

Notification Regarding NIPPN Group “Management Philosophy” and “Management Policy”

NIPPN CORPORATION (President and COO: Toshiya Maezuru; Head Office: Chiyoda-ku, Tokyo) has formulated its new management philosophy and management policy together with its long-term vision for the future, as outlined below.

1. Framework of management philosophy, management policy, and long-term vision

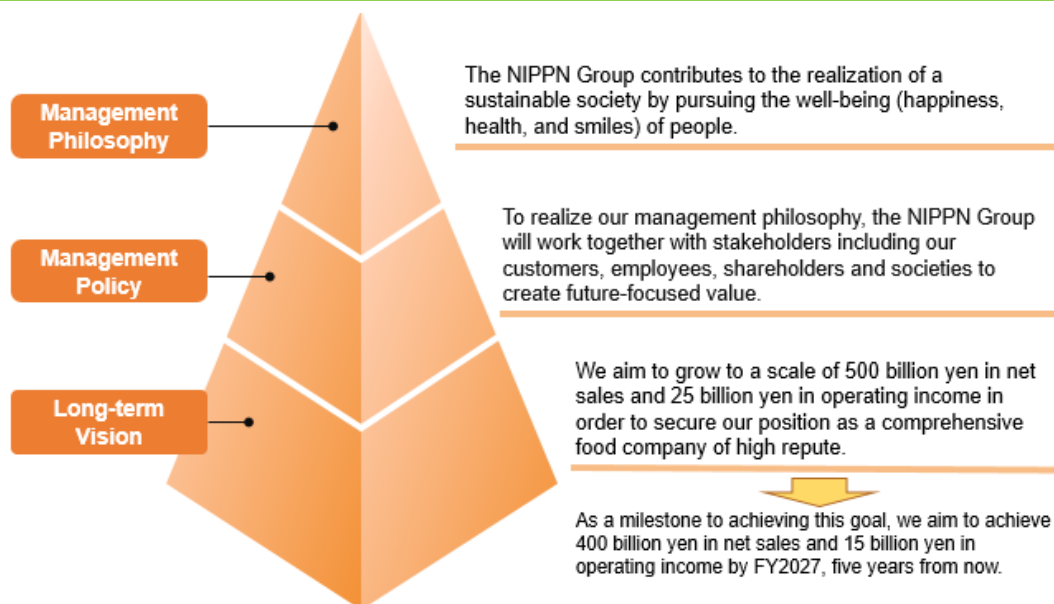
(1) Background

In 2021, the Group changed its name to “NIPPN CORPORATION” to mark its 125th anniversary.

At the time of the Group’s founding, our core business was flour milling, which was later expanded to include food products. Since then, we have diversified our business into frozen foods and “nakashoku” (ready-made meal). Going forward, our focus will also be on businesses such as healthcare, as well as soybean and vegetables, while at the same time expanding our business domains by adding new businesses to achieve sustainable growth.

To mark this new phase of the NIPPN Group, we have established the new management philosophy of “**contributing to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people.**”

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



The environment in which we operate is changing at a dizzying pace. We would like to create a new era of “Food” that anticipates change, combining the technology we have used since our founding with new digital transformation (DX) to generate innovation.

Our goal is to be a company with a loyal customer base in a range of product scenarios, delivering happiness, smiles and physical and mental health to everyone the world over.

Internally, we will create a work environment that encourages positive engagement in everything we do, fostering creativity and diversity as we take on the challenge of new business domains, with each and every employee always remembering the pioneering spirit of our founding.

Through such corporate activities, we will contribute to the realization of a sustainable society by sincerely engaging in initiatives to address social challenges including environmental issues such as climate change, social problems such as the effective use of food resources (preservation of biodiversity), population problems, and the extension of healthy life expectancy.

(2) Management policy

Based on our management philosophy, we have established the following management policy.

The NIPPN Group will work with stakeholders to create future-focused value with the goal of ensuring people's wellbeing (happiness, health, and smiles) and contributing to the realization of a sustainable society.

