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Consolidated Financial Results for FY2026 and Forecast for FY2027 [J-GAAP]

(May 12, 2026)

Listed company name: **NIPPON CORPORATION**
 Listing: The Prime Market of the Tokyo Stock Exchange
 Code number: 2001
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 Date of the general meeting of shareholders: June 26, 2026
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 Filing date of financial statements: June 23, 2026
 Supplementary materials prepared: Yes
 Results information meeting held : Yes

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

1. Consolidated financial results for the year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(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	
FY2026	418,425	1.8%	22,082	2.8%	24,874	2.0%	21,803	(11.9)%
FY2025	410,878	2.6%	21,486	5.6%	24,393	4.8%	24,757	(6.1)%

(Note) Comprehensive income: FY2026: ¥36,507 million [53.5%]
 FY2025: ¥23,779 million [(40.0)%]

	Profit per Share (Yen)	Fully Diluted Profit per Share (Yen)	Return on Shareholders' Equity (%)	Ordinary Income to Total Assets (%)	Operating Income to Net Sales (%)
FY2026	262.51	257.03	8.3	5.7	5.3
FY2025	317.27	276.75	10.6	6.2	5.2

(Reference) Equity in earnings (losses) of affiliated companies: FY2026: ¥(226) million
 FY2025: ¥(85) million

(2) Consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
FY2026	476,826	289,877	59.2%	3,415.52
FY2025	399,226	246,484	60.7%	3,102.27

(Reference) Equity capital: FY2026: ¥282,330 million
 FY2025: ¥242,140 million

(3) Consolidated cash flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Year
FY2026	25,272	(27,088)	24,467	64,222
FY2025	18,768	(7,807)	(10,533)	41,471

2. Dividends

	Dividends per Share (Yen)					Total Amount of Cash Dividends (Millions of yen)	Dividend Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Full Year			
FY2025	—	33.00	—	33.00	66.00	5,176	20.8%	2.2%
FY2026	—	33.00	—	35.00	68.00	5,697	25.9%	2.1%
FY2027 (Forecast)	—	34.00	—	34.00	68.00		26.5%	

3. Forecast of consolidated financial results for FY2027 (From April 1, 2026 to March 31, 2027)

(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)
Half Year	214,000	2.9%	9,000	(17.1)%	10,000	(17.6)%	10,300	11.1%	124.61
Full Year	430,000	2.8%	19,500	(11.7)%	21,000	(15.6)%	21,200	(2.8)%	256.47

* Notes

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

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

(2) 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

(3) Number of shares outstanding (common stock)

- 1) Number of shares outstanding at the end of each period (including treasury shares):
- 2) Number of treasury shares at the end of each period:
- 3) Average number of shares:

FY2026	84,727,163 shares	FY2025	78,824,009 shares
FY2026	2,066,083 shares	FY2025	771,273 shares
FY2026	83,058,000 shares	FY2025	78,031,779 shares

(Note) The number of treasury shares at the end of the period includes our shares (219,500 shares at the end 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 (221,100 shares at the end of FY2026, 230,600 shares at the end of FY2025) held by Custody Bank of Japan, Ltd. (Trust E Account).

* These consolidated financial results are outside the scope of audit.

* 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. Overview of Financial Results (1) Overview of business results for the fiscal year under review 2) Future outlook” on page 4 for information on preconditions underlying the above outlook and other related information.

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1. Overview of Financial Results

(1) Overview of business results for the fiscal year under review

1) Overview of business 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 the fiscal year ending March 31, 2026, the Japanese economy has 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 the current period, 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.

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, NIPPON 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.

In the current period, net sales increased by 1.8% year on year to ¥418,425 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 personnel 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 individual business segments was as follows.

Flour Milling

(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

(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

(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.

2) Future Outlook

In order to achieve sustainable growth, we will focus on strengthening our brand power and developing differentiated products, as well as improving income by developing and expanding production bases and promoting business acquisitions and alliances.

Our Long-term Vision 2030, titled “As a comprehensive food company, we will continue to take on the challenge of solving social problems through food,” includes the net sales and operating profit goals by FY2031. Toward the achievement of our Long-term Vision 2030, as a comprehensive food company, we have set our business growth strategy and social value creation strategy from the vision in order to understand social problems and customer needs, and pursue both economic value and social value.

