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Consolidated Financial Results for the Third Quarter of FY2026 [J-GAAP]

(February 5, 2026)

Listed company name: **NIPPON CORPORATION**
 Listing: The Prime Market of the Tokyo Stock Exchange
 Code number: 2001
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 Start of cash dividend payments: —
 Supplementary materials prepared: None
 Results information meeting held: None

*Amounts less than one million yen have been rounded down.

1. Consolidated financial results for the third quarter of FY2026 (From April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Millions of yen, percentage figures show the rate of change from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent
Third quarter of FY2026	317,446	1.6%	17,768	4.0%	20,631	3.9%	15,577 (20.1)%
Third quarter of FY2025	312,513	2.5%	17,078	(5.1)%	19,849	(4.1)%	19,489 36.2%
(Note) Comprehensive income:	Third quarter of FY2026		¥25,005million [2.3%]		Third quarter of FY2025		¥24,444million [(5.0%)]

	Profit per Share (Yen)	Fully Diluted Profit per Share (Yen)
Third quarter of FY2026	187.50	182.36
Third quarter of FY2025	249.79	217.88

(2) Consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio
Third quarter of FY2026	448,097	281,168	61.0
FY2025	399,226	246,484	60.7

(Reference) Equity capital: Third quarter of FY2026 ¥273,534 million
FY2025 ¥242,140 million

2. Dividends

	Dividends per Share (Yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Full Year
FY2025	—	33.00	—	33.00	66.00
FY2026	—	33.00	—	33.00	66.00
FY2026 (Forecast)				33.00	66.00

(Note) Adjustment for the most recent forecast of the dividends in the current term: None

3. Forecast of consolidated financial results for FY 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen, percentage figures show the rate of changes from the same period of the previous year.)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Profit per Share (Yen)
Full Year	424,000	3.2%	21,500	0.1%	24,500 0.4%
				20,200 (18.4)%	258.80

(Note) Adjustment for the most recent forecast of the consolidated financial results in the current term: None

* Notes

(1) Significant changes in the scope of consolidation during the quarter under review: Yes

New: 1 company (company name) HATANAKA FOODS Co., Ltd.

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and retrospective restatements

1) Changes in accounting policies due to revisions of accounting standards	: None
2) Changes other than 1)	: None
3) Changes in accounting estimates	: None
4) Retrospective restatements	: None

(4) Number of shares issued and outstanding (common stock)

1) Number of shares outstanding at the end of each period (including treasury shares):	Third quarter of FY2026	84,727,163 shares	FY2025	78,824,009 shares
2) Number of treasury shares at the end of each period:	Third quarter of FY2026	1,021,823 shares	FY2025	771,273 shares
3) Average number of shares (quarterly consolidated cumulative period):	Third quarter of FY2026	83,082,359 shares	Third quarter of FY2025	78,024,762 shares

(Note) The number of treasury shares at the end of the period includes our shares (219,500 shares at the end of the third quarter of FY2026, 225,900 shares at the end of FY2025) held by Custody Bank of Japan, Ltd. (Trust E Account). The number of treasury shares deducted in calculating the average number of shares during the period includes our shares (221,633 shares at the end of the third quarter of FY2026, 232,167 shares at the end of the third quarter of FY2025) held by Custody Bank of Japan, Ltd. (Trust E Account).

* Review of the accompanying quarterly consolidated financial statements by certified public accountants or an audit corporation:
None

* Explanation regarding the appropriate use of projected financial results and other special instructions

Descriptions regarding the future, including the financial outlook contained in this material, are based on certain information currently available to us and particular assumptions, which are, at our discretion, deemed reasonable, and actual financial results may significantly vary due to various factors. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Results (3) Information on forecast of the consolidated financial results” on page 4 for information on preconditions underlying the above outlook and other related information.

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Overview of business results

	First nine months of Fiscal 2025	First nine months of Fiscal 2026	Difference	(Millions of yen) Change
Net sales	312,513	317,446	4,932	101.6%
Operating income	17,078	17,768	690	104.0%
Ordinary income	19,849	20,631	781	103.9%
Profit attributable to owners of parent	19,489	15,577	(3,912)	79.9%

During the first nine months of the fiscal year ending March 31, 2026, the Japanese economy has continued to gradually recover against the background of factors such as improvements in the employment and income environment. On the other hand, it is expected that uncertainty will continue, 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 factors such as the impact of persistent inflation on consumer spending.