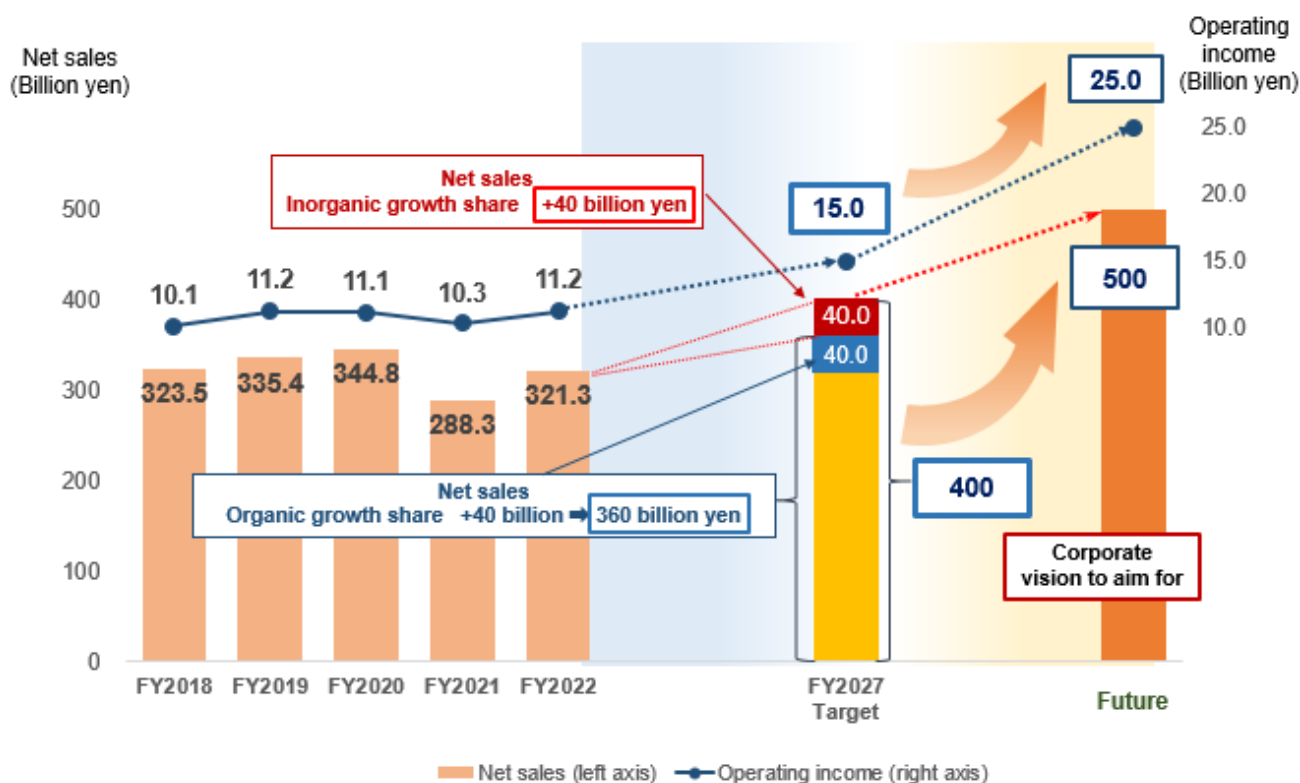
Together with our customers	We deliver health and smiles to all customers through "Food experience". We will create a new era of "Food" by developing products and services that anticipate change, harnessing the technological capabilities, which have been developed since our founding, and the DX.
Together with our employees	We are committed to solving social issues with enthusiasm and passion within a fair and open corporate culture.
Together with our shareholders	We will work to enhance corporate value through highly transparent information disclosure and dialogue with shareholders.
Together with society	As a resilient company that practices ESG management, we are committed to working with our partners both within and outside of Japan with a focus on the actual situation in Japan and overseas to create a better society and a better planet.

2. Long-term vision

(1) Level of growth envisioned by the NIPPN Group

We aim to grow to a scale of 500 billion yen in net sales and 25 billion yen in operating income in order to secure our position as a comprehensive food company of high repute.

