-shareholdings worth ¥5.9 billion. In FY2027, the final year for our medium-term targets, we will continue to focus on reducing our cross-shareholdings to achieve the goal of maintaining the amount of such holdings below 20% of our consolidated net assets.

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. 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.

In order to link our management strategies with our human resources strategies toward the realization of the well-being of employees who constitute a source of corporate value creation, we formulated a Human Resources Vision. With this Human Resources Vision as our core, we are working on the development of human resources, the revision of personnel systems, and the creation of an organizational culture, in the hope that initiatives such as those will lead to the development of the human resources we require.

<Climate change>

We regard addressing climate change as an important challenge 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.

The Chita Mill, which began operations in February 2026, was the site of our fourth installation of photovoltaic power generation systems among our domestic mills. Furthermore, we have achieved high energy-saving performance, such as by effectively sourcing 100% of our electricity from renewable energy, which led to the acquisition of ZEB Ready certification.

In the times ahead, we will make consistent efforts to reduce GHG emissions, while adequately reviewing the roadmap for the introduction of energy-efficient facilities and renewable energy facilities, for the procurement of renewable energy-based electricity, and for other relevant matters.

<Sustainable procurement>

As a comprehensive food company, the Group operates a wide range of businesses spanning from upstream areas, as exemplified by those related to food ingredients (such as flour milling and premixes), to downstream areas such as frozen foods. As a diverse range of raw materials is handled in those businesses, we recognize that our social and environmental impact—on aspects such as "human rights," "biodiversity," and "climate change"—grows as our supply chain expands.

In light of these circumstances, we have revised our Human Rights Policy and Basic Procurement Policy and newly formulated a Basic Policy on Biodiversity. Based on these policies, we are advancing initiatives toward sustainable procurement, such as conducting human rights due diligence and identifying risks and opportunities through the TNFD's LEAP approach.

<Human capital>

With the Human Resources Vision as our core, we will work on revising our personnel systems to facilitate the development of the human resources we require, on developing human resources to build a human resource pipeline, and on fostering an organizational culture as a foundation for creating innovations.

Revision of personnel systems —Enhancing our challenger mindset and expertise—	Mechanism for human resource development —Developing human resources for next-generation management and specialists—	Fostering an organizational culture —Foundation for innovation—
Self-directed career formation, combined with fair compensation and improved productivity based on the assessment of competence in terms of performance and challenges	Building a development pipeline for next-generation leaders and specialists aligned with management strategies	Laying a foundation for creating added value through the integration of diverse knowledge
Integration of job categories	Integration into the human resource development framework	Strengthening of diversity management
Multi-track career system	Alignment with succession plans	Evolution of initiatives to improve employee engagement
Refinement of evaluation criteria	Reskilling programs	Revitalization of internal communication
Revision of personnel transfer policies		

2. Disclosure of sustainability-related financial information

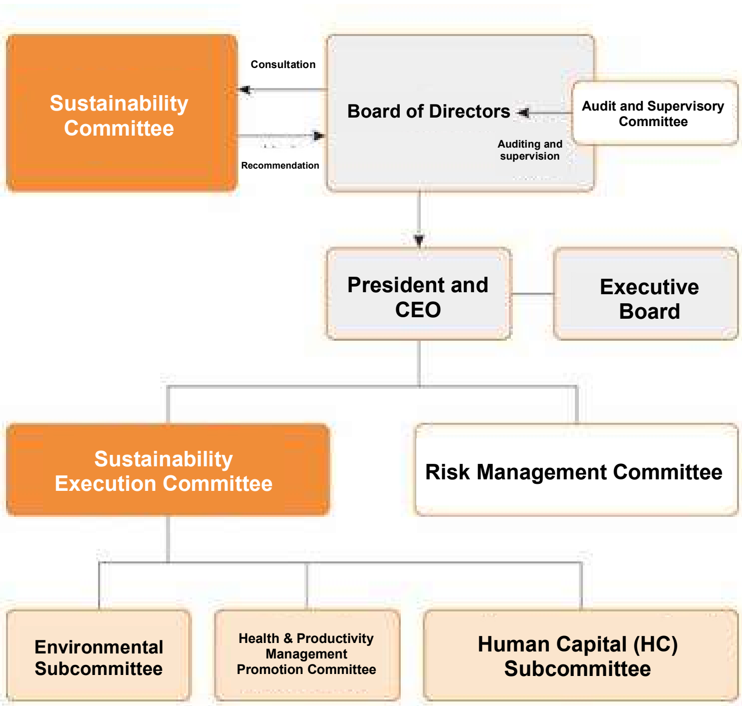
All matters concerning the future in the following text are based on the views of the Group as of the end of FY2026.

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.

(1) Governance

The Group has established the Sustainability Committee (chaired by the President and CEO of the Company who serves as the highest-ranking executive officer chief executive officer) as a consultative body to the Board of Directors, and the Sustainability Execution Committee (chaired by the President and CEO) as an executive body, with the Environmental Subcommittee, the Health & Productivity Management Promotion Committee, and the Human Capital (HC) Subcommittee under it, to build a system for addressing various group-wide challenges regarding sustainability.

The Sustainability Committee meets twice a year to consider various aspects of social sustainability from a long-term perspective, discuss the direction of the Group's sustainability, materiality items, and strategies, and report to the Board of Directors. In order to promote sustainability management, the Sustainability Execution Committee formulates measures in accordance with materiality items, manages the progress of measures, and makes proposals, provides support, and compiles information for each department and business plan.



(2) Strategies

The Group has identified the following six materiality items as key challenges for management: “Pursuit of Well-being by Means of Food,” “Contribution to Society through Food and Health,” “Environmental Protection Initiatives,” “Human Capital Initiatives,” “Corporate Activities for Sustainable Growth,” and “Strengthening of Corporate Governance.” By working collectively on specific activities in relation to the six key challenges, we will contribute to the realization of a sustainable society while striving for sustainable growth as a company.

(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.

In response to the growing importance of a “sustainable supply chain” in recent years, we have revised our Human Rights Policy, Basic Procurement Policy, and Basic Policy on Biodiversity. Based on these revised policies, we conduct human rights due diligence and analyses in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) to identify business risks and opportunities, thereby ensuring appropriate business operations. We also disclose the results of such analyses as appropriate.

(4) Indicators and targets

The Group regards addressing climate change as one of the most important challenges 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.

Going forward, we will set quantitative and qualitative targets for other challenges as well and promote initiatives that are integrated with our business operations.

<Key sustainability challenges>

(i) 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.

Specific activities

The Chita Mill, which began operations in February 2026, was the site of our fourth installation of photovoltaic power generation systems among our domestic mills. Furthermore, we have achieved high energy-saving performance, such as by effectively sourcing 100% of our electricity from renewable energy, which led to the acquisition of ZEB Ready certification.

In the times ahead, we will make consistent efforts to reduce GHG emissions, while adequately reviewing the roadmap for the introduction of energy-efficient facilities and renewable energy facilities, for the procurement of renewable energy-based electricity, and for other relevant matters.

(Reference) Status of Photovoltaic Power Generation System Installation

Fiscal Year	FY2023	FY2024	FY2025	FY2026	Scheduled for FY2027
Installation locations (total)	2	4	5	7	8
Power generation (MWh)	253	1,870	2,811	3,082	4,677
CO_2 emissions reduction (t-CO_2)	110	920	1,509	1,648	2,315

(Reference) Changes in GHG Emissions (1,000 t-CO_2)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Scope1	48	49	44	47	47	47	46
Scope2	114	113	112	113	115	118	113
Scope3	—	—	—	—	3,120	3,930	4,260

Note

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 figures for FY2024 onward attribute to its Flour Milling business and Food business.

TCFD scenario analysis

In 2024, the Group revised its information disclosure based on the TCFD recommendations. Going forward, in conjunction with disclosures based on the TNFD recommendations, we will strive to address climate change and conserve biodiversity.

(Governance)

We view addressing climate change as a group-wide challenge involving all group companies, and under the supervision of the Board of Directors, the Environmental Subcommittee takes the lead in advancing specific initiatives.

(Strategies)

To realize the Long-term Vision 2030, the Group is working as one to implement specific activities related to the six materiality items, thereby contributing to the realization of a sustainable society while pursuing sustainable growth as a company. Regarding its climate change initiatives, the Group has endorsed the TCFD and conducts scenario analyses using 1.5°C and 4°C scenarios to assess the financial impact of risks and opportunities.

● Climate Change Risks

Classification	Impact on the Group	Solutions
Transition risks	- Increase in costs throughout the supply chain due to rising carbon prices	- Introduction of photovoltaic power generation systems - Switching to renewable energy - Introduction of internal carbon pricing
Physical risks	- Increase in wind and flood damage due to more severe extreme weather events	- Capital investment to deal with wind and flood damage
	- Changes in suitable cultivation areas for agricultural products, lower yields, quality deterioration, and rising prices due to rising average temperatures	- Securing multiple suppliers - Breeding drought-resistant varieties - Identifying areas resistant to wind and flood damage and taking appropriate measures

● Opportunities Arising from Climate Change

Classification	Expected event	Solutions
Products and services	Use of new technologies	- Development of products with low environmental impact and products designed to reduce food loss
Market	Changes in consumer behavior and preferences	- Development of alternative protein products - Use of products made from sustainable raw materials - Development of environmentally friendly manufacturing methods and products

(Risk management)

Analyses and response measures related to natural capital, including those related to climate change, will be examined by relevant subcommittees, working groups, and task forces, reported to the Sustainability Execution Committee for discussion, and incorporated into management under the supervision of the Board of Directors.

(Indicators and targets)

The main indicators and targets related to climate change are as follows.

Indicator	Target	
Reduction in Scope 1 and Scope 2 emissions (compared to FY2022)	2030	42% reduction
	2050	Carbon neutrality

(ii) Initiatives for biodiversity

Information disclosure based on the TNFD recommendations

The Group has begun disclosing information based on the TNFD recommendations. FY2026 marks our initial disclosure; moving forward, we aim to expand the boundary of our disclosure and achieve more precise disclosures.

(Governance)

Framework

Initiatives related to natural capital and biodiversity are discussed by the cross-functional Task Force on Biodiversity, shared with all departments via the Environmental Subcommittee, and then reported to the Sustainability Committee. 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.

Engagement with stakeholders

Appropriate collaboration with diverse stakeholders is indispensable for the establishment of a sustainable supply chain that also takes into account interactions with nature. The Group has established the NIPPN Group Basic Procurement Policy, which sets out, among other matters, respect for human rights and occupational safety and health, reduction of environmental impact, and consideration for biodiversity. In addition, in order to promote appropriate collaboration with suppliers, we have established the Request to Suppliers, which sets out environment-related requests such as consideration for biodiversity and seeks collaboration from relevant parties in this regard.

(Strategy —Nature-related analysis and assessment of "risks and opportunities"—)

We conducted our assessment based on the LEAP approach (Note 1) recommended by the TNFD. First, after narrowing down the "economic activities to be assessed" within the Group's value chain, we decided to focus on "raw material production" and "flour milling and food processing (plants/mills in Japan)" in this assessment. With respect to raw material production in this evaluation, we set the following five crops as items of particular focus, given their large procurement values and their particularly high assumed dependence and impact on nature: wheat, sugarcane, rice, corn, and palm. We then assessed "risks and opportunities," taking into account the evaluation using ENCORE (Note 2) of the "dependencies and impacts" on nature arising from the targeted activities, and the "state of nature" in the areas for those activities.

Notes: 1. The process recommended by the TNFD for evaluating nature-related risks and opportunities, consisting of the four phases of "Locate," "Evaluate," "Assess," and "Prepare."

2. The tool to visualize how the economy depends on nature and can impact it, and how environmental change can create business risks.

● Assumed Risks and Opportunities

Target	Classification	Assumed Opportunities and Risks	Specific Content	Key Solutions
Raw material production	Physical risks (chronic)	Changes in suitable cultivation areas due to global warming	- Increase in procurement costs - Decrease in procurement volume - Additional costs for addressing water risks and climate change risks	- Breeding varieties capable of withstanding climate-change - Securing multiple procurement sources - Reducing GHG emissions in business activities
	Physical risks (acute)	Increased frequency of weather-related damage in agriculture		
	Transition risks	Tightened regulations on the use of agricultural materials such as fertilizers and pesticides	- Additional costs for regulatory compliance - Decline in reputation among stakeholders in the case of inadequate climate change responses	- Initiatives for agriculture with low environmental-impact in collaboration with producers
	Opportunities	Stabilization of the supply chain through contributions to sustainable agriculture	- Improved reputation among stakeholders - Stabilizing/Sustaining the raw material production base	- Initiatives for agriculture with low environmental-impact in collaboration with producers - Breeding wheat varieties that are adapted to Japan's climate and have high added value
Flour milling and food processing (plants/mills in Japan)	Physical risks (chronic/acute)	Degradation of water intake areas from which plants/mills draw water	- Unstable water intake at plants/mills due to development near water intake areas, reduced water volume due to rainfall changes, deterioration in water quality, etc. - Additional costs for addressing water risks	- Figuring out the volume of water used at plants/mills and assessing water risks in operating areas - Raising employees' awareness of water use (water saving, water recharge, etc.)
	Opportunities	Reduction of water stress through water-saving activities and water recharge	- Improved reputation among stakeholders - Streamlining and reducing water use	- Water recharge in watersheds - Water-saving and use of reclaimed water at plants/mills

(iii) Corporate activities for sustainable growth

Responses to risks to human rights

With respect to the execution process to address risks to human rights in the Group's value chain, we deal with such risks in line with the human rights due diligence guidance. In FY2026, we conducted a "self-assessment on human rights initiatives" across the entire NIPPN Group.

Internal awareness-raising initiatives concerning human rights

We recognize the importance of fulfilling our responsibility, on the basis of our Management Philosophy and in the entire corporate activities, to ensure the right to life and freedom that all people inherently hold, and to respect human rights based on the human dignity that is indispensable for living a happy life in society. The Group's employees will, in accordance with the NIPPN Group Human Rights Policy, promote the understanding and practice of respect for human rights throughout the supply chain.

(iv) Indicators and targets concerning human capital

Toward the achievement of sustainable enhancement in our corporate value, we are promoting the creation of an organization where diverse human resources can maximize their respective abilities. As a food manufacturer, we believe that the active participation of human resources with diverse values and experience is essential not only to continue providing safe, reliable, and high-quality products but also to adapt to changes in the social environment and consumer needs.

Therefore, we support the proactive growth of each employee, promote the enhancement of their expertise as well as their career development, and place a high priority on cultivating management skills that leverage diverse human resources. We are committed to creating an environment where every individual can demonstrate their abilities, regardless of gender, age, nationality, or disability status.

Furthermore, we regard employee health as a critical element of our business foundation and thus promote the development of a workplace environment grounded in health-oriented management. We are working to promote flexible work styles and support the balance between work and childcare or family care. At the same time, through the promotion of DE&I, we aim to foster a workplace culture where each person is respected and can take on challenges with confidence, thereby enhancing employee engagement.

Based on the above policies, we have set the following indicators and targets to assess the status of our human capital initiatives and manage the progress of such initiatives toward continuous improvement.

Please note that these indicators cover solely the status of the Company's initiatives. Since there are differences in systems and operational policies across the Group as a whole, it is difficult to set uniform indicators and targets at this time. Therefore, this document discloses the results for the Company on a standalone basis. Going forward, we will continue to explore the appropriate approach to disclosure on a consolidated basis.

Indicators and targets

		FY2025 results	FY2026 results	FY2027 targets
Ratio of female managers		10.0%	10.0%	12.0%
Childcare leave acquisition rate	Male employees	88.2%	93.9%	100.0%
	Female employees	100.0%	100.0%	100.0%

Note: 1. Persons who took childcare leave include those who started their postpartum leave within the fiscal year concerned.

Information disclosure concerning human capital

		FY2024 results	FY2025 results	FY2026 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)	73.1 (+1.9 compared to the average among other companies)
Number of mid-career hires		30 persons	42 persons	33 persons
Amount of investment in education and training		71,932,000 yen	104,987,000 yen	114,710,000 yen
Average number of annual paid leave days taken		13.3 days	13.7 days	14.0 days
Average number of childcare leave days taken	Male employees	20.1 days	18.2 days	25.5 days
	Female employees	311.1 days	373.3 days	333.0 days
Ratio of employees maintaining appropriate body weights (BMI)		63.3%	64.5%	65.1%
Ratio of employees with high stress levels		8.5%	9.3%	8.3%

Note: 1. 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.

Amount differences in wages between male and female employees

	FY2024 results	FY2025 results	FY2026 results
All employees	73.3%	73.5%	73.3%
Among all employees, regular employees	80.3%	79.7%	78.0%
Among all employees, part-time/fixed-term employees	65.4%	66.9%	65.2%

Note: 1. 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).

3. Business risks

The Group has established the Risk Management Committee, chaired by the President and CEO, for the purpose of determining matters necessary for the management of risks that can affect the achievement of corporate objectives, and thereby preventing such risks from being materialized and minimizing losses. In addition, we have established the Compliance Subcommittee, the Disaster Response Subcommittee, the Business Execution Subcommittee, and the Information Security Subcommittee as subcommittees under the Risk Management Committee, thereby putting into place a structure that enables each of these subcommittees to evaluate cases falling under its responsibility and take action as necessary.

We classify various risks into the three categories of (1) business, (2) sustainability, and (3) governance, and have set basic solutions for each.

In addition, the Risk Management Committee creates a risk map based on two axes: “impact” and “frequency.” “Impact” is assessed based on the extent of personal damage, business interruption risks, and compliance or financial impacts, while “frequency” assumes the likelihood of the risk occurring at a frequency ranging from annual occurrence to approximately once in 10 years. Each risk item is then rated as high, medium, or low and mapped accordingly.

