



To Shareholders

Business Report 2021

(April 1, 2020 to March 31, 2021)



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Nobuki Kemmoku
Representative Director and President

Allow me to begin by thanking all of our shareholders for your kind cooperation and support. As you are well aware, social life today has been tremendously impacted by the pandemic spread of a novel coronavirus.

Given the circumstances, we recognize that fulfilling the mission of the Group - a continued commitment to ensuring the stable supply of wheat flour and other food staples for delivering safe and reliable products in each of our businesses - is more important than ever. We also strive to ensure the safety of the workforce vital to supporting this mission.

Today, we are promoting what we call “New Nisshin Innovation” activities, designed to turn “NNI ‘Compass for the Future’,” our long-term vision for the Group to become “a globally-operating company that assists ‘healthy lifestyles’ and plays a critical role in building ‘the food infrastructure’ of the future” into reality. Along with building mechanisms to showcase Group-wide capabilities, this involves steps to promote growth strategies centered on overhauling the business models of our existing businesses and enhancing our Group business portfolio, and prefaced on a thorough recommitment to customer-oriented policy, all while further strengthening management functions that support these strategies.

The Group today finds itself in a radically different business environment, and one where the future is still uncertain. Nevertheless, we are determined to maximize corporate value going forward, as we aim to be a corporate group that continues to gain the support of our stakeholders. We kindly request your continued support and understanding as we work to achieve our goals.

June 2021

Q Can you discuss business results for the fiscal year ended March 31, 2021?

Despite beneficial effects from the new consolidation of comprehensive prepared dish manufacturer Tokatsu Foods Co., Ltd. in July 2019, net sales ended lower for the year. This was mainly the result of lower shipments in the flour milling business due to the impact of the novel coronavirus pandemic, coupled with both a temporary decline in facility construction completion in the engineering business and effects from the transfer of the pet food business. Operating profit was similarly lower year on year. This came despite numerous positives, including performance recovery in the



U.S. flour milling business, where intensifying competition had caused performance to worsen last year, favorable shipments of both household-use products in the

processed foods business and raw materials for pharmaceuticals to the U.S. in the healthcare foods business, and effects from reductions in advertising and promotion expenses, travel expenses and a range of other expenses. The main culprit here was deterioration in earnings in the flour milling and prepared dishes and other prepared foods businesses, caused in both cases by the impact of the novel coronavirus pandemic and other reasons.

Q What can you tell us about the end results of the “NNI-120 II” medium-term management plan?

The Group launched the “NNI-120 II” medium-term management plan in fiscal 2016. Under this plan, we targeted the restructuring of our earnings base and enhancement of both profit growth and shareholder returns, taking steps to achieve net sales of ¥750.0 billion, operating profit of ¥30.0 billion and EPS of ¥80 by fiscal 2021, the plan’s final year. Until fiscal 2020, we

marked steady growth in net sales, operating profit and EPS, largely in step with the medium-term management plan. Unfortunately, due to the effects of the pandemic and other issues, we were unable to meet our targets for the plan’s final year, fiscal 2021.

As you know, lifestyle patterns have been dramatically upended by the pandemic spread of the novel coronavirus, and the business environment that Group companies face has been impacted as well. With that said, we are setting a recovery in sales and earnings capacity as quickly as possible as our top priority. Until such time as we can accurately read the oncoming business environment, we have opted to delay the formulation of a new medium-term management plan for the moment.

Our growth strategy of striving to bolster business competitiveness through two key elements of our long-term vision – overhauling the business models of our existing businesses and enhancing the Group business portfolio – is unchanged, as we take steps to achieve sustainable growth and maximize medium to long-term corporate value.

Q What is the status of your ESG initiatives?

In our long-term vision, the Group is seeking to realize cyclical growth by viewing social issues as new business opportunities, then solving these issues through our business, which then improves corporate value. To promote this, we identified and are addressing what we term “CSR priorities,” consisting of five fields of focus we view as priorities to achieving this end.

