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181st Fiscal Term (April 1, 2024 to March 31, 2025)

Securities Report

Nisshin Seifun Group Inc.

(E00346)

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Report Data

Document type	Securities Report (regulatory filing)
Mandatory provision	Financial Instruments and Exchange Act, Article 24, Paragraph 1
Filing submitted to	Director, Kanto Local Finance Bureau
Date of submission	June 23, 2025
Fiscal period	April 1, 2024 to March 31, 2025 (181st fiscal term)
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Locations where filings are available for public inspection	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi-Kabutocho, Chuo-ku, Tokyo)

Part A: Company Information

[1] Company Overview

(1) Principal Business Performance Indicators

1. Consolidated business performance indicators

Fiscal term		177th	178th	179th	180th	181st
Years ended March 31		2021	2022	2023	2024	2025
Net sales	(millions of yen)	679,495	679,736	798,681	858,248	851,486
Ordinary profit	(millions of yen)	29,886	32,626	33,051	49,992	49,210
Profit (loss) attributable to owners of parent	(millions of yen)	19,011	17,509	(10,381)	31,743	34,684
Comprehensive income	(millions of yen)	49,252	28,892	(12,365)	90,678	14,969
Net assets	(millions of yen)	444,774	460,643	438,499	516,381	502,570
Total assets	(millions of yen)	687,415	723,073	713,874	826,702	789,713
Net assets per share	(yen)	1,456.37	1,510.35	1,425.24	1,682.11	1,674.04
Earnings (loss) per share	(yen)	63.95	58.88	(34.91)	106.74	117.33
Fully diluted earnings per share	(yen)	63.94	58.88	—	—	—
Equity ratio	(%)	63.0	62.1	59.4	60.5	61.4
Return on equity	(%)	4.6	4.0	(2.4)	6.9	7.0
Price-earnings ratio (p/e)	(times)	28.93	28.97	—	19.67	14.75
Cash flows from operating activities	(millions of yen)	49,506	41,833	23,422	73,194	55,209
Cash flows from investing activities	(millions of yen)	(17,105)	(15,517)	487	(30,944)	(34,961)
Cash flows from financing activities	(millions of yen)	(31,264)	(17,850)	(10,625)	(19,539)	(35,432)
Cash and cash equivalents at end of year	(millions of yen)	59,152	68,728	82,971	107,681	92,005
Number of employees		8,951	8,918	9,420	9,574	9,731
[average number of part-time employees]	(persons)	[10,258]	[9,794]	[10,075]	[10,183]	[9,925]

Notes:

1. “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant implementation guidance has been applied from the start of the 178th fiscal term. Principal business performance indicators for the 178th fiscal term and onwards reflect the application of this accounting standard.
2. Fully diluted earnings per share is not reported for the 179th fiscal term due to the net loss per share and the absence of any shares experiencing dilution effects.
Fully diluted earnings per share is not reported for the 180th fiscal term due to the absence of any shares experiencing dilution effects.
Fully diluted earnings per share is not reported for the 181st fiscal term due to the absence of any dilutive shares.
3. The price-earnings ratio is not reported for the 179th fiscal term due to the loss attributed to owners of parent for the year.

2. Non-consolidated business performance indicators

Fiscal term		177th	178th	179th	180th	181st
Years ended March 31		2021	2022	2023	2024	2025
Net sales	(millions of yen)	24,335	29,445	26,891	25,355	26,301
Ordinary profit	(millions of yen)	13,320	16,772	15,088	12,344	13,605
Profit	(millions of yen)	13,030	16,831	15,453	13,137	18,467
Paid-in capital	(millions of yen)	17,117	17,117	17,117	17,117	17,117
Shares issued and outstanding	(thousand shares)	304,357	304,357	304,357	304,357	290,657
Net assets	(millions of yen)	304,725	308,172	306,325	342,053	313,769
Total assets	(millions of yen)	402,329	380,464	381,348	443,183	386,788
Net assets per share	(yen)	1,024.05	1,035.63	1,029.66	1,149.73	1,082.70
Total dividends per share	(yen)	37.00	39.00	40.00	45.00	55.00
(interim dividend amount)	(yen)	(17.00)	(19.00)	(19.00)	(21.00)	(25.00)
Earnings per share	(yen)	43.82	56.59	51.96	44.16	62.45
Fully diluted earnings per share	(yen)	43.81	56.59	—	—	—
Equity ratio	(%)	75.7	81.0	80.3	77.2	81.1
Return on equity	(%)	4.4	5.5	5.0	4.1	5.6
Price-earnings ratio (p/e)	(times)	42.22	30.15	29.85	47.55	27.71
Dividend payout ratio	(%)	84.4	68.9	77.0	101.9	88.1
Number of employees	(persons)	355	372	346	344	361
[average number of part-time employees]		[55]	[60]	[66]	[71]	[71]
Total shareholder return	(%)	104.7	98.9	92.5	125.4	108.0
(Benchmark: TOPIX Total Return Index)	(%)	(142.1)	(144.9)	(153.4)	(216.7)	(213.4)
Share-price highs	(yen)	1,950.0	1,953.0	1,768.0	2,338.0	2,134.0
Share-price lows	(yen)	1,518.0	1,547.0	1,414.0	1,556.0	1,678.5

Notes:

1. Stock price highs and lows are prices for the Company's shares listed on the Tokyo Stock Exchange Prime Market after April 4, 2022. Before that date, they are prices on the First Section of the Tokyo Stock Exchange.
2. "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant implementation guidance has been applied from the start of the 178th fiscal term. Principal business performance indicators for the 178th fiscal term and onwards reflect the application of this accounting standard.
3. Fully diluted earnings per share is not reported for the 179th and 180th fiscal terms due to the absence of any shares experiencing dilution effects. Fully diluted earnings per share is not reported for the 181st fiscal term due to the absence of any dilutive shares.
4. Of the 55 yen dividend per share for the 181st fiscal term (which ended in March 2025), the year-end dividend of 30 yen is a matter to be resolved at the Ordinary General Meeting of Shareholders to be held on June 26, 2025.

(2) History

The predecessor of Nisshin Seifun Group Inc. was Tatebayashi Flour Milling Co., Ltd., a company established in 1900 to specialize in the manufacture and sales of wheat flour. In 1908, Tatebayashi Seifun bought Nisshin Flour Milling Co., Ltd., and changed its name to that of the Company it acquired.

Nisshin Flour Milling Co., Ltd. expanded operations steadily through plant constructions, mergers, and acquisitions. After World War II, the Company undertook extensive rationalization of its core flour milling operations and diversified its business into several areas. This process eventually created a corporate group that incorporated new businesses comprising processed food, compound feed, pet food, pharmaceuticals and engineering.

In July 2001, the Nisshin Seifun Group adopted a holding company structure, under which the Company holds all shares in each operating company covering the Group's principal business fields: flour milling, processed food, compound feed, pet food, and pharmaceuticals. With sights on strengthening its business competitiveness further, the Group has arrived where it is today by moving since then to pursue the remodeling of existing businesses that underpin its resilient earnings base, while enhancing the business portfolio in order to maximize corporate value.

Date	Event
October 1900	Tatebayashi Flour Milling Co., Ltd. established in Tatebayashi (Gunma).
February 1908	Acquired Nisshin Flour Milling Co., Ltd.; company name changed to that of acquired entity.
February 1926	Construction of the Tsurumi Plant completed.
1934	Nippon Bolting Cloth, Co., Ltd. (predecessor of NBC Meshtec Inc.) established.
1949	Reconstruction and expansion of plants damaged during World War II largely completed.
May 1949	Shares listed on the Tokyo Stock Exchange.
February 1961	Compound feed production and research operations of affiliate Nisshin Feed Co., Ltd. absorbed by Nisshin Flour Milling Co., Ltd.
September 1963	Research operations in Tokyo and Osaka consolidated into a new facility, the Central Research Laboratory in Oimachi (now Fujimino), Saitama.
July 1965	Acquired Nisshin Nagano Chemical Co., Ltd., which was renamed Nisshin Chemicals Co., Ltd.
October 1965	Prepared mix production and research operations of affiliate Nisshin Foods Co., Ltd. absorbed by Nisshin Flour Milling Co., Ltd.
December 1966	Established Nisshin-DCA Foods Inc., a joint venture with DCA Food Industries Inc. of the U.S. (later renamed Nisshin Technomic Co., Ltd. in 1997).
February 1968	Construction of food production lines within the Nagoya Plant completed.
October 1970	Nisshin Pet Food Co., Ltd. established.
April 1972	Nisshin Engineering Co., Ltd. established.
April 1978	Fresh Food Service Co., Ltd. established.
October 1987	Operations of Nisshin Foods Co., Ltd. and Nisshin Chemicals Co., Ltd. absorbed by Nisshin Flour Milling Co., Ltd. in a merger.
March 1988	Thai Nisshin Seifun Co., Ltd., a joint venture, established in Thailand; operations commenced in January 1989.
September 1989	Canadian flour milling company Rogers Foods Ltd. acquired by Nisshin Flour Milling Co., Ltd.
October 1989	The Nasu Research Center established in Nasu (now Nasu Shiobara), Tochigi, by transferring operations from Second Central Research Laboratory.
September 1990	The Chiba Plant expanded to include a fourth flour milling facility (Mill D).
August 1991	Nisshin-STC Flour Milling Co., Ltd., a joint venture, established in Thailand; operations started in March 1993.
September 1994	The Higashinada Plant expanded to include a third flour milling facility (Mill C).
April 1996	Nisshin Kyorin Pharmaceutical Co., Ltd., a joint venture with Kyorin Pharmaceutical Co., Ltd., commenced operations. (Nisshin Kyorin Pharmaceutical Co., Ltd., merged with Kyorin Pharmaceutical Co., Ltd., the former joint venture partner of Nisshin Pharma Inc., in October 2008.)
October 1996	Medallion Foods, Inc. established in the U.S.
October 1997	Frozen food operations of Nisshin Flour Milling Co., Ltd. transferred to newly established Nisshin Foods Co., Ltd.
March 1998	Head office relocated to Chiyoda-ku, Tokyo.
April 1999	Operations of Nisshin Technomic Co., Ltd. absorbed by Nisshin Flour Milling Co., Ltd. in a merger.
October 1999	Management stake in SANKO Co., Ltd. acquired by Nisshin Flour Milling Co., Ltd.
July 2001	New corporate entity created with operating companies (Nisshin Flour Milling Inc., Nisshin Foods Inc., Nisshin Feed Inc., Nisshin Petfood Inc., and Nisshin Pharma Inc.) under a holding company (Nisshin Seifun Group Inc.)
April 2002	Qingdao Nisshin Seifun Foods Co., Ltd. established in China.
October 2002	The Tsurumi Plant of Nisshin Flour Milling Inc. expanded to include a seventh flour milling facility (Mill G).

Date	Event
April 2003	Acquired additional shares in Oriental Yeast Co., Ltd., making it a subsidiary.
October 2003	Operations commenced at Marubeni Nisshin Feed Co., Ltd. (an affiliate accounted for by the equity method), a joint venture created through the merger of Nisshin Feed Inc. with Marubeni Feed Co., Ltd.
March 2004	Initio Foods Inc. established.
December 2004	A new flour milling facility constructed by Rogers Foods Ltd. in Chilliwack, British Columbia, Canada.
July 2005	Shin Nisshin Seifun Foods (Qingdao) Co., Ltd. established in China. Started full-scale operations in April 2007.
October 2005	Initio Foods Inc. took over SANKO Co., Ltd. in a merger.
November 2005	Established Jinzhu (Yantai) Food Research and Development Co., Ltd., a joint venture with Nichirei Corporation, in China. The venture commenced operations in October 2006.
June 2007	Shin Nisshin Seifun Foods (Qingdao) Co., Ltd. took over Qingdao Nisshin Seifun Foods Co., Ltd. in a merger.
January 2008	Thai Nisshin Technomic Co., Ltd. opened the R&D Office Center & Sales Office at in Thailand.
February 2008	OYC Shanghai Co., Ltd. (later renamed Nisshin Seifun OYC (Shanghai) Co., Ltd. in 2011), established in China.
September 2008	The Higashinada Plant of Nisshin Flour Milling Inc. expanded its flour milling facilities (Mills D and E).
July 2009	The Tatebayashi Plant of Nisshin Foods Inc. expanded its prepared mix production line.
December 2010	Through tender offers for the shares and other methods, additionally acquired shares in consolidated subsidiaries Oriental Yeast Co., Ltd., and NBC Meshtec Inc. to obtain 100% ownership.
May 2011	Acquired additional shares in Hanshin Silo Co., Ltd., and made it a subsidiary.
January 2012	Oriental Yeast India Pvt. Ltd. established in India.
March 2012	Acquired U.S.-based flour milling company Miller Milling Company, LLC.
October 2012	Established Nisshin Seifun Premix Inc.
November 2012	Opened the Nisshin Seifun (Flour Milling) Museum in Tatebayashi, Gunma.
December 2012	Acquired shares of Tokatsu Foods Co., Ltd. (an affiliate accounted for by the equity method)
February 2013	Acquired a flour milling business in New Zealand, which was subsequently launched as Champion Flour Milling Ltd.
April 2013	Began full-scale business at PT. Indonesia Nisshin Technomic in Indonesia.
June 2013	Established Vietnam Nisshin Seifun Co., Ltd. in Vietnam; operations commenced in October 2014.
February 2014	The Fukuoka Plant of Nisshin Flour Milling Inc. came on-line.
May 2014	Miller Milling Company, LLC acquired four flour milling plants in the U.S.
June 2014	Established Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. in Turkey as a joint venture with Marubeni Corporation and Nuh'un Ankara Makarnasi Sanayi Ve Ticaret A.S.; operations commenced in May 2015.
May 2015	The Chita Plant of Nisshin Flour Milling Inc. expanded its flour milling facilities (Mill C).
May 2015	The Kobe Frozen Foods Plant of Ma•Ma-Macaroni Co., Ltd., commenced operations.
January 2016	Acquired shares of Joyous Foods Co., Ltd., and made it a consolidated subsidiary.
March 2018	Nisshin-STC Flour Milling Co., Ltd. acquired a flour milling plant in Thailand.
June 2018	Established Vietnam Nisshin Technomic Co., Ltd. in Vietnam. Operations commenced in January 2020.
January 2019	Line expansion at the Saginaw Plant of Miller Milling Company, LLC.
April 2019	Acquired Australian flour milling company Allied Pinnacle Pty Ltd.
July 2019	Converted equity-method affiliate Tokatsu Foods Co., Ltd. into a wholly owned subsidiary following acquisition of additional shares.
March 2020	Transferred the pet food sales business of Nisshin Petfood Inc.
March 2021	Pet food business concluded following termination of production by Nisshin Petfood Inc.
January 2022	Nisshin Foods Inc. changed the company name to Nisshin Seifun Welna Inc.
July 2022	Established Nisshin Seifun Delica Frontier Inc. as an intermediate holding company responsible for the Prepared Dishes and Other Prepared Foods Segment.
August 2022	Began full-scale operation of a yeast plant at Oriental Yeast India Pvt. Ltd., an India-based subsidiary of Oriental Yeast Co., Ltd.
January 2023	Acquired shares of Kumamoto Flour Milling Co., Ltd., and made it a consolidated subsidiary.
March 2025	Line expansion at the Saginaw Plant of Miller Milling Company, LLC. Opened the Innovation & Technical Center on the plant site.