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 close attention to the impact on our business environment of factors, such as high raw material prices and logistics costs, and consumer inclination toward spending less due to inflation.

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 the first nine months of fiscal 2026, 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 our brand awareness. Additionally, the construction work for the Chita Mill, which will serve to strengthen the foundation for our domestic Flour Milling business, is entering the final phase toward completion. This Mill will, in addition to reducing the raw material procurement cost with the berthing of large grain vessels, seek to increase the production efficiency by utilizing automation technology and DX, and build a system for supporting stable supply and profitability, as a cutting-edge plant that attaches importance to both BCP and the environment.

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 FY 2027, in order to enhance our supply system in the light of growth of the demand for frozen foods. Moreover, the plant of Utah Flour Milling, LLC, which has commenced full-scale operations, is expanding production smoothly and is promoting product sales in the U.S. market.

In the first nine months of fiscal 2026, net sales increased by 1.6% year-on-year to ¥317,446 million due to factors such as the expansion of inbound tourism consumption, 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 raw material costs, personnel costs and logistics costs in each business, due to steady sales, operating income increased by 4.0% year-on-year to ¥17,768 million and ordinary income increased by 3.9% year-on-year to ¥20,631 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 20.1% year-on-year to ¥15,577 million.

The performance of individual business segments was as follows.

1) Flour Milling

(Millions of yen)

	First nine months of Fiscal 2025	First nine months of Fiscal 2026	Difference	Change
Net sales	92,766	91,825	(941)	99.0%
Operating income	7,082	7,496	413	105.8%

In the Flour Milling business, although sales remained steady, due to the impact of the price revision for wheat flour following the reduction of the government selling price of foreign wheat in April last year, net sales decreased by 1.0% year-on-year to ¥91,825 million, and operating income increased by 5.8% year-on-year to ¥7,496 million.

Due to the revision of the government selling price of foreign wheat in April and October last year and rising costs such as logistics and personnel costs, we have revised the price of wheat flour for professional use since July of last year and January of this year.

2) Food

(Millions of yen)

	First nine months of Fiscal 2025	First nine months of Fiscal 2026	Difference	Change
Net sales	181,696	185,855	4,159	102.3%
Operating income	7,766	7,919	153	102.0%

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

In the home use food product category, net sales decreased year-on-year due to consumers stronger inclination toward spending less, although sales promotion based on our marketing initiatives increased the sales volume of the “Chewy and 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 steady sales, and implementation of price revisions following rising costs such as raw material costs.

As a result, net sales of the Food Business increased by 2.3% year-on-year to ¥185,855 million, and operating income increased by 2.0% year-on-year to ¥7,919 million.

3) Other

(Millions of yen)

	First nine months of Fiscal 2025	First nine months of Fiscal 2026	Difference	Change
Net sales	38,051	39,765	1,714	104.5%
Operating income	2,291	2,390	98	104.3%

In the Pet Food 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 fiscal year.

As a result, net sales of the Other businesses increased by 4.5% year-on-year to ¥39,765 million, and operating income increased by 4.3% year-on-year to ¥2,390 million.

(2) Overview of financial position

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025	Difference
Current assets	159,014	176,946	17,932
Non-current assets	240,210	271,150	30,939
Deferred assets	1	—	(1)
Total assets	399,226	448,097	48,870
Current liabilities	104,407	85,900	(18,506)
Non-current liabilities	48,334	81,027	32,693
Total liabilities	152,742	166,928	14,186
Total net assets	246,484	281,168	34,684
Total liabilities and net assets	399,226	448,097	48,870

Total assets at the end of the first nine months of fiscal 2026 increased by ¥48,870 million from the previous fiscal year-end (March 31, 2025) to ¥448,097 million. This was mainly because property, plant and equipment, investment securities, notes and accounts receivable - trade and contract assets, and other current assets increased by ¥18,389 million, ¥14,237 million, ¥10,779 million, and ¥7,808 million, respectively.