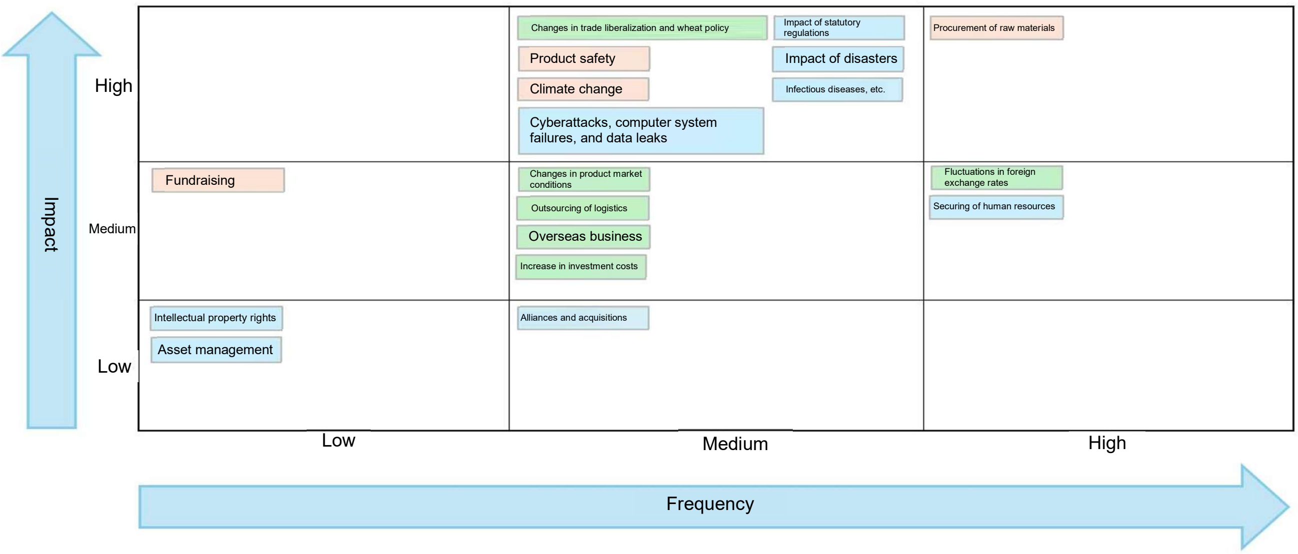
	Risk	Solutions
1. Business	1-1. Changes in trade liberalization and wheat policy	
	In addition to the ongoing review and expansion of the CPTPP (TPP11), the Japan-EU EPA, the Japan-U.S. Trade Agreement, etc., uncertainties surrounding global trade policies are growing. The Group’s core businesses (flour milling, premixes, pasta, etc.) may be affected by regulatory changes, changes in wheat procurement methods, increased imports, intensifying domestic price competition, and restructuring in related industries, in connection with the above-mentioned treaties, agreements, etc. Furthermore, changes in the international logistics environment and geopolitical risks potentially affect the stability of our procurement and supply.	We are working to strengthen our cost competitiveness through the consolidation of small-scale plants and the integration of production into large waterfront plants, to develop differentiated products, and to expand our overseas business. We also strive to reduce risks by continuously monitoring trends in regulations and the international situation, making our procurement methods more flexible, and securing a supply system that can accommodate market fluctuations.
	1-2. Fluctuations in foreign exchange rates	
	The cost of raw materials and commodities procured from overseas is significantly affected by sharp fluctuations in exchange rates. In addition, the profits/losses and financial conditions of overseas subsidiaries may fluctuate due to valuation differences when converted to yen, potentially impacting our business performance. When the impact of exchange rate fluctuations extends to the entire supply chain, this may lead to increased procurement costs and affect inventory valuations.	We strive to mitigate such impact on our procurement through the implementation of foreign exchange contract rules and close monitoring of market trends, and to suppress performance fluctuations by reflecting the cost of raw materials and commodities in product prices as appropriate. In addition, we implement financial management that takes into account the foreign exchange impact on our overseas operations, in minimizing fluctuation risks.
	1-3. Changes in product market conditions	
	Competition in the Japanese market is intensifying amid the situation where the population is on the decline and aging with low birthrates, and the market is susceptible to changes in consumer trends, economic conditions, rising prices, and other relevant factors. Significant fluctuations in the product market may destabilize the Group’s business performance. In particular, bran, which is a by-product of the Flour Milling business, is highly sensitive to changes in the supply and demand balance, and accordingly, price fluctuations may affect relevant revenue.	We are working to set appropriate sales prices in line with market trends, develop high-value-added products, and strengthen our product lineup to respond to changes in demand. Furthermore, we make efforts to maintain appropriate by-product inventory levels, thereby mitigating the impact of market fluctuations.
	1-4. Outsourcing of logistics	
	In addition to the growing difficulty in securing drivers due to driver shortages and aging, as well as increasingly stringent logistics-related laws and regulations, rising costs such as personnel, fuel, and vehicle maintenance costs are putting pressure on the operations of transportation companies and raising their risk of bankruptcy. A shrinking transportation capacity may lead to delays in product deliveries to our business partners and may consequently affect our business performance adversely.	As a measure to avoid the contraction in transportation capacity, which is expected to accelerate in the future, we are working on improving logistics, with a view to improving difficult operations and reducing prolonged truck waiting times and cargo loading/unloading times. Furthermore, we are advancing our measures to improve logistics efficiency, such as leveling out transportation volumes through extension of lead times, expanding the scope of joint logistics, and increasing load capacity.

	Risk	Solutions
1. Business	1-5. Overseas business	
	The Group conducts business in the United States and Asian regions where uncertainties that may affect business activities exist, including changes in political or economic conditions, changes in laws or regulations, geopolitical risks such as terrorism and conflicts, logistics delays, and the resurgence of infectious diseases. These factors may constrain business operations or otherwise affect profitability.	We are strengthening our information collection regarding overseas conditions and our monitoring of risks, while providing appropriate management and operational support to our overseas associates. In addition, we are working to mitigate the risk of dependence on specific regions through measures such as promoting regional diversification and reviewing our supply systems, thereby striving to ensure our business continuity.
	1-6. Increase in investment costs	
	Large-scale capital investments in production facilities and various bases may result in a temporary increase in depreciation and other expenses, potentially impacting business performance.	With respect to capital investments exceeding a certain amount, the Investment and Loan Committee has been established to scrutinize the economic rationale of each case in light of internal standards, and the Board of Directors resolves on each case upon deliberation on its 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.
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 strengthening our quality assurance system through initiatives such as obtaining certifications for food safety management systems and quality control systems, including JFS-C; reinforcing efforts for food defense and food fraud prevention; thoroughly implementing quality control at manufacturing bases, including those of contract manufacturers; maintaining our traceability system; and conducting multiple checks on food labels.
	2-2. Climate change	
	Climate change may affect various parts of the supply chain, from raw material procurement to sale to customers, and adapting to a decarbonized society 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 based on the decentralization of production regions 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.
	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.

	Risk	Solutions
3. Governance	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.
	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), engage in designing programs for pleasant work, such as the promotion of work-life balance and the introduction of leave/shift programs for childcare and family care, and also promote health-oriented management. Additionally, we gain insight into the conditions of employees through engagement surveys, based on which we identify organizational challenges and implement measures to improve retention rates. 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 may form alliances with, or acquire, other companies as a means of business expansion. If, due to various uncertainties such as changes in the business environment, it is not possible for us to achieve the initially expected results, we may be unable to recover the investment amounts for production facilities, goodwill, and investment securities, resulting in the need to recognize significant impairment losses and, accordingly, potentially adversely affecting business performance.	When forming alliances or acquiring companies, we conduct detailed due diligence. With respect to plans for capital investment, M&A, etc. exceeding a certain amount, the Investment and Loan Committee closely scrutinizes the economic rationale of each plan in light of internal standards, and then the Board of Directors resolves on each plan upon deliberation on its 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.

	Risk	Solutions
3. Governance	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.
	3-8. 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.

The Group's Risk Map



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 FY2026.

(i) Financial position and operating results

(Millions of yen)

	FY2025	FY2026	Difference	Change
Net sales	410,878	418,425	7,546	101.8%
Operating Income	21,486	22,082	595	102.8%
Ordinary Income	24,393	24,874	481	102.0%
Profit attributable to owners of parent	24,757	21,803	(2,953)	88.1%

During FY2026, the Japanese economy gradually recovered against the background of factors such as improvements in the employment and income environment. On the other hand, the economic outlook is becoming more uncertain, due to the trends in the international trade policy of the United States and the changes in the financial and capital market, as well as soaring energy prices and disruption of the supply chain driven by the escalating tension in the Middle East.

In the food industry, although a gradual upswing has remained thanks to the expansion of inbound demand and the recovery of the food service industry, we continued to pay the utmost attention to the impact on our business environment from rising raw material prices and logistics costs, procurement risks for oil-derived materials like packaging materials, due to crude oil price surges and supply instability stemming from geopolitical risks in the Middle East, and growing consumer tendency toward cost-conscious spending.

In these circumstances, we are striving to continuously improve our corporate value based on the Management Philosophy of "Contributing to the realization of a sustainable society by pursuing the well- being (happiness, health, and smiles) of people."

During FY2026, as an effort to strengthen our earning capacity, we thoroughly implemented "consumer-based marketing" in all business areas including not only the home use food product category but also the professional use food product category, and we worked to expand our revenue by further raising awareness of our brand.

In addition, as an effort to expand our growth areas, we are steadily progressing with the construction of a new plant for frozen foods of HATANAKA FOODS Co., Ltd., aiming for completion by the end of FY2027, in order to enhance our supply system in the light of growth of the demand for frozen foods. Moreover, in the Overseas business, sales have remained strong in the ASEAN region and North America, and Utah Flour Milling, LLC has commenced full-scale operations and continued stable operations, as we are working toward further business expansion.

In February 2026, NIPPN CORPORATION Chita Mill, which serves to strengthen the foundation for our domestic Flour Milling business, has commenced operations. The mill achieves high productivity through reducing the workload by promoting smart factory initiatives through automation technologies, and reducing the raw material procurement cost by berthing of large grain vessels. Furthermore, as a sustainable, cutting-edge flour mill featuring strong resilience against natural disasters, energy-saving performance, and environmental consideration, the mill contributes to a stable supply and enhanced profitability.

With respect to the consolidated results of the Group for FY2026, net sales increased by 1.8% year-on-year to ¥418,425 million due to factors such as the expansion of inbound tourism consumption and sales promotion based on the marketing strategy, as well as price revisions implemented due to various rising costs. In terms of profit, despite an increase in various costs, including personnel costs and logistics costs in each business, due to steady sales, operating income increased by 2.8% year-on-year to ¥22,082 million and ordinary income increased by 2.0% year-on-year to ¥24,874 million. On the other hand, due to extraordinary income gains from the sale of idle land last year, profit attributable to owners of parent decreased by 11.9% year-on-year to ¥21,803 million.

The performance of the individual business segments was as follows.

<Flour Milling Business>

(Millions of yen)

	FY2025	FY2026	Difference	Change
Net sales	121,663	120,000	(1,663)	98.6%
Operating Income	9,203	9,471	267	102.9%

In the Flour Milling business, although sales remained steady and shipments were higher than the previous year, due to the impact of the price revision for wheat flour following the reduction of the government selling price of foreign wheat in April and October last year, net sales decreased by 1.4% year-on-year to ¥120,000 million, and operating income increased by 2.9% year-on-year to ¥9,471 million.

<Food Business>

(Millions of yen)

	FY2025	FY2026	Difference	Change
Net sales	238,353	243,694	5,340	102.2%
Operating Income	9,283	9,065	(217)	97.7%

In the professional use food product category, net sales increased year-on-year, due to factors, such as the expansion of inbound demand and the steady sales of the Overseas business.

In the home use food product category, net sales increased year-on-year due to sales promotion based on our marketing initiatives increased the sales volume of the “Chewy and Delicious Spaghetti” and “Exquisitely Al Dente Delicious Spaghetti” series and helped maintaining a steady sales volume of frozen food products such as the “One Plate Meal Series” and the “Trendy Meal Series. ”

In the Nakashoku (ready-made meals) business, net sales increased year-on-year due to implementation of price revisions following rising costs such as raw material costs, despite consumer inclination toward spending less.

As a result, net sales of the Food business increased by 2.2% year-on-year to ¥243,694 million, and operating income decreased by 2.3% year-on-year to ¥9,065 million.

<Other Businesses>

(Millions of yen)

	FY2025	FY2026	Difference	Change
Net sales	50,861	54,730	3,869	107.6%
Operating Income	3,171	3,656	485	115.3%

In the Pet Care business, net sales increased year-on-year, due to sales volume growth, etc.

In the Food Service business, net sales increased year-on-year, due to strong sales and price revisions implemented in the current period.

In the Engineering business, net sales increased year-on-year, due to an increase in inquiries for large-scale construction projects.

As a result, net sales for the Other segment increased by 7.6% year-on-year to ¥54,730 million, and operating income increased by 15.3% year-on-year to ¥3,656 million.

(ii) Assets, liabilities and net assets

(Millions of yen)

	FY2025	FY2026	Difference
Current assets	159,014	194,203	35,189
Non-current assets	240,210	282,534	42,323
Deferred assets	1	88	87
Total assets	399,226	476,826	77,599
Current liabilities	104,407	82,786	(21,621)
Non-current liabilities	48,334	104,162	55,828
Total liabilities	152,742	186,949	34,207
Total net assets	246,484	289,877	43,392
Total liabilities and net assets	399,226	476,826	77,599

The total assets balance at the end of FY2026 increased by ¥77,599 million from the end of FY2025 to ¥476,826 million. This was mainly because cash and deposits, property, plant and equipment, investment securities, other current assets, retirement benefit assets, and merchandise and finished goods increased by ¥24,228 million, ¥23,090 million, ¥17,117 million, ¥7,783 million, ¥4,322 million, and ¥3,070 million, respectively, and long-term loans receivable decreased by ¥3,955 million.

Total liabilities increased by ¥34,207 million from the end of FY2025 to ¥186,949 million. This was mainly because long-term loans payable, bonds payable, deferred tax liabilities, other current liabilities, and income taxes payable increased by ¥28,563 million, ¥20,000 million, ¥6,681 million, ¥1,797 million, and ¥1,160 million respectively, and current portion of convertible bond-type bonds with share acquisition rights decreased by ¥25,002 million.

Total net assets increased by ¥43,392 million from the end of FY2025 to ¥289,877 million. This was mainly because retained earnings, unrealized holding gains (losses) on securities, capital surplus, and capital stock increased by ¥16,423 million, ¥11,344 million, ¥6,486 million, and ¥6,430 million, respectively.

(iii) Cash flows

(Millions of yen)

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

The balance of cash and cash equivalents at the end of FY2026 stood at ¥64,222 million, an increase of ¥22,751 million compared with the end of FY2025. The conditions of cash flows were as follows.

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

Net cash provided by operating activities amounted to ¥25,272 million. This mainly reflected ¥31,707 million for profit before income taxes, ¥11,330 million for depreciation, ¥3,259 million for interest and dividend income received, ¥1,270 million for increase in notes and accounts payable - trade, ¥8,536 million for income taxes paid, ¥6,381 million for loss (gain) on sale of investment securities, and ¥3,224 million for increase in inventories.

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

Net cash used in investing activities amounted to ¥27,088 million. This mainly reflected ¥31,219 million for purchase of fixed assets, and ¥6,000 million for purchase of securities, and ¥7,162 million for proceeds from sale and redemption of investment securities, and ¥4,000 million for proceeds from sale and redemption of securities.

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

Net cash provided by financing activities amounted to ¥24,467 million. This mainly reflected ¥11,600 million for redemption of convertible bond-type bonds with share acquisition rights, ¥5,379 million for cash dividends paid, ¥4,000 million for purchase of treasury shares, ¥30,390 million for proceeds from long-term loans payable, and ¥19,914 million for proceeds from issue of bonds payable.

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

i) Production

Production values by segment during FY2026 were as follows.

Business segment	FY2026 (From April 1, 2025 to March 31, 2026)	Year-on-year change (%)
Flour Milling (Millions of yen)	124,514	98.9
Food (Millions of yen)	180,572	96.8
Other (Millions of yen)	29,916	117.9
Total (Millions of yen)	335,003	99.1

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 FY2026 was as follows.

Business segment	FY2026 (From April 1, 2025 to March 31, 2026)	Year-on-year change (%)
Flour Milling (Millions of yen)	120,000	98.6
Food (Millions of yen)	243,694	102.2
Other (Millions of yen)	54,730	107.6
Total (Millions of yen)	418,425	101.8

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	FY2025 (From April 1, 2024 to March 31, 2025)		FY2026 (From April 1, 2025 to March 31, 2026)	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
Itochu Corporation	57,838	14.1	56,266	13.4
FamilyMart Co., Ltd.	49,452	12.0	50,781	12.1

(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 FY2026, the balance of interest-bearing debts including bonds payable, borrowings, and lease obligations was ¥80,730 million, and the balance of cash and cash equivalents was ¥64,222 million, resulting in a 4.6% year-on-year decrease in net interest-bearing debt to ¥16,507 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), Marketing Dept. (Products Development Div.), and Research & Development Dept. (Food Research & Development Div. and Research & Development Div.) playing central roles.

The research, key challenges, and research results of each business segment during FY2026 were as follows. The group-wide research and development expenses for FY2026 amounted to ¥3,845 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 ¥1,104 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 ¥2,066 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 ¥674 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 FY2026 amounted to ¥33,479 million on a construction basis.

In the Flour Milling business, capital expenditures of ¥17,481 million were made.

In the Food business, capital expenditures of ¥11,469 million were made.

In other businesses, capital expenditures of ¥4,180 million were made.

Group-wide capital expenditures and eliminated inter-segment transactions amounted to ¥348 million.

2. Major facilities

The major facilities of the Group are as follows.