(3) Business Overview

The Nisshin Seifun Group consists of 66 subsidiaries and 9 affiliates accounted for by the equity method. The following is a description of the businesses of the Group and the relationships among the subsidiaries and affiliates within their respective business segments. Business groupings are the same as those described in “Notes to the Consolidated Financial Statements [Segment Information, etc.]” of “(1) Consolidated Financial Statements, etc.”

Nisshin Seifun Group is a specified listed company stipulated in Article 49, Paragraph 2 of Cabinet Office Regulations pertaining to regulations regarding the trade of marketable securities. Accordingly, standards for determining the relative insignificance of material facts with respect to insider trading regulations are decided based on consolidated figures.

1. Flour Milling Segment

Nisshin Flour Milling Inc. and Kumamoto Flour Milling Co., Ltd., both of which are consolidated subsidiaries, produce and sell wheat flour, bran, a by-product, and other products. Fresh Food Service Co., Ltd., a consolidated subsidiary, primarily sells frozen foods and their ingredients and operates restaurants serving food using wheat flour-based commercial ingredients. It purchases wheat flour and other ingredients from Nisshin Flour Milling Inc. Yamajo Shoji Co., Ltd., a consolidated subsidiary, and Ishikawa Co., Ltd., an affiliate accounted for by the equity method, are Nisshin Flour Milling Inc. sales agents. Ishikawa Co., Ltd. also sells packaging materials to Nisshin Flour Milling Inc.

Miller Milling Company, LLC in the United States, Rogers Foods Ltd. in Canada, Nisshin-STC Flour Milling Co., Ltd. in Thailand and Champion Flour Milling Ltd. in New Zealand, all of which are consolidated subsidiaries, produce wheat flour and sell it in the North American, Asian and Oceanian markets, respectively. Australia-based Allied Pinnacle Pty Ltd., a consolidated subsidiary, produces wheat flour, prepared mix and bakery-related ingredients and sells them in Oceanian and Asian markets.

2. Processed Food Segment

Nisshin Seifun Welna Inc., a consolidated subsidiary, produces and sells prepared mix and other processed food products. It sells wheat flour for household use purchased from Nisshin Flour Milling Inc., pasta, pasta sauces and frozen foods from production subsidiaries, and other processed foods procured from companies outside the Nisshin Seifun Group. Nisshin Seifun Premix Inc., a consolidated subsidiary, produces and sells prepared mix. Ma•Ma-Macaroni Co., Ltd., a consolidated subsidiary, produces pasta and frozen foods which it sells through Nisshin Seifun Welna Inc.

Thai Nisshin Technomic Co., Ltd., a consolidated subsidiary in Thailand, and Vietnam Nisshin Technomic Co., Ltd., a consolidated subsidiary in Vietnam, manufacture prepared mix and sell it in Southeast Asia. Shin Nisshin Seifun Foods (Qingdao) Co., Ltd., a consolidated subsidiary in China, manufactures prepared mix and sells it in mainland China. PT. Indonesia Nisshin Technomic, a consolidated subsidiary in Indonesia sells prepared mix in Southeast Asia. Medallion Foods, Inc. in the United States, a consolidated subsidiary, manufactures pasta, which is primarily imported and sold by Nisshin Seifun Welna Inc. Medallion Foods also manufactures prepared mixes and sells them mainly in North America. Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S., a consolidated subsidiary in Turkey, produces pasta, Thai Nisshin Seifun Co., Ltd., a consolidated subsidiary in Thailand, produces pasta sauce and frozen food and Vietnam Nisshin Seifun Co., Ltd., a consolidated subsidiary, produces pasta sauce. Nisshin Seifun Welna Inc. is the primary importer and seller of these products in Japan.

Oriental Yeast Co., Ltd., a consolidated subsidiary, manufactures and sells biochemical products and food ingredients for bread, etc., as well as operating a drug discovery research support business.

Nisshin Pharma Inc., a consolidated subsidiary, manufactures and sells healthcare foods and raw materials for pharmaceuticals.

3. Prepared Dishes and Other Prepared Foods Segment

TokTokatsu Foods Co., Ltd., a consolidated subsidiary, produces and sells cooked foods, including bento lunch boxes, prepared foods and others. Joyous Foods Co., Ltd., a consolidated subsidiary, produces and sells processed noodles. Initio Foods Inc., a consolidated subsidiary, produces and sells prepared foods and also directly operates concessions in department stores. Nisshin Seifun Delica Frontier Inc., a consolidated subsidiary, supports and manages the business activities of these three companies as an intermediate holding company.

4. Others Segment

Nisshin Engineering Inc., a consolidated subsidiary, undertakes design, contracted construction and management of production and processing facilities for grain, food products, and chemical products. In addition, it manufactures and sells powder-processing machines and engages in powder-processing, as well as engaging in contracted construction for some Nisshin Seifun Group companies.

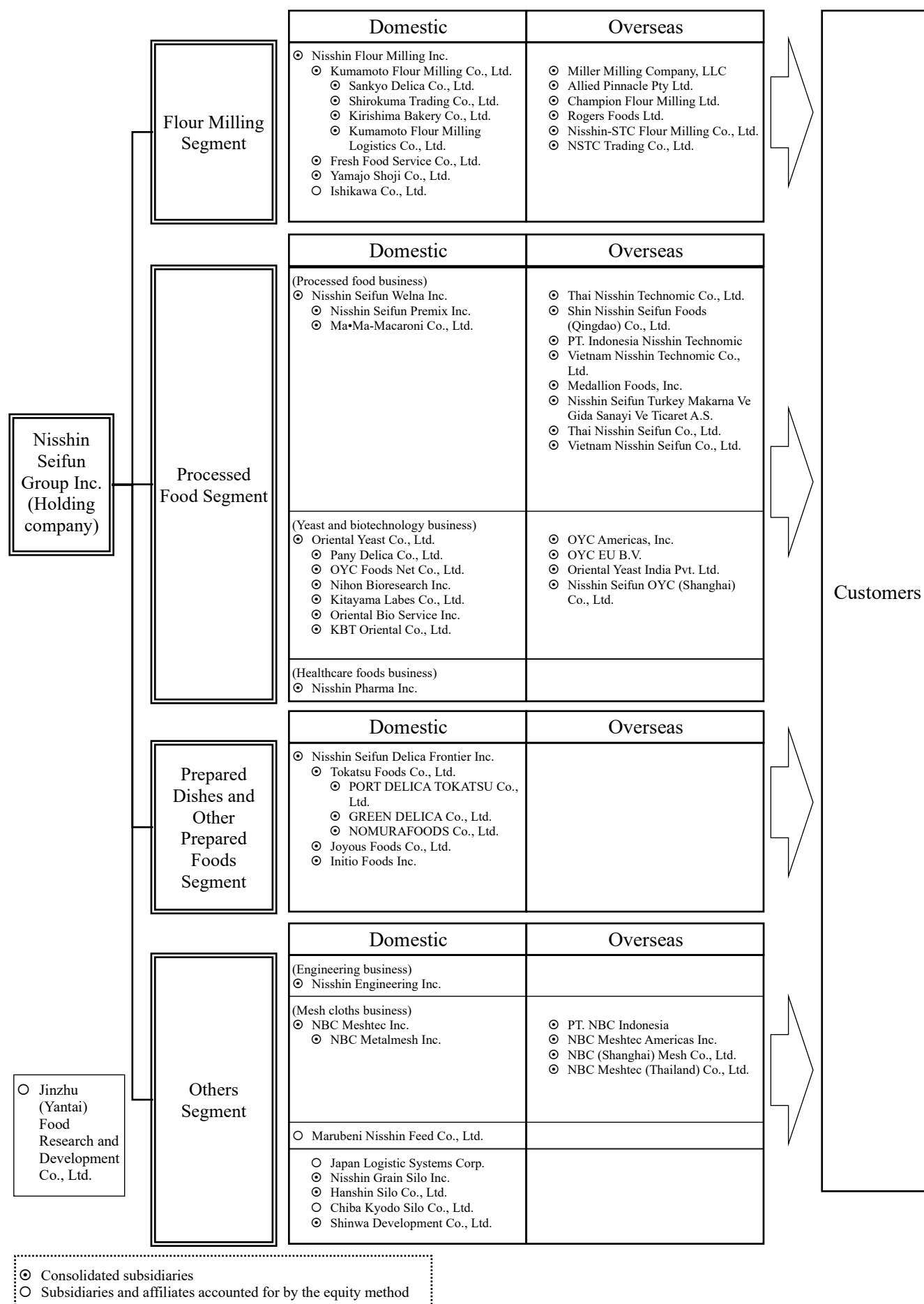
NBC Meshtec Inc., a consolidated subsidiary, manufactures and sells mesh cloths and forming filters.

Marubeni Nisshin Feed Co., Ltd., an affiliate accounted for by the equity method, manufactures and sells compound feed.

Japan Logistic Systems Corp., an affiliate accounted for by the equity method, is engaged in overland freight shipping and storage. It ships and stores some of the Group's products. Nisshin Grain Silo Inc. and Hanshin Silo Co., Ltd., both consolidated subsidiaries as well as Chiba Kyodo Silo Co., Ltd., an affiliate accounted for by the equity method, are engaged in handling and storage operations for grain. Shinwa Development Co., Ltd., a consolidated subsidiary, operates sports facilities.

The following diagram illustrates the structure of the Nisshin Seifun Group.

Nisshin Seifun Group Structure



(4) Subsidiaries and Affiliates

Name	Location	Paid-in capital (million yen)	Main businesses	Share of voting rights (indirect ownership) (%)	Details of relationship	
					Concurrent directors	Comments
Consolidated subsidiaries						
Nisshin Flour Milling Inc.	Chiyoda-ku, Tokyo	14,917	Production and sales of wheat flour	100.0	Present	The Company provides a partial loan for working capital, etc. and rents commercial land, buildings and office space.
Kumamoto Flour Milling Co., Ltd.	Kumamoto, Kumamoto	493	Production and sales of wheat flour, buckwheat flour and rice flour	85.0 (85.0)	None	None
Miller Milling Company, LLC	Minnesota, U.S.	86	Production and sales of wheat flour	100.0 (100.0)	Present	None
Allied Pinnacle Pty Ltd.	New South Wales, Australia	9,689	Production and sales of wheat flour, prepared mix and bakery-related ingredients	100.0 (100.0)	Present	None
Nisshin Seifun Welna Inc.	Chiyoda-ku, Tokyo	5,006	Sales of pasta, wheat flour for household use, frozen foods, other products Production and sales of prepared mix	100.0	Present	The Company provides a partial loan for working capital, etc. and rents commercial land and office space.
Nisshin Seifun Premix Inc.	Chuo-ku, Tokyo	400	Production and sales of prepared mix	100.0 (100.0)	Present	The Company rents commercial land and office space.
Ma•Ma-Macaroni Co., Ltd.	Utsunomiya, Tochigi	350	Production and sales of pasta and frozen foods	69.8 (54.8)	Present	None
Oriental Yeast Co., Ltd.	Itabashi-ku, Tokyo	2,617	Production and sales of food ingredients for bread, etc., biochemical products and other products; drug discovery research support business	100.0	Present	The Company provides partial loan for working capital, etc. and rents office space.
Nisshin Pharma Inc.	Chiyoda-ku, Tokyo	2,689	Production and sales of healthcare foods and raw materials for pharmaceuticals, etc.	100.0	Present	The Company provides partial loan for working capital and rents office space.
Nisshin Seifun Delica Frontier Inc.	Chiyoda-ku, Tokyo	100	Business activity support and management for Prepared Dishes and Other Prepared Foods Segment subsidiaries	100.0	Present	The Company provides partial loan for working capital and rents office space.
Tokatsu Foods Co., Ltd.	Kohoku-ku, Yokohama, Kanagawa	100	Production and sales of cooked food, including bento lunch boxes and prepared foods	100.0 (100.0)	Present	The Company provides a partial loan for working capital, etc.
Joyous Foods Co., Ltd.	Kamisato-machi, Kodama-gun, Saitama	50	Production and sales of processed noodles, etc.	85.1 (85.1)	Present	None
Initio Foods Inc.	Chiyoda-ku, Tokyo	487	Production and sales of prepared and frozen foods; direct operation of concessions in department stores	100.0 (100.0)	Present	The Company provides partial loan for working capital, etc. and rents office space.
Nisshin Engineering Inc.	Chuo-ku, Tokyo	107	Design, contracted construction and management of production facilities and other facilities, sales of powder-processing machines	100.0	Present	The Company rents office space.
NBC Meshtec Inc.	Hino, Tokyo	1,992	Production and sales of mesh cloths and forming filters	100.0	Present	The Company provides a partial loan for working capital, etc.
51 other consolidated subsidiaries						
Affiliates accounted for by the equity method						
Marubeni Nisshin Feed Co., Ltd.	Chuo-ku, Tokyo	5,500	Production and sales of compound feed	40.0	Present	The Company rents commercial land and buildings.
Japan Logistic Systems Corp.	Shinagawa-ku, Tokyo	3,145	Overland freight shipping and storage	25.9 (20.7)	Present	None
7 other companies						

Notes:

1. Nisshin Flour Milling, Inc., PFG Topco1 Pty Ltd., Allied Pinnacle Pty Ltd., PBM Holdings Pty Ltd., Allied Pinnacle Australia Pty Ltd., Champion Flour Milling Ltd., Nisshin Seifun Welna Inc., Oriental Yeast Co., Ltd., Nisshin Pharma Inc., NBC Meshtec Inc., Nisshin-STC Flour Milling Co., Ltd., Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S., Vietnam Nisshin Technomic Co., Ltd., Oriental Yeast India Pvt. Ltd. and PT. NBC Indonesia are specified subsidiaries of Nisshin Seifun Group Inc. PFG Topco1 Pty Ltd., PBM Holdings Pty Ltd., Allied Pinnacle Australia Pty Ltd., Champion Flour Milling Ltd., Nisshin-STC Flour Milling Co., Ltd., Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S., Vietnam Nisshin Technomic Co., Ltd., Oriental Yeast India Pvt. Ltd. and PT. NBC Indonesia are included in other consolidated subsidiaries.

2. Japan Logistic Systems Corp. also submits separate regulatory filings.
3. Figures in parentheses in the percentage of voting rights column indicate shares attributable to indirect ownership.
4. The percentage of voting rights was rounded to the first decimal place until the previous fiscal year. It is rounded down to the first decimal place for the fiscal year under review.
5. Financial data for subsidiaries accounting for more than 10% of consolidated net sales (excluding any sales transactions between consolidated subsidiaries) are shown in the table below.