Total liabilities increased by ¥14,186 million from the previous fiscal year-end to ¥166,928 million. This was mainly because long-term loans payable, other current liabilities, other non-current liabilities, and notes and accounts payable - trade increased by ¥26,787 million, ¥7,043 million, ¥5,289 million, and ¥1,791 million, respectively, and convertible bond-type bonds with subscription rights to shares, and income taxes payable decreased by ¥25,002 million, and ¥1,998 million, respectively.

Total net assets increased by ¥34,684 million from the previous fiscal year-end to ¥281,168 million. This was mainly because retained earnings, unrealized holding gain (loss) on securities, capital surplus, capital stock, and non-controlling interests increased by ¥10,198 million, ¥10,025 million, ¥6,486 million, ¥6,430 million, and ¥3,307 million, respectively.

(3) Information on forecast of the consolidated financial results

For the full year, the forecast of the consolidated financial results announced on May 13, 2025 has remained unchanged.

With regard to dividends, we plan to pay total cash dividends of ¥66 per share for the full year ending March 31, 2026, unchanged from the forecast.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

	FY2025 (As of March 31, 2025)	First nine months of FY2026 (As of December 31, 2025)
Assets		
Current assets		
Cash and deposits	44,945	41,408
Notes and accounts receivable - trade and contract assets	58,128	68,908
Merchandise and finished goods	26,626	29,287
Work in process	109	674
Raw materials and supplies	22,687	22,347
Other current assets	6,542	14,351
Allowance for doubtful accounts	(25)	(30)
Total current assets	159,014	176,946
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,537	47,807
Machinery, equipment, and vehicles, net	23,099	22,362
Land	45,862	46,297
Construction in progress	13,022	32,604
Other, net	3,890	3,730
Total property, plant, and equipment	134,412	152,801
Intangible assets		
Goodwill	809	1,620
Other	1,213	1,312
Total intangible assets	2,023	2,932
Investments and other assets		
Investment securities	85,530	99,767
Other	18,517	15,877
Allowance for doubtful accounts	(271)	(229)
Total investments and other assets	103,775	115,415
Total non-current assets	240,210	271,150
Deferred assets	1	—
Total assets	399,226	448,097

(Millions of yen)

	FY2025 (As of March 31, 2025)	First nine months of FY2026 (As of December 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,279	36,071
Short-term loans payable	17,341	17,542
Current portion of convertible bond-type bonds with subscription rights to shares	25,002	—
Income taxes payable	3,998	1,999
Provision for bonuses	961	418
Other	22,824	29,868
Total current liabilities	104,407	85,900
Non-current liabilities		
Long-term loans payable	14,685	41,473
Retirement benefit liabilities	3,641	4,238
Accrued retirement benefits for directors	361	350
Provision for share awards for directors (and other officers)	102	132
Other	29,543	34,833
Total non-current liabilities	48,334	81,027
Total liabilities	152,742	166,928
Net assets		
Shareholders' equity		
Capital stock	12,240	18,670
Capital surplus	9,758	16,244
Retained earnings	170,683	180,881
Treasury shares	(1,183)	(1,957)
Total shareholders' equity	191,499	213,838
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	41,317	51,343
Deferred gain (loss) on hedges	(23)	42
Foreign currency translation adjustments	5,148	4,404
Retirement benefit liability adjustments	4,199	3,905
Total accumulated other comprehensive income	50,641	59,695
Subscription rights to shares	115	98
Non-controlling interests	4,227	7,535
Total net assets	246,484	281,168
Total liabilities and net assets	399,226	448,097

(2) Quarterly consolidated statements of income and comprehensive income

(Quarterly consolidated statements of income)

(Millions of yen)