(1) Reporting company

(As of March 31, 2026)

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)	2,096	1,137	2,828 (45,922)	—	52	6,115	62
Chiba Mill (Mihama-ku, Chiba City)	Facilities for flour milling/corn production (Flour Milling / Food)	4,600	1,347	5,415 (80,798)	—	56	11,420	55
Ryugasaki Plant (Ryugasaki City) *	Premix manufacturing facilities (Food)	637	668	1,597 (52,789)	—	79	2,983	18
Ryugasaki Frozen Food Plant (Ryugasaki City) *	Manufacturing facilities for frozen ingredients and food products (Food)	1,180	1,686	—	0	21	2,889	12
Isesaki Plant (Isesaki City)	Manufacturing facilities for frozen ingredients and food products (Food)	3,373	1,420	1,366 (38,590)	—	59	6,221	14
Nagoya Mill (Minato-ku, Nagoya City)	Flour milling facilities (Flour Milling)	274	331	62 (6,459)	—	19	688	19
Chita Mill (Chita City)	Flour milling facilities (Flour Milling)	14,473	5,743	1,535 (43,058)	—	190	21,942	17
Kobe-Konan Mill (Higashinada-ku, Kobe City)	Facilities for flour milling/premix manufacturing (Flour Milling / Food)	5,626	1,641	3,959 (56,007)	4	54	11,286	55
Fukuoka Mill (Higashi-ku, Fukuoka City)	Facilities for flour milling/premix manufacturing (Flour Milling / Food)	1,228	706	1,233 (33,000)	—	46	3,214	36
Fukuoka Nanotsu Mill (Chuo-ku, Fukuoka City)	Facilities for flour milling/premix manufacturing (Flour Milling / Food)	382	395	954 (10,956)	—	12	1,745	16
Otaru Mill (Otaru City)	Flour milling facilities (Flour Milling)	984	317	512 (22,555)	—	31	1,846	21
Head Office (Chiyoda-ku, Tokyo)	Business office (corporate-wide functions)	2,377	—	6,523 (1,575)	—	69	8,970	449
Central Laboratory (Atsugi City)	Research and development facilities (corporate-wide functions)	267	8	4,626 (16,653)	—	156	5,058	132
Link Square Shinjuku (Shibuya-ku, Tokyo)	Rental property (Other)	3,459	—	1 (915)	—	0	3,460	—

Note: 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, 2026)

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: m²)	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)	606	796	621 (19,365)	—	27	2,052	70
OHMY Co., Ltd. Note 1	Atsugi Plant (Atsugi City)	Pasta manufacturing facilities (Food)	476	1,410	64 (15,453)	—	18	1,968	56
Fast Foods Co., Ltd. Note 1	Musashi Plant (Iruma City)	Manufacturing facilities for Nakashoku-related food products (Food)	564	225	621 (5,550)	—	23	1,434	32
OK Food Industry Co., Ltd.	Amagi Plant (Asakura City)	Manufacturing facilities for deep-fried bean curd (Food)	217	57	317 (19,111)	1	0	595	26
OK Food Industry Co., Ltd.	Asakura Plant (Asakura City)	Manufacturing facilities for deep-fried bean curd (Food)	1,997	1,204	373 (24,136)	78	10	3,664	99
NPF Japan Co., Ltd. Note 2	Chiba Plant (Mihama-ku, Chiba City)	Manufacturing facilities for pet foods (Other)	218 [214]	458 [458]	669 [−] (15,616)	1 [1]	10 [10]	1,358 [684]	24

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, 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: m²)	Leased assets	Tools, furniture and fixtures	Total	
Pasta Montana, L.L.C.	Home office and plant (United States)	Pasta manufacturing facilities (Food)	475	1,904	60 (21,133)	22	21	2,484	129
NIPPN (Thailand)Co., Ltd.	Home office and plant (Thailand)	Facilities for manufacturing premixes and frozen dough (Food)	1,105	581	680 (35,520)	0	33	2,400	153

Note: 1. The situation as of December 31, 2025, which was the end of the accounting period concerned, was shown.

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 Kobe-Konan Mill	Higashinada-ku, Kobe City	Bran silo construction (Flour Milling business)	1,720 *1	290	Self-funded	Dec. 2025	Oct. 2026	Storage volume 360t
The Company NIPPN R&D Center	Tsuzuki-ku, Yokohama City	Research and development facilities (corporate-wide functions)	11,000	6,215	Self-funded / Funds from the issuance of bonds payable	Feb. 2024	Mar. 2027 *2	-
HATANAKA FOODS Co., Ltd.	Izumi City	Frozen food plant construction (Food)	20,990 *1	5,416	Self-funded / Funds from the issuance of bonds payable	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 FY2025.

*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 FY2025.

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, 2026)	Number of issued shares as of filing date (shares) (June 23, 2026)	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities are registered	Description
Common stock	84,727,163	84,727,163	Tokyo Stock Exchange Prime Market	Number of shares constituting a unit: 100 shares
Total	84,727,163	84,727,163	—	—

(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	251 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	12,550 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 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	253 share acquisition rights	397 share acquisition rights
Class, description, and number of shares to be issued upon the exercise of share acquisition rights	12,650 shares of common stock	19,850 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, 2026). As of the end of the month prior to the filing date (May 31, 2026), 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

Not applicable

(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)
From April 1, 2025 to March 31, 2026 (Note)	5,903,154	84,727,163	6,430	18,670	6,430	17,096

Note: During the period from April 1, 2025 to March 31, 2026, as a result of the exercise of share acquisition rights attached to convertible bond-type bonds with share acquisition rights, the total number of issued shares increased by 5,903,154 shares, and both capital stock and legal capital surplus increased by ¥6,430 million, respectively.

(5) Shareholding by shareholder category

As of March 31, 2026

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)	—	28	32	393	201	49	30,397	31,100	—
Number of shares held (units)	—	210,507	39,228	169,134	177,660	203	249,046	845,778	149,363
Percentage of shareholdings (%)	—	24.889	4.638	19.997	21.005	0.024	29.445	100.000	—

Notes: 1. With respect to the 1,692,614 treasury shares, 16,926 units are listed under “Individuals and others,” and 14 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, 2026

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	9,165	11.0
NIPPN Clients Shareholding Association	8, Kojimachi 4 chome, Chiyoda-Ku, Tokyo	4,404	5.3
Taiju Life Insurance Co., Ltd.	5-2, Higashi-Shinbashi 1 chome, Minato-ku, Tokyo	3,497	4.2
Custody Bank of Japan, Ltd. (trust account)	5-2, Harumi 1 chome, Chuo-ku, Tokyo	3,370	4.1
DUSKIN CO., LTD.	1-33, Toyotsu-cho, Suita City, Osaka	2,510	3.0
MITSUI & CO., LTD.	2-1, Otemachi 1 chome, Chiyoda-ku, Tokyo	1,932	2.3
Sanuki Maruichi Seimen Co., Ltd.	1370, Kamo-cho, Sakaide City, Kagawa	1,755	2.1
STATE STREET BANK AND TRUST COMPANY 505001 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (Shinagawa Intercity Tower A, 15-1, Kounan 2 chome, Minato-ku, Tokyo)	1,749	2.1
Toyo Suisan Kaisha, Ltd.	13-40, Kounan 2 chome, Minato-ku, Tokyo	1,697	2.0
Itochu Corporation	5-1, Kita-Aoyama 2 chome, Minato-ku, Tokyo	1,125	1.4
Total	—	31,207	37.6

Notes:

1. The shareholding ratios are calculated with treasury shares deducted from this calculation and are rounded to one decimal place. Please note that those treasury shares do not include 219,000 shares held under the Board Benefit Trust.
2. The Large Shareholding Report (statement of changes) made available to the public on December 17, 2025, indicated that the shares listed below were held by Nomura Securities Co., Ltd. and its two joint shareholding companies as of December 15, 2025. However, because the Company is unable to verify their actual shareholding status as of March 31, 2026, 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	322	0.38
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	307	0.36
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2 chome, Koto-ku, Tokyo	2,906	3.43
Total	—	3,536	4.17

* 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 Large Shareholding Report made available to the public on August 6, 2025, indicated that the shares listed below were held by Sumitomo Mitsui Trust Bank, Limited and its two joint shareholding companies as of July 31, 2025. However, because the Company is unable to verify their actual shareholding status as of March 31, 2026, 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	905	1.07
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shiba Koen 1 chome, Minato-ku, Tokyo	1,466	1.73
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9 chome, Minato-ku, Tokyo	996	1.18
Total	—	3,368	3.98

(7) Voting rights

(i) Issued shares

As of March 31, 2026

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 1,692,600		
	Reciprocally held shares		
	Common stock 200		
Shares with full voting rights (other)	Common stock 82,885,000	828,850	—
Shares less than one unit	Common stock 149,363	—	—
Total number of issued shares	84,727,163	—	—
Number of voting rights held by all shareholders	—	828,850	—

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 219,500 shares (2,195 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, 2026

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 (%)
NIPPN CORPORATION	8, Kojimachi 4 chome, Chiyoda-Ku, Tokyo	1,692,600	—	1,692,600	1.9
TOUFUKUGOKO Co., Ltd.	1-35, Nagahama 1 chome, Chuo-ku, Fukuoka City, Fukuoka	200	—	200	0.0
Total	—	1,692,800	—	1,692,800	1.9

Note: 219,500 shares (2,195 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, items (iii), (vii), and (ix) of the Companies Act

(1) Acquisition by resolution of shareholders meeting

Not applicable

(2) Acquisition by resolution of board of directors meeting

Category	Number of shares (shares)	Total value (Yen)
Status of the resolution of the Board of Directors meeting (October 14, 2025) (Acquisition period: from November 25, 2025 to March 31, 2026)	2,200,000	4,000,000,000
Treasury shares acquired before FY2026	—	—
Treasury shares acquired during FY2026	1,555,800	3,999,814,261
Total number and value of remaining shares to be acquired based on the resolution	644,200	185,739
Percentage remaining unfulfilled at the end of FY2026 (%)	29.3	0.0
Treasury shares acquired during the period up to the date of filing of this report	—	—
Percentage remaining unfulfilled as of the date of filing of this report (%)	29.3	0.0

(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 FY2026	328	774,738
Treasury shares acquired during the period up to the date of filing of this report	162	432,133

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, 2026 to the date of filing of this Securities Report.

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

Category	FY2026		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)	11,200	18,462,199	―	―
Other (Note 2)	243,913	402,020,365	―	―
Treasury shares held	1,692,614	―	1,692,776	―

Notes: 1. The treasury shares disposed of during FY2026 and listed under “Other” refer to those associated with the exercise of share acquisition rights (11,200 shares and total disposal value of ¥18,462,199).

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, 2026 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, 2026 to the date of filing of this Securities Report.

5. The treasury shares held do not include 219,500 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 challenge, 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.

We will make a proposal to the regular shareholders’ meeting scheduled to be held on June 26, 2026, for the distribution of an ordinary dividend of ¥35 per share as the year-end dividend for the fiscal year under review. Accordingly, together with the interim dividend of ¥33 per share, the total annual dividend for the fiscal year under review is planned to be ¥68 per share, representing a year-on-year increase of ¥2 per share.

Details of the dividends of surplus for FY2026 are as follows.

Date of resolution	Total amount of dividends (Millions of yen)	Dividend per share (Yen)
November 7, 2025 Resolution of the Board of Directors	2,791	33
June 26, 2026 Resolution of the annual general meeting of shareholders	2,906	35

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 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) Meeting of Independent Outside Directors

To provide a forum where independent Outside Directors can recognize the challenges they need to face in fulfilling their duties, deepen their understanding, and engage in free discussion, we have established a meeting body called the Meeting of Outside Directors, which is composed solely of independent Outside Directors. This meeting body facilitates the exchange of opinions and sharing of insights regarding important management matters among other topics, and makes various suggestions to the Board of Directors aimed at enhancing corporate value.

The members of the Meeting of Independent Outside Directors are as follows.

Chairperson : Naotaka Kawamata (Outside Director)

Constituent members : Hitomi Kumagai (Outside Director), Mika Takaoka (Outside Director), Kazuhiko Yoshida (Outside Director), and Yoshiko Hayama (Outside Director)

5) 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, and Takahiro Sato

6) 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.

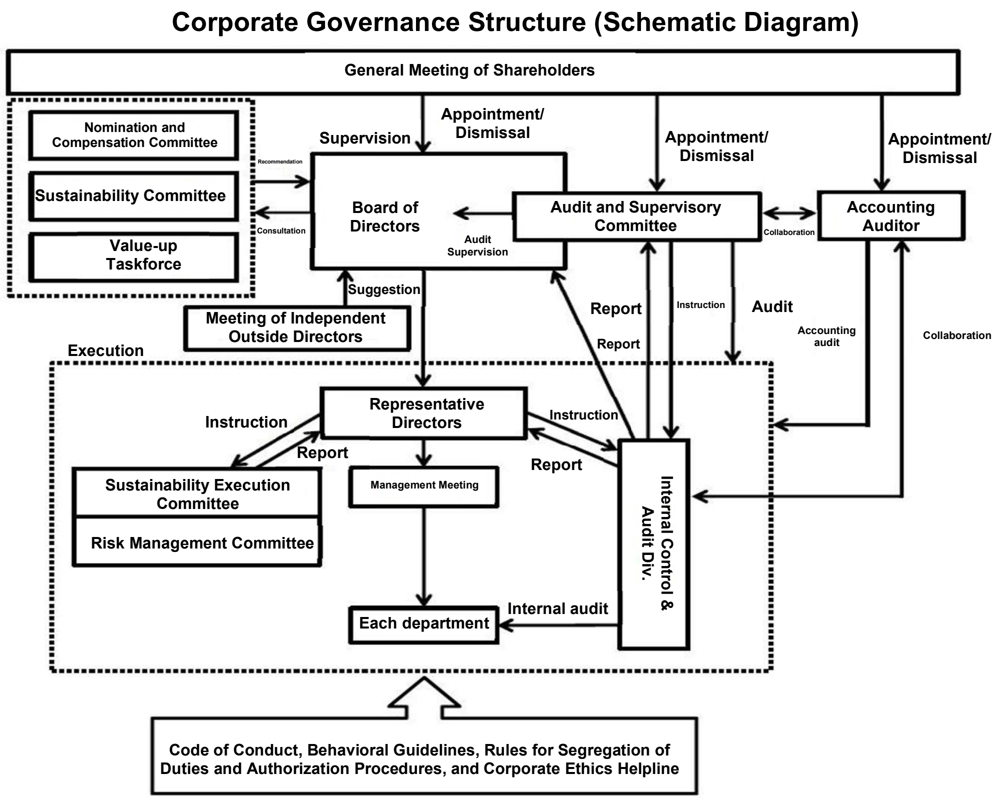
(c) Sustainability Execution Committee

Established for the purpose of discussing and determining action 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 a 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 challenge 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 manages 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 challenge. 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 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 of 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 Nomination and Compensation Committee

1) Activity status of the Board of Directors

During FY2026, 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 Maezuru	16 meetings	16 meetings
Tomio Kimura	16 meetings	16 meetings
Hiroaki Kawasaki	16 meetings	16 meetings
Hiroshi Koura	16 meetings	16 meetings
Toru Otao	16 meetings	16 meetings
Naoki Abe	16 meetings	16 meetings
Naotaka Kawamata	16 meetings	16 meetings
Hitomi Kumagai	16 meetings	15 meetings
Mika Takaoka	16 meetings	16 meetings
Takaaki Aonuma	16 meetings	16 meetings
Kazuhiko Yoshida	16 meetings	16 meetings
Yoshiko Hayama	16 meetings	16 meetings
Keizo Kagawa	3 meetings	3 meetings (Note 1)

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, fund procurement, reduction of cross-shareholdings, information security, organizational reform, and the division of duties.

Note: 1. Mr. Keizo Kagawa attended all the three meetings of the Board of Directors held during the period from April 2025 until his retirement as a Director in June 2025.

2) Activity status of the Nomination and Compensation Committee

During FY2026, the Nomination and Compensation Committee (formerly, the Advisory Panel) of the Company met eight times. The attendance of each Director was as follows.

Name	Number of meetings held	Number of meetings attended
Naotaka Kawamata	8 meetings	8 meetings
Toshiya Maezuru	8 meetings	8 meetings
Tomio Kimura	6 meetings	6 meetings (Note 1)
Mika Takaoka	8 meetings	8 meetings
Kazuhiko Yoshida	8 meetings	8 meetings
Keizo Kagawa	2 meetings	2 meetings (Note 2)

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

Notes: 1. Mr. Tomio Kimura attended all the six meetings of the Nomination and Compensation Committee held after his appointment as a member of the committee in June 2025.

2. Mr. Keizo Kagawa attended all the two meetings of the Nomination and Compensation Committee (formerly, the Advisory Panel) held during the period from April 2025 until his retirement as a Director in June 2025.

