

Delivering Good Health & Reliability



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2025



To Shareholders

Business Report 2024

From April 1, 2023 to March 31, 2024



NISSHIN SEIFUN GROUP INC.

Code: 2002



Kenji Takihara Representative Director and President

Since its founding in 1900, the Group has consistently worked to contribute to society through its business activities and continued to grow as an integral part of the food industry under two guiding philosophies: “the basis of business is built on trust” and “be in tune with the changing business climate” together with “contribute to a healthy and fruitful life for all,” our corporate principle. In addition, each of our Group companies endeavors to develop and provide health-conscious products and services, and is committed to earning customers’ trust under the corporate slogan of “delivering good health and reliability.”

Based on these basic philosophies, the Group’s key management policy is to maximize its long-term corporate value, and we are engaging in group management and allocating resources with an emphasis on core (base and growth) businesses.

In addition, by strengthening governance (G) as a discipline to increase corporate value and promoting sustainability management that deeply links environmental (E) and social (S) initiatives with business strategies, we aim to contribute to the realization of a sustainable society.

As we look ahead, we are as committed as ever to maximizing corporate value and remaining a corporate group that continues to earn the support of our stakeholders. We kindly request your understanding and support as we work to achieve our goals.

June 2024

Please discuss business performance in fiscal 2024.

Net sales increased mainly due to the implementation of flour price revisions in the flour milling business, the effect of the new consolidation of Kumamoto Flour Milling Co., Ltd. and product price revisions in the processed food segment and prepared dishes and other prepared foods businesses.

Operating profit increased chiefly due to price revisions, including price revisions in each business area compensating for delays in shifting higher costs to prices in fiscal 2023, firm sales prices for bran, a byproduct from the flour milling business in Japan, beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd. in the flour milling business in Japan, a decrease in the amortization of goodwill accompanying an impairment loss reported in fiscal 2023 for the Australia flour milling business, and both a performance recovery in the processed food segment and robust performance from the prepared dishes and other prepared foods businesses.

What is your business outlook for fiscal 2025?

Net sales are expected to remain flat from fiscal 2024, with higher revenue from the processed food segment set to largely cover a decline in revenue from the effect of price revisions for commercial wheat flour in the flour milling business in Japan due to downward price changes for imported wheat enacted by the Japanese government, as well as impacts from the wheat market in the overseas flour milling business.

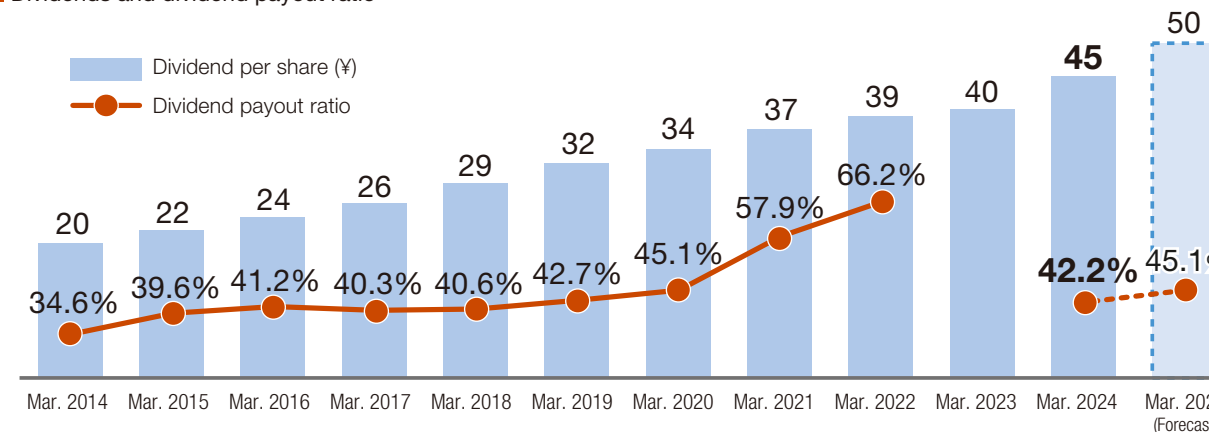
Operating profit is expected to be mostly unchanged from fiscal 2024, despite higher costs, notably for power and labor, in each business. Growth is expected mainly from higher income driven by shipment growth in the processed food segment, coupled with income growth from measures to spur recovery in business performance in the Australia flour milling business and the India yeast business.