(million yen)

Company name	Net sales	Ordinary profit	Profit	Net assets	Total assets
Nisshin Flour Milling, Inc.	205,916	13,221	9,547	74,738	184,633
Miller Milling Company, LLC	98,587	8,926	6,623	67,305	74,327
Nisshin Seifun Welna Inc.	100,788	2,162	2,120	26,974	64,115
Allied Pinnacle Pty Ltd.	86,262	674	313	30,177	93,857

Figures for Miller Milling Company, LLC are consolidated with those of NSGI Holdings Inc., a holding company that owns 100% of its shares. Figures for Allied Pinnacle Pty Ltd. are consolidated with those of PFG Topco1 Pty Ltd., a holding company that owns 100% of its shares, and its consolidated subsidiaries. Operating profit for Allied Pinnacle was ¥3,928 million. The difference between the operating profit and ordinary profit was chiefly due to interest paid on lease liabilities.

(5) Employees

1. Consolidated level

(As of March 31, 2025)

Business segment	Number of employees	
Flour Milling	3,044	[774]
Processed Food	3,808	[622]
Prepared Dishes and Other Prepared Foods	1,547	[8,164]
Others	931	[262]
Corporate (across the Group divisions)	401	[103]
Total	9,731	[9,925]

Note:

Numbers refer to full-time employees only. Additional figures for the average numbers of part-time staff employed during the fiscal year are provided in square brackets.

2. Non-consolidated level

(As of March 31, 2025)

Number of employees	Average age (years)	Average length of service (years)	Average annual pay (yen)
361 [71]	41.9	15.1	8,934,042

Notes:

- Numbers refer to full-time employees only. An additional figure for the average number of part-time staff employed during the fiscal year is provided in square brackets.
- Average annual pay includes bonuses and any non-standard wages.
- Employees of Nisshin Seifun Group Inc. are entirely included in Corporate (across the Group divisions).

3. Labor unions

Nisshin Seifun Group workers are members of in-house unions, including the Nisshin Flour Milling Workers' Union. There are no matters to report regarding labor-management relations.

4. Percentage of women in management, male employee parental leave rate, and wage disparity by sex

(1) Nisshin Seifun Group Inc.

Fiscal year ended March 31, 2025					Additional comments
Percentage of women in management (%) (Note 1)	Male employee parental leave rate (%) (Note 1)	Wage disparity by sex (%) (Note 1)			
		All employees	Regular employees only	Part-time/contract employees only	
17.2	100.0	70.1	76.4	48.0	(Note 2)

Notes:

- Figures calculated pursuant to standards stipulated in Japan's Act on the Promotion of Women's Active Engagement in Professional Life (Act. No. 64, 2015). Figures for the male employee parental leave rate are for regular employees.
- For regular employees, wage disparities by sex are primarily attributable to differences in the sex composition of management and occupational classes—there is no sex-based differential in the wage system itself. For part-time/contract employees, wage differences are largely attributable to the sex composition of contract employees returning to serve in the equivalent of management roles following mandatory retirement—there is no sex differential in wages for the same work. The Company is enacting a variety of initiatives to further extend opportunities for active professional engagement by women, including strengthening recruitment efforts, providing support for work-life balance, and dispatching employees to in-house and external training opportunities.

(2) Consolidated subsidiaries

Fiscal year ended March 31, 2025							Additional comments
Name	Percentage of women in management (%) (Note 1)	Male employee parental leave rate (%)		Wage disparity by sex (%) (Note 1)			
				All employees	Regular employees only	Part- time/contract employees only	
Nisshin Flour Milling Inc.	9.1	113.3	(Note 1)	73.5	81.5	62.8	(Note 3)
Sankyo Delica Co., Ltd.	9.1	100.0	(Note 1)	84.4	79.7	100.0	(Note 4)
Nisshin Seifun Welna Inc.	9.8	64.7	(Note 1)	62.0	75.1	53.2	(Note 3)
Ma•Ma-Macaroni Co., Ltd.	0.0	66.7	(Note 1)	66.3	91.2	82.2	(Note 3)
Oriental Yeast Co., Ltd.	21.6	107.7	(Note 1)	83.3	85.6	63.6	(Note 3)
Tokatsu Foods Co., Ltd.	8.5	100.0	(Note 2)	62.4	67.6	90.0	(Note 3)
PORT DELICA TOKATSU Co., Ltd.	10.8	57.1	(Note 2)	78.7	77.9	103.1	(Note 4)
GREEN DELICA Co., Ltd.	4.3	0.0	(Note 2)	73.2	70.4	107.4	(Note 4)
Joyous Foods Co., Ltd.	9.1	80.0	(Note 2)	78.0	72.4	100.7	(Note 4)
Initio Foods Inc.	12.7	100.0	(Note 2)	67.6	77.6	83.0	(Note 3)
NBC Meshtec Inc.	13.7	80.0	(Note 1)	67.9	72.0	52.1	(Note 3)

Notes:

- Figures calculated pursuant to standards stipulated in Japan's Act on the Promotion of Women's Active Engagement in Professional Life (Act. No. 64, 2015). Figures for the male employee parental leave rate are for regular employees.
- Figures for percentage of parental leave taken by male employees calculated based on Article 71, Paragraph 6-1 of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25, 1991), pursuant to the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76, 1991).
- For regular employees, wage disparities by sex are primarily attributable to differences in the sex composition of management and occupational classes—there is no sex-based differential in the wage system itself. For part-time/contract employees, wage differences are largely attributable to the sex composition of contract employees returning to serve in the equivalent of management roles following mandatory retirement—there is no sex differential in wages for the same work. The Company is enacting a variety of initiatives to further extend opportunities for active professional engagement by women, including strengthening recruitment efforts, providing support for work-life balance, and dispatching employees to in-house and external training opportunities.
- For regular employees, wage disparities by sex are primarily attributable to differences in the sex composition of management and occupational classes—there is no sex-based differential in the wage system itself. The Company is enacting a variety of initiatives to further extend opportunities for active professional engagement by women, including strengthening recruitment efforts, providing support for work-life balance, and dispatching employees to in-house and external training opportunities.

[2] Review of Operations and Financial Position

(1) Management Policies, Management Environment and Issues to be Addressed

Information regarding the Nisshin Seifun Group's management policies, management environment and issues to be addressed are discussed below.

All matters relating to the future in the sections below are based on the current views of the Nisshin Seifun Group at the end of the fiscal year ended March 31, 2025.

1. Basic management policy

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 this philosophy, the Group specifies long-term maximization of corporate value as the key business goal. Group management prioritizes the investment of resources in core operations and businesses with growth potential.

Furthermore, we will contribute to the realization of a sustainable society while aiming to develop as a corporate group blessed with ongoing active support from each of our various stakeholders including shareholders, customers, business partners, employees, and society. We will achieve this by pursuing sustainability management in a manner that develops a strong link between our business strategies and actions for the environment (E) and society (S) while enhancing governance (G), which serves as a discipline to improve corporate value.

2. Medium- to long-term management strategies and target indicators

The Group is working toward achieving its five-year medium-term management plan, “The Nisshin Seifun Group Medium-Term Management Plan 2026” (from the fiscal year ended March 31, 2023 through the fiscal year ending March 31, 2027). The three basic policies of this management plan are: “Stimulate the Group's ability to grow by restructuring the business portfolio,” “Enhance management by clarifying our business' relationships toward our stakeholders,” and “Integrate ESG into management strategy, implement by adapting to social trends.” For the fiscal year ending March 31, 2027, the final year of the plan, we revised our targets upward when we announced our results for the second quarter of the fiscal year ended March 31, 2025, taking the results into consideration. Our new goals are net sales of ¥950,000 million, an operating profit of ¥57,000 million, and earnings per share (EPS) of ¥140. We remain committed to ongoing EPS growth, with the aim thereby of providing shareholders with appropriate total shareholder returns (TSR).

- Overview of the “The Nisshin Seifun Group Medium-Term Management Plan 2026” (the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2027)

<Basic policy>

1. Stimulate the Group's Ability to Grow by Restructuring the Business Portfolio

The Group will further restructure its business portfolio in business areas where it can leverage its strengths, such as the advanced technical capabilities and productivity developed through our over 120-year history and solid sales foundation, which is backed by the trust of its customers. We will enhance the Group's competitiveness as a whole and in each business based on the four strategies (strategy to enhance business competitiveness, R&D strategy, new business development and M&A strategy, and digital strategy).

2. Enhance Management by Clarifying our Business' Relationships toward our Stakeholders

We will recognize that the primary purpose of the Group's corporate existence is the stable supply of food, including flour and flour-related products, as a staple food, and aim to be a company that respects all stakeholders and is trusted around the world.

3. Integrate ESG into Management Strategy, Implement by Adapting to Social Trends

We will seek for maximizing corporate value and proactively work for ESG issues by adapting to social trends on the responsibilities of top management of individual businesses including the Company, the holding company. Particularly, we will position E (environment) as the most important management priority in relation to global sustainability.

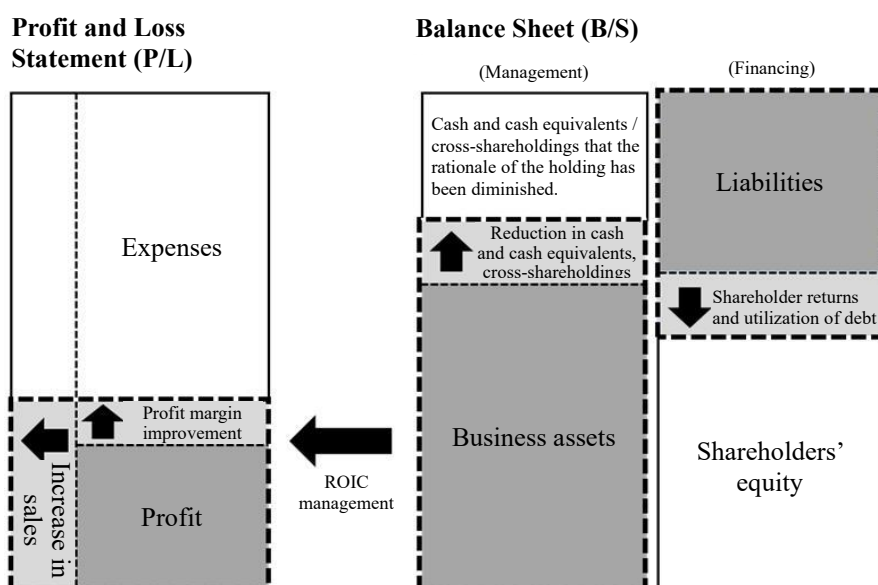
<Environmental policy>

The Group has set a long-term target of achieving net zero toward carbon neutrality at facilities owned by the Group by the year 2050. As a milestone towards achieving that goal, we have set as a target the reduction of CO2 emissions from facilities owned by the Group by 50% by the fiscal year ending March 31, 2031 (compared with the level of the fiscal year ended March 31, 2014). To achieve this target, we will install energy-saving and renewable energy equipment to the maximum extent possible, based on our roadmap. We will also consider procuring energy through investment and funding in off-site (non-Group) facilities. We have also set medium- to long-term targets for contributing to a recycling-oriented society by addressing efforts to reduce food waste, packaging waste and water use, and will systematically promote initiatives for achieving these objectives.

<Capital policy>

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. Regarding the operating cash flow and the cash generating from the sale of cross-shareholding stocks during the five years of the medium-term management plan, we will appropriately allocate these funds to future-oriented growth investment, sustainable investment, ordinary investment in maintenance and updating, etc., and shareholder returns, etc.

To enhance our corporate value, we plan to improve our capital structure, reducing inefficient assets and maintaining financial soundness. We revised our capital policy before the end of the fiscal year ended March 31, 2025 to continue to boost capital efficiency by introducing ROIC (return on invested capital) management for individual operating divisions. The new capital policy is outlined below.



- We will introduce operating division-level ROIC management to raise profitability more than capital costs (the Company-wide ROIC target for the fiscal year ending March 31, 2027 is 7%).
- We will dispose of cross-shareholdings if we believe the reasons for holding them have decreased. We aim to reduce these cross-shareholdings by ¥40 billion yen or more over the five years from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2029 (appropriately ¥8.0 billion yen annually). We will primarily use the cash gained from the reduction for growth investments. Cash and cash equivalents on hand will be maintained at a level roughly one month of consolidated net sales, taking into account the Nisshin Seifun Group's social responsibility to ensure the stable supply of staple foods.
- We will proactively return profits to our stakeholders, considering capital efficiency and financial soundness, while utilizing interest-bearing debt using our fundraising capacity (aiming for a debt-to-equity ratio of 0.3 in the medium to long term).
- As for shareholder returns, we aim to increase the consolidated dividend payout ratio, which is calculated by excluding profits and losses resulting from non-recurring extraordinary factors from profit attributable to owners of parent, from the current level, 40% or more, to approximately 50% by the final fiscal year of the current medium-term management plan. If surplus investment funds emerge, our approach is to consider directing these to further shareholder returns.

3. Management environment and issues to be addressed

In the food industries in Japan and overseas, raw material prices and personnel and distribution costs are projected to continue to climb. The inflationary environment is expected to remain in place going forward. Additionally, the traditional framework for international cooperation is at a turning point as evidenced by various countries' responses to U.S. tariff policies.

The future of the environment surrounding the Nisshin Seifun Group is highly uncertain. Also, from a medium- and long-term perspective, the business environment is forecast to change significantly due to global warming, which is closely tied to global sustainability, and heightened awareness of social issues such as human rights, along with rapid advances in technological innovations of digital technologies, food technology, etc.

Under these circumstances, the Group will fulfill its social mission to secure the stable supply of foods involving wheat flour, in order to contribute to society through business activities and continue to grow as an integral part of the food industry. In the fiscal year ending March 31, 2026, we will place top priority on stimulating the Group's ability to grow by restructuring the business portfolio, addressing rising costs, particularly labor costs, in an inflationary environment, increasing profits and implementing new strategies to promote structural reforms in the Australia flour milling business, improving performance steadily in the India yeast business to achieve profitability, and accelerating the implementation of automation and labor-saving measures.

<Top Priorities for the fiscal year ending March 31, 2026>

1. Stimulate the Group's Ability to Grow by Restructuring the Business Portfolio

The Group will continue work on the key topics of our strategies to enhance business competitiveness: "Continuation and expansion of the domestic flour milling, processed food, and yeast businesses as core businesses," "Expanding profits in our prepared dishes and other prepared foods business and overseas business, which are our growth businesses," and "Growing our healthcare and biotechnology business, engineering business, mesh cloths business, and new business."

In our core businesses, we will invest as necessary to achieve profit growth. In our growth businesses, we will accelerate our investment in markets with growth potential and restructure our business portfolio.

To narrow its focus, Nisshin Pharma Inc. decided to discontinue its fine chemicals business, which produces and sells bulk pharmaceuticals, and to transfer its healthcare foods business, which manufactures and sells supplements, to Oriental Yeast Co., Ltd., a company that operates a yeast and biotechnology business.

The Group will continue to develop plans to restructure its business portfolio and implement the plans to achieve the medium-term management plan goals and sustainable growth.

2. Respond to cost increases including personnel expenses under an inflationary environment

During the fiscal year ended March 31, 2025, raw material and energy prices remained high, primarily due to the weaker yen. Additionally, personnel and distribution costs increased significantly. Addressing these cost increases posed a challenge for each business. Personnel costs and other expenses are anticipated to keep increasing. We consider managing the rising costs a crucial issue for the fiscal year ending March 31, 2026. We will work steadily to improve productivity and implement appropriate price adjustments.