With respect to environment, or “E,” we have raised “Prepare for climate change and water resource issues,” “Efficiently handle product and packaging waste” and others as important issues. For responding to climate change, we are examining options for initiatives to achieve carbon neutral operations by 2050; this also includes a review in line with government policy of the Group’s target for CO₂ reduction by 2030. As for society, or “S,” we view “Provide work environments that are healthy and fulfilling” and other points as important issues, and are taking steps to ensure that the employees responsible for continuing to spread the value of healthy living worldwide are themselves both healthy and full of energy and enthusiasm. Our actions in this area resulted in recognition in March this year for inclusion in the 2021 list of outstanding corporations displaying health and productivity management (large enterprise category: White 500), in a survey gauging health management conducted by Japan’s Ministry of Economy, Trade and Industry (METI). [\[For more, see p. 3\]](#)

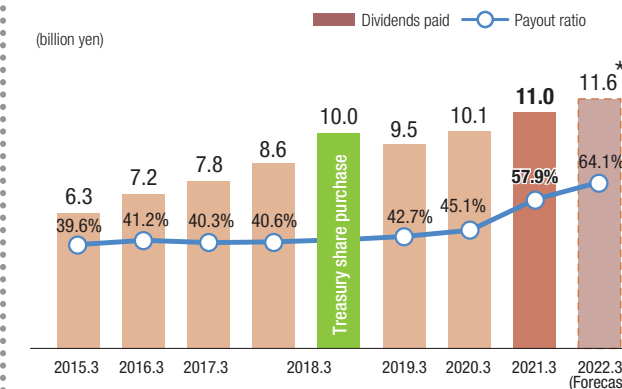
As for governance, or “G,” along with transitioning to an “Audit & Supervisory Committee”-based company structure in 2019, our actions to enhance the governance structure include boosting the percentage of Outside Directors. We also strengthened the Board of Directors’ supervisory functions regarding the status of business execution. Additionally, the Audit & Supervisory Committee is responsible for auditing the legality and reasonability of business execution, a step that has made management more transparent.

In realizing cyclical growth by addressing “CSR priorities,” and by bolstering the governance structure to support this, we are aiming for the sustainable development of both society itself and the Company.

Q In closing, what can you say about shareholder returns?

With respect to shareholder returns, our basic policy is to continuously increase the amount of the Company’s dividends, and we have set a payout ratio of 40% or more on a consolidated basis. In line with this policy, we increased the year-end dividend per common share by ¥1, while also adding a dividend of ¥2 commemorating the Company’s 120th anniversary. As a result, we paid a full-year dividend of ¥37 per share. Similarly, for the fiscal year ending March 31, 2022, we plan to increase this by ¥2 more to ¥39 per share, which would mark an actual dividend increase for a ninth consecutive term. Even in a challenging business environment, our policy is to pursue the stable return of profits to shareholders from a long-term stance. To this end, we will continue striving to strengthen both strategic investments for achieving sustainable growth and shareholder returns.

Total Dividends Paid and Payout Ratio



*Scheduled increase of ¥2 as an interim dividend in the fiscal year ending March 31, 2022.

Evaluation of Group initiatives regarding health management led to recognition for inclusion in the list of Japan's outstanding corporations with respect to health and productivity management (White 500)

Nisshin Seifun Group Inc. was recognized for inclusion in the list of Japan's outstanding corporations with respect to health and productivity management (White 500), with companies selected by Japan's Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi (Japan Health Council).

●Based on initiatives that target immediate local health concerns as well as health promotion measures advanced by the Nippon Kenko Kaigi, this certification system for qualifying companies honors large corporations and small and medium-sized enterprises that put especially noteworthy health management into practice. White 500, meanwhile, refers to only the top 500 companies as identified by a survey of health management from among those recognized as exceptional corporations in this area in the large enterprise category of evaluation.



What is health management for the Nisshin Seifun Group?

Uniting employees and companies in action to continue communicating the value of health worldwide

The Group's fundamental approach to health management seeks to unite employees and companies in action to ensure that our employees are communicating the value of health to the world by being healthy and energetic. The system for promoting and making this approach a reality is led by the Company president.

Establishing the three pillars of health management as the key elements of the Group business plan

"Work environment," "Personal physical care," and "Mental healthcare" are positioned as the three pillars of the Employee health commitment, drafted in 2019. By setting numerical targets for each area and taking steps to achieve them, the Group is working through an array of activities to put health management into practice.

For example, in fiscal 2021, we offered Web-based seminars about the importance of exercise and sleep designed to help maintain employee health during the novel coronavirus pandemic. We also conducted a questionnaire pertaining to emotional and physical care during the pandemic and, as a follow up after examining the results, held a seminar on caring for mental health.

Going forward, the Group will incorporate the promotion of health management as one of its important issues, putting a host of measures into effect in this area.