Can you say a few words about initiatives regarding capital policies?

We will control the capital structure appropriately while maintaining a balance between capital efficiency and financial stability, considering our social responsibility to provide a stable supply of flour and other major foodstuffs. We will distribute the operating cash flow generated over the five years of the Medium-Term Management Plan as well as cash generated chiefly from the sale of cross-shareholdings to growth investments and sustainable investments for the future, maintenance and renewal investments, shareholder returns and other appropriate uses. Major growth investments that were determined and made during the Medium-Term Management Plan period include construction of the new Mizushima Plant and acquisition of Kumamoto Flour Milling at Nisshin Flour Milling Inc. and expansion of capacity at two plants in the US flour milling business, and in May this year, investments for the restructuring of offices in the area close to the head office and the addition of a silo for wheat raw materials at Nisshin Flour Milling Inc.’s Tsurumi Plant were also determined.

Regarding the reduction of cross-shareholdings, we aim to reduce cross-shareholdings worth ¥15.0 billion or more over the three-year Medium-Term Management Plan period from FY2025 to FY2027. With respect to dividends, excluding from profit attributable to owners of parent any gains or losses due to non-recurring extraordinary factors, the Company has a basic policy that sets a consolidated payout ratio of 40% or higher as standard for the payment of dividends. This approach will ensure the continued payment of a stable dividend from a long-term stance. We will actively consider dividend increases with a view to the right timing. In terms of strengthening shareholder returns, for the fiscal year ended March 31, 2024, we decided to pay a dividend of ¥45 per share, an increase of ¥5 from the previous fiscal year. For the fiscal year ending March 31, 2025, we will pay a dividend of ¥50 per share, a rise of ¥5 from the year-earlier level, which represents an increased dividend for a twelfth consecutive year in effect.

Dividends and dividend payout ratio



Please tell us about the progress of the Medium-Term Management Plan 2026.

We call the themes to be tackled as a top priority for achievement of the Medium-Term Management Plan our “top priority measures” and in fiscal 2024, we focused on the five top priority measures of Stimulating the Group’s ability to grow by restructuring the business portfolio, Addressing food inflation, Recovery in the Australia flour milling business, Environmental policy, and Digital strategy. To address food inflation, one of the above initiatives, we revised product prices sequentially in each business of the Group in response to cost increases. As a result, while costs have continued to rise, we have secured a profit base by catching up with the rising costs where we were delayed in passing through the high costs to prices. We have also achieved steady progress in the areas of environmental policy and digital strategy. Stimulating the Group’s ability to grow by restructuring the business portfolio is a basic policy in the Medium-Term Management Plan, which we will continue to focus on as an ongoing theme in fiscal 2025. Regarding the recovery in the Australia flour milling business, I think that our achievements are still insufficient. We will continue to work on this theme in fiscal 2025.

Our targets for fiscal 2027, which is the final fiscal year under the Medium-Term Management Plan, are net sales of ¥900 billion, operating profit of ¥48 billion, and EPS (earnings per share) of ¥110. Given that we are close to achieving the fiscal 2027 targets, we are reviewing whether these targets need to be revised in light of progress in fiscal 2025, and plan to announce the results of our review at the time of the results announcement for the second quarter of fiscal 2025.

Top Priority Measures for Fiscal 2025 to Achieve the Medium-Term Management Plan

(1) Stimulate the Group’s Ability to Grow by Restructuring the Business Portfolio

We will continue focusing on our strategy to enhance business competitiveness, which consists in “continuation and expansion of the domestic flour milling, processed food, and yeast businesses as core (base) businesses,” “expansion of earnings in overseas business and prepared dishes and other prepared foods businesses as core (growth) businesses,” and “growth of the healthcare foods and biotechnology businesses, the engineering and mesh cloth businesses, and new businesses.”