3. Implement structural reforms to expand earnings and execute new strategies in the Australia flour milling business

In the Australia flour milling business, despite ongoing concerns about demand stagnation in a persistent inflationary environment, we plan to promote the sales of new products launched in the fiscal year ended March 31, 2025, as well as other high-value-added products. We will introduce new structure reform strategies, which include reviewing and streamlining our supply chain and promoting automation, to achieve an increase in profits of AUD42 million* by the fiscal year ending March 31, 2027, compared to the fiscal year ended March 31, 2022, as set out in the medium-term management plan, and continued business growth after that.

(*) Approximately ¥4,000 million (1 Australian dollar = ¥95)

This does not include reductions in the amortization burden for non-current assets, including goodwill, in conjunction with recording of an impairment loss in the second quarter of the fiscal year ended March 31, 2023.

4. Steadily improve results in the India Yeast business to return to profitability

During the fiscal year ended March 31, 2025, sales remained firm, but there were delays in passing on raw material cost increases to product prices. In the fiscal year ending March 31, 2026, we aim to continue increasing sales of our yeast products while making appropriate price adjustments. We also plan to reduce costs by enhancing productivity. We will work to steadily improve our results, aiming to achieve profitability during the period of the medium-term management plan.

5. Speed up automation and labor-saving initiatives

We had already been promoting automation and labor-saving through the use of digital and RPA technologies. For the fiscal year ending March 31, 2026, we will continue to promote automation and labor-saving in each business. In the Flour Milling Business, the Mizushima Plant, which has implemented the latest automation technology, has begun operations. We will specifically accelerate the use of automation and labor-saving technologies in the prepared dishes and other prepared foods businesses, which we have identified as domestic growth businesses to enhance the Group's competitive advantage.

(2) Sustainability Approach and Measures

The Group has put its Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines and Nisshin Seifun Group Sustainability Principles into practice to contribute to the realization of a sustainable society and retain its status as a corporate entity that plays an essential role in society. It has also sought to put its corporate principle, “contributing to a healthy and fruitful life for all,” into practice by creating social value through its business.

To continue to develop sustainably as a Group, we must promote sustainability management predicated on contributing to the environment and our society. From the perspectives of risks and opportunities, in 2019 we identified five “Sustainability priorities (materiality),” the social issues that should be primarily prioritized. The Group has positioned them as one of its top management priorities, and is implementing sustainability initiatives on a Group-wide basis.

We will continue to strive to contribute to society through our business and to increase our corporate value.

All matters relating to the future in the sections below are based on the current views of the Nisshin Seifun Group at the end of the fiscal year ended March 31, 2025.

(Governance)

In principle, the Sustainability Committee, chaired by the President of the Company and comprised of the presidents of Group companies, meets biannually to promote the Group’s sustainability efforts. The Sustainability Committee serves as a system for verifying progress on identified “sustainability priorities” (materiality), including initiatives formulated in 2021 for addressing medium- to long-term targets for environmental issues, and for deliberating and verifying policies and strategies regarding new issues pertaining to sustainability. Additionally, the Sustainability Committee supervises and promotes the work of specialized committees functioning as a subcommittee structure, namely the Environmental Committee, Human Rights Promotion Committee, and Work Style Reform Committee, which promote a Group-wide response to the individual issues of addressing climate change, respect for human rights, and the preparation of working environments for employees. In this way, the Committee seeks to strengthen Group efforts with respect to sustainability.

Important matters related to sustainability are discussed and reported at Board of Directors meetings as appropriate, and the Board reviews sustainability initiatives. During the fiscal year under review, progress on the CO2 reduction roadmap was reported.

Furthermore, as an incentive to promote work to address climate change, we opted to reflect in bonuses for internal Directors (excluding Audit & Supervisory Committee Members) an evaluation pegged to the achievement status of CO2 reduction roadmap targets.

(Strategy)

To promote sustainability management as the Nisshin Seifun Group, we have positioned five sustainability priorities (materiality) collectively as one of management’s most important concerns – providing safe and healthy food, promoting the procurement of sustainable raw materials, efficiently handling product and packaging waste, addressing climate change and water resource issues, and ensuring fulfilling working environments – establishing medium- and long-term targets and promoting initiatives from the perspectives of both risk and opportunity.

With regard to increasingly important initiatives targeting business and human rights, we are promoting due diligence in human rights based on the Nisshin Seifun Group Human Rights Policy, working to prevent and minimize human rights-related risk by identifying risks relevant to human rights in each business, and investigating and putting necessary response measures into practice.

(Risk management)

In terms of the impact on business of a range of risks, including sustainability risks pertaining to environmental concerns such as climate change and human rights issues, the Risk Management Committee oversees risk management for the entire Group, conducting risk recognition and impact evaluation, as well as the review of risk countermeasures. Furthermore, for development strategy and investment regarding products and services that are eco-conscious and contribute to health, and are thus tied to business opportunities, the Company has the Group Management Meeting, which consists mainly of Executive Officers, to discuss important matters pertaining to Group business execution.

In addition to the Risk Management Committee, the Sustainability Committee reviews progress in addressing sustainability risks.

Information on the process of identifying and assessing climate change risks and opportunities can be found in <Information disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)> in 4. Address climate change and water resource issues in the Sustainability Priorities (Materiality) section.

(Indicators and targets)

Indicators and targets are outlined in “Sustainability Priorities (Materiality).”

1. Provide safe and healthy food and responsible consumer communication

<Key Topics>

- Ensuring food safety
- Responsible consumer communication
- Contribution to healthy diets

In order to ensure the delivery of safe and reliable products to customers, we have established a quality assurance system that places the highest priority on quality assurance from the consumer's perspective, and we are working to continuously improve and strengthen our product safety system, by obtaining and maintaining international management system certification. We also actively collect relevant consumer administrative information, as well as consumer opinions and needs to enhance our response. Furthermore, we are sharing information with all related departments, from R&D to production and sales, and using it to create products with a customer-centric focus. We leverage the flour and flour processing technology knowledge accrued through the years to develop products made with high-fiber wheat flour (Amuleia) and healthy wheat flour-related ingredients (such as whole-wheat flour and flour bran). We continue striving to increase the awareness of these products and develop markets for them. Our goal is to provide a broad range of products and services that are delicious and contribute to people's health. By doing so, we aim to supply safe and healthy food.

2. Enable secure and sustainable raw material procurement

<Key Topics>

- Ensuring stable wheat procurement
- Sustainable raw material procurement

We are striving to ensure the stable and sustainable procurement of safe raw materials while taking into consideration the environment and human rights throughout the supply chain in each of our businesses.

To accomplish this, based on our Responsible Procurement Policy and Supplier Guidelines, we will work with our business partners to promote responsible procurement based on fair and ethical transactions. We are working to understand the origin of raw materials at home and abroad, striving to ensure food security through stable procurement of wheat and other raw materials.

Since the fiscal year ended March 31, 2022, we have been conducting self-assessment surveys on corporate social responsibility (CSR) procurement for suppliers for Group companies (primary domestic Tier 1 suppliers totaling over 560). These surveys aim to identify the suppliers' approaches to issues such as human rights, working conditions, safety, health, and the environment. Since the fiscal year ended March 31, 2023, we have been offering feedback to suppliers and visiting them to share issues and emphasize the importance of our initiatives. We are working to raise their awareness of the Group's procurement policy and guidelines.

We will maintain communicate to the suppliers and address any issues with them.

3. Efficiently handle product and packaging waste

<Key Topics>

- Reducing food waste
- Reducing packaging waste

The Group is working to effectively use resources in order to establish a recycling-oriented society, and taking steps to reduce food loss throughout our supply chain and the amount of packaging materials used for our products.

Regarding food waste, for Group companies in Japan, the aim is for a reduction of 50% or more in food waste by fiscal 2031 from the raw ingredient procurement stage through to delivery to customers compared to fiscal 2017 (fiscal 2020 for Tokatsu Foods Co., Ltd., Joyous Foods Co., Ltd. and Initio Foods Inc.), coupled with efforts to mitigate waste at the production stage through improved production efficiency and the reuse of food waste as animal feed, fertilizer and other products. We achieved the food waste target ahead of schedule, in the fiscal year ended March 31, 2024.

Regarding packaging waste, for Group companies in Japan, the aim is for a reduction of 25% or more in the use of fossil fuel-derived plastics in packaging compared to fiscal 2020, as we promote the creation of more eco-conscious products featuring thinner packaging plastic, as well as more use of paper and biomass-based materials and biomass ink.

4. Address climate change and water resource issues

<Key Topics>

- Climate change adaptation and mitigation
- Water resource conservation

In response to the impact of climate change, we are working toward our targets of achieving reduction of CO2 emissions from facilities owned by the Group to net zero by 2050 and a 50% reduction of CO2 emissions by the fiscal year ending March 31, 2031, compared with the level of the fiscal year ended March 31, 2014. As part of this initiative, Nisshin Seifun Welna's overseas production bases have transitioned to using only renewable energy sources.

To achieve these targets, we are taking active steps such as introducing energy-saving equipment, improving production efficiency, and increasing our use of renewable energy. In addition, we have prepared a CO2 reduction roadmap for use of managing progress on and analyzing the factors behind reductions every fiscal year. We also examine the timing, scale, and effectiveness of investments across the Group, pursuing initiatives within our business strategy. In addition, we have introduced internal carbon pricing (ICP), which influences investment decisions and encourages energy-saving investments. To reduce CO2 emissions in our supply chain, we are developing products that lower energy use in home cooking and reducing environmental impact in logistics by collaborating on joint shipping with other companies. In the fiscal year under review, we participated in the verification project for calculating the carbon footprint of processed food organized by the Ministry of Agriculture, Forestry and Fisheries. We calculated the carbon footprint of one kilogram of Nisshin Flour, household-use wheat flour. We will use the carbon footprint as an indicator when developing environmentally friendly products. Additionally, we will communicate the carbon footprint to consumers.

Water is a limited resource and we aim to use it effectively, collaborating with our business partners at each stage of the supply chain. We have set a goal of reducing water usage per production unit at Group factories by 30% by the fiscal year ending March 31, 2041, compared to the fiscal year ending March 31, 2022. At each Group factory, we are identifying locations and processes where water use can be reduced and reviewing the way water is used. Based on our findings, we aim to develop concrete measures to reduce and reuse water.

<Information disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)>

In 2021, the Group endorsed the recommendations of the TCFD and participated in the TCFD Consortium. We have performed scenario analyses of the impact of climate change on the Group based on the TCFD Framework.

In the fiscal year ended March 31, 2024, the Group assessed the financial impact on its primary domestic businesses. During the fiscal year under review, the Group continued to strengthen its analysis, enhance the analytical elements, and implement countermeasures.

The four themes listed by the TCFD recommendations along with a breakdown of the Group's activities to address each one, are detailed below.

Disclosure items recommended by the TCFD	Activities by the Nisshin Seifun Group
Governance	<p>The Nisshin Seifun Group recognizes protection of the global environment, including action on climate change, as its most critical management issue. The person responsible for all action on these risks under our management system is the Director and President of Nisshin Seifun Group Inc., the Group holding company, as the Chief Executive Officer.</p> <p>We have established a Sustainability Committee chaired by the President, with the presidents of Group companies serving as members; the Committee serves as a system for verifying progress on identified sustainability priorities (materiality), including initiatives formulated in 2021 for addressing medium- to long-term targets for environmental issues, and for deliberating and verifying policies and strategies regarding new issues pertaining to sustainability. As a subcommittee, the Sustainability Committee has established an Environmental Committee, and supervises and promotes its activities.</p> <p>The Environmental Committee is chaired by the Managing Executive Officer and Division Executive of the Technology and Engineering Division, and is responsible for the management of environmental issues, as well as drafting of medium- to long-term environmental targets, and management and assessment of progress toward the targets.</p> <p>It also submits reports on important matters to the Sustainability Committee, the Group Management Meeting and the Board of Directors.</p> <p>Matters that could have a major impact on management policies or business activities are reviewed and discussed at meetings of the Board of Directors. In the fiscal year under review, the Environmental Committee reported progress on the CO2 reduction roadmap.</p> <p>Furthermore, as an incentive to promote work to address climate change, we opted to reflect in bonuses for internal Directors (excluding Audit & Supervisory Committee Members) an evaluation pegged to the achievement status of CO2 reduction roadmap targets.</p>

Disclosure items recommended by the TCFD	Activities by the Nisshin Seifun Group														
Strategy	<p>In the fiscal year ended March 31, 2022, we carefully discussed the impact of climate change under 1.5C° and 4C° scenarios and climate strategy. It is possible that business could be impacted significantly, both under the 1.5C° scenario due to regulatory measures, such as an increase in the carbon price, and under the 4C° scenario due to the increased frequency and intensification of damage from extreme weather events, and increasing risks relating to the sourcing of raw materials and water.</p> <p>In relation to short- and medium-term risks arising from the increased frequency and intensification of extreme weather events, we are implementing disaster prevention measures and the improvement of facilities to withstand storm surges and other events, based on hazard analyses and safety timelines (Disaster Prevention Action Plans) for each operation site.</p> <p>Medium- to long-term risks affecting the sourcing of raw materials were already reflected in business strategies as factors that could have a serious impact on our business operations. Going forward, we aim to make further progress on efforts to address climate change through collaboration with producers, research organizations, and government agencies.</p> <p>We responded to transition risks, such as increases in the carbon price, and physical risks affecting the sourcing of raw materials and water, by setting medium- to long-term targets, which we are now pursuing, for the reduction of CO2 emissions, water use, food waste, and packaging waste based on the 1.5C° and 4C° scenarios.</p> <p>During the fiscal year ended March 31, 2024, we conducted a detailed analysis, including of financial impact, of the potential effects of climate-related risks in our flour milling, processed food (excluding Nisshin Pharma Inc.) and prepared dishes and other prepared foods businesses in Japan.</p> <p><Impact of Significant Climate-related Risks in the Flour Milling, Processed Food and Prepared Dishes and Other Prepared Foods Businesses in Japan></p> <table><tr><th rowspan="2">Significant climate-related risks and specific impact</th><th colspan="2">Financial impact on the Nisshin Seifun Group (2030)</th></tr><tr><th>1.5C° scenario</th><th>4C° scenario</th></tr><tr><td>Increase in the carbon price due to stronger regulatory measures</td><td>Approx. ¥2.5 billion</td><td>—</td></tr><tr><td>Opportunity loss due to halt in operations, etc. caused by water damage (storm surges, flooding)</td><td colspan="2">Maximum reduction in net sales on the scale of ¥0.6 billion per disaster</td></tr><tr><td>Impact on wheat procurement prices due to climate change</td><td>—</td><td>—</td></tr></table> <p>We will continue to work proactively to strengthen the adaptive capacity and resilience of our business operations.</p>	Significant climate-related risks and specific impact	Financial impact on the Nisshin Seifun Group (2030)		1.5C° scenario	4C° scenario	Increase in the carbon price due to stronger regulatory measures	Approx. ¥2.5 billion	—	Opportunity loss due to halt in operations, etc. caused by water damage (storm surges, flooding)	Maximum reduction in net sales on the scale of ¥0.6 billion per disaster		Impact on wheat procurement prices due to climate change	—	—
Significant climate-related risks and specific impact	Financial impact on the Nisshin Seifun Group (2030)														
	1.5C° scenario	4C° scenario													
Increase in the carbon price due to stronger regulatory measures	Approx. ¥2.5 billion	—													
Opportunity loss due to halt in operations, etc. caused by water damage (storm surges, flooding)	Maximum reduction in net sales on the scale of ¥0.6 billion per disaster														
Impact on wheat procurement prices due to climate change	—	—													
Risk management	<p>As an organization committed to appropriate management of environmental issues relating to our business operations, we have established an Environmental Committee, while individual group companies have appointed environmental management coordinators and established environmental management committees in response to inherent environmental issues of their activities.</p> <p>The Risk Management Committee, which is made up of the presidents of group companies under the chairperson of the Director and President of Nisshin Seifun Group Inc., examines the business impact of various risk factors, including climate change. Its role is to identify risks, assess impacts, and review risk management plans. It also regularly reviews the management of risks and opportunities identified and assessed by the Risk Management Committees of group companies as part of the overall coordination of the Nisshin Seifun Group’s risk management system. The Sustainability Committee evaluates the progress made in managing these risks.</p> <p>The implementation status of analyses of climate-related scenarios to determine climate-related risks is as described in the strategy.</p>														