●The three pillars of health management



Online health seminar

"Happy Menu" – Good Times for Whatever's on the Menu Airing begins for the Group's third new TV commercial

Since 2019, the Group has publicized the communication message "HAPPY MENU TO YOU!" to convey that cooking has the power to bring happiness not only to the meal preparer but to those around them.

The Group's third TV commercial, airing since March 2021, once again features Japanese actress Fumino Kimura as the "Happy Menu Ambassador." With opportunities to cook on the rise due to the novel coronavirus pandemic, the commercial conveys through its message song that whether you're cooking something easy to prepare, or creating an intricate dish, as long as you are free to cook whatever you want, a "HAPPY MENU" and the joy it brings are at your fingertips.

Access the special website here. Recipes and behind-the-scenes footage also available.



TV commercial
Frame from "HAPPY MENU TO YOU! – Any cooking can be a HAPPY MENU" episode

Easy-to-prepare menu
Cut vegetables and grapefruit sandwich

Intricate menu
Honey pizza with cream cheese and lemon

Interview with Fumino Kimura available on Nisshin Seifun Group's health information sharing site "Welnavi"



for her love of cooking, we asked Ms. Kimura about her secret to health and beauty, including with respect to food. A highly recommended read.

"Welnavi" is a site for sharing tips on how to live calmly in mind and body, featuring basic knowledge about wheat, recommended daily recipes, helpful readings and other information. On the "Helpful Readings" corner of the site is an interview with Fumino Kimura. Known



Access Welnavi here.



Answering the “new normal” in dining needs with new products under the theme of “Smart Dining at Home”

Nisshin Foods Inc.

Add chicken and water to the bag, shake and fry! Easy Fry Flour

The fried food market continues to grow in the novel coronavirus pandemic, with future growth in demand also projected.* With “Nisshin Shake-Shake Easy Fry Flour – Furi-Kara Ginger-Soy Sauce Flavor,” the package bag itself has everything you need to make it simple and convenient. Frying pan cooking also requires little oil, reducing the work involved. With a crisp-fried coating, this product makes it easy to enjoy an all-time favorite fried dish, soy sauce-flavored fried chicken with a prominent taste of ginger, right at home.

*Source: “Restaurant Industry Marketing at a Glance 2020 No. 1” from Fuji Keizai Management Co., Ltd. (April 2020)

This'll make you happy

1

All the prep needed is in the bag, meaning less cleanup.

2

One boneless chicken thigh, leaving nothing unused.

3

Cooking in just 1 cm of oil is OK!



Nisshin Shake-Shake Easy Fry Flour – Furi-Kara Ginger-Soy Sauce Flavor

A new series from the “Smart Table” brand Vietnamese cuisine with a French twist

The “Le Vietnamese” series is the latest entry from the “Smart Table” brand, designed to smartly color your table with dishes otherwise challenging to prepare alone. Boosting the lineup are two new products that add French twists to pho, one of the most recognized dishes from Vietnamese cuisine.



Combining the French article “Le” with English word “Vietnamese,” the concept behind this series is to bring elements of French cooking to Vietnamese cuisine, for “vegetable-rich dishes deeply satisfying to the body and soul.”



Smart Table Le Vietnamese Steamed Chicken and Tomato Pho/Vegetable and Seafood Pho

Supporting “Easy-to-prepare and convenient” with the “Ma-Ma Palette” series and “Ma-Ma THE PASTA”

Nisshin Foods Inc.

Boil time now just 3 minutes! Al Dente Fettuccini

The totally revamped “Ma-Ma Palette” series has a shortened noodle boil time from 5 minutes to 3, while retaining the same full-bodied bite. “One Pot 3-Minute Fettuccini” now allows you to enjoy delicious fettuccini faster than ever before.



Ma-Ma Palette One Pot 3-Minute Fettuccini Plain, 2 total varieties

A new flavor joins our mainstay frozen pasta series

A new flavor has joined the ranks of the super popular “Ma-Ma THE PASTA” frozen pasta series – “Clam and Wakame Japanese-style White Broth.” The rich sauce, which adds light soy and fish sauce flavors to white broth, is topped with clams and wakame seaweed. The entire dish is then accented with the light and airy aroma of Japanese citron.

Ma-Ma THE PASTA – Clam and Wakame Japanese-style White Broth



Supporting healthy daily life with a new product incorporating widely hailed “next-generation ingredient” NMN

Nisshin Pharma Inc.