(2) Officers

(i) List of officers

1. The status of officers as of June 23, 2026 (the date of filing of this Securities Report) is as follows.

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	April 1983 Joined the Company June 2011 General Manager, Fukuoka Mill June 2013 General Manager, Production & Technology Div. June 2014 Executive Officer; General Manager, Production & Technology Div. June 2015 Director; Executive Officer; Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div., Production & Technology Dept. June 2017 Director; Managing Director; General Manager, Production & Technology Dept.; General Manager, Production & Technology Div., Production & Technology Dept. December 2019 Director; Managing Director; General Manager, Production & Technology Dept.; Chairman, Food Research & Development Committee April 2020 Director; Senior Managing Director; General Manager, Production & Technology Dept.; Chairman, Food Research & Development Committee June 2020 Representative Director, President & CEO (incumbent)	Note 3	228
Representative Director; Senior Managing Director; Executive Assistant to the President	Tomio Kimura	March 13, 1961	April 1984 Joined the Company June 2016 Associate Director; General Manager, Kanto Branch June 2017 Associate Director; General Manager, Sapporo Branch June 2019 Executive Officer; General Manager, Sales & Marketing Div., Wheat Flour Business Dept. June 2020 Managing Director; General Manager, Wheat Flour Business Dept.; General Manager, Sales & Marketing Div., Wheat Flour Business Dept. June 2021 Senior Executive Officer; General Manager, Wheat Flour Business Dept. June 2022 Director; Managing Director; General Manager, Wheat Flour Business Dept. June 2024 Director; Senior Managing Director; General Manager, Wheat Flour Business Dept. June 2025 Representative Director; Senior Managing Director (incumbent)	Note 3	56
Director; Managing Director; In charge of Distribution Administration Div., Marketing Dept., Retail Products Dept., Food Service Products Dept., and Foods Business Administration Div.	Hiroaki Kawasaki	October 4, 1961	April 1986 Joined the Company June 2015 General Manager, Otaru Mill June 2017 General Manager, Foods Business Administration Div., Foods Business Administration Dept. June 2019 Associate Director; General Manager, Foods Business Administration Div., Foods Business Administration Dept. June 2020 Executive Officer; Vice General Manager, Foods Business Dept.; General Manager, Foods Business Administration Div., Foods Business Dept. 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. January 2022 Senior Executive Officer, General Manager, Foods Business Dept.; General Manager, Foods Business Administration Div., Foods Business Dept. April 2022 Senior Executive Officer; General Manager, Foods Business Dept. June 2022 Director; Managing Director; General Manager, Foods Business Dept. June 2024 Director; Managing Director (incumbent)	Note 3	117
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	April 1987 Joined the Company July 2017 Vice General Manager, Human Resources Div. June 2018 General Manager, Human Resources Div. June 2020 Executive Officer; General Manager, Human Resources Div. June 2023 Director; Executive Officer June 2024 Director; Managing Director (incumbent)	Note 3	44
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	April 1987 Joined the Company June 2013 General Manager, Secretariat Office, General Administration Div. July 2017 Vice General Manager, General Administration Div.; General Manager, Secretariat Office, General Administration Div. February 2020 General Manager, Accounting & Finance Div. June 2022 Executive Officer; General Manager, Accounting & Finance Div. June 2024 Director; Executive Officer June 2025 Director; Managing Director (incumbent)	Note 3	55

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 Quality Assurance Div., Raw Material Procurement Div., E-Commerce Business Div., Nakashoku (Ready-made Meals) Business Dept., and Health Care Business Div.	Naoki Abe	August 8, 1964	April 1988	Joined the Company	Note 3	108
			June 2018	General Manager, Production & Technology Div., Production & Technology Dept.		
			June 2020	Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div., Production & Technology Dept.		
			June 2022	Executive Officer; Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div.-1, Production & Technology Dept.		
			June 2024	Director; Executive Officer; General Manager, Production & Technology Dept.		
			June 2025	Director; Managing Director (incumbent)		
Director	Naotaka Kawamata	May 1, 1965	April 1990	Joined the Ministry of Transport (currently, the Ministry of Land, Infrastructure, Transport and Tourism)	Note 3	76
			April 1994	Registered as attorney		
			April 1994	Joined Marunouchi Sogo Law Office		
			January 2008	Partner, Marunouchi Sogo Law Office (incumbent)		
			June 2014	Auditor, the Company		
			April 2015	Professor, Legal Training and Research Institute, Supreme Court of Japan		
			June 2016	Outside Director (Audit and Supervisory Committee Member), TOREX SEMICONDUCTOR LTD. (incumbent)		
			June 2017	Director, the Company (incumbent)		
			June 2020	Outside Director (Audit and Supervisory Committee Member), NIPPON DENSETSU KOGYO CO., LTD. (incumbent)		
Director	Hitomi Kumagai	October 15, 1959	April 1990	Research assistant, College of Agriculture and Veterinary Medicine (currently College of Bioresource Sciences) of Nihon University	Note 3	-
			April 1994	Full-time lecturer, College of Agriculture and Veterinary Medicine (currently College of Bioresource Sciences) of Nihon University		
			April 2002	Assistant professor, College of Bioresource Sciences of Nihon University		
			March 2011	Professor, College of Bioresource Sciences of Nihon University		
			June 2022	Director, the Company (incumbent)		
			April 2025	Project Professor, College of Bioresource Sciences of Nihon University (incumbent)		
Director	Mika Takaoka	June 19, 1968	April 2001	Assistant Professor, Institute of Economic Research, Osaka City University (currently Osaka Metropolitan University)	Note 3	-
			April 2002	Assistant Professor, College of Economics, Rikkyo University		
			April 2006	Assistant Professor, College of Business, Rikkyo University		
			April 2007	Associate Professor, College of Business, Rikkyo University		
			April 2009	Professor, College of Business, Rikkyo University (incumbent)		
			June 2015	Outside Director, Kyodo Printing Co., Ltd. (incumbent)		
			June 2018	Outside Director, SG Holdings Co., Ltd. (incumbent)		
			June 2024	Director, the Company (incumbent)		
Director (Audit and Supervisory Committee Member)	Takaaki Aonuma	December 16, 1959	April 1982	Joined the Company	Note 4	141
			March 2014	General Manager, Related Business Div.		
			June 2015	Associate Director; General Manager, Related Business Div.		
			June 2016	Executive Officer; General Manager, Related Business Div.		
			June 2017	Executive Officer; General Manager, Accounting & Finance Div.		
			June 2019	Director; Executive Officer; General Manager, Accounting & Finance Div.		
			February 2020	Director; Executive Officer		
			June 2020	Director; Managing Director		
			June 2023	Director; Senior Managing Director		
			June 2024	Director (Audit and Supervisory Committee Member), the Company (incumbent)		
Director (Audit and Supervisory Committee Member)	Kazuhiko Yoshida	November 7, 1963	April 1990	Registered as attorney	Note 4	55
			April 1990	Joined Nakamura & Partners		
			March 1993	Registered as patent attorney		
			May 1998	Registered as attorney in New York State, U.S.		
			January 2001	Partner, Nakamura & Partners		
			January 2017	Representative Partner, Nakamura & Partners (incumbent)		
			June 2017	Auditor, the Company		
			June 2020	Director (Audit and Supervisory Committee Member), the Company (incumbent)		

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)	Yoshiko Hayama	October 7, 1959	April 1983	Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)	Note 4	-
			September 1984	Joined Surugadai Academy		
			October 1990	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)		
			March 1994	Registered as certified public accountant (active)		
			January 2007	Joined Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)		
			January 2015	Representative, Yoshiko Hayama Certified Public Accountant Office (incumbent)		
			August 2016	Senior Researcher, the Japanese Institute of Certified Public Accountants		
			May 2023	Outside Corporate Auditor, BELLSYSTEM24 Holdings, Inc. (incumbent)		
			May 2024	Auditor, SUGI Holdings Co., Ltd. (incumbent)		
			June 2024	Director (Audit and Supervisory Committee Member), the Company (incumbent)		
			June 2025	Outside Director, FIDEA Holdings Co. Ltd. (incumbent)		
Total						880

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 ended March 31, 2026. Furthermore, both Directors Tomio Kimura and Naotaka Kawamata will retire from their positions as directors upon the conclusion of the Annual General Meeting of Shareholders scheduled to be held on June 26, 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 ended 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 20 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	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.; General Manager, Marketing Div., 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	General Manager, Retail Products Dept.
Executive Officer	Hideki Tomizawa	General Manager, Nakashoku (Ready-made Meals) Business Dept.; General Manager, Nakashoku (Ready-made Meals) Business Administration Div., Nakashoku (Ready-made Meals) Business Dept.

2. The following proposals (matters subject to resolutions) have been submitted for deliberation at the Annual General Meeting of Shareholders scheduled to be held on June 26, 2026: "Appointment of nine Directors (excluding Directors who are to serve as Audit and Supervisory Committee Members)" and "Appointment of three Directors who are to serve as Audit and Supervisory Committee Members." If these proposals are approved and adopted, the status of the Company's officers will be as follows. Please note that this information includes the details of the matters to be resolved (such as the positions) at the Board of Directors meeting scheduled to be held immediately following the above Annual General Meeting of Shareholders.

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; Chairman	Toshiya Maezuru	January 7, 1961	April 1983	Joined the Company	Note 3	228
			June 2011	General Manager, Fukuoka Mill		
			June 2013	General Manager, Production & Technology Div.		
			June 2014	Executive Officer; General Manager, Production & Technology Div.		
			June 2015	Director; Executive Officer; Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div., Production & Technology Dept.		
			June 2017	Director; Managing Director; General Manager, Production & Technology Dept.; General Manager, Production & Technology Div., Production & Technology Dept.		
			December 2019	Director; Managing Director; General Manager, Production & Technology Dept.; Chairman, Food Research & Development Committee		
			April 2020	Director; Senior Managing Director; General Manager, Production & Technology Dept.; Chairman, Food Research & Development Committee		
			June 2020	Representative Director, President & CEO		
			June 2026	Representative Director, Chairman (incumbent)		
Representative Director; President and CEO	Toru Otao	November 26, 1963	April 1987	Joined the Company	Note 3	55
			June 2013	General Manager, Secretariat Office, General Administration Div.		
			July 2017	Vice General Manager, General Administration Div.; General Manager, Secretariat Office, General Administration Div.		
			February 2020	General Manager, Accounting & Finance Div.		
			June 2022	Executive Officer; General Manager, Accounting & Finance Div.		
			June 2024	Director; Executive Officer		
			June 2025	Director; Managing Director		
			June 2026	Representative Director, President & CEO (incumbent)		
Director; Senior Managing Director; In charge of Distribution Administration Div., Foods Business Administration Div., and Global Business Dept.	Hiroaki Kawasaki	October 4, 1961	April 1986	Joined the Company	Note 3	117
			June 2015	General Manager, Otaru Mill		
			June 2017	General Manager, Foods Business Administration Div., Foods Business Administration Dept.		
			June 2019	Associate Director; General Manager, Foods Business Administration Div., Foods Business Administration Dept.		
			June 2020	Executive Officer; Vice General Manager, Foods Business Dept.; General Manager, Foods Business Administration Div., Foods Business Dept.		
			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.		
			January 2022	Senior Executive Officer, General Manager, Foods Business Dept.; General Manager, Foods Business Administration Div., Foods Business Dept.		
			April 2022	Senior Executive Officer; General Manager, Foods Business Dept.		
			June 2022	Director; Managing Director; General Manager, Foods Business Dept.		
			June 2024	Director; Managing Director (incumbent)		
Director; Managing Director; In charge of CSR; In charge of General Administration Div., Human Resources Div., Accounting & Finance Div., Sustainability Promotion Div., Corporate Communications Div., and Internal Control & Audit Div.	Hiroshi Koura	November 27, 1963	April 1987	Joined the Company	Note 3	44
			July 2017	Vice General Manager, Human Resources Div.		
			June 2018	General Manager, Human Resources Div.		
			June 2020	Executive Officer; General Manager, Human Resources Div.		
			June 2023	Director; Executive Officer		
			June 2024	Director; Managing Director (incumbent)		
Director; Managing Director; In charge of Corporate Planning Div., Quality Assurance Div., Raw Material Procurement Div., E-Commerce Business Div., Nakashoku (Ready-made Meals) Business Dept., and Health Care Business Div.	Naoki Abe	August 8, 1964	April 1988	Joined the Company	Note 3	108
			June 2018	General Manager, Production & Technology Div., Production & Technology Dept.		
			June 2020	Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div., Production & Technology Dept.		
			June 2022	Executive Officer; Vice General Manager, Production & Technology Dept.; General Manager, Production & Technology Div.-1, Production & Technology Dept.		
			June 2024	Director; Executive Officer; General Manager, Production & Technology Dept.		
			June 2025	Director; Managing Director (incumbent)		

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 Marketing Dept. and Retail Products Dept.; General Manager, Wheat Flour Business Dept.	Takahiro Sato	September 26, 1964	April 1989	Joined the Company	Note 3	62
			June 2014	General Manager, Wheat Flour Sales Div., Tokyo Branch		
			July 2015	General Manager, Sales Div, Tokyo Branch		
			June 2018	General Manager, Nagoya Branch		
			June 2020	General Manager, Osaka Branch		
			June 2023	Executive Officer; General Manager, Tokyo No.1 Branch		
			June 2025	Senior Executive Officer; General Manager, Wheat Flour Business Dept.; General Manager, Sales & Marketing Div.		
			June 2026	Director; Managing Director (incumbent)		
Director;	Hitomi Kumagai	October 15, 1959	April 1990	Research assistant, College of Agriculture and Veterinary Medicine (currently College of Bioresource Sciences) of Nihon University	Note 3	-
			April 1994	Full-time lecturer, College of Agriculture and Veterinary Medicine (currently College of Bioresource Sciences) of Nihon University		
			April 2002	Assistant professor, College of Bioresource Sciences of Nihon University		
			March 2011	Professor, College of Bioresource Sciences of Nihon University		
			June 2022	Director, the Company (incumbent)		
			April 2025	Project Professor, College of Bioresource Sciences of Nihon University (incumbent)		
Director;	Mika Takaoka	June 19, 1968	April 2001	Assistant Professor, Institute of Economic Research, Osaka City University (currently Osaka Metropolitan University)	Note 3	-
			April 2002	Assistant Professor, College of Economics, Rikkyo University		
			April 2006	Assistant Professor, College of Business, Rikkyo University		
			April 2007	Associate Professor, College of Business, Rikkyo University		
			April 2009	Professor, College of Business, Rikkyo University (incumbent)		
			June 2015	Outside Director, Kyodo Printing Co., Ltd. (incumbent)		
			June 2018	Outside Director, SG Holdings Co., Ltd. (incumbent)		
			June 2024	Director, the Company (incumbent)		
Director;	Yoshinori Ando	January 3, 1964	April 1986	Joined Mitsui Petrochemical Industries, Ltd. (currently, Mitsui Chemicals, Inc.)	Note 3	-
			April 2005	Mitsui chemicals Asia pacific (Singapore) General Manager, Feedstocks & Business planning		
			April 2016	Executive Officer, General Manager, Human Resources Division at Mitsui Chemicals, Inc.		
			April 2019	Managing Executive Officer and responsible for Human Resources Div., Global Human Resources Div., Affiliated Companies Support Dept., and Overseas Regional Headquarters, at Mitsui Chemicals, Inc.		
			April 2021	Senior Managing Executive Officer and responsible for Human Resources Div., Global Human Resources Div., Affiliated Companies Support Dept., and Overseas Regional Headquarters, at Mitsui Chemicals, Inc.		
			June 2022	Director, Senior Managing Executive Officer, CHRO, and responsible for Human Resources Div., Global Human Resources Div., Affiliated Companies Support Dept., and Overseas Regional Headquarters, at Mitsui Chemicals, Inc.		
			April 2025	Director, Senior Managing Executive Officer, CHRO, and responsible for Regional Strategy Div. and Overseas Regional Headquarters, at Mitsui Chemicals, Inc.		
			April 2026	Director and Advisor, Mitsui Chemicals, Inc.		
			June 2026	Advisor, Mitsui Chemicals, Inc. (incumbent)		
			June 2026	Director, the Company (incumbent)		
Director; (Audit and Supervisory Committee Member)	Takaaki Aonuma	December 16, 1959	April 1982	Joined the Company	Note 4	141
			March 2014	General Manager, Related Business Div.		
			June 2015	Associate Director; General Manager, Related Business Div.		
			June 2016	Executive Officer; General Manager, Related Business Div.		
			June 2017	Executive Officer; General Manager, Accounting & Finance Div.		
			June 2019	Director; Executive Officer; General Manager, Accounting & Finance Div.		
			February 2020	Director; Executive Officer		
			June 2020	Director; Managing Director		
			June 2023	Director; Senior Managing Director		
			June 2024	Director (Audit and Supervisory Committee Member), the Company (incumbent)		

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)	Kazuhiko Yoshida	November 7, 1963	April 1990 April 1990 March 1993 May 1998 January 2001 January 2017 June 2017 June 2020	Registered as attorney Joined Nakamura & Partners Registered as patent attorney Registered as attorney in New York State, U.S. Partner, Nakamura & Partners Representative Partner, Nakamura & Partners (incumbent) Auditor, the Company Director (Audit and Supervisory Committee Member), the Company (incumbent)	Note 4	55
Director; (Audit and Supervisory Committee Member)	Yoshiko Hayama	October 7, 1959	April 1983 September 1984 October 1990 March 1994 January 2007 January 2015 August 2016 May 2023 May 2024 June 2024 June 2025	Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.) Joined Surugadai Academy Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Registered as certified public accountant (active) Joined Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC) Representative, Yoshiko Hayama Certified Public Accountant Office (incumbent) Senior Researcher, the Japanese Institute of Certified Public Accountants Outside Corporate Auditor, BELLSYSTEM24 Holdings, Inc. (incumbent) Auditor, SUGI Holdings Co., Ltd. (incumbent) Director (Audit and Supervisory Committee Member), the Company (incumbent) Outside Director, FIDEA Holdings Co. Ltd. (incumbent)	Note 4	-
Total						810

Notes: 1. Three Directors—Hitomi Kumagai, Mika Takaoka, and Yoshinori Ando—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 will begin upon appointment at the Annual General Meeting of Shareholders scheduled to be held on June 26, 2026, and will end at the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2027.

4. The term of office will begin upon appointment at the Annual General Meeting of Shareholders scheduled to be held on June 26, 2026, and will end at the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2028.

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 will be the 22 persons listed below, of whom five will concurrently serve as Directors.

Position	Name	Responsibilities
President and CEO	Toru Otao	
Senior Managing Director;	Hiroaki Kawasaki	
Managing Director;	Hiroshi Koura	
Managing Director;	Naoki Abe	
Managing Director;	Takahiro Sato	General Manager, Wheat Flour Business Dept.
Managing Director;	Itsuo Hayashi	In charge of IT; in charge of Information System Promotion Dept.
Managing Director;	Masahiko Korematsu	In charge of environmental issues; in charge of Central Laboratory and Research & Development Dept.; General Manager, Production & Technology Dept.
Managing Director;	Tokihisa Soga	General Manager, Food Service Products Dept.
Managing Director;	Nobuhiro Yokoo	General Manager, Tokyo No.1 Branch
Senior Executive Officer	Takehiro Fujiwara	Vice General Manager, Wheat Flour Business Dept.; General Manager, Wheat Flour Business Operation Div.
Executive Officer	Kazuhiko Hazama	General Manager, Central Laboratory; General Manager, Innovation Center, Central Laboratory
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	General Manager, Retail Products Dept.
Executive Officer	Hideki Tomizawa	General Manager, Nakashoku (Ready-made Meals) Business Dept.; General Manager, Nakashoku (Ready-made Meals) Business Administration Div., Nakashoku (Ready-made Meals) Business Dept.
Executive Officer	Kenji Sato	General Manager, Sales & Marketing Div., Wheat Flour Business Dept.
Executive Officer	Yuichi Asano	General Manager, Research & Development Dept.
Executive Officer	Daisuke Teshima	Vice General Manager, Retail Products Dept.; General Manager, Processed Food Management Div.
Executive Officer	Shinya Hasebe	General Manager, Chiba Mill
Executive Officer	Noboru Matsushita	General Manager, Nagoya Branch
Executive Officer	Hideki Hara	General Manager, Accounting & Finance Div.
Executive Officer	Hideo Tomioka	General Manager, Corporate Planning Div.

(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. Even if the following proposals (matters subject to resolutions) for deliberation at the Annual General Meeting of Shareholders scheduled to be held on June 26, 2026, are approved and adopted, the aforementioned number of officers will not be changed: “Appointment of nine Directors (excluding Directors who are to serve as Audit and Supervisory Committee Members)” and “Appointment of three Directors who are to serve as Audit and Supervisory Committee Members.”