In our core (base) businesses, we will make the investments necessary to realize profit growth while, in our domestic processed food business, we will rebuild the product development structure and focus on expanding sales in markets where growth is expected. Meanwhile, in our core (growth) businesses, we will accelerate investment in markets with growth potential, and achieve restructuring of our business portfolio.



Nisshin Flour Milling Inc.'s Mizushima Plant (under construction aiming for start of operation around May 2025)



Saginaw Plant in Texas in the US flour milling business (new line under construction aiming for start of operation at beginning of 2025)

(2) Implement Initiatives to Achieve a Recovery in the Australia Flour Milling Business and India Yeast Business

In the Australia flour milling business, factors such as lackluster demand due to inflation give cause for concern; however, we will generate earnings by increasing the top line and sales margin and continuously increasing productivity and reducing costs, and we will also pave the way for meeting the fiscal 2027 target of increasing profit by around ¥4 billion* from the fiscal 2022 level, which is included in the Medium-Term Management Plan. As for the India yeast business, in fiscal 2025, we will continue expanding our market share and improving plant capacity utilization, while at the same time making appropriate price revisions, with the aim of contributing to Group earnings targets during the Medium-Term Management Plan period.

*Excludes the impact of decreased depreciation and amortization of fixed assets including goodwill associated with the recognition of impairment losses in the second quarter of fiscal 2023.

(3) Produce Visible Results by Executing the R&D Strategy

We consider R&D strategy to be important for accelerating the growth momentum achieved through the restructuring of our business portfolio, and Group head office and its operating companies have worked together to refine their R&D capabilities.

In fiscal 2025, we will pursue the practical application of research findings and, in areas such as the flour milling business and the processed food business, we will work to create new products that meet market needs to gain a competitive edge in Japan and overseas.

(4) Attain the Benefits of Automation and Labor-saving

We had already been promoting automation and labor-saving through the use of digital and RPA technologies. In fiscal 2025, we will accelerate automation and labor-saving by combining cutting-edge technologies with the expertise we have developed over many years in each of our businesses.

Launch of new Nisshin Seifun Group advertisement, with “The Base of Life” as the tagline

As the Nisshin Seifun Group expands, a new group advertisement was launched in March 2024, to bolster the corporate value of the Group as a whole. With “The Base of Life” as the tagline, the new advertisement stresses the scope of the Group’s business while conveying that these businesses and operating companies make up the Nisshin Seifun Group, with a view to bolstering the brand value of the entire Group.

Implications of “The Base of Life”

The Nisshin Seifun Group was founded in 1900 in the town (now city) of Tatebayashi in Gunma Prefecture, to specialize in the manufacture of wheat flour. With “the basis of business is built on trust” and “be in tune with the changing business climate” as our guiding philosophies and to “contribute to a healthy and fruitful life for all” as our corporate principle, we have since diversified into a wide range of business areas spanning the supply of staple foods and businesses that support daily life. The tagline “The Base of Life” encapsulates the Group’s desire to continue manufacturing and making available to all customers staple foods such as wheat flour and other “essentials” for people and society.



Summary of the Group’s new commercial: “The Base of Life” (60 seconds)

The pasta being eaten by a girl with her family, the makeup being applied by a woman going on a drive with her friend, the bread roll held by a man taking a break on a rooftop, and the solar panels installed on the building... These things that at first glance seem unconnected are all supported by the Nisshin Seifun Group’s businesses. The commercial highlights the connections between the “essentials” in our daily lives, expressing the idea of “The Base of Life”.



Establishment of special website

The commercial can also be viewed on the following special website. We plan to update the content gradually, including new business activities and advertising material.

<https://www.nisshin.com/thebaseoflife/>



Airing of new commercials for Nisshin Seifun Welna Inc.’s Ma·Ma brand, with “the future of pasta starts with Ma·Ma” as the slogan

Established in 1955, the first year of the pasta era in Japan, the Ma·Ma brand will celebrate its 70th anniversary next year (January 2025). Before this milestone, taking stock of the progress made so far and looking forward to the development of the pasta market and further rapid growth as a brand, we produced a total of four commercials, with “The future of pasta starts with Ma·Ma” as the campaign slogan.