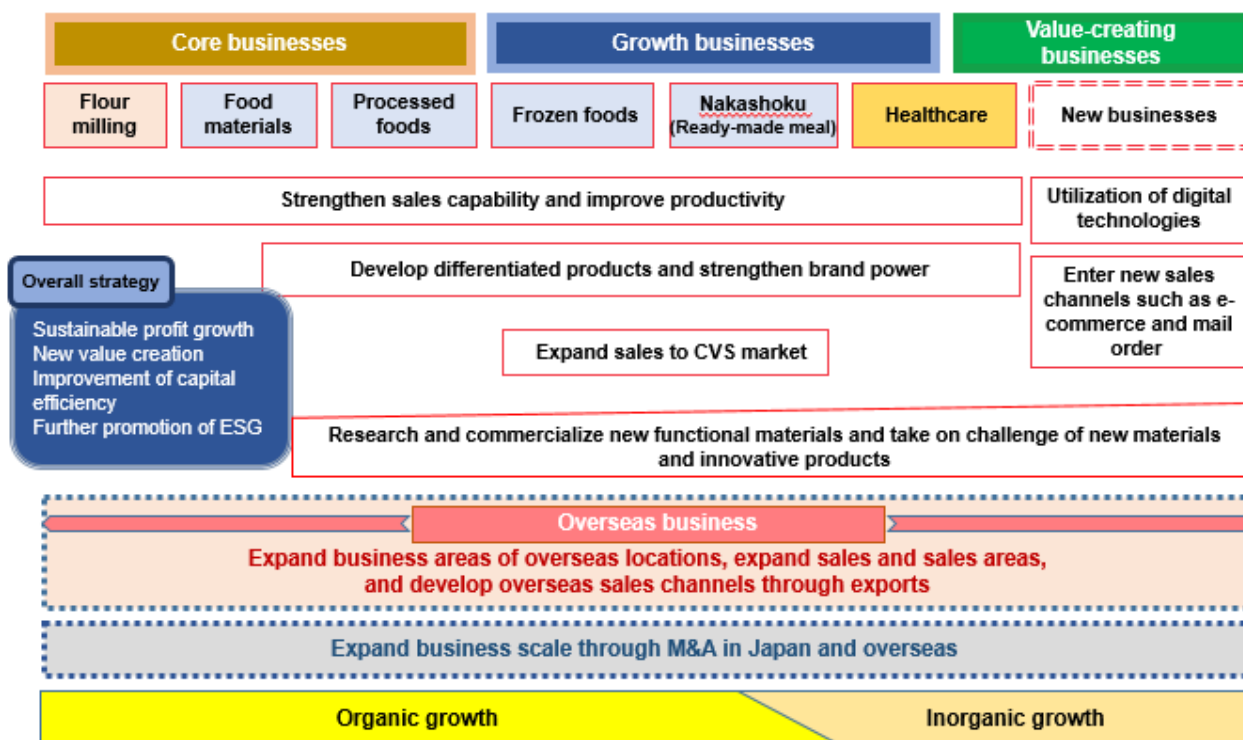
As a milestone to achieving this goal, we aim to achieve 400 billion yen in net sales and 15 billion yen in operating income by 2026, five years from now, by strengthening our revenue base while building up sales through organic growth, as well as enhancing inorganic growth.



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

(2) Outline of strategy for long-term vision

We will expand our global business and create new businesses to achieve growth by strengthening the foundation of existing businesses, increasing production capacity, and responding to diverse lifestyles, leveraging the Group’s strengths while continuing to invest management resources aggressively in growth areas.



3. Financial strategy

(1) Basic policy

Based on the following basic policy, the Group will strengthen its financial position and optimally allocate cash resources to achieve sustainable growth.

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

Targeted indicators for the future

Net sales: 500 billion yen

Operating income: 25 billion yen

Milestone targets until FY2027 (year ending March 2027)

Net sales: 400 billion yen

Operating income: 15 billion yen

Minimum dividend payout ratio 30%