Mr. Naotaka Kawamata and Mses. 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 of the Company’s shares.

Furthermore, upon the approval and adoption of the proposal (matter subject to resolution), “Appointment of nine Directors (excluding Directors who are to serve as Audit and Supervisory Committee Members),” for deliberation at the Annual General Meeting of Shareholders scheduled to be held on June 26, 2026, the Company believes that Mr. Yoshinori Ando, who is to assume the position of Outside Director, will be capable of performing appropriate supervisory functions, as Mr. Ando possesses a track record in corporate management as a director of a listed company and deep knowledge of global business, including in the field of human resource development, and demonstrates a high level of independence. Furthermore, there are no special interests between Mr. Ando and 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 FY2026, the Audit and Supervisory Committee of the Company met 14 times. The attendance of the members was as detailed below.

Official title/position	Name	Number of meetings held	Number of meetings attended	Attendance rate
Director and Audit and Supervisory Committee Member	Takaaki Aonuma	14 meetings	14 meetings	100%
Director and Audit and Supervisory Committee Member	Kazuhiko Yoshida	14 meetings	14 meetings	100%
Director and Audit and Supervisory Committee Member	Yoshiko Hayama	14 meetings	14 meetings	100%

Note: 1. 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 FY2025, the Audit and Supervisory Committee determined the audit policy and audit plan for FY2026, 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	June and December	Audit and Supervisory Committee
Communication with the Accounting Auditor	May, August, November, and February	Audit and Supervisory Committee
Communication with the Internal Control & Audit Div. (including attendance at internal audit results briefing sessions)	May, October, and February	Audit and Supervisory Committee
Communication between Outside Directors and the Audit and Supervisory Committee	August, 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	Between September and December, and March	Audit and Supervisory Committee
Business audits of business departments and head office divisions	April and between January and March	Audit and Supervisory Committee
Communication with the Human Resources Div.	September and December	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 FY2026 were as follows.

- Matters to be confirmed through discussions with the President and CEO
- Confirmation of the execution of duties by Directors
- Strengthening of the functions of the Board of 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
- Review of the promotion of risk management activities
- Review of sustainability management and environmental protection activities
- Review of initiatives for improving human resources strategies (personnel systems) and employee engagement
- 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 FY2026 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 seven 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 seven 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 Audit and Supervisory Committee Members and the Audit and Supervisory Committee

In May 2025, the Audit and 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	FY2025		FY2026	
	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	89	－	94	8
Consolidated subsidiaries	－	－	－	－
Total	89	－	94	8

(FY2026)

The Company entrusted the Accounting Auditor with operations other than those provided in Article 2, paragraph (1) of the Certified Public Accountants Act (non-auditing services), such as the preparation of comfort letters in connection with the issuance of bonds payable, and made payments to the Accounting Auditor in consideration of such entrusted operations.

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	FY2025		FY2026	
	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	－	6	－	0
Consolidated subsidiaries	2	－	3	－
Total	2	6	3	0

(FY2025)

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

(FY2026)

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 Audit and Supervisory Committee 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.

Furthermore, based on a resolution passed at the Board of Directors meeting held on May 26, 2026, the Company plans to revise its policy for determining the details of individual Directors' compensation, etc., which will be effective from July 2026. An outline of the revised decision-making policy is as follows.

a. Compensation system

The base total compensation for Executive Directors (i.e., Directors excluding those who are Audit and Supervisory Committee Members or Outside Directors; hereinafter the same applies) 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 55%, incentive compensation for 25%, and stock compensation for 20% approximately, which is appropriately established according to 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, consolidated operating income margin before depreciation, and return on equity (ROE), and other factors such as the degree of the individual contribution to business performance.

With respect to the individual compensation, etc. of each Director for FY2026, 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 Nomination and Compensation Committee were respected. The Board of Directors has therefore considered that the individual compensation, etc. of each Director for FY2026 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 FY2026

The Nomination and Compensation Committee 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 Nomination and Compensation Committee, 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)	247	143	38	65	7
Audit and Supervisory Committee Members (excluding Outside Directors)	20	20	-	-	1
Outside Officers	60	60	-	-	5

Notes: 1. The above-mentioned figures include data on the Director who retired from the office at the conclusion of the 201st Annual General Meeting of Shareholders held on June 27, 2025.

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 FY2026. This amount includes the amount scheduled for payment and the difference between the total amount of incentive compensation paid in June 2025 and the amount scheduled for payment disclosed in the Securities Report for FY2025.

4. The amount of the Board Benefit Trust as non-monetary compensation, etc. is the amount recorded as expense for FY2026.

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	22,082 million yen
	Return on equity (ROE)	6.43% *
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."

(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	30	4,529
Stocks other than unlisted stocks	47	68,630

(Issues whose number of shares increased during FY2026)

	Number of issues (issuers)	Total acquisition cost for increased shares (Millions of yen)	Reason for increase in the number of shares
Unlisted stocks	1	871	To maintain and strengthen trade connections.
Stocks other than unlisted stocks	13	27	Increase due to an allocation resulting from a share split

(Issues whose number of shares decreased during FY2026)

	Number of issues (issuers)	Total sale amount for decreased shares (Millions of yen)
Unlisted stocks	1	1
Stocks other than unlisted stocks	4	5,933

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	FY2026	FY2025	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)		
MITSUI & CO., LTD.	2,481,000	3,073,800	To maintain and strengthen stable trade connections for product sales in the Flour Milling and Food businesses.	Yes
	14,784	8,605		
Toyo Suisan Kaisha, Ltd.	1,079,422	1,079,422	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	Yes
	11,873	9,492		
MS&AD Insurance Group Holdings, Inc.	2,062,500	2,962,500	To facilitate insurance transactions and maintain a good relationship with this company.	No (Note 2)
	8,316	9,554		
Itochu Corporation	4,130,000	826,000	To maintain and strengthen stable trade connections for product sales in the Flour Milling and Food businesses. Note that the number of shares has increased due to a share split.	Yes
	8,154	5,700		
DUSKIN CO., LTD.	1,852,884	1,850,237	To maintain and strengthen stable trade connections for product sales in the Food business. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	Yes
	7,796	6,733		
NISSIN FOODS HOLDINGS CO., LTD.	1,586,865	1,781,201	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	No
	4,768	5,438		
HOTLAND HOLDINGS Co., Ltd.	1,078,000	1,078,000	To maintain and strengthen stable trade connections for product sales in the Food business.	Yes
	2,189	2,366		
YAMAZAKI BAKING CO., LTD.	500,000	500,000	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	No
	1,773	1,440		
S&B FOODS INC.	342,180	171,090	To maintain and strengthen stable trade connections for product sales in the Flour Milling business. Note that the number of shares has increased due to a share split.	Yes
	1,606	912		
Meiji Holdings Co., Ltd.	361,900	361,900	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	Yes
	1,396	1,176		
Toyota Tsusho Corporation	190,000	190,000	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	Yes
	1,130	473		

Issuer	FY2026 Number of shares (shares) Carrying amount (Millions of yen)	FY2025 Number of shares (shares) Carrying amount (Millions of yen)	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding, and reason for increase in shares	The Company's shares owned
Sumitomo Mitsui Financial Group, Inc.	156,000	156,000	To maintain and strengthen a stable cooperative relationship in financial transactions, primarily those related to fundraising.	No (Note 2)
	780	592		
Morinaga & Co., Ltd.	190,226	189,746	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	No
	513	475		
NAKAMURAYA CO., LTD.	149,557	148,829	To maintain and strengthen stable trade connections for product sales in the Flour Milling business. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	Yes
	495	465		
Shimadaya Corporation	265,900	265,900	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	Yes
	478	443		
HOUSE FOODS GROUP INC.	112,841	112,841	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	No
	344	307		
ITOCHU-SHOKUHIN Co., Ltd.	20,000	20,000	To maintain and strengthen stable trade connections for product sales in the Food business.	Yes
	259	150		
Bourbon Corporation	77,919	77,152	To maintain and strengthen stable trade connections for product sales in the Flour Milling business. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	No
	250	195		
Ezaki Glico Co., Ltd.	38,115	38,115	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	No
	224	176		
Kitoku Shinryo Co., Ltd.	90,160	18,032	To maintain and strengthen stable trade connections for product sales in the Flour Milling business. Note that the number of shares has increased due to a share split.	Yes
	183	125		
EAT&HOLDINGS Co., Ltd.	90,000	90,000	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	No
	178	185		
FUJIYA CO., LTD.	50,373	49,039	To maintain and strengthen stable trade connections for product sales in the Flour Milling business. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	No
	124	117		

Sojitz Corporation	17,300	17,300	To maintain and strengthen stable trade connections for product sales in the Flour Milling and Food businesses.	Yes
	105	56		

Issuer	FY2026	FY2025	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)		
McDonald's Holdings Company (Japan), Ltd.	12,709	12,444	To maintain and strengthen stable trade connections for product sales in the Food business. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	No
	104	71		
SHOEI FOODS CORPORATION	24,482	24,482	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	No
	104	101		
Rock Field Co., Ltd.	68,083	66,932	To maintain and strengthen stable trade connections for product sales in the Food business. Note that the number of shares has increased through acquisitions by the Clients Shareholding Association.	No
	95	106		
FIRST BAKING CO., LTD.	142,000	142,000	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	No
	85	83		
TRIAL Holdings, Inc.	20,000	20,000	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	84	43		
ROYAL HOLDINGS Co., Ltd.	42,456	21,228	To maintain and strengthen stable trade connections for product sales in the Flour Milling business. Note that the number of shares has increased due to a share split.	No
	61	54		
ZENSHO HOLDINGS CO., LTD.	5,000	5,000	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	45	40		
Towa Food Service CO., LTD.	16,000	16,000	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	No
	34	34		
RETAIL PARTNERS CO., LTD.	25,244	25,244	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	31	34		
OIE SANGYO Co., Ltd.	12,650	12,650	To maintain and strengthen stable trade connections for product sales in the Food business.	Yes
	31	24		

Yakiniku Sakai Holdings Inc.	338,800	338,800	To maintain and strengthen stable trade connections for product sales in the Flour Milling and Food businesses.	No
	23	24		
Valor Holdings Co., Ltd.	6,336	6,336	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	23	15		

Issuer	FY2026	FY2025	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)		
MARUICHI CO., LTD.	19,272	32,838	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	22	36		
ARCS COMPANY, LIMITED	5,800	5,800	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	21	16		
TOHO Co., Ltd.	14,400	4,800	To maintain and strengthen stable trade connections for product sales in the Food business. Note that the number of shares has increased due to a share split.	No
	19	16		
H2O RETAILING CORPORATION	6,600	6,600	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	15	14		
KOMEDA Holdings Co., Ltd.	5,000	5,000	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	14	14		
LIFE CORPORATION	5,796	5,796	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	14	11		
TEN ALLIED CO., LTD.	48,672	48,672	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	14	13		
Central Forest Group, Inc.	5,000	5,000	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	13	15		
KEY COFFEE INC.	6,000	6,000	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	11	12		
HIGASHIMARU CO., LTD.	10,000	10,000	To maintain and strengthen stable trade connections for product sales in the Flour Milling business.	No
	10	11		

YAMANAKA CO., LTD.	15,040	15,040	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	7	8		
FUJIO FOOD GROUP INC.	7,000	7,000	To maintain and strengthen stable trade connections for product sales in the Food business.	No
	7	8		

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	FY2026		FY2025	
	Number of issues (issuers)	Total carrying amount (Millions of yen)	Number of issues (issuers)	Total carrying amount (Millions of yen)
Unlisted stocks	15	174	17	180
Stocks other than unlisted stocks	6	15,464	7	12,566

Category	FY2026		
	Total amount of dividend income (Millions of yen)	Total gain/loss on sales (Millions of yen)	Total gain/loss on valuation (Millions of yen)
Unlisted stocks	7	—	—
Stocks other than unlisted stocks	511	—	14,347

(iv) 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" during FY2026
Not applicable

(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 FY2026 or during the four fiscal years preceding FY2026
Not applicable

5. Employees, etc.

(1) Basic policies, etc. regarding human resource strategies

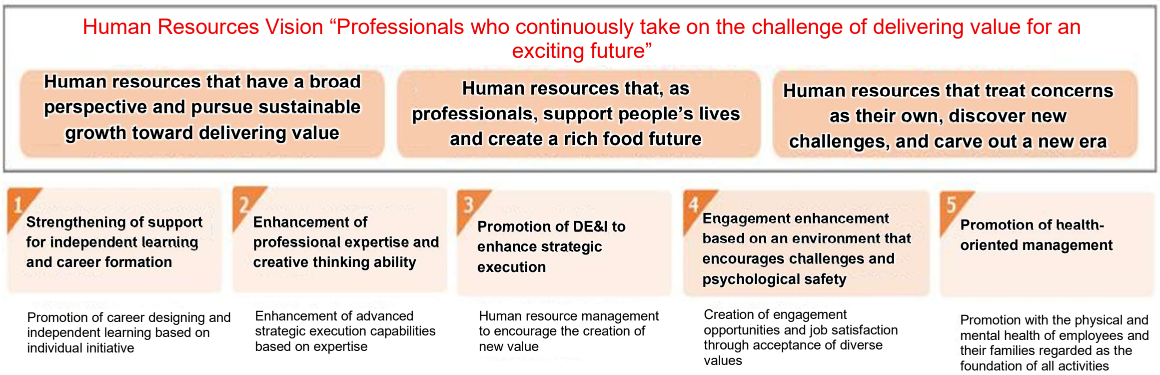
With the Human Resources Vision "Professionals who continuously take on the challenge of delivering value for an exciting future," the Company finds it one of its most important management challenges to develop human resources that aim for sustainable growth with a broad perspective and that draw on their expertise to create a rich food future.

Based on the belief that the physical and mental well-being of employees and their families forms the foundation of all matters, the Human Resources Vision consists of three elements: (1) human resources that have a broad perspective and pursue sustainable growth toward delivering value; (2) human resources who, as professionals, support people's lives and create a rich food future; and (3) human resources that treat concerns as their own, discover new challenges, and carve out a new era.

With the Human Resources Vision as our guiding principle, we have set five key themes for our human resource strategies, and promote those strategies in three areas: the revision of personnel systems, the rearchitecting of the human resource development framework, and the creation of an organizational culture.

Furthermore, the Company has established a system that fairly evaluates challenges with an emphasis on both "processes" and "results," and, through these initiatives, operates the system under which capabilities, challenges, and results are appropriately reflected in compensation and benefits.

<Human Resources Vision and key themes>



<Policy on determining salaries and treatment>

With respect to employee salaries and treatment, it is the Company's basic policy to conduct a comprehensive evaluation that takes into account not only results but also the employee's work attitude and processes leading up to those results. By appropriately evaluating each individual's contributions to their organization and collaborative attitude, in addition to their individual performance and demonstration of abilities, the Company aims to provide treatment that can facilitate sustainable growth and human resource development.

In the evaluation, a goal-setting interview is held between each employee and their supervisor at the beginning of each fiscal year to mutually confirm the expected roles and goals in detail. At the time of evaluation, an interview regarding results and the processes employed to achieve those results is held to share the evaluation details and provide feedback. These dialogues can enhance the transparency and acceptability of the evaluation while also supporting employee growth.

Furthermore, to ensure evaluation fairness and objectivity, we continuously provide training to evaluators, striving to improve their understanding of the evaluation criteria and their evaluation skills. Through these initiatives, we aim to realize appropriate evaluations and treatment, thereby promoting employee skill development and organizational growth as a whole.

(2) Employees

(i) Information about group

As of March 31, 2026

Business segment	Number of employees (persons)	
Flour Milling	647	[107]
Food	2,041	[3,578]
Other	846	[2,268]
Corporate-wide functions (shared)	401	[82]
Total	3,935	[6,035]

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.

(ii) Information about reporting company

As of March 31, 2026

Number of employees (persons)		Average age	Average length of service	Average annual pay (Yen)	Rate of change in average annual pay compared to FY2025 (%)
1,244	[236]	39 years 2 months	14 years 5 months	7,579,460	1.5

Business segment	Number of employees (persons)	
Flour Milling	344	[76]
Food	488	[71]
Other	11	[7]
Corporate-wide functions (shared)	401	[82]
Total	1,244	[236]

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.

(iii) Labor unions

The following labor unions have been organized: the NIPPN Labor Union (924 members including seconded employees) at the Company; the Matsuya Flour Labor Union (46 members) at Matsuya Flour Mills Co., Ltd.; the Marushichi Labor Union (60 members) at Marushichi Co., Ltd.; the NAGANO TOMATO Labor Union (103 members) at NAGANO TOMATO Co., Ltd.; the NPFJ Labor Union (41 members) at NPF Japan Co., Ltd.; and the ITO-PAN Labor Union (352 members) at ITO-PAN Co., Ltd.

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

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

(a) Reporting company

FY2026					Supplementary explanation
Ratio of female employees among managerial positions (%) Note 1	Ratio of male employees taking childcare leave (%) (Note 2)	Amount differences in wages between male and female employees (%) Note 1			
		All employees	Regular employees	Part-time/ Fixed-term employees	
10.0	93.9	73.3	78.0	65.2	

Notes: 1. The ratios of female employees among managerial positions and the amount 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).

(b) Consolidated subsidiaries

FY2026						Supplementary explanation
Name	Ratio of female employees among managerial positions (%) Note 1	Ratio of male employees taking childcare leave (%) (Note 2)	Amount differences in wages between male and female employees (%) Note 1			
			All employees	Regular employees	Part-time/ Fixed-term employees	
HATANAKA FOODS Co., Ltd.	16.7	—	71.4	75.4	89.7	
OK Food Industry Co., Ltd.	2.3	66.7	73.7	71.5	74.8	
Fast Foods Co., Ltd.	19.7	50.0	79.3	68.9	95.4	
Ichifuji Seimenjo Co., Ltd.	—	100.0	73.2	85.8	83.8	
NIPPN Donuts Kyushu Co., Ltd.	—	—	74.0	93.6	123.7	
Yamato Foods Co., Ltd.	—	60.0	72.8	73.3	120.9	
G&L mart Co., Ltd.	8.3	50.0	68.8	83.2	102.5	
ITO-PAN Co., Ltd.	6.4	87.5	75.1	79.1	84.0	
Fast Foods Nagoya Co., Ltd.	—	100.0	66.4	82.4	86.9	

Notes: 1. The ratios of female employees among managerial positions and the amount 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 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, 2025 to March 31, 2026).