	First nine months of FY2025 (From April 1, 2024 to December 31, 2024)	First nine months of FY2026 (From April 1, 2025 to December 31, 2025)
Net sales	312,513	317,446
Cost of sales	236,830	237,709
Gross profit	75,683	79,736
Selling, general and administrative expenses	58,604	61,967
Operating income	17,078	17,768
Non-operating income		
Interest income	192	486
Dividend income	2,300	2,462
Other	700	763
Total non-operating income	3,193	3,712
Non-operating expenses		
Interest expenses	186	380
Share of loss of entities accounted for using equity method	78	212
Other	157	257
Total non-operating expenses	422	850
Ordinary income	19,849	20,631
Extraordinary income		
Gain on sale of fixed assets	8,686	830
Gain on sale of investment securities	100	1,759
Total extraordinary income	8,787	2,590
Extraordinary expenses		
Loss on sale and disposal of fixed assets	62	66
Loss resulting from disaster	—	140
Loss of valuation of investment securities	72	3
Other	13	58
Total extraordinary expenses	148	267
Profit before income taxes	28,488	22,953
Income taxes - current	7,944	6,307
Income taxes - deferred	774	719
Total income taxes	8,719	7,026
Profit	19,769	15,927
Profit attributable to non-controlling interests	279	349
Profit attributable to owners of parent	19,489	15,577

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	First nine months of FY2025 (From April 1, 2024 to December 31, 2024)	First nine months of FY2026 (From April 1, 2025 to December 31, 2025)
Profit	19,769	15,927
Other comprehensive income (loss)		
Unrealized holding gain (loss) on securities	4,172	10,040
Deferred gain (loss) on hedges	38	66
Foreign currency translation adjustments	473	(532)
Retirement benefit liability adjustments	(148)	(293)
Share of other comprehensive income of entities accounted for using equity method	140	(203)
Total other comprehensive income (loss)	4,675	9,077
Comprehensive income	24,444	25,005
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	24,166	24,630
Comprehensive income attributable to non-controlling interests	278	374

(3) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes on quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the first nine months of fiscal 2026 have not been prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first nine months of fiscal 2025 and fiscal 2026 are as follows.

	(Millions of yen)	
	First nine months of FY2025 (From April 1, 2024 to December 31, 2024)	First nine months of FY2026 (From April 1, 2025 to December 31, 2025)
Depreciation	8,027	8,030
Amortization of goodwill	141	309

(Notes on Segment information, etc.)

[Segment information]

I. Third Quarter of FY2025 (From April 1, 2024 to December 31, 2024)

1. Information on net sales and income (loss) by reportable segment and composition of revenue

(Millions of yen)

	Reportable segments			Other Note: 1	Total	Adjustments Note: 2	Amount recorded in quarterly consolidated financial statements Note: 3
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	92,766	181,661	274,427	37,348	311,775	—	311,775
Other revenue	—	34	34	703	738	—	738
Net sales to external customers	92,766	181,696	274,462	38,051	312,513	—	312,513
Internal sales or transfers between segments	2,197	861	3,059	2,569	5,628	(5,628)	—
Total	94,964	182,557	277,521	40,620	318,142	(5,628)	312,513
Segment income	7,082	7,766	14,848	2,291	17,140	(61)	17,078

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 business.

2. Segment income adjustment of ¥(61) million refers to elimination of inter-segment transactions.

3. Segment income is adjusted to reconcile total segment income to operating income in the quarterly consolidated financial statements.

2. Information on impairment losses on non-current assets, goodwill, etc., by reportable segment

Not applicable.

II. Third Quarter of FY2026 (From April 1, 2025 to December 31, 2025)

1. Information on net sales and income (loss) by reportable segment and composition of revenue

(Millions of yen)

	Reportable segments			Other Note: 1	Total	Adjustments Note: 2	Amount recorded in quarterly consolidated financial statements Note: 3
	Flour Milling	Food	Total				
Net Sales							
Revenue from contracts with customers	91,825	185,821	277,646	39,029	316,675	—	316,675
Other revenue	—	34	34	736	771	—	771
Net sales to external customers	91,825	185,855	277,680	39,765	317,446	—	317,446
Internal sales or transfers between segments	2,237	697	2,934	2,810	5,745	(5,745)	—
Total	94,062	186,553	280,615	42,576	323,191	(5,745)	317,446
Segment income	7,496	7,919	15,415	2,390	17,805	(36)	17,768

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 business.

2. Segment income adjustment of ¥(36) million refers to elimination of inter-segment transactions.

3. Segment income is adjusted to reconcile total segment income to operating income in the quarterly consolidated financial statements.

2. Information on impairment losses on non-current assets, goodwill, etc., by reportable segment

Not applicable.