For FY2027, we forecast net sales to increase by 2.8% year-on-year to ¥430,000 million as selling is expected to remain strong. As for profits, although net sales will increase due to sales volume growth mainly driven by sales promotion, various costs pressures are expected to persist, including personnel, logistics, and raw material costs. In these circumstances, operating income before depreciation is expected to increase; however, depreciation expenses from newly operational mills and plants are expected to increase. As a result, we forecast operating income to decrease by 11.7% year-on-year to ¥19,500 million, ordinary income to decrease by 15.6% year-on-year to ¥21,000 million, and profit attributable to owners of parent to decrease by 2.8% year-on-year to ¥21,200 million.

Furthermore, 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 earnings power of the core fields, Strategic investment in growth fields and new business fields, Pursuing M&A and business partnership opportunities, Strengthening corporate competitiveness through DX promotion and Promoting sustainability management.

(2) Overview of financial position of fiscal year under review

1) 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 subscription rights to shares 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.

2) Cash flows

(Millions of yen)

	FY2025	FY2026	Difference
Cash flows from operating activities	18,768	25,272	6,503
Cash flows from investing activities	(7,807)	(27,088)	(19,281)
Cash flows from 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.

(Cash flows from operating activities)

Cash flows from 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.

(Cash flows from investing activities)

Cash flows from 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.

(Cash flows from financing activities)

Cash flows from financing activities amounted to ¥24,467 million. This mainly reflected ¥11,600 million for redemption of convertible bond-type bonds with subscription rights to shares, ¥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.

—Cash flow indicator trends—

	FY2022	FY2023	FY2024	FY2025	FY2026
Equity Ratio (%)	53.4	54.8	58.0	60.7	59.2
Equity ratio at market value (%)	39.2	37.5	47.8	42.4	47.0
Ratio of interest-bearing debt to cash flows (%)	364.5	267.6	157.9	179.9	319.4
Interest coverage ratio (times)	60.8	74.4	126.5	71.8	60.7

Note: Equity ratio: Equity capital / Total assets

Equity ratio at market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest expense paid

* The consolidated financial figures constitute the basis for calculating these indicators.

* Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of shares outstanding at the end of the period (after the deduction of treasury shares).

* The basis for calculating the ratio of interest-bearing debt to cash flows is cash flows from operating activities in the consolidated statements of cash flows.

* Interest-bearing debt includes all debts recorded on the consolidated balance sheets on which interest is paid.

* The basis for interest expense is the amount of interest paid recorded in the consolidated statements of cash flows.

(3) Basic policy on profit distribution and dividends for the year ended March 31, 2026 and the year ending March 31, 2027

We consider returning profits to shareholders as one of our key management priorities. We determine the amounts of dividends by taking into consideration our 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.

Since our consolidated financial results for the current period exceeded the forecast and to seek further profit return to shareholders, we will propose the final dividend of ¥35 per share for the current period at the general meeting of shareholders, which is ¥2 higher than the forecast.

As a result, the annual dividend will be ¥68 per share, including the interim dividend already paid. The consolidated dividend payout ratio will be 25.9%, but that calculated excluding the above extraordinary and special gains and losses will be 33.5%.

With regard to dividends, the annual dividends of ¥68 per share for FY2027 is planned to be paid, the same amount as FY2026.

Furthermore, we have implemented shareholder benefit programs to express our gratitude for the daily support of our shareholders and to promote a better understanding of us through using our products. Additionally, as with the previous year, shareholders listed in our shareholder register as of March 31, 2026 have the option to donate the amount equivalent to their shareholder benefits to social contribution organizations instead of receiving the benefits.

2. Basic Approach to the Selection of Accounting Standards

We intend to prepare consolidated financial statements in conformity with the accounting principles and practices generally accepted in Japan (Japanese GAAP) for the time being, taking into consideration comparability of consolidated financial statements over time and comparability among companies.

Our policy is to respond to the application of the International Financial Reporting Standards (IFRS) in an appropriate manner, taking into consideration situations in Japan and abroad.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated balance sheets

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (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 (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 subscription rights to shares	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
Subscription rights to shares	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

(2) 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	—
Share of loss of entities accounted for using equity method	85	226
Loss on investments in silent partnership	—	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	*1 695	*1 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 comprehensive statements of 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	(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

(3) Consolidated statements of changes in shareholders' equity, etc.