In addition to a capsule containing 125mg of NMN (nicotinamide mononucleotide), a widely talked-about ingredient capturing the attention of researchers worldwide, “Power Supply NMN” makes getting the supplements you need easy with a pack of seven tablets (approximate daily dosage) fused with 13 different vitamins. These include the Company’s proprietary ingredient, “water-soluble CoQ10,” as well as “resveratrol,” an ingredient that supports youthfulness.

Nisshin Pharma Direct Online

<https://www.nisshin-pharma.com/>

Tel: 0120-240-410 FAX: 0120-240-470 * Available within Japan only
(Operator hours: 9 am-6 pm, except year-end and New Year Holidays)



Power Supply NMN

Announcement of Cancellation of the Individual Shareholders' Tour

Normally, the Group holds individual shareholders' tours each year in March and September. However, with the health and safety of tour participants foremost in mind, we have regrettably chosen to cancel the individual shareholders' tour scheduled for September 2021.

We offer our sincerest apologies to all who were looking forward to the tour.

Decisions regarding the scheduling of future tours will be made pending the degree to which the novel coronavirus pandemic is contained, and will be announced in the pages of future business reports. Your understanding and cooperation as shareholders is greatly appreciated.

Newly revamped rooftop signboard on Kanda Nishiki-cho Head Office building

In the runup to the Group's 120th anniversary, we used the opportunity to revamp the rooftop signboard on the Kanda Nishiki-cho Head Office building.

Now in its 7th rendition, the signboard will continue to feature Konyara, an original character created by Studio Ghibli for the Group's 110th anniversary. The warmth and sense of ease associated with this character is perfectly in line with the Group's own image of itself. The backdrop of the signboard was designed to include wheat fields, where the Group's history began, and a blue sky stretching out into the future. The company name and message on the signboard were written in calligraphy by Studio Ghibli producer Toshio Suzuki.

By expressing both a history built up since the Group's founding in 1900 and the image of an expansive future, the signboard encompasses our hope that stakeholders will continue to feel a sense of closeness with us, as we strive to be a corporate group that will always enjoy their support.



“Ma-Ma Hayayude Spaghetti FineFast” Freshness date change from “Year/Month/Day” to “Year/Month”

Group company Nisshin Foods Inc. has opted to change the displayed freshness date on some of its products in the “Ma-Ma Hayayude Spaghetti FineFast” series produced from January 2021 from “Year/Month/Day” to “Year/Month.”

Among the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 is a commitment to cut food loss in half by 2030, with food loss already an issue that the Group itself is striving to reduce. Changing the product freshness date to month and year reduces food loss throughout the entire supply chain, from production to delivery and sale. Together with steps to enhance distribution efficiency, this will contribute to making a more sustainable society possible. Furthermore, in light of this change in freshness date display, we are exploring options for changing how the date is shown on other products, as well.



“Kobe Sweets Consortium” (KSC) honored for its consumer-oriented activities

The first attempt of its kind in Japan, Kobe Sweets Consortium (or KSC) was planned as a facility to train challenged* patissiers in Kobe, considered the birthplace of Western-style sweets in Japan. In solidarity with the activities of Prop Station, a nonprofit social welfare organization committed to promoting the hiring of the challenged and creating jobs for them, Group company Nisshin Flour Milling Inc. became a co-sponsor of this work from its first class back in 2008.

KSC was honored with the “Consumer-Oriented Activities Award” at the sixth annual awards for such activities sponsored by the Association of Consumer Affairs Professionals (ACAP) in 2020. This award is given by ACAP to praise companies and organizations for activities valuable from the perspective of promoting and supporting consumer-oriented management.

The Group will continue its contribution to making a universally inclusive society possible, through a host of activities that showcase the abilities of every individual and empowers them to act.



Scene from the recognition ceremony held on February 25, 2021

* Challenged: A new term gaining popularity in the United States and other countries to refer to people with disabilities.