Disclosure items recommended by the TCFD	Activities by the Nisshin Seifun Group																										
Metrics and targets	The Nisshin Seifun Group has established the medium- to long-term targets for environmental issues below as indicators and targets for mitigating and adapting to climate change and reducing its environmental impact. The Environmental Committee regularly reviews progress status and takes systematic action toward achievement.																										
	<Medium- to Long-term Targets for Environmental Issues and Progress>																										
	<table><tr><th>Item</th><th>Target year</th><th>Targets</th><th>Progress (compared to base year) *</th></tr><tr><td rowspan="3">Reduction in CO2 emissions</td><td>2050</td><td>Aim for effectively net zero CO2 emissions (scope 1 and 2) for Group-owned bases</td><td rowspan="3">Scope 1 and 2: 13% reduction</td></tr><tr><td rowspan="2">2030</td><td>Actions to reduce CO2 emissions in the supply chain (scope 3)</td></tr><tr><td>Aim for 50% reduction in CO2 emissions (scope 1 and 2) for Group-owned bases (vs. fiscal 2014)</td></tr><tr><td rowspan="2">Reduction in food waste</td><td rowspan="2">2030</td><td>Aim for reduction of 50% or more in food waste from the raw ingredient procurement through to delivery to customers (vs. fiscal 2017)</td><td rowspan="2">Food waste:60% reduction</td></tr><tr><td>Actions with suppliers to reduce food waste at every stage of supply chain</td></tr><tr><td rowspan="3">Reduction in packaging waste</td><td rowspan="3">2030</td><td>Aim to reduce use of fossil fuel-derived plastics by 25% or more (vs. fiscal 2020)</td><td rowspan="3">Use of fossil fuel-derived plastics: 10% reduction</td></tr><tr><td>Encourage recycling of plastic resources through eco-conscious design, etc.</td></tr><tr><td>Promote use of sustainable packaging materials for packaging, such as biomass plastics, recycled plastics, recycled paper and FSC-certified paper</td></tr><tr><td>Reducing water usage</td><td>2040</td><td>Aim to reduce per-unit use of water at plants by 30% (vs. fiscal 2022) *Establish targets responsive to future water supply risks in each region, and aim to reduce water use by half, especially in high-risk areas</td><td>Per-unit water use at plants: 4% reduction</td></tr></table>	Item	Target year	Targets	Progress (compared to base year) *	Reduction in CO2 emissions	2050	Aim for effectively net zero CO2 emissions (scope 1 and 2) for Group-owned bases	Scope 1 and 2: 13% reduction	2030	Actions to reduce CO2 emissions in the supply chain (scope 3)	Aim for 50% reduction in CO2 emissions (scope 1 and 2) for Group-owned bases (vs. fiscal 2014)	Reduction in food waste	2030	Aim for reduction of 50% or more in food waste from the raw ingredient procurement through to delivery to customers (vs. fiscal 2017)	Food waste:60% reduction	Actions with suppliers to reduce food waste at every stage of supply chain	Reduction in packaging waste	2030	Aim to reduce use of fossil fuel-derived plastics by 25% or more (vs. fiscal 2020)	Use of fossil fuel-derived plastics: 10% reduction	Encourage recycling of plastic resources through eco-conscious design, etc.	Promote use of sustainable packaging materials for packaging, such as biomass plastics, recycled plastics, recycled paper and FSC-certified paper	Reducing water usage	2040	Aim to reduce per-unit use of water at plants by 30% (vs. fiscal 2022) *Establish targets responsive to future water supply risks in each region, and aim to reduce water use by half, especially in high-risk areas	Per-unit water use at plants: 4% reduction
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Risks, opportunities and countermeasures for the Nisshin Seifun Group are highlighted below.

Risks, opportunities			Business impacts (examples)	Details
Item	Category	Sub-category		
Transition risks	Policies/regulations	Increase in the carbon price	A rising carbon price would increase costs across a wide range of areas, including sourcing raw materials, manufacturing, and logistics.	<ul style="list-style-type: none"> • We will aim for net zero CO₂ emissions by 2050. • We will work toward that goal through measures that will include the accelerated introduction of solar power systems, a shift to renewable energy, and the development and introduction of energy-saving technologies. • We will work with our suppliers to reduce CO₂ emissions.
		Restrictions on plastic use	Shifting to sustainable packaging and containers designed to allow recycling of plastics would result in cost increases.	<ul style="list-style-type: none"> • We aim to reduce the use of containers made from fossil fuel-derived plastics by 25% by 2030 (compared with the level in fiscal 2020). • We will transition to environment-friendly container designs. • We will increase the use of sustainable packaging materials, such as biomass plastics.
Physical risks	Acute	Intensification of extreme weather events	Intensification of extreme weather events, such as rainstorms and storm surges, would result in increased damage to growing regions and production and storage sites.	<ul style="list-style-type: none"> • We will reflect climate change in enhanced business continuity planning based on hazard analyses at individual business sites. • We will strengthen buildings and facilities, etc., against storm surges. • We will enhance our preparedness for major power outages and demands for long-term power saving, including fuel stockpiling and the use of emergency generators.
		More frequent droughts	More frequent droughts in crop growing regions would make it difficult to secure reliable supplies of raw materials.	<ul style="list-style-type: none"> • We will secure multiple suppliers to provide alternative sources of raw materials.
	Chronic	Rising mean temperatures, changes in precipitation patterns	Rising temperatures and changing precipitation patterns would lead to lower crop yields and quality deterioration, resulting in higher raw material prices.	<ul style="list-style-type: none"> • We will work to reduce procurement and production costs on a continuing basis. • We will investigate the impact of climate change and natural disasters on raw material crops.
		Spread of insect pests, insect-borne diseases, and infectious diseases	Insect pests and disease-carrying insects would reduce crop yields and quality and spread diseases. These factors, together with the resulting impacts on producer countries, would lead to higher raw material prices.	<ul style="list-style-type: none"> • We will work with producers and research organizations to develop wheat strains with enhanced resistance to high temperatures and drought. • We will reduce food waste by 50% by 2030 (compared with the level in fiscal 2017).
		Rising sea levels	More frequent storm surges would result in increased flood damage at production site.	<ul style="list-style-type: none"> • We will strengthen buildings and facilities, etc., against storm surges. • We will thoroughly investigate flooding risks when building new plants.
		Increased water sourcing risks at production sites	Sourcing of water at production sites would become difficult due to water shortages, hindering operations in the affected river basins.	<ul style="list-style-type: none"> • We will reduce water use per unit of production in our plants by 30% by 2040 (compared with the fiscal 2022 level). • We will recycle and conserve water in our plants and work with suppliers to reduce water usage. • We will conduct evaluations of water availability when building new plants.
Opportunities	Markets	Changing customer requirements	There would be increased demand for sustainable, environmentally responsible products.	<ul style="list-style-type: none"> • We will develop products that reduce environmental loads, such as fast-cook foods and sustainable packaging. • We will develop products that reduce food losses and waste in our supply chains.

Significant climate-related risks and their specific impacts for the flour milling, processed food (excluding Nisshin Pharma Inc.) and prepared dishes and other prepared foods businesses in Japan are as follows:

(1) Impact associated with an increase in the carbon price

We estimated the impact of rising carbon prices under the 1.5°C scenario. In the event that CO₂ reduction efforts stall and emissions going forward remain at the same level as fiscal 2023, the carbon price burden in 2030 is projected to increase by roughly ¥4.5 billion.

In contrast, by promoting measures based on the CO₂ reduction roadmap, such as energy conservation activities, improved production efficiency, and expanded use of renewable energy, we anticipate a roughly ¥2.0 billion reduction in the carbon price burden, and the ability to hold the increase in cost to approx. ¥2.5 billion.

Status of CO ₂ Reduction Efforts	Financial Impact in 2030
Carbon price burden should reduction efforts stall	¥4.5 billion
Reduction in carbon price burden if reduction measures implemented as planned	¥(2.0) billion
Carbon price burden if CO ₂ reduction roadmap implemented as planned	¥2.5 billion

* The burden due to rising carbon prices is calculated based on the NZE scenario (Net Zero Emissions by 2050 Scenario) publicized in World Energy Outlook 2022 from the International Energy Agency (IEA).

(2) Intensification of extreme weather events – Opportunity loss due to halted operations caused by water damage (storm surges, flooding)

In the 4C° and 1.5C° scenarios alike, the years 2030 and 2050 will both see progressively larger typhoons and more severe torrential rainfall; this is expected to increase both the frequency and damage caused by storm surges, flooding and other water damage to production sites and distribution.

Using past examples of damages experienced by the Group and anticipated flood water levels based on flooding and storm surge hazard evaluations from local governments as reference points, we identified regions where damages are expected in each business, then estimated the impact of opportunity losses due to halted operations and distribution. Consequently, we anticipate such damage tied to a maximum decline in net sales on the scale of ¥0.6 billion per disaster.

As a measure to combat water damage, we are refurbishing facilities to include equipment like water stops with anticipated flood levels at each production site in mind, as well as advancing stronger collaboration between sites and similar measures, and will continue to do so going forward.

(3) Impact on procurement of wheat, our primary raw material, due to climate change

As detailed below, with respect to wheat (the Group's primary raw material), we analyzed the impact of rising temperatures and various adaptation measures under 4C° and 1.5C° scenarios. In the medium- to long-term future, we anticipate low possibility of a significant decline in harvest volumes in key nations for wheat procurement.

<4C° Scenario>

Due to higher temperatures, harvest volumes will be lower in currently high-temperature, low-latitude regions. However, volumes are expected to increase on improved suitability for cultivation due to rising temperatures in high-latitude regions, where temperatures are currently a factor in restricting harvest volume. Consequently, average harvest volumes for wheat globally are expected to remain on a growth track.

<1.5C° Scenario>

As regulations to control greenhouse gas emissions from farmland and the transition to sustainability-minded agriculture, such as soil recovery, gain traction, a decline in harvest volumes and increased transition costs are projected during the transition period. However, volumes are expected to recover or increase in the runup to 2050.

At the same time, multiple areas of uncertainty persist in the long-term outlook regarding supply and demand for food staples, including wheat, as well as procurement costs. There are also other points to consider with respect to wheat procurement risks driven by climate change, among them the impact of drought on matters such as trade volume and product quality, in addition to the changes in harvest volume and transition costs anticipated by scenario analyses.

For these reasons, it is our view that medium- to long-term risk with respect to wheat procurement cannot be ignored. Along with continued assessment of the latest trends in related survey research, we are promoting measures to mitigate and adapt to climate change, including supporting crop breeding in collaboration with producers and research institutes, and searching for sustainability-minded production sites.

*The impact on wheat procurement is based on analysis of a literature review of forecast data for future harvest volumes publicized by the Food and Agriculture Organization of the United Nations (FAO) and Japan's National Agriculture and Food Research Organization.

5. Provide Working Environments that are Healthy and Fulfilling

<Key Topics>

- Cultivation of human resources
- Employee working environments and health
- Respect for diversity

Efforts to address human capital, including priority themes, are as follows.

As outlined in the “The Nisshin Seifun Group Medium-Term Management Plan 2026” formulated in fiscal 2023, along with enhancing management strategy effectiveness, the Group seeks to value all of its stakeholders in being an enterprise that earns trust worldwide. The promotion of a human resource strategy linked to management strategy is essential to realizing this goal. By addressing this strategy from two perspectives – “Enhancing personal potential” and “Enhancing organizational potential” – we will push ahead with forming the foundation for the Group’s sustainable growth, while adapting to the changing times.

To promote Group-wide initiatives, we have established a Group-spanning Work Style Reform Committee, chaired by the general manager of the division overseeing human resources and labor and consisting of members drawn from the Directors of human resources and labor at each operating company. The committee conducts discussions and offers recommendations for the drafting of specific measures for improving productivity and work engagement, leading to later implementation.

1. Enhancing personal potential

To deepen our core businesses and develop new and growth areas, we will recruit and develop the human resources necessary for each of our businesses. We aim to cultivate personnel who possess experience in our existing businesses and embrace the principles of the Group, preparing them to contribute to our future focus areas.

a. Human resource retention

In human resource retention, we are seeking to enhance collaboration in Group recruitment activities and recruitment competitiveness through Group batch recruitment in the hiring of new graduates (combined recruitment for Nisshin Seifun Group Inc., Nisshin Flour Milling Inc., Nisshin Seifun Welna Inc. and Nisshin Seifun Delica Frontier Inc.) and enactment of recruitment courses separated by occupational category and business. With respect to mid-career recruitment, while continuing to strengthen relations with staffing agencies, our primary recruitment channel, we are moving to boost our recruitment capabilities, including through adoption of a framework for recruitment via referrals from employees. Going forward, we are promoting initiatives for strengthening recruitment branding through recruitment activities that are more sophisticated from a recruitment marketing perspective.

b. Human resource development

In human resource development, as personnel who will lead the Company’s growth going forward, we are focusing on the development of the next generation of managerial human resources responsible for guiding the Nisshin Seifun Group; digital human resources responsible for incorporating technology in addressing everything from operational efficiency to business model reform; and global human resources, who will spur further growth in overseas business, the Group’s growth driver. To support individual employees in gaining necessary skills, we are enhancing “hand-raise”-style development programs that encourage self-driven learning. We remain committed to education and training investment and to bolstering an array of development programs for improving the Group’s corporate value going forward.

Results for the Fiscal Year Ended March 31, 2025 (Note 1)

- Investment in education and training: ¥572 million, 25.6 hours of training per person (Note 2)
- Participants in business manager training program: 110 individuals
- Passed IT-related exams: 43 individuals (Note 3)
- Participants in global human resource development training: 17 individuals
- “Hand-raise”-style development program: 1,355 individuals

Note 1: Figures for each result, excluding education and training investment, are for Nisshin Seifun Group Inc., Nisshin Flour Milling Inc., Nisshin Seifun Welna Inc., Nisshin Seifun Premix Inc., Oriental Yeast Co., Ltd., Nisshin Pharma Inc., Nisshin Seifun Delica Frontier Inc., Nisshin Engineering Co., Ltd., NBC Meshtec Inc., Nisshin Grain Silo Inc., and Nisshin Associates Inc.