The new commercials feature Mikako Tabé, who has appeared in our commercials since 2022, effectively conveying the appeal of the Ma·Ma brand and Ma·Ma products.



Nisshin Flour Milling Inc.’s initiatives with food manufacturers to expand products made with Japan’s only high-fiber wheat flour Amuleia - Appointment of Miki Fujimoto as brand ambassador -

About Amuleia high-fiber wheat flour

Amuleia,* Japan’s only high-fiber wheat flour manufactured and sold by Nisshin Flour Milling Inc., contains around 17 grams of dietary fiber per 100 grams of flour (around five times compared to normal flour). We spent around two years developing a product that is easy to use for everything from bread to noodles and confectionery while providing an appealing taste and texture.

*Amuleia is made of 100% high-fiber wheat, for which we have exclusive import and sales rights in Japan.

Appointment of Miki Fujimoto as brand ambassador

We recently appointed Miki Fujimoto as brand ambassador for Amuleia to familiarize more consumers with the product. As a wife and mother to three children, Miki Fujimoto is always trying to make healthy meals for her family. She will work with us to disseminate information about Amuleia and increase its popularity among consumers.



High-fiber wheat flour Amuleia

Nisshin Seifun Weina Inc.

Spring 2024: greater emphasis on “authenticity,” “easy-to-prepare and convenient” and “environmentally friendly” products

Nisshin Hokkaido Wheat Haruyokoi 100% Strong Wheat Flour -Zip Seal Pack

- Strong wheat flour made with 100% Hokkaido-grown “Haruyokoi” wheat. Good for making a wide range of items including bread, sweet buns and pizza



Ma-Ma TAPPRINO Bolognese

- Rich thick pasta sauce full of umami that can be enjoyed after just 30 seconds (600W) in the microwave



Ma-Ma THE PASTA Zeitaku Yasai Okra & Eggplant Peperoncini

- Product that uses around 70% less plastic through packaging changes including replacing plastic trays with cardboard trays and avoiding plastic tray sealing. Can be microwaved in pouch



Nisshin Pharma Inc.

Renewal of YOURFIT personalized supplements



- Addition of ingredients to give customers a wider choice of supplements to meet their health needs and improvement to enable greater personalization of supplements to suit individual lifestyles
- Refresh of lifestyle analysis to enable identification of suitable intake of vitamins and minerals and excess or deficiency of nutrients

<Addition of three ingredients>

- GABA & Lactic Acid** To help you cope with the demands of your busy life
Contains GABA that helps restore balance and induce relaxation
- Elastin** To help you look younger and more radiantly beautiful
Works with collagen to help give the skin suppleness and elasticity
- Black ginger** To support your physical performance
Boosts the energy metabolism rate that declines with age

You choose the supplements that “fit you” based on lifestyle analysis. The analysis is free so why not give it a try!



Report on individual shareholders’ tour of the Nisshin Flour Milling Inc. Tsurumi Plant

We held an individual shareholders’ tour of the Nisshin Flour Milling Inc. Tsurumi Plant on March 19, 2024 (Tuesday).



Announcement of Individual Shareholders’ Tour of the Nisshin Flour Milling Inc. Higashinada Plant in September 2024

We will hold an individual shareholders’ tour of the Nisshin Flour Milling Inc. Higashinada Plant. Individual shareholders who hold 500 or more of the Company’s shares as of March 31, 2024 are eligible to attend.

Scheduled date and times for each tour	September 20, 2024 (Friday) 1. 9:30 am to 12:30 pm (assemble at JR Sumiyoshi Station at 9:00 am) 2. 2:00 pm to 5:00 pm (assemble at JR Sumiyoshi Station at 1:30 pm)
Venue	Nisshin Flour Milling Inc. Higashinada Plant (14, Uozakihama-cho, Higashinada-ku, Kobe City, Hyogo Prefecture, Japan) * The tour will assemble and disperse at Sumiyoshi Station on the JR Tokaido Main Line (Kobe Line) on the day.
Participation fee	Free of charge (However, please be advised that the transportation fee to and from the point of assembly is at the participant’s own cost.)
Number of participants	A total of 50 participants for each tour (shareholders may be accompanied by one other person) * Please be advised that a lottery system to select participants shall apply in the event the number of applicants exceeds the maximum number of permissible participants. * Accompanying person must be in junior high school or older.