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,240	9,762	151,492	(1,317)	172,177
Changes 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 current period	12,240	9,758	170,683	(1,183)	191,499

	Accumulated Other Comprehensive Income					Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized holding gain (loss) 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	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 current 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					Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized holding gain (loss) 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

(4) 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, net	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)
Cash flows from 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 investment 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
Cash flows from 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 subscription rights to shares	—	(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)
Cash flows from 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

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Significant matters underlying the preparation of consolidated financial statements)

1. Matters concerning the scope of consolidation

(1) Number and names of consolidated subsidiaries

41 companies

Names of major consolidated subsidiaries

NIPPON Donuts Co., Ltd., Nippon Rich Co., Ltd., NIPPON Engineering Co., Ltd., NPF JAPAN Co., Ltd., OHMY Co., Ltd., Matsuya Flour Mills Co., Ltd., NIPPON SHOJI Co., Ltd., Fast Foods Co., Ltd., OK FOOD Industry Co., Ltd., Nagano Tomato Co., Ltd., Yamato Foods Co., Ltd.

(2) Names of major non-consolidated subsidiaries

NIPPON 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. Matters Related to the Application of the Equity Method

(1) Number of Non-Consolidated Subsidiaries and Affiliated Companies Subject to the Equity Method

13 companies (6 non-consolidated subsidiaries and 7 affiliated companies)

Names of Major Company Names

NIPPON Logistics Co., Ltd.

(2) Names and Other Information of Major Non-Consolidated Subsidiaries and Affiliated Companies Not Subject to the Equity Method

Isesaki Foodworks Co., Ltd.

(Reason for Not Applying the Equity Method)

The 12 non-consolidated subsidiaries and 14 related companies to which the equity method is not applied are excluded from the scope of the equity method because their impact on the consolidated financial statements, as determined by their share of net income (loss) and retained earnings, is immaterial and insignificant on a consolidated basis.

3. Matters Related to the Fiscal Year of Consolidated Subsidiaries

The fiscal year-end dates of consolidated subsidiaries that differ from the consolidated fiscal year-end date are as follows.

<u>Company Name</u>	<u>Fiscal Year-End Date</u>
Pasta Montana, L.L.C. and 9 other companies	December 31 *

* We have used the financial statements of consolidated subsidiaries as of their respective balance sheet dates. However, we have made adjustments necessary for consolidation with respect to significant transactions that occurred between the balance sheet date of the consolidated financial statements and the balance sheet date of the consolidated subsidiaries.

(Notes on consolidated statements of income)

*1 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 categorize our assets into 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 impairment loss is ¥687 million.

The recoverable amount is measured by value in use, which is calculated based on 13.83% discount rate.

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

The book value of the abovementioned assets has been reduced to a recoverable amount. The amount recorded as extraordinary expenses is ¥7 million.

Although the recoverable amount is measured by 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.

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.

(Notes on 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.

We consist of three main business units classified by product types: Flour Milling, Food and Other. Each business unit formulates 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 business 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	Amounts 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 business.

2. Segment income (loss) adjustment of (¥171) million refers to elimination of inter-segment transactions and corporate expenses.

3. Corporate assets included in adjustments of segment assets amounted to ¥85,675 million and mainly comprise our surplus funds (cash and deposits, and securities) and property, plant and equipment concerning administrative operations.

4. Adjustments amounting to (¥371) million for the increase in property, plant and equipment and intangible assets mainly relate to capital investment by the administrative departments and 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 includes an increase in long-term prepaid expenses and 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	Amounts 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 business.

2. Segment income (loss) adjustment of (¥111) million refers to elimination of inter-segment transactions and corporate expenses.

3. Corporate assets included in adjustments of segment assets amounted to ¥121,876 million and mainly comprise our surplus funds (cash and deposits, and securities) and property, plant and equipment concerning administrative operations.

4. Adjustments amounting to ¥14 million for the increase in property, plant and equipment and intangible assets mainly relate to capital investment by the administrative departments and 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 includes an increase in long-term prepaid expenses and amortization thereof.

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

(Per share information)

(Yen)

	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) 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 member 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) We have introduced a Board Benefit Trust (BBT). Our shares held by the Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the said Board Benefit Trust (BBT) are included in treasury shares to be deducted from the calculation of the average number of shares during the period in the calculation of net assets per share (yen), profit per share and fully diluted profit per share (yen). The average number of our shares held by the Trust during the current consolidated fiscal year was 230,600 shares at the end of FY2026 and 221,100 shares at the end of FY2025.

(Important subsequent events)

Not applicable.

Notes to consolidated statements of comprehensive income, lease transactions, financial instruments, securities, derivative transactions, retirement benefits, stock options, tax effect accounting, business combinations, and related party information are omitted because the need to disclose such information in the financial report is not considered significant.