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)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	44,945	69,173
Notes and accounts receivable - trade and contract assets	58,128	57,818
Merchandise and finished goods	26,626	29,696
Work in process	109	98
Raw materials and supplies	22,687	23,116
Other	6,542	14,325
Allowance for doubtful accounts	(25)	(26)
Total current assets	159,014	194,203
Non-current assets		
Property, plant and equipment		
Buildings and structures	117,293	134,797
Accumulated depreciation	(68,755)	(72,732)
Buildings and structures, net	48,537	62,065
Machinery, equipment, and vehicles	137,754	149,118
Accumulated depreciation	(114,655)	(120,585)
Machinery, equipment, and vehicles, net	23,099	28,532
Land	45,862	48,752
Construction in progress	13,022	14,155
Other	16,213	16,877
Accumulated depreciation	(12,323)	(12,880)
Other, net	3,890	3,997
Total property, plant, and equipment	134,412	157,502
Intangible assets	2,023	2,869
Investments and other assets		
Investment securities	85,530	102,647
Long-term loans receivable	4,401	446
Deferred tax assets	1,862	1,773
Retirement benefit assets	8,129	12,451
Other	4,124	5,062
Allowance for doubtful accounts	(271)	(219)
Total investments and other assets	103,775	122,161
Total non-current assets	240,210	282,534
Deferred assets	1	88
Total assets	399,226	476,826

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,279	35,107
Short-term loans payable	17,341	15,820
Current portion of convertible bond-type bonds with share acquisition rights	25,002	-
Income taxes payable	3,998	5,158
Accrued expenses	9,154	9,719
Refund liabilities	7,794	8,279
Provision for bonuses	961	1,027
Other	5,876	7,673
Total current liabilities	104,407	82,786
Non-current liabilities		
Bonds payable	-	20,000
Long-term loans payable	14,685	43,249
Deferred tax liabilities	24,744	31,426
Retirement benefit liabilities	3,641	4,210
Accrued retirement benefits for directors	361	371
Provision for share awards for directors (and other officers)	102	150
Other	4,798	4,754
Total non-current liabilities	48,334	104,162
Total liabilities	152,742	186,949
Net assets		
Shareholders’ equity		
Capital stock	12,240	18,670
Capital surplus	9,758	16,244
Retained earnings	170,683	187,106
Treasury shares	(1,183)	(4,751)
Total shareholders’ equity	191,499	217,270
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	41,317	52,661
Deferred gains (losses) on hedges	(23)	30
Foreign currency translation adjustments	5,148	5,652
Retirement benefit liability adjustments	4,199	6,714
Total accumulated other comprehensive income	50,641	65,059
Share acquisition rights	115	98
Non-controlling interests	4,227	7,448
Total net assets	246,484	289,877
Total liabilities and net assets	399,226	476,826

(ii) Consolidated statements of income and comprehensive income

(Consolidated statements of income)

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Net sales	410,878	418,425
Cost of sales	311,288	313,658
Gross profit	99,590	104,766
Selling, general and administrative expenses		
Freight, sales commission and other expenses	26,518	28,958
Salaries and allowances	25,313	26,683
Retirement benefit expenses	490	310
Depreciation	1,675	1,740
Other	24,105	24,991
Total selling, general and administrative expenses	78,103	82,684
Operating income	21,486	22,082
Non-operating income		
Interest income	379	710
Dividend income	2,353	2,530
Rent income on fixed assets	379	161
Foreign exchange gains	-	454
Other	408	569
Total non-operating income	3,520	4,425
Non-operating expenses		
Interest expenses	263	591
Cost of rent income	29	74
Foreign exchange losses	67	-
Equity in losses of unconsolidated subsidiaries and associates	85	226
Loss on investments in silent partnerships	-	380
Other	168	360
Total non-operating expenses	614	1,633
Ordinary income	24,393	24,874
Extraordinary income		
Gain on sale of fixed assets	8,692	833
Gain on sale of investment securities	4,707	6,305
Total extraordinary income	13,399	7,138
Extraordinary expenses		
Loss on sale and disposal of fixed assets	117	84
Impairment losses	695	25
Loss of valuation of investment securities	72	3
Loss resulting from disaster	-	140
Compensation expenses for customer complaints	-	34
Other	28	17
Total extraordinary expenses	913	306
Profit before income taxes	36,879	31,707
Income taxes - current	8,871	9,511
Income taxes - deferred	2,931	160
Total income taxes	11,802	9,671
Profit	25,077	22,035
Profit attributable to non-controlling interests	320	232
Profit attributable to owners of parent	24,757	21,803

(Consolidated statements of comprehensive income)

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Profit	25,077	22,035
Other comprehensive income		
Unrealized holding gains (losses) on securities	(4,814)	11,387
Deferred gains (losses) on hedges	(39)	57
Foreign currency translation adjustments	1,524	557
Retirement benefit liability adjustments	1,535	2,515
Share of other comprehensive income of entities accounted for using equity method	495	(45)
Total other comprehensive income (loss)	(1,298)	14,472
Comprehensive income	23,779	36,507
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	23,461	36,220
Comprehensive income attributable to non-controlling interests	318	286

(iii) Consolidated statements of changes in net assets

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 period	12,240	9,762	151,492	(1,317)	172,177
Changes of items during period					
Issue of new shares including exercise of share acquisition rights					–
Dividends of surplus			(5,566)		(5,566)
Profit attributable to owners of parent			24,757		24,757
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(4)		136	132
Change in treasury shares of parent arising from transactions with non-controlling shareholders					–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(4)	19,190	134	19,321
Balance at end of 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 gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Retirement benefit liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of period	46,122	19	3,131	2,663	51,937	221	3,948	228,285
Changes of items during period								
Issue of new shares including exercise of share acquisition rights								–
Dividends of surplus								(5,566)
Profit attributable to owners of parent								24,757
Purchase of treasury shares								(1)
Disposal of treasury shares								132
Change in treasury shares of parent arising from transactions with non-controlling shareholders								–
Net changes of items other than shareholders' equity	(4,805)	(43)	2,016	1,535	(1,295)	(105)	278	(1,122)
Total changes of items during period	(4,805)	(43)	2,016	1,535	(1,295)	(105)	278	18,198
Balance at end of period	41,317	(23)	5,148	4,199	50,641	115	4,227	246,484

FY2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,240	9,758	170,683	(1,183)	191,499
Changes of items during period					
Issue of new shares including exercise of share acquisition rights	6,430	6,430			12,860
Dividends of surplus			(5,379)		(5,379)
Profit attributable to owners of parent			21,803		21,803
Purchase of treasury shares				(4,000)	(4,000)
Disposal of treasury shares		136		432	569
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(80)			(80)
Net changes of items other than shareholders' equity					
Total changes of items during period	6,430	6,486	16,423	(3,568)	25,771
Balance at end of current period	18,670	16,244	187,106	(4,751)	217,270

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Retirement benefit liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of current period	41,317	(23)	5,148	4,199	50,641	115	4,227	246,484
Changes of items during period								
Issue of new shares including exercise of share acquisition rights								12,860
Dividends of surplus								(5,379)
Profit attributable to owners of parent								21,803
Purchase of treasury shares								(4,000)
Disposal of treasury shares								569
Change in treasury shares of parent arising from transactions with non-controlling shareholders								(80)
Net changes of items other than shareholders' equity	11,344	54	504	2,515	14,418	(17)	3,220	17,621
Total changes of items during period	11,344	54	504	2,515	14,418	(17)	3,220	43,392
Balance at end of current period	52,661	30	5,652	6,714	65,059	98	7,448	289,877

(iv) Consolidated statements of cash flows

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	36,879	31,707
Depreciation	10,894	11,330
Increase (decrease) in net retirement benefit assets / liabilities	(425)	(217)
Increase (decrease) in provision for directors' retirement benefits	(18)	10
Increase (decrease) in provision for share awards for directors (and other officers)	28	47
Increase (decrease) in allowance for doubtful accounts	(44)	(55)
Impairment losses	695	25
Interest and dividend income	(2,733)	(3,241)
Interest expenses	263	591
Loss (gain) on sale of investment securities	(4,735)	(6,381)
Loss (gain) on valuation of investment securities	72	3
Foreign exchange losses (gains)	24	(306)
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	85	226
Loss (gain) on sale of fixed assets	(8,682)	(824)
Loss on disposal of fixed assets	123	87
Loss resulting from disaster	—	140
Decrease (increase) in notes and accounts receivable - trade	2,698	339
Decrease (increase) in inventories	(5,192)	(3,224)
Increase (decrease) in notes and accounts payable - trade	212	1,270
Increase (decrease) in accrued consumption taxes	(1,406)	(221)
Decrease (increase) in other receivables	(471)	197
Increase (decrease) in other payables	213	(302)
Other	96	(203)
Subtotal	28,579	30,998
Interest and dividend income received	2,742	3,259
Interest expenses paid	(261)	(449)
Income taxes paid	(12,291)	(8,536)
Net cash provided by (used in) operating activities	18,768	25,272

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Cash flows from investing activities		
Decrease (increase) in time deposits	1,931	(1,307)
Purchase of fixed assets	(20,154)	(31,219)
Proceeds from sale of fixed assets	8,506	867
Purchase of securities	(4,030)	(6,000)
Proceeds from sale and redemption of securities	6,342	4,000
Purchase of investment securities	(1,207)	(1,585)
Proceeds from sale and redemption of securities	5,183	7,162
Payments of loans receivable	(4,447)	(1,274)
Collection of loans receivable	18	14
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	1,743
Other, net	51	509
Net cash provided by (used in) investing activities	(7,807)	(27,088)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(834)	(1,449)
Proceeds from long-term loans payable	278	30,390
Repayments of long-term loans payable	(3,495)	(2,899)
Proceeds from issue of bonds payable	—	19,914
Redemption of bonds payable	(128)	—
Redemption of convertible bond-type bonds with share acquisition rights	—	(11,600)
Purchase of treasury shares	(1)	(4,000)
Proceeds from sale of treasury shares	26	11
Cash dividends paid	(5,566)	(5,379)
Dividends paid to non-controlling interests	(39)	(28)
Repayments of finance lease obligations	(772)	(384)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(105)
Net cash provided by (used in) financing activities	(10,533)	24,467
Effect of exchange rate changes on cash and cash equivalents	315	99
Net increase (decrease) in cash and cash equivalents	743	22,751
Cash and cash equivalents at beginning of period	40,728	41,471
Cash and cash equivalents at end of period	41,471	64,222

Notes to consolidated financial statements

(Basis of preparation of the consolidated financial statements)

1. Scope of consolidation

(1) Number and names of consolidated subsidiaries

41 companies

Names of major consolidated subsidiaries

Matsuya Flour Mills Co., Ltd., NIPPN SHOJI Co., Ltd., NIPPN 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., NIPPN Donut Co., Ltd., NPF Japan Co., Ltd., NIPPN ENGINEERING CO., Ltd., and Pasta Montana, L.L.C.

In the current consolidated fiscal year, HATANAKA FOODS Co., Ltd. was included in the scope of consolidation by means of subscription to a capital increase.

(2) Names of major non-consolidated subsidiaries

NIPPN Logistics Co., Ltd., Chiba Grain Center Co., Ltd.

(Reasons for excluding non-consolidated subsidiaries from the scope of consolidation)

The 18 non-consolidated subsidiaries are all small-scale companies, and their total assets, net sales, net income (loss) for the period (proportionate to equity), and retained earnings (proportionate to equity) do not have a material impact 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

NIPPN Logistics Co., Ltd.

(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 14 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.

With regard to investments in silent partnerships, the equity interest is recognized on a net basis, based on the most recent financial statements available according to the balance sheet date specified in the relevant partnership agreement.

(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 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, 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 consolidated 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)

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

Not applicable

FY2026 (From April 1, 2025 to March 31, 2026)

Not applicable

(Accounting standards not yet applied)

Accounting standards for leases, etc.

- 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 J-GAAP 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.

Accounting Standard for Subsequent Events, etc.

- Accounting Standard for Subsequent Events (ASBJ Statement No. 41 of January 9, 2026)
- Implementation Guidance on Accounting Standard for Subsequent Events (ASBJ Implementation Guidance No. 35 of January 9, 2026)

(1) Overview

With the basic policy of generally following, and transferring to the Accounting Standards Board of Japan, the accounting details set forth in the Practical Guidance No. 1 of Audit Standard Report No. 560 "Audit Treatment of Subsequent Events," issued by the Auditing and Assurance Standards Committee of the Japanese Institute of Certified Public Accountants, in order to address the priority challenge of establishing a comprehensive accounting standard dealing with the definition, accounting treatment, disclosure, etc. of subsequent events, the Accounting Standard for Subsequent Events and its implementation guidance provide for the accounting treatment and disclosure of subsequent events, including revisions to the wording, the organization of the assessment periods for subsequent events, and the introduction of a requirement to add notes regarding the approval of financial statement disclosure.

(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.

(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 consolidated fiscal years were ¥420 million and 225,900 shares and ¥408 million and 219,500 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)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Investment securities	8,468	8,166

*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)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Notes receivable - trade	691	457
Accounts receivable - trade	56,948	57,361
Contract assets	489	-
Total	58,128	57,818

*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)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
	852	852

*4. Assets pledged as collateral

(1) Assets pledged as collateral

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Buildings and structures	657	626
Machinery and equipment	0	0
Land	947	947
Property, plant and equipment (other)	0	0
Investment securities	200	295
Total	1,806	1,869

(2) Liabilities corresponding to assets pledged as collateral

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Short-term loans payable	1,500	2,100
Long-term loans payable (including current portion)	272	242
Notes and accounts payable - trade	695	631
Total	2,468	2,974

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

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Contract liabilities	751	409

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

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Employees	2	1
Subsidiaries and associates	28	15
Total	30	16

(Consolidated statements of income)

*1. The amounts of revenue from contracts with customers and of other revenue 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)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
	3,647	3,845

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

*4. Loss on sale 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.

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, we classify our assets into the following categories: business assets that are 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 extraordinary expenses 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 extraordinary expenses 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.

FY2026 (From April 1, 2025 to March 31, 2026)

Location	Intended use	Type of assets
Asakura City, Fukuoka Prefecture	Business assets	Machinery and equipment, etc.

In assessing the possibility of impairment, we classify our assets into the following categories: business assets that are 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 the abovementioned assets has been reduced to a recoverable amount. The amount recorded as extraordinary expenses is ¥25 million.

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

*6. Loss resulting from disaster

Losses due to disasters during FY2026 consisted of those related to an accident that had occurred at one of the Company’s subsidiaries in July 2025.

Specifically, those losses were primarily incurred for the freight and storage, among other costs, of raw materials.

(Consolidated statements of comprehensive income)

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

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Unrealized holding gains (losses) on securities:		
Amount arising during the year	(1,430)	22,977
Reclassification adjustments	(4,721)	(6,364)
Before income taxes and tax effect adjustments	(6,151)	16,612
Income taxes and tax effects	1,337	(5,224)
Unrealized holding gains (losses) on securities	(4,814)	11,387
Deferred gains (losses) on hedges:		
Amount arising during the year	(55)	118
Reclassification adjustments	(2)	(35)
Before income taxes and tax effect adjustments	(57)	82
Income taxes and tax effects	17	(25)
Deferred gains (losses) on hedges	(39)	57
Foreign currency translation adjustments:		
Amount arising during the year	1,524	557
Retirement benefits liability adjustments:		
Amount arising during the year	2,472	4,204
Reclassification adjustments	(273)	(563)
Before income taxes and tax effect adjustments	2,198	3,640
Income taxes and tax effects	(662)	(1,125)
Retirement benefit liability adjustments	1,535	2,515
Share of other comprehensive income of entities accounted for using equity method:		
Amount arising during the year	495	(45)
Total other comprehensive income (loss)	(1,298)	14,472

(Consolidated statements of changes in net assets)
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, 2024	Increase in number of shares during fiscal year	Decrease in number of shares during fiscal year	Number of shares as of March 31, 2025
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 was 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 was 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, 2025 (Millions of yen)
			As of April 1, 2024	Increase	Decrease	As of March 31, 2025	
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 bond-type bonds with share acquisition rights due 2025 was 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)	Dividend 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	Dividend 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).

FY2026 (From April 1, 2025 to March 31, 2026)

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

	Number of shares as of April 1, 2025	Increase in number of shares during fiscal year	Decrease in number of shares during fiscal year	Number of shares as of March 31, 2026
Issued shares				
Common stock (Note 1)	78,824	5,903	—	84,727
Treasury shares				
Common stock (Notes 2, 3, and 4)	767	1,556	261	2,062

Notes: 1. The increase in the number of shares of common stock was due to the exercise of share acquisition rights.

2. The number of treasury shares as of March 31, 2026, includes the Company's shares of 219 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.

3. The increase in the number of treasury shares of common stock was due to the acquisition of 1,555 thousand treasury shares and the purchase of shares less than one unit in the volume of 0 thousand shares.

4. The decrease in the number of treasury shares of common stock was due to the payout of six thousand treasury shares by the trust and the disposal of 11 thousand shares through the exercise of stock options and 243 thousand shares through the exercise of share acquisition rights.

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, 2026 (Millions of yen)
			As of April 1, 2025	Increase	Decrease	As of March 31, 2026	
Reporting company (parent company)	Euro-yen-denominated convertible bond-type bonds with share acquisition rights due 2025 (Note 1)	Common stock	11,292,290	—	11,292,290	—	—
	Share acquisition rights as stock options	—	—	—	—	—	98
Total		—	—	—	—	—	98

Note: 1. The decrease in the euro-yen-denominated convertible bond-type bonds with share acquisition rights due 2025 resulted from the exercise of share acquisition rights for 5,903 thousand shares and the redemption of 5,389 thousand shares.

3. Dividends

(1) Cash dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual Shareholders Meeting held on June 27, 2025	Common stock	2,588	33.0	March 31, 2025	June 30, 2025
Board of Directors meeting held on November 7, 2025	Common stock	2,791	33.0	September 30, 2025	December 3, 2025

Note: The total amount of dividends based on a resolution of the Annual Shareholders Meeting held on June 27, 2025, and a resolution of the Board of Directors meeting held on November 7, 2025, includes dividends of ¥7 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

The following matters concerning dividends of surplus are subject to a resolution of the Annual Shareholders Meeting scheduled to be held on June 26, 2026.