Note 2: In addition to the abovementioned companies, result figures for education and training investment are from Tokatsu Food Co., Ltd., Joyous Foods Co., Ltd. and Initio Foods Inc.

Note 3: “IT-related exams” refer to a variety of exams (IT passport exam, basic IT technician exam, information security exam, etc.) certified by the Information-technology Promotion Agency, Japan (IPA)

2. Enhancing organizational potential

To build a resilient organizational culture that can adapt flexibly to change by leveraging diverse experiences and values, we will continue to work on work style reform, health management, and promoting diversity.

a) Workstyle reforms

To enable a diverse array of employees to flourish, in addition to the development of individual skills, this effort requires workplaces that employees find fulfilling and where individual growth can be felt, as well as those where lively and open discussion happen. Under the Group's workstyle reforms, through a host of measures beginning with initiatives aimed at improving psychological safety and security, employees focus on the planning and enactment of management strategy, as we work to help employees recognize their contributions to business and society. At the same time, we strive to reduce working hours by streamlining operations and enhancing productivity. We also make it easier to work by continually improving the working environment, while encouraging employees to take leave.

Results (Note 1)

Indicators	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025
Total annual labor hours (general employees)	1,945 hours	1,937 hours	1,944 hours
Days of annual paid leave taken	15 days	16 days	15 days
Annual paid leave utilization rate	77.6%	78.7%	79.1%

b) Health management

At the Nisshin Seifun Group, we view employee health as one of our top priorities, working together with employees and companies to promote health management. Under a system headed by the President of Nisshin Seifun Group Inc., we have positioned "work environment," "personal physical care," and "mental healthcare" as three pillars for achieving health management, and have set targets for the end of the fiscal year ending March 31, 2027. To achieve the targets, we have taken a number of initiatives. We have received Smart Meal certification from a consortium that promotes healthy eating and eating environments. Our employee cafeterias at head office area now offer Smart Meals. We organized walking events to help employees develop regular exercise habits. Additionally, we provided training to promote self-care among employees and urge managers to care for their subordinates to enhance and maintain employees' mental health. By clarifying health-related issues and through ongoing improvements, we aim to establish working environments that are healthy and dynamic spaces for every employee.

Indicators (Note 4)	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024	Targets (March 2027)
Work environment				
• Work environment-related stress standard score	54.2	54.9	54.5	55.0
• Fulfilling work standard score	50.5	50.3	51.5	55.0
Personal physical care				
• Percentage of individuals maintaining suitable body weight	68.5	68.1	63.0	80.0
Mental healthcare				
• Comprehensive health risk score (Note 5)	90	85	84	80
Other health indicators				
• Absenteeism (number of days) (Note 6)	—	1.89	1.85	1.80
• Presenteeism (%) (Note 7)	—	83.5	82.2	85.0

Note 4: Indicators (results and targets) are for Nisshin Seifun Group Inc.

Note 5: Comprehensive health risk score is an index in the stress check that combines the scores from job quality, job volume, support from work supervisors, and support from work colleagues, and as an indicator visualizes whether the environment is one in which an individual can work energetically or is able to work with authority. The standard score is 100, with lower scores indicative of more favorable job conditions or workplace environments.

Note 6: Absenteeism: the average number of days absent due to injury or illness (calculated using employee surveys) The closer the number of days absent is to zero, the better the employees' health is considered.

Note 7: Presenteeism: the average percentage score that employees give to evaluate their own work performance (calculated using the Single-Item Presenteeism Question (SPQ) developed by the University of Tokyo) The closer the percentage score is to 100, the better the working environment is considered.

c) Promoting diversity

In ever-changing times, the importance of diversity and inclusion – respecting diverse insight and thought without regard to sex, age or national origin, and taking advantage of these in corporate activities – is growing, and we believe this contributes to the sustainable growth of the Nisshin Seifun Group. To show mutual respect for all people, and to enable every individual to highlight their talents while feeling fulfilled in their work, we continue to pursue a variety of measures to help employees balance work and private life, beginning most notably with a range of support that includes the recruitment and professional development of women and encouraging male employees to take parental leave.

Results (Note 1)

Indicators	Results			Targets (March 2027)
	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025	
Percentage of women in management	10.3%	11.6%	13.5%	15.0%
Rate of return to work after parental leave for female employees (Percent working 1 year after returning)	86.4%	76.7%	73.3%	100%
Percentage of male employees taking parental leave	87.0%	84.9%	88.6%	100%

Refer to “1. Corporate Overview, 5 Status of Employees (4) Percentage of female employees in management, male employee parental leave rate and wage disparity by sex (2) Consolidated subsidiaries” for more information regarding the percentage of women in management and male employees taking parental leave for consolidated subsidiaries.

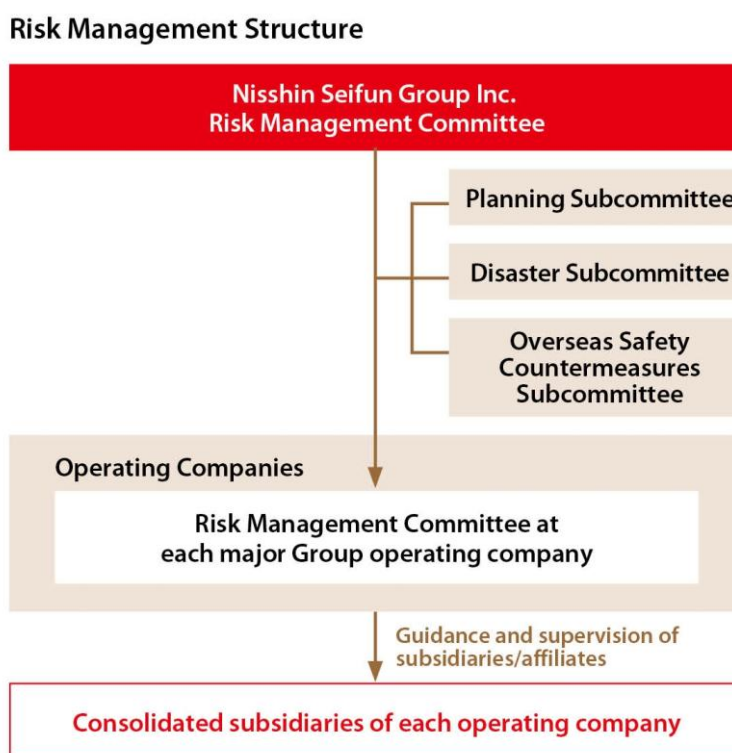
(3) Business and Other Risks

Among matters pertaining to the review of operations and financial position and financial accounts found in this securities report, the following are principal risks recognized by the management as having a potentially material impact on operating performance.

The Group has formulated The Nisshin Seifun Group Risk Management Rules and The Nisshin Seifun Group Crisis Control Rules, and ensures an appropriate response to risks, while strengthening routine risk management activities designed to prevent and control risk. Furthermore, the Group has established a Risk Management Committee, chaired by the President and comprising the presidents of each respective operating company as members, that is responsible for risk management across the Group as a whole. Risk management committees have also been established at the Group's key operating companies to implement risk management in each business. Additionally, the Planning Subcommittee, Disaster Subcommittee and Overseas Safety Countermeasures Subcommittee are established as sub-bodies of the Risk Management Committee, which consider and propose specific measures for each issue.

Under this system, the role of the Risk Management Committee and its subcommittees, among other tasks, include identification of the range of risks that could emerge from Group business operations, preparation of specific countermeasures to such risks, and definitive launch of a countermeasures headquarters should serious crises materialize. This, in turn, ensures Group business continuity and fulfillment of its mission to provide the stable supply of safe and reliable products.

The aforementioned points are captured as follows in the Risk Management System diagram below.



(Impact of political decisions in the United States and other countries)

The traditional framework for international cooperation is at a turning point as evidenced by various countries' responses to U.S. tariff policies. The future of the environment surrounding the Nisshin Seifun Group is highly uncertain.

The Group will continue to monitor the global situation and take appropriate actions. We will continue to closely monitor developments in the United States and other countries around the world.

(Impact of the situation in Ukraine)

The invasion of Ukraine, which began on February 24, 2022, has persisted. There have been no risks that could affect the Group's results. However, the two countries involved in the conflict are major exporters of wheat, and there is a continued risk that the situation in Ukraine could impact international wheat prices. We will keep a close watch on the situation.

For the principal risks below, a three-tiered system is used to evaluate the extent to which the identified risk may become more acute in the future, and the subsequent degree of impact should this occur. Specific ratings are determined by the aforementioned Risk Management Committee.

All matters relating to the future in the sections below are based on the current views of the Nisshin Seifun Group at the end of the fiscal year ended March 31, 2025.

1. Progress of international trade negotiations and wheat policy reform (Likelihood of Risk: High, Degree of Impact: Large)

The trend toward trade liberalization is gaining momentum, driven by international agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Agreement between the European Union and Japan for an Economic Partnership, and the Trade Agreement between Japan and the United States of America, and advances in international trade negotiations. The relaxation of border measures for wheat products has led to fluctuations in demand, increased competition, and changes in the policies of major advanced economies. These factors are expected to impact the Group's flour milling and processed foods businesses and the domestic wheat flour industry.

In addition, following a review by the government of its wheat policy, etc., our flour milling and processed food businesses remain subject to possible risks generated by: changes to the status quo of the Japanese government's trade strategy, including the management procedures (purchase, stockpiling and sale, etc.) of wheat; domestic flour and flour-related secondary processing market disruptions; and the realignment of related industries.

<Key Countermeasures>

To respond to risks associated with this growth in free trade, changes in government wheat policy and other concerns, the Group is building an even more robust corporate structure going forward. Along with putting a global production framework in place, measures include the closure of small-scale plants and consolidation of production at large-scale coastal plants in Japan, pursuing low-cost operations through utilization of new technologies, adapting to changes in customer needs, and further accelerating overseas business expansion.

2. Product safety (Likelihood of Risk: Low, Degree of Impact: Large)

Growing concerns over food safety put increasing pressure on the food industry to ensure the safety of the food it supplies. The Nisshin Seifun Group, for its part, continuously implements measures regarding product safety at its own plants and those of subcontractors involved in outsourced production. Nevertheless, events beyond the scope of the Company's projection due to external and other factors could lead to product recalls or the discovery of defective items.

<Key Countermeasures>

To respond to risks of this kind regarding foods safety, the Group has set quality assurance from the consumer's perspective as a baseline. From this basic principle, we reinforce education and guidance of employees involved in all operations spanning development through to production, distribution and sales, as well as safety review measures for new ingredients and new products, and enhance food defense measures. Similarly, the Group pursues measures to maintain and improve its quality assurance system for products. Such measures include acquiring certification under ISO, FSSC and other international standards pertaining to food safety management systems, along with ongoing evaluation of effectiveness, coupled with ensuring that food management at subcontractors responsible for outsourced production conforms to the same strict guidelines as the Group's own plants.

3. Disasters, accidents and infectious diseases (Likelihood of Risk: Moderate, Degree of Impact: Large)

The Nisshin Seifun Group strives to maintain and ensure the safety of its plants and other facilities in order to stably supply safe and reliable products. Nevertheless, the occurrence of large-scale natural disasters, such as earthquakes, storms and floods, accidents such as fires and explosions, and the spread of new infectious diseases could result in damages and otherwise hinder the ability of the Group to provide products to its clients.

<Key Countermeasures>

To reduce the risks associated with such disasters and accidents, the Group enhances earthquake resistance and flood prevention measures at major plants to prevent human casualties and protect factory facilities in the event of earthquakes, windstorms, floods, and other natural disasters. We are strengthening our system to prevent accidents such as fires and explosions. This includes conducting facility safety audits and establishing safety regulations for facilities. We have also developed a business continuity plan (BCP) to address large-scale earthquakes and created timelines to prepare for potential wind and flood damage. To prepare for large-scale natural disasters that may impact the Group, we conduct drills as needed. We make preparations to quickly establish a command headquarters (consisting of officers from Nisshin Seifun Group Inc.) to facilitate information sharing within the Group. We develop plans for responses that range from initial actions to business continuity strategies. We consider the possibility of an imminent Nankai Trough earthquake to be an impending risk. We inform each workplace about how to respond when the Japan Meteorological Agency issues emergency alerts (such as massive earthquake warnings and cautions). We work to ensure that workplaces that may be affected are aware of the need to make the necessary preparations in advance. We are also taking steps to prepare for a potential volcanic eruption. Along these lines, the

Group is also devising response scenarios to possible volcanic eruptions. In preparation for outbreaks of new infectious diseases, the duration and resolution of which are difficult to predict, the Group has in place both a business continuity plan (BCP) and specific measures for preventing the spread of such diseases. To quickly and accurately respond to new infections that emerge going forward, we maintain a structure that allows for the possible convening, if necessary, of the tentatively named Infectious Disease Countermeasures Committee. With respect to countermeasures for large-scale natural disasters, the Group will revise these measures following verification of revisions to the Japanese government's own disaster-related assumptions in light of the increasingly massive scale of such disasters in recent years.

4. Effectiveness of alliances with other companies, corporate acquisitions, and new business development (Likelihood of Risk: Moderate, Degree of Impact: Large)

The Group makes investments to form alliances with other companies, acquire companies, and develop new businesses both in Japan and overseas, to enhance its business portfolio and maximize long-term corporate value. If these new businesses created through alliances, acquisitions, or internal development do not grow as expected, the investments may not produce the anticipated returns. Consequently, these new businesses might fail to generate the projected cash flows. A decline in profitability that hampers the recovery of investments could lead to a significant impairment loss, which in turn could negatively impact the Group's operating results.

<Key Countermeasures>

The Group will continue to enhance its business portfolio. We will evaluate investments in advance according to our own guidelines regarding alliances with other companies, corporate acquisitions, and new business development. Additionally, we will work to mitigate risk by forming a suitable M&A team. We will also ensure effective business succession and business launches while enhancing post-merger integration (PMI). Should risks become more acute, we will work to assess and analyze risk sequence and status, and take steps to devise effective procedures, which will serve as useful expertise in conducting future alliances, acquisitions, and business development.

5. Procurement of raw materials (Likelihood of Risk: Moderate, Degree of Impact: Large)

The Nisshin Seifun Group strives to ensure the sustainable procurement of safe and cost competitive raw materials in all of its businesses, while also paying close attention to supply chain issues such as the environment and human rights. Nevertheless, the Group faces the risk of being unable to manufacture or having to reduce the production of existing products, or having difficulties in maintaining reasonable procurement costs due to a range of factors that could trigger growth in procurement costs. These factors include, but are not limited to, the halting or interruption of raw material supplies due to events such as pandemics, natural disasters, terrorism and civil conflict; failed agricultural harvests of wheat and other crops due to abnormal weather; expansion of demand fueled by economic growth in developing countries; sharply higher prices or supply shortages for mainstay raw materials from emerging geopolitical risks at wheat production sites, and rising wage, delivery and logistics costs. In addition, the Group's profitability could be adversely affected if a rise in the procurement cost of raw materials due to a substantial increase in imported wheat prices and other costs related to manufacturing, selling and shipping are not incorporated into or sufficiently offset by revisions in the selling prices of wheat flour and other products. Moreover, in the event of failure to respond appropriately to social issues pertaining to procurement, notably issues involving the environment or human rights, this could lead to a loss of trust in the Group as a company, which could diminish the Group's corporate brand and competitiveness.