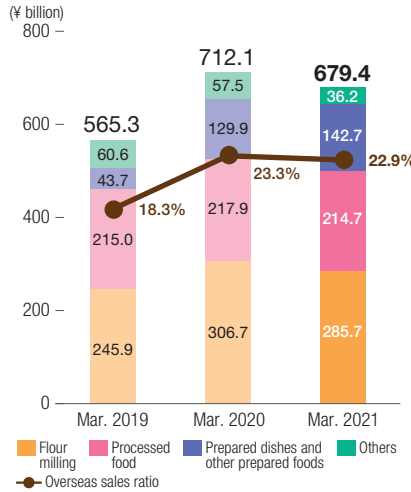
Financial Highlights

Consolidated Financial Summary

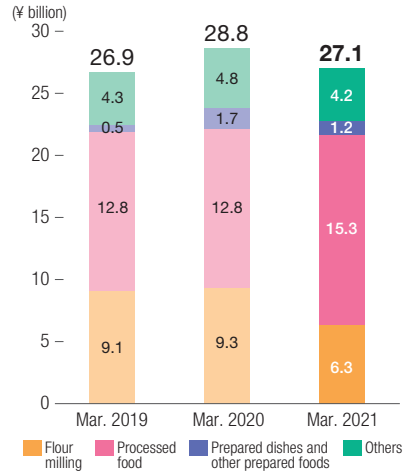
	Mar. 2019	Mar. 2020	Mar. 2021
Net sales	565.3	712.1	679.4
Overseas sales	103.7	166.1	155.6
Overseas sales ratio (%)	18.3%	23.3%	22.9%
Operating profit	26.9	28.8	27.1
Ordinary profit	32.0	31.4	29.8
Profit attributable to owners of parent	22.2	22.4	19.0
Earnings per share (¥)	74	75	63
Total assets	594.7	666.2	687.4
Net assets	418.8	409.0	444.7
Net assets per share (¥)	1,359	1,328	1,456
Dividend per share (¥)	32	34	37

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

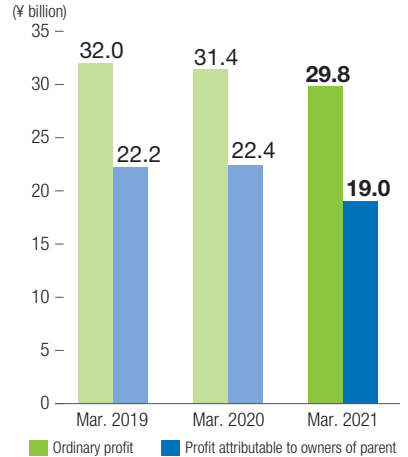
Net sales / Overseas sales ratio



Operating profit



Ordinary profit / Profit attributable to owners of parent



(Notes) 1. From the 176th business term (fiscal year ended March 31, 2020), the Prepared Dishes and Other Prepared Foods Business, formerly part of the Processed Food Segment, has been established as a separate reporting segment. For year-on-year comparison, results for this business are also disclosed as a reporting segment for the 175th business term (fiscal year ended March 31, 2019).
2. Intersegment transaction eliminations are included in "Others segment" of operating profit.

Corporate Data

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, 2021)	
Board of Directors: (As of June 25, 2021)	
Representative Director and President	Nobuki Kemmoku
Representative Director	Akira Mori
Director	Koichi Iwasaki
Director	Satoshi Odaka
Director	Naoto Masujima
Director	Takao Yamada
Director	Yuji Koike
Director *	Akio Mimura
Director *	Kazuhiko Fushiya
Director *	Motoo Nagai
Director /Member of Audit & Supervisory Committee	Shoh Ohuchi
Director */Member of Audit & Supervisory Committee	Tetsuo Kawawa
Director */Member of Audit & Supervisory Committee	Satoshi Ito
Director */Member of Audit & Supervisory Committee	Mieko Tomita
*Outside Director	

Stock Information (As of March 31, 2021)

- Total number of issuable shares: 932,856,000 shares
- Total number of shares issued and outstanding: 304,357,891 shares
- Number of shareholders: 28,321 (an increase of 2,653 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	Share trading unit: 100 shares
Date of record for year-end dividends (profit dividends) on retained earnings: March 31	Custodian of shareholder register: Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo Japan
Date of record for interim dividends: September 30	Contact information: Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063, Japan Tel: 0120-782-031 (toll-free) * Available within Japan only.
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.	

Special Privileges for Shareholders

Special privileges
Choose between a gift set of assorted products from Group companies Nisshin Pharma and Nisshin Foods, 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 3, 2021 (Thurs.) with the notice of invitation to the general meeting of shareholders. The application deadline is August 2, 2021 (Monday). 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>



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certified paper.
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