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Annual Shareholders Meeting held on June 26, 2026	Common stock	2,906	Retained earnings	35.0	March 31, 2026	June 29, 2026

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 at the year-end are reconciled to the accounts reported in the consolidated balance sheets as follows.

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Cash and deposits	44,945	69,173
Time deposits with maturities over three months	(3,473)	(4,950)
Cash and cash equivalents	41,471	64,222

(Lease transactions)

(Lessee)

1. Finance lease 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)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Due within one year	170	240
Due after one year	799	700
Total	970	941

(Lessor)

1. Operating lease transactions

Future lease payments for non-cancelable operating lease transactions

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Due within one year	527	577
Due after one year	3,764	3,014
Total	4,292	3,591

(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 bonds payable. 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 payable are mainly operating funds, and long-term loans payable 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 business investments.

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).

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.

FY2026 (As of March 31, 2026)

(Millions of yen)

	Carrying amount*	Fair value*	Difference
(1) Investment securities	89,672	89,672	—
(2) Bonds payable	(20,000)	(19,828)	172
(3) Long-term loans payable (including current portion of long-term loans payable)	(44,342)	(42,246)	2,095
(4) Derivatives	46	46	—

* Liabilities are presented in parentheses.

Notes: 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.

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.

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	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Unlisted stocks and others	12,329	12,893

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	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Investments in investment partnerships	83	82
Investments in silent partnerships	—	979

Note 5: Redemption schedule for monetary receivables and securities with maturities after the consolidated balance sheet date

FY2025 (As of March 31, 2025)

	Within one year (Millions of yen)	Over one year and within five years (Millions of yen)	Over five years and within 10 years (Millions of yen)	Over ten years (Millions of yen)
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

FY2026 (As of March 31, 2026)

	Within one year (Millions of yen)	Over one year and within five years (Millions of yen)	Over five years and within 10 years (Millions of yen)	Over ten years (Millions of yen)
Deposits	68,069	—	—	—
Notes and accounts receivable - trade and contract assets	57,818	—	—	—
Securities and investment securities				
Other securities with maturities				
(1) Bonds (corporate bonds)	0	30	198	60
(2) Other	2,000	—	—	388
Total	127,887	30	198	448

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

FY2025 (As of March 31, 2025)

	Within one year (Millions of yen)	Over one year and within two years (Millions of yen)	Over two years and within three years (Millions of yen)	Over three years and within four years (Millions of yen)	Over four years and within five years (Millions of yen)	Over five years (Millions of yen)
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

FY2026 (As of March 31, 2026)

	Within one year (Millions of yen)	Over one year and within two years (Millions of yen)	Over two years and within three years (Millions of yen)	Over three years and within four years (Millions of yen)	Over four years and within five years (Millions of yen)	Over five years (Millions of yen)
Short-term loans payable	14,726	—	—	—	—	—
Bonds payable	—	—	—	—	20,000	—
Long-term loans payable	1,093	10,847	1,388	401	6,204	24,406
Total	15,819	10,847	1,388	401	26,204	24,406

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

FY2025 (As of March 31, 2025)

Category	Fair value (Millions of yen)			
	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)

FY2026 (As of March 31, 2026)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stocks	87,727	—	—	87,727
Bonds	—	859	—	859
Other current assets	—	1,085	—	1,085
Total assets	87,727	1,944	—	89,672
Derivatives				
Currency-related transactions	—	46	—	46
Total liabilities	—	46	—	46

(2) Financial instruments other than those measured at fair value in the consolidated balance sheets

FY2025 (As of March 31, 2025)

Category	Fair value (Millions of yen)			
	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

FY2026 (As of March 31, 2026)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Bonds payable	―	19,828	―	19,828
Long-term loans payable (including current portion of long-term loans payable)	―	42,246	―	42,246
Total liabilities	―	62,074	―	62,074

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.

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

FY2025 (As of March 31, 2025)

	Type of assets	Carrying amount (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
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.”

FY2026 (As of March 31, 2026)

	Type of assets	Carrying amount (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)
Securities whose carrying amount exceeds their acquisition cost	(1) Stocks	87,216	10,303	76,913
	(2) Bonds	111	108	2
	(3) Other	769	575	193
	Subtotal	88,097	10,987	77,110
Securities whose carrying amount does not exceed their acquisition cost	(1) Stocks	511	542	(31)
	(2) Bonds	747	757	(10)
	(3) Other	2,316	2,353	(37)
	Subtotal	3,574	3,653	(78)
Total		91,672	14,641	77,031

Note: Shares, etc. that do not have market prices (carrying amount: ¥4,726 million), investments in investment partnerships for which the equity interest is recorded on a net basis in the consolidated balance sheets (carrying amount: ¥82 million), and investments in silent partnerships (carrying amount: ¥979 million) are not included in the above table “Other securities.”

2. Other securities sold

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

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

FY2026 (From April 1, 2025 to March 31, 2026)

Type of assets	Proceeds from sales (Millions of yen)	Total gain on sales (Millions of yen)	Total loss on sales (Millions of yen)
(1) Stocks	6,769	6,301	(0)
(2) Bonds	100	0	—
(3) Other	318	68	—
Total	7,187	6,370	(0)

3. Securities subject to impairment

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

In the current consolidated fiscal year, the Company has recognized ¥3 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

FY2025 (As of March 31, 2025)

Hedge accounting	Type of transaction	Major hedged item	Contract amount, etc. (Millions of yen)	Contract amount, etc. over one year (Millions of yen)	Fair value (Millions of yen)
Deferred hedge accounting	Forward exchange contracts Buy USD EUR	Accounts payable - trade	19,951 146	— —	(36) 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.

FY2026 (As of March 31, 2026)

Hedge accounting	Type of transaction	Major hedged item	Contract amount, etc. (Millions of yen)	Contract amount, etc. over one year (Millions of yen)	Fair value (Millions of yen)
Deferred hedge accounting	Forward exchange contracts Buy USD EUR	Accounts payable - trade	1,877 40	— —	48 0
	Sell USD	Accounts receivable - trade	217	—	(1)
Total			2,135	—	46

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, retirement benefit liabilities and retirement benefit expenses 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)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Balance of retirement benefit obligations at beginning of period	17,147	15,245
Service cost	906	803
Interest cost	121	260
Actuarial gain or loss	(2,044)	(1,191)
Retirement benefit paid	(885)	(1,071)
Other current assets	—	0
Balance of retirement benefit obligations at end of period	15,245	14,046

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

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Balance of plan assets at beginning of period	20,999	21,817
Expected return	384	379
Actuarial gain or loss	427	3,013
Employer’s contribution	704	732
Retirement benefit paid	(698)	(869)
Balance of plan assets at end of period	21,817	25,073

(3) Reconciliation of beginning and ending balances of retirement benefit liabilities and retirement benefit assets under retirement benefit plans to which the simplified method is applied

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Retirement benefit liabilities and retirement benefit assets at beginning of period	2,070	2,084
Retirement benefit expenses	326	324
Retirement benefit paid	(236)	(173)
Contributions to plans	(83)	(34)
Other	7	584
Retirement benefit liabilities and retirement benefit assets at end of period	2,084	2,786

(4) Reconciliation of ending balances of retirement benefit obligations and plan assets, and reconciliation of retirement benefit liabilities and assets in the consolidated balance sheets

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Retirement benefit obligation for funded plans	14,926	13,175
Plan assets	(22,583)	(25,491)
	(7,656)	(12,315)
Retirement benefit obligation for non-funded plans	3,169	4,075
Net liabilities and assets recorded in the consolidated balance sheets	(4,487)	(8,240)
Retirement benefit liabilities	3,641	4,210
Retirement benefit assets	(8,129)	(12,451)
Net liabilities and assets recorded in the consolidated balance sheets	(4,487)	(8,240)

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

(5) Retirement benefit expenses and the breakdown

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Service cost	906	803
Interest cost	121	260
Expected return	(384)	(379)
Amortization of actuarial gain or loss	(273)	(563)
Retirement benefit expenses based on simplified method	326	324
Retirement benefit expenses relating to defined benefit plan	696	445

(6) Retirement benefit liability adjustments

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

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Actuarial gain or loss	2,198	3,640

(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)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Unrecognized actuarial gains and losses	(6,029)	(9,670)

(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.

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Bonds	34%	30%
Stocks	47	53
General account	0	0
Other current assets	19	17
Total	100	100

Note: The total plan assets include a retirement benefit trust established for the corporate pension plan, which accounts for 32% of the total plan assets as of the end of the current consolidated fiscal year (29% as of the end of the previous consolidated 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

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Discount rate	Mainly 1.7%	Mainly 2.7%
Long-term expected rate of return on plan assets	0.0～2.5	0.0～2.5
Expected rate of salary increase	0.0～3.7	0.0～3.7

3. Defined contribution plan

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Required contributions to defined contribution plan for consolidated subsidiaries	35	78

(Stock options)

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

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Selling, general and administrative expenses	―	―

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 acquisition 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 acquisition 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 acquisition 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 acquisition 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 acquisition 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 acquisition 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 acquisition 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 acquisition 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 FY2026 (fiscal year ended March 31, 2026). 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, 2025	2,900	2,700
Granted	—	—
Forfeited	—	—
Vested	—	—
Unvested	2,900	2,700
After vesting (shares)		
As of March 31, 2025	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
Exercisable	—	—

	2017 Stock Options	2018 Stock Options
Before vesting (shares)		
As of March 31, 2025	3,200	3,050
Granted	—	—
Forfeited	—	—
Vested	—	—
Unvested	3,200	3,050
After vesting (shares)		
As of March 31, 2025	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
Exercisable	—	—

	2019 Stock Options	2020 Stock Options
Before vesting (shares)		
As of March 31, 2025	5,800	16,300
Granted	—	—
Forfeited	—	—
Vested	—	3,750
Unvested	5,800	12,550
After vesting (shares)		
As of March 31, 2025	—	—
Vested	—	3,750
Exercised	—	3,750
Forfeited	—	—
Exercisable	—	—

	2021 Stock Options	2022 Stock Options
Before vesting (shares)		
As of March 31, 2025	16,400	23,550
Granted	—	—
Forfeited	—	—
Vested	3,750	3,700
Unvested	12,650	19,850
After vesting (shares)		
As of March 31, 2025	—	—
Vested	3,750	3,700
Exercised	3,750	3,700
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)	2,185	2,185
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)	2,185	2,185
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)	2,185	2,185
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)	2,185	2,185
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 consolidated 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 figures here reflect only those stock options that have actually been forfeited.

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Deferred tax assets		
Tax loss carried forward (Note)	1,612	1,548
Non-deductible accrued enterprise tax	335	426
Accrued bonuses	701	731
Retirement benefit liabilities	1,997	1,948
Loss on valuation of securities	119	120
Unrealized gain on sale of fixed assets	1,026	1,057
Loss on valuation of non-current assets	266	249
Other current assets	2,524	2,153
Subtotal deferred tax assets	8,585	8,236
Valuation allowance for tax loss carried forward (Note)	(1,459)	(1,351)
Valuation allowance for total future deductible temporary differences, etc.	(1,281)	(1,216)
Subtotal valuation allowance	(2,741)	(2,567)
Total deferred tax assets	5,844	5,668)
Amount offset by deferred tax liabilities	3,981	3,895
Net deferred tax assets	1,862	1,773
Deferred tax liabilities		
Reserve for reduction entry	4,967	5,084
Unrealized holding gains (losses) on securities	19,038	24,263
Gain on contribution of securities to retirement benefit trust	420	431
Other current assets	4,298	5,542
Total deferred tax liabilities	28,726	35,321
Amount offset by deferred tax assets	3,981	3,895
Net deferred tax liabilities	24,744	31,426

Note: Tax loss carried forward and amount of said deferred tax assets by deferred deadline

FY2025 (As of March 31, 2025)

	Within one year (Millions of yen)	Over one year and within two years (Millions of yen)	Over two years and within three years (Millions of yen)	Over three years and within four years (Millions of yen)	Over four years and within five years (Millions of yen)	Over five years (Millions of yen)	Total (Millions of yen)
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.

FY2026 (As of March 31, 2026)

	Within one year (Millions of yen)	Over one year and within two years (Millions of yen)	Over two years and within three years (Millions of yen)	Over three years and within four years (Millions of yen)	Over four years and within five years (Millions of yen)	Over five years (Millions of yen)	Total (Millions of yen)
Tax loss carried forward*	73	102	60	81	308	920	1,548
Valuation allowance	(25)	(78)	(60)	(69)	(235)	(882)	(1,351)
Deferred tax assets	48	24	—	12	73	38	197

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

2. Major components resulting in the difference between the effective statutory tax rate and the actual effective tax rate after tax effect accounting

FY2025 (As of March 31, 2025)

Notes are omitted here since the difference between the effective statutory tax rate and the actual effective tax rate after tax effect accounting did not exceed 5/100 of the effective statutory tax rate.

FY2026 (As of March 31, 2026)

Notes are omitted here since the difference between the effective statutory tax rate and the actual effective tax rate after tax effect accounting did not exceed 5/100 of the effective statutory tax rate.

(Business combinations, etc.)

(Business combination by acquisition)

At the meeting of the Board of Directors held on September 26, 2024, it was resolved that the Company would subscribe to a third-party allotment of shares of HATANAKA FOODS Co., Ltd. in order 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 of HATANAKA FOODS Co., Ltd. on April 1, 2025, and thereby acquired 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

(2) Main reason for business combination

We position the Frozen Food business as one of our growth areas, and sees the strengthening of the supply system in anticipation of future demand growth as an important business challenge. To ensure a stable supply of high-quality frozen foods, we have been making capital investments in our own plants and working with contract manufacturers. In line with this effort, we decided to acquire shares of HATANAKA FOODS Co., Ltd. through a third-party allotment, believing that the production capacity and processing technology of HATANAKA FOODS Co., Ltd. would contribute to strengthening our competitiveness.

(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 to be acquired

The shares of the acquired company were acquired in exchange for cash.

2. Period during which the acquired company’s results are included in the consolidated statements of income for the current fiscal year

April 2025–March 2026

3. 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

4. Details and amounts of major expenses related to the acquisition

Remuneration, fees, etc. for advisory services: ¥9 million

5. Amount of goodwill recognized, reason for recognition, amortization method, and amortization period

(1) Amount of goodwill recognized

¥1,121 million

(2) Reason for recognition

Primarily due to the excess earning power expected in the Food business.

(3) Amortization method and period

Straight-line amortization over five years

6. Amounts of assets accepted and liabilities assumed on the date of business combination, and the breakdown of major components

Current assets	¥8,876 million
Non-current assets	¥1,752 million
Total assets	¥10,628 million
Current liabilities	¥1,182 million
Non-current liabilities	¥1,579 million
Total liabilities	¥2,762 million

(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)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Income from rental properties (Note 1)	633	691
Gain on sales (Note 2)	8,702	828
Loss on sales (Note 3)	—	8

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 change during the fiscal year, and the fair value of those properties are as follows.

(Millions of yen)

		FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Carrying amount on the consolidated balance sheets (Note 1)			
	Balance at beginning of fiscal year	8,214	7,889
	Change during fiscal year (Note 2)	(325)	746
	Balance at end of fiscal year	7,889	8,636
Fair value at end of fiscal year (Note 3)		24,135	25,309

Notes: 1. The carrying amount in the consolidated balance sheets is the acquisition cost, less accumulated depreciation and accumulated impairment losses.
2. The change in the carrying amount during the previous consolidated fiscal year mainly consists of an increase of ¥402 million due to a change in the use of properties, a decrease of ¥492 million due to the sale of rental properties, and a decrease of ¥235 million due to depreciation. The change in the carrying amount during the current consolidated fiscal year mainly consists of an increase of ¥1,030 million due to new acquisitions, a decrease of ¥54 million due to the sale of rental properties, and a decrease of ¥229 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 carrying amount 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 under 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 a performance obligation. This performance obligation is 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

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 was recognized in the current consolidated fiscal year and had been included in the contract liability balance at the beginning of the same consolidated fiscal year was ¥233 million.

FY2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

Receivables from contracts with customers (beginning balance)	58,129
Receivables from contracts with customers (ending balance)	57,818
Contract assets (beginning balance)	489
Contract assets (ending balance)	—
Contract liabilities (beginning balance)	751
Contract liabilities (ending balance)	409

The revenue that was recognized in the current consolidated fiscal year and had been included in the contract liability balance at the beginning of the same consolidated fiscal year was ¥625 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.

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

FY2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

Within one year	16
Over one year and within two years	3
Over two years and within three years	2
Over three years	7
Total	30

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

Our reportable segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment 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.

Accordingly, we have 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, Nakashoku (ready-made meals), and rice flour.

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

The accounting method for reported business segments is the same as the method used to prepare the consolidated financial statements.

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

3. Information on net sales, profit (loss), assets, liabilities, and other items by reportable segment, and information on disaggregation of revenue

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

(Millions of yen)

	Reportable segments			Other	Total	Adjustments	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
Other revenue	—	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 profit (loss)	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 Leasing.

2. Segment profit (loss) 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 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 profit (loss) is adjusted to reflect operating income as recorded in the consolidated financial statements.
6. Depreciation, and increase in property, plant and equipment and intangible assets, include an increase in long-term prepaid expenses and the amortization thereof.
7. The standards for allocation of non-current assets to segments are different from the standards for allocation of related depreciation.

FY2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments			Other	Total	Adjustments	Amount recorded in consolidated financial statements
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	120,000	243,647	363,648	53,750	417,398	—	417,398
Other revenue	—	46	46	980	1,026	—	1,026
Net sales to external customers	120,000	243,694	363,694	54,730	418,425	—	418,425
Internal sales or transfers between segments	2,945	901	3,846	3,711	7,558	(7,558)	—
Total	122,945	244,595	367,540	58,442	425,983	(7,558)	418,425
Segment profit (loss)	9,471	9,065	18,536	3,656	22,193	(111)	22,082
Segment assets	152,382	163,199	315,582	31,103	346,686	130,140	476,826
Other items							
Depreciation	3,329	6,075	9,405	1,373	10,779	551	11,330
Increase in property, plant and equipment and intangible assets	17,976	11,724	29,701	4,316	34,017	14	34,032

Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including Pet Food, Health Food, Engineering, Food Service, and Real Estate Leasing.