<Key Countermeasures>

To cope with risks associated with the procurement of raw materials, the Group promotes sustainable low-cost operations with respect to procurement and production, while striving for stable raw material procurement by working to assess conditions at domestic and global raw material production sites, diversifying procurement sites and seeking out viable alternatives for raw materials. In conjunction, the Group takes steps to maintain appropriate product pricing through the launch of new products tailored to market changes, strategies for realizing higher added value, and other means, while also moving to steadily revise product prices to appropriately reflect rising procurement costs. In parallel, the Group, in collaboration with suppliers, conducts responsible procurement activities founded on fair and ethical transactions throughout the supply chain.

From these initiatives, through the stable and sustainable procurement of safe raw materials, the Group supports the stable supply of food, including wheat flour and wheat-related products, with sights set on being a company trusted by stakeholders and society alike.

6. Information security and digital transformation (Likelihood of Risk: Moderate, Degree of Impact: Large)

The Nisshin Seifun Group utilizes mission critical systems and an array of other systems in a bid to optimize operational efficiency. However, system shutdowns due to the occurrence of systems management problems, the unforeseen intrusion of viruses and acts of cyberterrorism, or the unauthorized access of information held by the Group could interrupt its ability to respond to customers, including with respect to payment settlement. Similarly, business activities could be adversely impacted by the incurrence of expenses due to the leakage of operationally sensitive data or personal information outside of the Group, and a subsequent decline in public trust. Meanwhile, delays in properly coping with digital transformation built on new

information technologies, including generative AI, could potentially degrade our capacity to address both business competitiveness accompanying changes in the market environment and business continuity, should unforeseen abnormal or anomalous conditions arise.

<Key Countermeasures>

To mitigate risks pertaining to information security, the Group is developing appropriate Group-wide security countermeasures and an appropriate IT management structure built on the intensive pursuit of information security activities (including educational training) based on a set of basic rules regarding information security, while working vigorously to gather security-related information, putting increasingly sophisticated measures in place to combat computer viruses, maintaining redundancy for mission critical servers and requesting security checks by third-party organizations. Similarly, in the utilization of new information technology, the Group, under a response policy emphasizing mobility, is stepping toward business model reform built on digitalization of prioritized operational tasks and digital transformation across the Group. The Group is advancing digital education and human resource development initiatives underlying it. Furthermore, the Group is introducing and utilizing digital tools, including generative AI.

7. Environmental management (Likelihood of Risk: Moderate, Degree of Impact: Large)

The Group continues to make assiduous efforts through its corporate activities to reduce environmental impact, including the pursuit of greater energy efficiency and waste reduction. Nevertheless, changes or enhancements beyond the scope of Group projections in legal regulations pertaining to the environment, as well as a surge in calls from stakeholders for a more responsive environmental posture could result in unanticipated expenses required to address such issues beyond the scope projected. Additionally, failure of the Group to properly respond to global environmental issues such as climate change and water resource issues, food waste and waste plastic from product packaging could adversely affect business activities, not only by limiting its ability to contribute to the conservation of global resources and the environment, but also due to subsequent diminishment of the Group's corporate brand.

<Key Countermeasures>

Recognizing global environmental protection as one of its most important management issues, the Group formulated The Nisshin Seifun Group's Basic Environmental Policy. The entire Group maintains ISO14001. The Group's sustainable priorities (materiality) includes "efficiently handling product and packaging waste," which includes controlling and reusing food waste and promoting environmentally friendly design, and "addressing climate change and water resource issues," which involves reducing CO2 emissions and water consumption in business operations. In August 2021, we established medium- to long-term targets for four environmental issues: climate change, food waste, packaging waste, and water resources. We are dedicated to protecting the environment and reducing our environmental impact.

To tackle climate change, we have developed a CO2 reduction roadmap that visualizes our step-by-step efforts leading up to our target year. We have introduced internal carbon pricing (ICP) to visualize the financial impact of CO2 emissions and encourage capital investments that help reduce CO2 emissions. We perform scenario analyses in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In our securities and integrated reports, we present our findings on the impacts of rising carbon prices, an increase in extreme weather events, and declining agricultural production, along with the countermeasures we are implementing to address these challenges.

The Sustainability Committee, established in the fiscal year ended March 31, 2024, discusses and determines initiatives to meet our medium- to long-term targets for environmental issues and new challenges. The Environment Committee, which reports to the Sustainability Committee, is responsible for leading the implementation of these initiatives across the Group.

Going forward, the Group will mobilize its comprehensive capabilities to achieve these medium- to long-term objectives regarding environmental issues as it makes progress toward responding to both the risks and opportunities that climate change presents.

8. Overseas business (Likelihood of Risk: Moderate, Degree of Impact: Large)

The Nisshin Seifun Group aggressively promotes the global development of its operations most notably in Asia, North America and Oceania, with overseas sales today accounting for over 30% of the Group's net sales. The Group is also building a globally optimized production framework in order to strengthen cost competitiveness, and is working to expand this overseas business base further in the future. Outside of Japan, however, the Group is subject to various factors that could negatively affect business performance or hamper business continuation efforts. These factors include, but are not limited to, the constraint of and stoppage of business activities due to unpredictable changes in political and economic circumstances, changes in laws and regulations, the emergence of lawsuits, the outbreak of terrorist incidents or civil unrest, and epidemics or pandemics of new infectious diseases.

<Key Countermeasures>

To mitigate risks of this kind in business outside Japan, the Group continuously monitors the management environment on the ground through the Overseas Safety Countermeasures Subcommittee (a subordinate organization under the Group-spanning Risk Management Committee), as well as external experts. By providing appropriate management and support of business

operations based on this work, together with efforts that include training employees for local assignment overseas, the Group strives to ensure the safety and wellbeing of employees on the ground.

9. Foreign exchange movements (Likelihood of Risk: Moderate, Degree of Impact: Moderate)

In each of its businesses, most notably processed food, the Nisshin Seifun Group procures a portion of the raw ingredients and products from outside of Japan. These procurement costs are subject to rise due to variance in foreign exchange. In the Flour Milling Business, the prices of bran, a by-product, may be affected by the prices of imported bran, which fluctuate according to foreign exchange rates. Overseas businesses could be adversely affected by foreign exchange rate fluctuations when their earnings and financial positions are converted from foreign currencies into yen.

<Key Countermeasures>

To respond to these risks associated with variance in foreign exchange, the Group has established a Group-wide Foreign Exchange Committee, along with other measures to minimize the role of foreign exchange volatility in performance. These measures include the establishment of rules regarding foreign exchange contracts, as well as information sharing and deliberation of countermeasures regarding foreign exchange.

10. Human resource retention (Likelihood of Risk: Moderate, Degree of Impact: Moderate)

The Nisshin Seifun Group is taking steps to promote model change in existing businesses and enhance its business portfolio, with the goal of bolstering business competitiveness. Retaining and training the diverse human resources vital to this effort is essential. However, in the event that human resources critical to the Group's businesses cannot be retained due to a decline in the working population, employment outlook volatility or related concerns, this could cause the Group's competitiveness to decline over the long term.

<Key Countermeasures>

To mitigate this risk associated with securing human resources, the Group bolsters its recruitment efforts through a variety of methods. They include implementing Group-wide recruitment for new graduates and establishing a referral recruitment program. Additionally, the Group focuses on enhancing education and training to develop the next generation of managers, digital talent, and global talent. The Group also strives to ensure that working environments are healthy and worthwhile, and enable every employee with their diverse values to realize their full potential; it also promotes the reductions in working hours through increased operational efficiency, and adheres to proper labor management. To encourage women's participation in the workforce, we implement a number of measures, such as developing individual training plans for female business manager candidates and offering mentoring with external mentors.

11. Human rights issues (Likelihood of Risk: Low, Degree of Impact: Large)

As a corporate group involved in a wide range of business domains both domestically and globally, the Nisshin Seifun Group recognizes addressing an array of human rights issues, including various forms of discrimination within the Group and its supply chain, harassment, child labor and forced labor, as well as compliance with pertinent laws and regulations, as extremely important issues. Nevertheless, there is a risk that the Group may be unable to fully create workplaces prefaced on concern for mutual respect and diversity in terms of race, nationality, sex, sexual orientation, gender identity, age or disability, as well as acceptance of different values, religious beliefs or creeds. Failure to do so could cause negative evaluations of the Group and its brand to spread, preventing individual employees from reaching their full potential and making it difficult for the Group to retain the talented human resources it needs. Over the medium to long term, this could lead to a decline in the Group's competitiveness.

<Key Countermeasures>

In 2019, the Group specified what it terms sustainability priorities (materiality), positioning these as one of its most important management concerns. Additionally, the Group has highlighted efforts to "provide working environments that are healthy and fulfilling" as an area of materiality, and acts Group-wide to ensure working environments and other conditions that are healthy and fulfilling for employees. To address human rights issues, the Group has established specialized departments charged with raising consciousness with respect to human rights, conducting annual human rights seminars for all management and regular employees. In addition to addressing problems related to caste-based discrimination and workplace harassment, the range of themes raised at the seminars encompass promoting understanding of the LGBTQ community and human rights problems that arise in conducting business. Along with encouraging participants to view human rights as a much closer problem than they realize, these awareness-raising efforts promote the consideration of a human rights perspective in day-to-day operations. Furthermore, the Group has put into practice the Nisshin Seifun Group Human Rights Policy, formulated based on the United Nation's Guiding Principles on Business and Human Rights, and since 2021 has promoted due diligence in human rights in the Group's core operations, including the supply chain.

12. Response to new technologies (Likelihood of Risk: Moderate, Degree of Impact: Moderate)

In each of its businesses, the Group must keep pace with dramatic market changes, and respond accurately to the evolution and transformation of various technologies. Failure to do so could lead to a decline in the Group's product development and production technology capabilities, which could make its baseline technologies obsolete. This situation, in turn, could prevent the Group from developing appealing new products that meet client needs. The resulting decline in shipments and diminishment in corporate brand could have an adverse impact on operating results.

<Key Countermeasures>

To mitigate these and other risks concerning failure to respond promptly to new technologies, the Group works continuously to bolster its technological capabilities to pursue product development reflective of market demand by utilizing and maximizing its internal and external resources. Efforts include pushing the evolution of technologies using Group-wide projects and the training of required technicians, leveraging Group synergies for expansion of key technology fields, and promoting the introduction of technologies from joint research from industry-government-academia partnerships and other outside sources. Human resource development has become an urgent concern, especially with respect to digital technology. Accordingly, we are moving to pursue training programs for human resources who will lead the Group's digital utilization efforts.

Beyond the aforementioned risks, the Group must confront a variety of other risks in the course of its business activities, including shipment volatility in mainstay products due to changes in the economic climate and the industry environment, as well as price drop risk. Additional risks that may adversely impact the Group's operating results include risks from legal and regulatory changes and lawsuits in Japan and other countries, risks associated with trademark rights, patent rights and other intellectual property rights, and risks from changes in the operating environment of business partners (including manufacturing subcontractors). In all cases, the Group takes appropriate steps to avoid or minimize any pertinent risks.

(4) Management's Analysis of Financial Position, Performance and Cash Flows

The following is a summary and analysis by management of the Group's financial position, performance and cash flows (hereinafter, "business performance") for the fiscal year ended March 31, 2025. All matters relating to the future in the sections below are based on the current views of the Nisshin Seifun Group at the end of the fiscal year ended March 31, 2025.

1. Significant accounting estimates and assumptions

The Consolidated Financial Statements of the Nisshin Seifun Group are prepared in conformance with accounting standards that are generally accepted in Japan. In preparing the Consolidated Financial Statements, the Nisshin Seifun Group makes necessary estimates and assumptions that have a material impact on the reported values of assets and liabilities as of the balance-sheet date, the disclosure of contingent liabilities, and the reported values of income and expenditure. While the Company makes such estimates and assumptions based on various factors deemed rational based on the analysis of historical performance and business conditions, the uncertainties inherent in the estimation process mean that actual performance can differ from forecasts and assumptions.

(1) Inventories

Inventories are calculated based on cost or the net selling value, whichever is lower, in accordance with the Accounting Standard for Measurement of Inventories. Similarly, the book value is written down for excess inventories or inventories stockpiled due to changes in demand. Additional downgrades may become necessary depending on market volatility or trends in demand.

(2) Allowance for doubtful accounts

The Nisshin Seifun Group provides for possible credit losses stemming from monetary receivables. The necessary allowance for doubtful accounts is based on historical loan-loss ratios for general receivables, and on a consideration of feasibly recoverable amounts in individual cases of suspected bad debt or other specific dubious accounts. In cases in which the client's fiscal condition worsens, resulting in diminished capacity for repayment, additional allowances may be necessary.

(3) Impairment of investment securities

Regarding investment securities held by the Group, stocks with a readily determinable market value are stated at fair value. Stocks with no readily determinable market value are stated at cost. For stocks with readily determinable market value, the Group applies impairment measures whenever fair value falls more than 50% below cost. In cases when fair value falls between 30% to 50%, impairment measures are applied as warranted following assessment of the business performance, etc. of the company issuing the stocks. For stocks with no readily determinable market value, impairment measures are applied whenever the actual value falls significantly lower than cost, with the exception of cases in which recoverability is deemed likely.

Due to prior application of the necessary impairment measures, the Group currently has no investment securities in need of impairment. Nevertheless, impairment measures may become necessary should losses not reflected in current book value or cases of unrecoverable book value emerge, due to future worsening in market conditions or slumping performance of companies in which the Group is invested.

(4) Corporate mergers

The Group calculates the acquisition cost of companies or businesses acquired through corporate merger at fair value. The acquisition cost is allocated to relevant assets or liabilities, based fundamentally on the fair value as of the date of merger of assets or liabilities distinguishable as such received at that date. In cases in which the acquisition cost exceeds the net value of assets or liabilities distinguishable as such as of the date of merger, any excess is accounted for as goodwill.

In most cases, calculation of the fair value of acquired assets, particularly intangible assets, requires significant determination by management. The Group, for its part, utilizes the results of independent third-party evaluations, calculating fair value based on past information available, along with future outlooks and assumptions. While management considers these determinations and evaluations to be rational, the outcome of changes in uncertain economic conditions in the future could cause actual results to differ.

(5) Impairment of non-current assets

For cases in which the book value of non-current assets is deemed unrecoverable, the Group reduces the value of the assets to a recoverable value. For assets and asset groups in which signs of impairment emerge, the Group estimates the future pre-discounted cash flow from the asset or asset group, then determines whether impairment losses should be recognized. In cases in which the overall amount of the future pre-discounted cash flow is less than the book value, impairment measures are deemed necessary, and the book value of the asset or asset group is reduced to a recoverable value. Recoverable value is either the usage value or the net selling value, whichever is higher. Future cash flow, estimated based on a determination of whether an impairment loss is warranted and the calculation of usage value, is based on rational assumptions. Additionally, the discount rate used to calculate the usage value reflects the fair value of the relevant currency and any inherent risks pertaining to the assets.