Application method	Please complete all necessary items of the attached application form and return by postal mail. Entries close on July 26, 2024 (Friday) * Application postcards have been sent to shareholders who hold 500 or more of the Company’s shares as of March 31, 2024.
Inquiries	Plant Tour Service Representative (Nisshin Seifun Group Inc.) ☎ 0120-087-078 * Available within Japan only. * Weekdays 9:30 am to 5:30 pm (Excluding Saturday, Sunday and public holidays) * This inquiry telephone line shall be available until September 20, 2024 (Friday).

Points to remember when submitting an application

- Changes may occur in the tour program, or the tour may be postponed or cancelled due to weather conditions or other unforeseen circumstances.
- The plant does not offer barrier-free access.
- The Company may use photographs taken during the tour in its in-house magazine, business report and other publications.

The handling of personal information

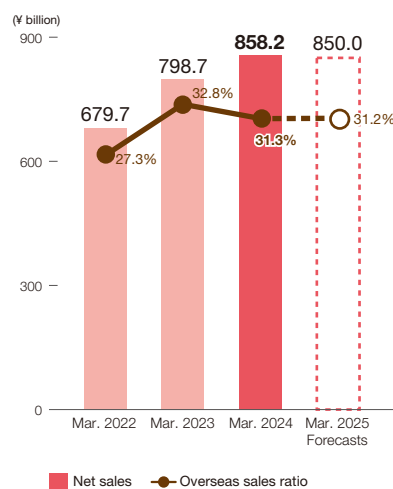
Personal shareholder information and information on individuals accompanying shareholders obtained through the receipt of applications to participate in the tour shall not be used for any purpose other than to inform the result of the application and conduct the tour.

Consolidated Financial Summary

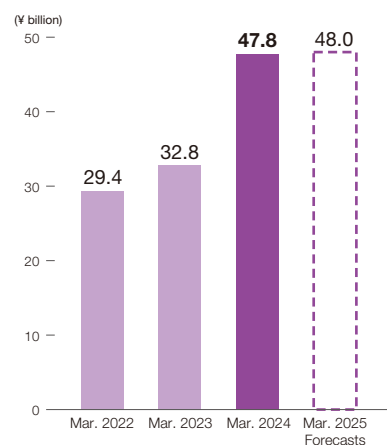
	Mar. 2022	Mar. 2023	Mar. 2024
Net sales	679.7	798.7	858.2
Overseas sales	185.9	261.7	268.2
Overseas sales ratio	27.3%	32.8%	31.3%
Operating profit	29.4	32.8	47.8
Ordinary profit	32.6	33.1	50.0
Profit attributable to owners of parent	17.5	(10.4)	31.7
Earnings per share (¥)	59	(35)	107
Total assets	723.1	713.9	826.7
Net assets	460.6	438.5	516.4
Net assets per share (¥)	1,510	1,425	1,682
Dividend per share (¥)	39	40	45

(Note) Figures shown are rounded to the nearest hundred million yen (nearest yen for per share figures).