2. Segment profit (loss) adjustment of ¥(111) million includes the elimination of inter-segment transactions and corporate expenses.

3. Corporate assets included in adjustments to segment assets amount to ¥121,876 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 ¥14 million for 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 profit (loss) is adjusted to reflect operating income as recorded in the consolidated financial statements.

6. Depreciation, and increase in property, plant and equipment and intangible assets, include an increase in long-term prepaid expenses and the amortization thereof.

7. The standards for allocation of non-current assets to segments are different from the standards for allocation of related depreciation.

[Related information]

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

(Millions of yen)

Name of customer	Net sales	Name of related segment
Itochu Corporation	57,838	Flour Milling and Food
FamilyMart Co., Ltd.	49,452	Food

FY2026 (From April 1, 2025 to March 31, 2026)

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

(Millions of yen)

Name of customer	Net sales	Name of related segment
Itochu Corporation	56,701	Flour Milling and Food
FamilyMart Co., Ltd.	50,781	Food

[Information on impairment losses on non-current assets by reportable segment]

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

(Millions of yen)

	Flour Milling	Food	Other current assets	Adjustment and elimination	Total
Impairment losses	—	687	7	—	695

FY2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Flour Milling	Food	Other current assets	Adjustment and elimination	Total
Impairment losses	—	25	—	—	25

[Information on amortization and balance of goodwill by reportable segment]

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

(Millions of yen)

	Flour Milling	Food	Other (Note)	Adjustment and elimination	Total
Amortization during period	—	126	62	—	188
Balance at end of period	—	737	71	—	809

Note: The amounts under “Other” are those relating to the Food Service business and other relevant businesses.

FY2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Flour Milling	Food	Other (Note)	Adjustment and elimination	Total
Amortization during current period	—	350	62	—	413
Balance at end of current period	—	1,507	9	—	1,517

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, associates, etc. of the company submitting consolidated financial statements

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)
Associates 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 loans receivable	4,256

Among the above amounts, the transaction amount and the balance at the end of the 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 was determined in a reasonable manner by taking into account market interest rates. The transaction amount stated represents the total amount incurred during FY2025.

FY2026 (From April 1, 2025 to March 31, 2026)

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)
Associates company	Utah Flour Milling, LLC	Utah, the U.S.	3,402	Flour Milling	(Owned by the Company) Indirect: 25.0	Financial assistance	Loan	958	Long-term loans receivable (including current portion)	5,595

Among the above amounts, the transaction amount and the balance at the end of the 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 was determined in a reasonable manner by taking into account market interest rates. The transaction amount stated represents the total amount incurred during FY2026.

(Per-share information)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Net assets per share	3,102.27	3,415.52
Profit per share	317.27	262.51
Fully diluted profit per share	276.75	257.03

Note: 1. The basis for the calculation of profit per share and fully diluted profit per share is as follows.

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Profit per share		
Profit attributable to owners of parent (Millions of yen)	24,757	21,803
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent pertaining to common stock (Millions of yen)	24,757	21,803
Average number of shares of common stock in the fiscal year (Thousands of shares)	78,031	83,058
Fully diluted profit per share		
Amount attributable to owners of parent (Millions of yen)	(12)	(1)
[of which interest income (after deducting the amount equivalent to tax) (Millions of yen)]	[(12)]	[(1)]
Increase in common stock (Thousands of shares)	11,378	1,766
Summary of residual securities not included in calculation of fully diluted profit per share because of no dilutive effect	—	—

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 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 consolidated fiscal years was 225,900 shares and 219,500 shares, respectively. The average number of shares in each of the previous and current consolidated fiscal years was 230,600 shares as of the end of the previous consolidated fiscal year and 221,100 shares as of the end of the current consolidated fiscal year.

(Important subsequent events)

Not applicable

(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
NIPPN CORPORATION	Euro-yen-denominated convertible bond-type bonds with share acquisition rights due 2025 (Notes 1 and 2)	June 22, 2018	25,002 (25,002)	— —	—	None	June 20, 2025
NIPPN CORPORATION	1st Series of Unsecured Straight Bonds (Note 3)	March 5, 2026	—	20,000	1.98	None	March 5, 2031
Total	—	—	25,002 (25,002)	20,000	—	—	—

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)	2,179.9
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 payable 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 during five years after the consolidated balance sheet date is as follows.

Within one year (Millions of yen)	Over one year and within two years (Millions of yen)	Over two years and within three years (Millions of yen)	Over three years and within four years (Millions of yen)	Over four years and within five years (Millions of yen)
—	—	—	—	20,000

(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	14,606	14,727	1.24	—
Current portion of long-term loans payable	2,734	1,093	0.54	—
Current portion of lease obligations	370	394	—	—
Long-term loans payable (excluding current portion)	14,685	43,249	0.99	2027–2035
Lease obligations (excluding current portion)	1,368	1,266	—	2027–2038
Other interest-bearing debt	—	—	—	—
Total	33,767	60,730		—

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.

	Over one year and within two years (Millions of yen)	Over two years and within three years (Millions of yen)	Over three years and within four years (Millions of yen)	Over four years and within five years (Millions of yen)
Long-term loans payable	10,847	1,388	401	6,204
Lease obligations	314	251	198	160

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 consolidated 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 consolidated 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 consolidated fiscal year

	Interim consolidated accounting period	Current fiscal year
Net sales (Millions of yen)	207,903	418,425
Profit before income taxes (Millions of yen)	13,684	31,707
Profit attributable to owners of parent (Millions of yen)	9,269	21,803
Profit per share (Yen)	112.20	262.51

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 profit per share.

2. Non-consolidated financial statements, etc.

(1) Non-consolidated financial statements

(i) Non-consolidated balance sheets

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	24,560	45,840
Accounts receivable - trade	39,891	40,888
Merchandise and finished goods	21,149	22,491
Raw materials and supplies	18,404	18,579
Prepaid expenses	318	430
Accounts receivable - other	3,622	3,693
Short-term loans receivable	885	1,324
Current portion of long-term loans receivable	440	6,652
Other	1,149	3,073
Total current assets	110,424	142,973
Non-current assets		
Property, plant and equipment		
Buildings	28,593	39,516
Structures	3,440	6,365
Machinery, equipment, and vehicles	10,377	15,891
Tools, furniture and fixtures	1,063	1,190
Land	39,271	41,730
Leased assets	6	4
Construction in progress	13,019	7,194
Total property, plant, and equipment	95,773	111,893
Intangible assets	473	497
Investments and other assets		
Investment securities	73,621	90,217
Shares of subsidiaries and associates	16,014	22,091
Long-term loans receivable	15,363	9,904
Other	3,220	4,089
Allowance for doubtful accounts	(1,644)	(1,498)
Total investments and other assets	106,574	124,803
Total non-current assets	202,821	237,194
Deferred assets	1	88
Total assets	313,247	380,256

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	19,455	21,374
Short-term loans payable	17,157	17,767
Current portion of long-term loans payable	1,400	-
Current portion of convertible bond-type bonds with share acquisition rights	25,002	-
Accounts payable - other	1,589	3,511
Lease obligations	2	2
Income taxes payable	2,806	3,513
Accrued expenses	5,520	6,044
Refund liabilities	7,714	8,202
Deposits received	561	281
Other	49	5
Total current liabilities	81,258	60,704
Non-current liabilities		
Bonds payable	-	20,000
Long-term loans payable	10,300	40,600
Lease obligations	3	1
Provision for retirement benefits	157	161
Provision for share awards for directors (and other officers)	102	150
Deferred tax liabilities	20,706	26,014
Other	2,395	2,427
Total non-current liabilities	33,664	89,354
Total liabilities	114,922	150,058
Net assets		
Shareholders’ equity		
Capital stock	12,240	18,670
Capital surplus		
Legal capital surplus	10,666	17,096
Other capital surplus	45	182
Total capital surplus	10,712	17,278
Retained earnings		
Legal retained earnings	3,060	3,060
Other retained earnings		
Reserve for reduction entry	8,174	10,552
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	90,453	101,606
Total retained earnings	136,453	147,873
Treasury shares	(1,065)	(4,633)
Total shareholders’ equity	158,340	179,189
Valuation and translation adjustments		
Unrealized holding gains (losses) on securities	39,890	50,881
Deferred gains (losses) on hedges	(21)	28
Total valuation and translation adjustments	39,868	50,910
Share acquisition rights	115	98
Total net assets	198,324	230,197
Total liabilities and net assets	313,247	380,256

(ii) Non-consolidated statements of income

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Net sales	253,240	253,608
Cost of sales	197,122	194,917
Gross profit	56,117	58,690
Selling, general and administrative expenses	42,972	45,261
Operating income	13,145	13,429
Non-operating income		
Interest and dividend income	5,382	3,132
Rent income on fixed assets	623	455
Other	283	826
Total non-operating income	6,290	4,414
Non-operating expenses		
Interest expenses	121	411
Cost of rent income	317	399
Other	277	330
Total non-operating expenses	715	1,141
Ordinary income	18,719	16,701
Extraordinary income		
Gain on sale of investment securities	4,635	6,259
Gain on sale of fixed assets	8,465	828
Total extraordinary income	13,101	7,088
Extraordinary expenses		
Loss on sale and disposal of fixed assets	54	46
Loss of valuation of investment securities	72	-
Loss on valuation of shares of subsidiaries and associates	752	37
Loss resulting from disaster	-	140
Other	5	0
Total extraordinary expenses	884	223
Profit before income taxes	30,936	23,566
Income taxes - current	6,649	6,540
Income taxes - deferred	2,328	226
Total income taxes	8,977	6,766
Profit	21,959	16,799

(iii) Non-consolidated statements of changes in net assets

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

(Millions of yen)

	Shareholders' equity											
		Capital surplus			Retained earnings							
						Other retained earnings						
	Capital stock	Legal capital surplus	Other capital surplus	Capital surplus	Legal 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	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,240	10,666	50	10,716	3,060	5,951	—	32,654	78,394	120,060	(1,200)	141,816
Changes of items during period												
Issue of new shares including exercise of share acquisition rights												—
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)	—		—
Reversal of reserve for special account for tax purpose reduction entry of non-current assets									—	—		—
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 of items during period	—	—	(4)	(4)	—	2,223	2,111	—	12,058	16,393	134	16,523
Balance at end of 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 gains (losses) on securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
Balance at beginning of period	44,479	23	44,502	221	186,540
Changes of items during period					
Issue of new shares including exercise of share acquisition rights					—
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					—
Reversal 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 of items during period	(4,589)	(44)	(4,634)	(105)	11,783
Balance at end of period	39,890	(21)	39,868	115	198,324

FY2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity											
		Capital surplus			Retained earnings							
						Other retained earnings						
	Capital stock	Legal capital surplus	Other capital surplus	Capital surplus	Legal 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	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning 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
Changes of items during period												
Issue of new shares including exercise of share acquisition rights	6,430	6,430		6,430								12,860
Adjustment to reserve due to change in tax rate									—			—
Provision of reserve for tax purpose reduction entry						2,502			(2,502)	—		—
Reversal of reserve for tax purpose reduction entry						(123)			123	—		—
Provision of reserve for special account for tax purpose reduction entry of non-current assets									—	—		—
Reversal of reserve for special account for tax purpose reduction entry of non-current assets							(2,111)		2,111	—		—
Dividends of surplus									(5,379)	(5,379)		(5,379)
Profit									16,799	16,799		16,799
Purchase of treasury shares									—	—	(4,000)	(4,000)
Disposal of treasury shares			136	136					—	—	432	569
Net changes of items other than shareholders' equity												—
Total changes of items during period	6,430	6,430	136	6,566	—	2,378	(2,111)	—	11,152	11,420	(3,568)	20,848
Balance at end of current period	18,670	17,096	182	17,278	3,060	10,552	—	32,654	101,606	147,873	(4,633)	179,189

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Unrealized holding gains (losses) on securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	39,890	(21)	39,868	115	198,324
Changes of items during period					
Issue of new shares including exercise of share acquisition rights					12,860
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					—
Reversal of reserve for special account for tax purpose reduction entry of non-current assets					—
Dividends of surplus					(5,379)
Profit					16,799
Purchase of treasury shares					(4,000)
Disposal of treasury shares					569
Net changes of items other than shareholders' equity	10,991	50	11,041	(17)	11,024
Total changes of items during period	10,991	50	11,041	(17)	31,873
Balance at end of current period	50,881	28	50,910	98	230,197

Notes to 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
Machinery, equipment, and vehicles	4 to 12 years

(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) 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 an 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.

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)

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

Not applicable

FY2026 (From April 1, 2025 to March 31, 2026)

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)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Short-term monetary receivables	13,228	23,115
Long-term monetary receivables	15,851	8,185
Short-term monetary payables	14,403	16,713

2. The Company has provided guarantees for the bank loans of the following companies and others.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Employees	2	1

(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)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Freight expenses	12,945	13,910
Advertising expenses	4,601	4,107
Remuneration for directors (and other officers) and salaries	6,017	6,229
Bonuses and various allowances	5,526	5,756
Retirement benefit expenses	218	32
Depreciation	718	756
Approximate percentages		
Selling expenses	71%	73%
General and administrative expenses	29	27

*2. Transaction balance with subsidiaries and associates

(Millions of yen)

	FY2025 (From April 1, 2024 to March 31, 2025)	FY2026 (From April 1, 2025 to March 31, 2026)
Net sales	74,628	77,306
Operating expenses	40,713	48,696
Transaction balance from non-operating transactions	3,240	792

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

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

*5. Loss resulting from disaster

FY2026 (From April 1, 2025 to March 31, 2026)

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

FY2025 (As of March 31, 2025)

The shares of subsidiaries and associates are not stated since they do not have market prices.

FY2026 (As of March 31, 2026)

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	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Shares of subsidiaries	11,843	17,956
Shares of associates	1,164	1,164

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Deferred tax assets		
Non-deductible accrued enterprise tax	227	298
Accrued bonuses	400	435
Provision for retirement benefits	877	637
Loss on valuation of securities	517	517
Allowance for doubtful accounts	518	472
Other current assets	1,869	1,922
Subtotal deferred tax assets	4,409	4,283
Valuation allowance	(1,065)	(1,044)
Total deferred tax assets	3,343	3,238
Deferred tax liabilities		
Reserve for reduction entry	4,732	4,857
Unrealized holding gains (losses) on securities	18,360	23,419
Gain on contribution of securities to retirement benefit trust	420	431
Other	535	544
Total deferred tax liabilities	24,050	29,253
Net deferred tax liabilities	20,706	26,014

2. Major components resulting in the difference between the effective statutory tax rate and the actual effective tax rate after tax effect accounting

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Effective statutory tax rate	30.6%	30.6%
(Adjustments)		
Entertainment expenses and other non-deductible permanent differences	0.5	0.6
Non-taxable permanent differences such as dividend income	(3.2)	(0.9)
Per capita inhabitant taxes	0.1	0.2
Special deductions from income tax	(0.8)	(1.6)
Change in valuation allowance	0.7	(0.1)
Change in effective tax rate	0.4	(0.2)
Other	0.7	0.1
Actual effective tax rate after tax effect accounting	29.0	28.7

(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.

(Important subsequent events)

Not applicable

(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	28,593	12,874	9	1,941	39,516	36,553
	Structures	3,440	3,296	9	362	6,365	10,102
	Machinery, equipment, and vehicles	10,377	8,350	18	2,818	15,891	74,275
	Tools, furniture and fixtures	1,063	609	1	482	1,190	5,666
	Land	39,271	2,512	54	—	41,730	—
	Leased assets	6	—	—	1	4	131
	Construction in progress	13,019	21,819	27,644	—	7,194	—
	Total	95,773	49,463	27,736	5,607	111,893	126,730
Intangible assets	Intangible assets	473	167	—	143	497	894
	Total	473	167	—	143	497	894

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	1,644	10	156	1,498
Provision for retirement benefits	157	77	73	161
Provision for share awards for directors (and other officers)	102	65	17	150

(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	During 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.nippn.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, 2024 to March 31, 2025 (201st period): submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2025.

(2) Internal Control Report and its supplementary documentation

Submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2025.

(3) Semiannual Securities Report and Confirmation Letter

For the period from April 1, 2025 to September 30, 2025 (during the 202nd period): submitted to the Director-General of the Kanto Local Finance Bureau on November 10, 2025.

(4) Extraordinary Reports

(i) Submitted to the Director-General of the Kanto Local Finance Bureau on July 3, 2025.

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).

(ii) Submitted to the Kanto Local Finance Bureau on August 6, 2025.

This is an Extraordinary Report based on Article 19, paragraph (2), item (ix)-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Change to a Specified Subsidiary Company).

(5) Amended Shelf Registration Statement

(i) Submitted to the Director-General of the Kanto Local Finance Bureau on September 2, 2025.

This is an Amended Shelf Registration Statement pertaining to the Shelf Registration Statement submitted on December 16, 2024.

(ii) Submitted to the Kanto Local Finance Bureau on February 20, 2026.

This is an Amended Shelf Registration Statement pertaining to the Shelf Registration Statement submitted on December 16, 2024.

(6) Shelf Registration Supplements

Submitted to the Kanto Local Finance Bureau on February 27, 2026.

(7) Share Buyback Report

(i) Submitted to the Kanto Local Finance Bureau on November 10, 2025.

This is a Share Buyback Report pertaining to the reporting period from October 1, 2025 to October 31, 2025.

(ii) Submitted to the Kanto Local Finance Bureau on December 2, 2025.

This is a Share Buyback Report pertaining to the reporting period from November 1, 2025 to November 30, 2025.

(iii) Submitted to the Kanto Local Finance Bureau on January 6, 2026.

This is a Share Buyback Report pertaining to the reporting period from December 1, 2025 to December 31, 2025.

(iv) Submitted to the Kanto Local Finance Bureau on February 3, 2026.

This is a Share Buyback Report pertaining to the reporting period from January 1, 2026 to January 31, 2026.

(v) Submitted to the Kanto Local Finance Bureau on March 3, 2026.

This is a Share Buyback Report pertaining to the reporting period from February 1, 2026 to February 28, 2026.

(vi) Submitted to the Kanto Local Finance Bureau on April 2, 2026.

This is a Share Buyback Report pertaining to the reporting period from April 1, 2026 to April 30, 2026.

Part II. Information About Reporting Company's Guarantor, etc.

Not applicable