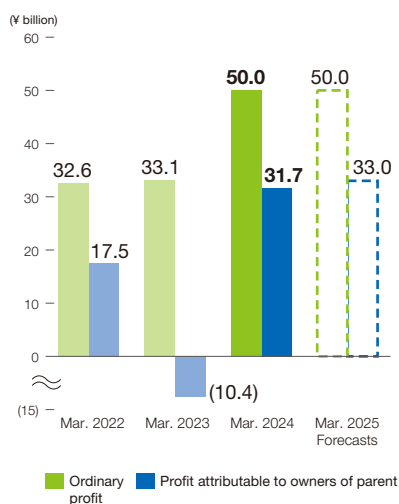
Net sales / Overseas sales ratio



Operating profit



Ordinary profit / Profit attributable to owners of parent



Corporate Data

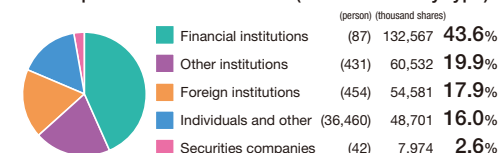
- **Corporate name:** Nisshin Seifun Group Inc.
- **Head office:** 25, Kanda-Nishiki-cho 1-chome, Chiyoda-ku, Tokyo
- **Foundation:** October 1900
- **Paid-in capital:** ¥17,117,856,746 (As of March 31, 2024)
- **Board of Directors:** (As of June 26, 2024)

Representative Director and President	Kenji Takihara
Representative Director	Naoto Masujima
Director	Eiichi Suzuki
Director	Seiichiro Takahashi
Director	Takao Yamada
Director	Takahiko Iwahashi
Director	Shinichi Ikeda
Director*	Kazuhiko Fushiya
Director*	Motoo Nagai
Director*	Nobuhiro Endo
Director	Shoh Ohuchi
Member of Audit & Supervisory Committee	
Director*	Mieko Tomita
Member of Audit & Supervisory Committee	
Director*	Takaharu Ando
Member of Audit & Supervisory Committee	
Director*	Hiroto Kaneko

*Outside Director

Stock Information (As of March 31, 2024)

- **Total number of issuable shares:** 932,856,000 shares
- **Total number of shares issued and outstanding:** 304,357,891 shares
- **Number of shareholders:** 37,474 (a decrease of 2,323 shareholders from the end of the previous fiscal year)
- **Composition of shareholders (Shareholders by type)**



Investor Information

- **Fiscal year:** April 1 to March 31 of the following year
- **Date of record for year-end dividends (profit dividends) on retained earnings:** March 31
- **Date of record for interim dividends:** September 30
- **Ordinary general meeting of shareholders:** June
- **Method of public notice:** The Company posts notices via electronic notification on its website at <https://www.nisshin.com>. However, if electronic notification is not possible due to an accident or other unavoidable circumstances, notices will be published in the Nikkei newspaper.
- **Share trading unit:** 100 shares
- **Custodian of shareholder register and account management institution for special accounts:** Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Contact information: Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 8-4, Izumi 2-chome, Sugunami-ku, Tokyo 168-0063, Japan
Tel: 0120-782-031 (toll-free)
*Available within Japan only.
Operator hours: 9 am-5 pm on weekdays in Japan.

Special Privileges for Shareholders

Special privileges

Choose between a gift set of assorted products from Group companies Nisshin Seifun Welna, a product of Nisshin Pharma, a product of NBC Meshtech, or a donation to World Wide Fund for Nature (WWF) Japan.

Eligible Shareholders

Shareholders with shareholdings of 500 or more of the Company's shares as of March 31 each year.

A guide to special privileges for shareholders and application for this year were mailed out on June 4, 2024 (Tuesday) with the notice of invitation to the general meeting of shareholders.

The application deadline is July 31, 2024 (Wednesday). Valid applications must be postmarked by this date.

Notice

Application for various share-related procedures

Please file applications for various share-related procedures such as change of address, designation of a method to receive dividends, request to purchase shares in less than the allotted trading unit and sale of such additional shares at the following places.

1. Shareholders with an account at a securities company → Please contact your securities company.
Note: To apply to receive dividends after the period for dividend distribution, as well as request to purchase shares in less than the allotted trading unit registered at the special account and sale of additional less-than-a-unit shares to those registered at the special account, please contact Sumitomo Mitsui Trust Bank, Limited.
2. Shareholders registered at the special accounts → Please contact Sumitomo Mitsui Trust Bank, Limited.

NISSHIN SEIFUN GROUP INC.

25, Kanda-Nishiki-cho 1-chome, Chiyoda-ku, Tokyo

URL <https://www.nisshin.com>