Management is responsible for determining signs of impairment or recognition of impairment losses, as well as evaluation of estimates of recoverable value, and considers such determinations and evaluations to be rational. The Nisshin Seifun Group

currently has no non-current assets that require impairment measures. Nevertheless, impairment measures could become necessary in the event that the recoverable value of non-current assets falls below the book value due to changes in the future corporate environment, among other factors.

(6) Deferred tax assets

For deferred tax assets, the Group posts any amount considered recoverable, following thorough examination of recoverability, based on estimates of future taxable income and tax-related planning. However, in cases in which volatility in estimates of recoverable deferred tax assets emerges, profit levels could fluctuate due to the dissolving or additional posting of deferred tax assets.

(7) Net defined benefit liability

The Group calculates retirement benefit expenses and obligations pertaining to its lump-sum retirement benefit plan and its defined-benefit corporate pension plan for already retired pension recipients based on established preconditions for actuarial calculation. These preconditions include discount rates, future pension levels, retirement rates, mortality rates based on the most recent statistical data, and the expected long-term earning rate for plan assets under management. The discount rate is based on the market yield of corporate bonds etc. most recently receiving rates equivalent to “AA” or higher from multiple credit rating agencies at the end of the term. The long-term earning rate for plan assets under management is decided primarily based on the management policy for such assets and actual past asset management performance. In the event that actual performance differs from preconditions, or in cases in which preconditions are changed, this could have an effect on the recognized expenses and obligations in some future period.

2. Financial Position, Review of Financial Performance and Management's Recognitions, Analysis and Opinions

(1) Review of financial performance and analysis

During the fiscal year ended March 31, 2025, the Japanese economy saw a rise in inbound tourism demand. However, consumers' belt-tightening behavior continued due to high prices for goods, as raw material and energy prices remained high primarily because of the weaker yen and higher logistics costs. Consequently, consumer spending did not pick up. Additionally, the traditional framework for international cooperation is at a turning point as evidenced by various countries' responses to U.S. tariff policies. The future of the environment surrounding the Nisshin Seifun Group is highly uncertain.

Under these conditions, the Group strives to fulfill its corporate mission of ensuring a stable supply of foods involving wheat flour and the delivery of safe and reliable products in each business area. At the same time, in a push to achieve goals set out in The Nisshin Seifun Group Medium-Term Management Plan 2026, set to conclude in the fiscal year ending March 31, 2027, the Group gave highest priority to efforts to stimulate its ability to grow by restructuring the business portfolio, promote measures to spur a performance recovery in the Australia flour milling business and the yeast business in India, realize tangible results from our R&D strategy, and showcase benefits from automation and labor-saving measures.

Specifically, in the Flour Milling Business, the Mizushima Plant of Nisshin Flour Milling Inc. will begin operations in May of this year, and the Okayama Plant and the Sakaide Plant will be closed. Miller Milling Company, LLC in the United States added production lines at the Saginaw Plant. The new lines began operating in March of this year, resulting in an approximately 40% increase in the plant's production capacity. In the Processed Food Business, Vietnam Nisshin Seifun Co., Ltd. and Vietnam Nisshin Technomic Co., Ltd. began selling home-use products in Vietnam in earnest in September of last year. Nisshin Pharma Inc. decided to discontinue its fine chemicals business, which produces and sells bulk pharmaceuticals, and to transfer its healthcare foods business, which manufactures and sells supplements, to Oriental Yeast Co., Ltd., a company that operates a yeast and biotechnology business. Nisshin Pharma Inc. will cease its operations by March 31, 2026.

With respect to the R&D strategy, we are moving ahead with addressing the commercialization of research results. In the flour milling business, we are continuing striving to expand recognition of and develop the market for high-fiber wheat flour (Amuleia). We are building a new development site based on an "Our 'kitchen' – where we co-create the future" concept, with construction scheduled to be completed in the fiscal year ending March 31, 2027. In these ways, we aim to further highlight the Group's development capabilities, while also creating Group synergies.

Nisshin Seifun Welna Inc., a subsidiary in the Processed Food Business, entered into an agreement with Shohei Ohtani of the Los Angeles Dodgers in November last year to feature him in a commercial. Nisshin Seifun Welna Inc. has rebranded Ma・Ma, which is celebrating its 70th anniversary this year, and is revising its lineup and launching new products. Additionally, Nisshin Seifun Welna Inc. is striving to increase demand for its products by enthusiastically implementing sales promotion activities leveraging this agreement.

Consolidated net sales in the fiscal year under review declined 0.8% year on year to ¥851,486 million, chiefly due to a revision to the prices of wheat flour because of changes in the government's prices for imported wheat in the domestic flour milling business and a fall in wheat prices which affected the overseas flour milling business. Operating profit and ordinary profit decreased 3.0% year on year to ¥46,380 million and 1.6% to ¥49,210 million, respectively, despite solid earnings in the overseas flour milling business, the prepared dishes and other prepared foods businesses, and the engineering business. These declines were primarily due to the continued rise of the prices of raw materials and transportation, labor, and other expenses across all businesses, as well as a decrease in shipments of bulk pharmaceuticals. Profit attributable to owners of parent stood at ¥34,684 million (up 9.3% year on year), reflecting a gain on sale of investment securities due to the reduction of cross-shareholdings, as well as business restructuring expenses related to the discontinuation of operations at Nisshin Pharma Inc.

(Year-on-year Comparison)

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Difference	Change
Net sales	858,248	851,486	(6,762)	99.2%
Operating profit	47,791	46,380	(1,410)	97.0%
Ordinary profit	49,992	49,210	(782)	98.4%
Profit attributable to owners of parent	31,743	34,684	2,941	109.3%

Financial performance, recognitions and analysis by business segment from the perspective of management are described below.

	Net sales		Operating profit	
	Results	Difference	Results	Difference
Flour Milling Segment	443,592	(14,634)	28,119	(450)
Processed Food Segment	206,252	5,178	6,405	(1,951)
Prepared Dishes and Other Prepared Foods Segment	156,076	2,503	5,832	435
Others Segment	45,565	189	6,250	840
Adjustment	–	–	(228)	(285)
Consolidated total	851,486	(6,762)	46,380	(1,410)

Notes:

1. Net sales reported after elimination of intersegment transactions.
2. Operating profit adjustment refers to intersegment transaction eliminations.

1) Flour Milling Segment

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Difference	Change
Net sales	458,226	443,592	(14,634)	96.8%
Operating profit	28,570	28,119	(450)	98.4%

In the flour milling business in Japan, shipments were higher year on year, mainly reflecting an increase in demand for restaurant dining due to increased foot traffic, including from inbound tourism, in addition to benefits from sales expansion measures.

In July 2024 and January 2025, we revised the prices of commercial use wheat flour due to changes in the government's prices for five classes of imported wheat. The government's price was lowered 0.6% on average in April 2024 and 1.8% in October. Additionally, transportation and power costs rose.

In the overseas flour milling business, net sales decreased from the previous fiscal year, primarily due to a decline in wheat market prices.

As a result, net sales of the Flour Milling Segment decreased 3.2% year on year to ¥443,592 million. Operating profit declined 1.6% to ¥28,119 million, chiefly reflecting a rise in manufacturing costs in the domestic flour milling business, despite the firm performance of the overseas flour milling business.

2) Processed Food Segment

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Difference	Change
Net sales	201,073	206,252	5,178	102.6%
Operating profit	8,356	6,405	(1,951)	76.7%

In the domestic processed food business, we actively implemented initiatives to increase net sales. This resulted in solid shipments, primarily of household-use wheat flour, prepared mixes, and pasta. Overseas shipments of commercial-use prepared mixes were also firm, and net sales exceeded the previous fiscal year.

In the yeast and biotechnology business, net sales were up year on year, reflecting increased shipments of yeast, etc. and higher sales volume in the yeast business in India.

In the healthcare food business, net sales were lower than the previous fiscal year, mainly due to a decrease in shipments of bulk pharmaceuticals.

As a result, net sales of the Processed Food Segment increased 2.6% year on year to ¥206,252 million. Operating profit decreased 23.3% to ¥6,405 million, primarily due to the rise of prices of raw materials and transportation and other expenses in the processed food business, which more than offset the effects of price revisions, as well as a decrease in shipments of bulk pharmaceuticals.

3) Prepared Dishes and Other Prepared Foods Segment

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Difference	Change
Net sales	153,573	156,076	2,503	101.6%
Operating profit	5,396	5,832	435	108.1%

In the Prepared Dishes and Other Prepared Foods Segment, net sales increased 1.6% year on year to ¥156,076 million, reflecting robust sales. Operating profit increased 8.1% to ¥5,832 million, largely atop sales growth and improved productivity, which offset rising costs for raw materials and labor.

4) Others Segment

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Difference	Change
Net sales	45,375	45,565	189	100.4%
Operating profit	5,409	6,250	840	115.5%

In the engineering business, net sales exceeded the previous fiscal year due to an increase in large-scale construction in the plant engineering area.

In the mesh cloth business, net sales rose year on year, primarily due to firm shipments of forming filters for auto parts.

Consequently, net sales of the Others Segment increased 0.4% year on year to ¥45,565 million. Operating profit rose 15.5% to ¥6,250 million due to strong results in the engineering business.

(2) Overview and Analysis of Financial Position for the Year Ended March 31, 2025

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Difference
Current assets	365,072	338,728	(26,343)
Non-current assets	461,629	450,984	(10,644)
Total assets	826,702	789,713	(36,988)
Current liabilities	163,571	147,313	(16,258)
Non-current liabilities	146,749	139,829	(6,920)
Total liabilities	310,321	287,143	(23,178)
Total net assets	516,381	502,570	(13,810)
Total liabilities and net assets	826,702	789,713	(36,988)

The status of assets, liabilities and net assets on a consolidated basis at the end of the fiscal year ended March 31, 2025 was as follows.

Current assets decreased ¥26,343 million from the previous fiscal year-end to ¥338,728 million, chiefly due to decreases in cash and deposits, notes and accounts receivable – trade, and contract assets. Non-current assets declined ¥10,644 million to ¥450,984 million, mainly due to a reduction in investment securities held and a mark-to-market loss on them. As a result, total assets decreased ¥36,988 million from the previous fiscal year-end to ¥789,713 million.

Current liabilities decreased ¥16,258 million to ¥147,313 million, mainly due to a decrease in notes and accounts payable – trade. Non-current liabilities declined ¥6,920 million to ¥139,829 million, chiefly reflecting a decrease in deferred tax liabilities. As a result, total liabilities decreased ¥23,178 million from the previous fiscal year-end to ¥287,143 million. Net assets decreased ¥13,810 million to ¥502,570 million, mainly reflecting a decrease due to the payment of dividends and purchase of treasury shares and a decrease in accumulated other comprehensive income, which more than offset an increase due to profit attributable to owners of parent.

(3) Factors with Important Effects on Group Business Performance

Factors with important effects on the Group's business performance are listed under "(3) Business and Other Risks."

3. Analysis of Cash Flow Status, Capital Financing and Liquidity

(1) Cash flows

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Difference
Net cash provided by (used in) operating activities	73,194	55,209	(17,984)
Net cash provided by (used in) investing activities	(30,944)	(34,961)	(4,016)
Net cash provided by (used in) financing activities	(19,539)	(35,432)	(15,893)
Effect of exchange rate changes on cash and cash equivalents	1,999	(512)	(2,511)
Net increase (decrease) in cash and cash equivalents	24,709	(15,696)	(40,406)
Net increase (decrease) in cash and cash equivalents due to changes in the accounting period of consolidated subsidiaries	—	21	21
Cash and cash equivalents at end of period	107,681	92,005	(15,675)

Net cash provided by (used in) operating activities

An increase in cash and cash equivalents mainly due to profit before income taxes of ¥53,313 million and decreases in depreciation and amortization (a non-cash item) and a decrease in notes and accounts receivable – trade, and contract assets exceeded a decrease in cash and cash equivalents from factors such as a decrease in notes and accounts payable – trade, a decrease in accounts payable - other, and accrued expenses, and income taxes paid. This resulted in net cash provided by operating activities of ¥55,209 million in the fiscal year under review, compared to net cash provided of ¥73,194 million a year earlier.

Net cash provided by (used in) investing activities

A total of ¥41,468 million was used for the purchase of property, plant and equipment and intangible assets, resulting in net cash used in investing activities of ¥34,961 million, compared to ¥30,944 million a year earlier.

Net cash provided by (used in) financing activities

Profit was returned to shareholders via the payment of cash dividends of ¥14,579 million and the purchase of treasury shares totaling ¥14,130 million, resulting in net cash used in financing activities of ¥35,432 million, compared to ¥19,539 million in the previous fiscal year.

As a result, the balance of cash and cash equivalents at the end of the fiscal year under review was ¥92,005 million.

(2) Capital financing and liquidity

Net interest-bearing debt (including lease obligations) at the end of March 2025 was ¥85.7 billion. Based on the operating cash flow and the balance of cash and cash equivalents, the Nisshin Seifun Group regards the current level of internal liquidity as ample for financing.

Based on The Nisshin Seifun Group Medium-Term Management Plan 2026, and with ample awareness of its social responsibility to ensure the stable supply of staple foods including wheat flour, the Group seeks to appropriately control its capital structure while finding the right balance between efforts to improve capital efficiency and financial stability. To achieve sustainable growth and increase EPS (earnings per share), we foster investment in growth, including investment in environmental initiatives, digital technologies, new business development, mergers and acquisitions, research and development, and human resource development. As for shareholder returns, we aim to raise the consolidated payout ratio to approximately 50% by the final year of the medium-term management plan from the current level of more than 40%. When calculating the payout ratio, we subtract gains and losses from non-recurring extraordinary factors from profit in the calculation of the payout ratio. If surplus investment funds emerge, our approach is to consider directing these to further shareholder returns. For plans regarding upcoming major capital expenditures, refer to [3] Facilities and Capital Expenditures, (3) Facility Construction and Disposal Plans, (1) “Construction of major facilities, etc.”

The Group will secure the needed capital for these activities from both internal and external funding sources. To secure funds internally, the Group previously introduced a cash management system (CMS), under which the funds of consolidated subsidiaries in Japan are managed on an integrated basis, coupled with current measures to extensively minimize assets, including shares held for specific policy purposes. As for the external sources, the Group will procure interest-bearing debt and other funding by taking advantage of its sound financial position.

4. Numerical Targets and Capital Policy for The Nisshin Seifun Group Medium-Term Management Plan 2026

To fulfill its social contributions through business and realize sustained growth as a food-centered enterprise, the Group in October 2022 formulated the Nisshin Seifun Group Medium-Term Management Plan 2026.

For the fiscal year ending March 31, 2027, the final year of the plan, we have revised our targets upward, when we announced our results for the second quarter of the fiscal year ended March 31, 2025, considering the results. Our new goals are net sales of ¥950,000 million, an operating profit of ¥57,000 million, earnings per share (EPS) of ¥140 and ROE of 8.0%.

<Numerical Targets and Results>

(*Compound annual growth rate)	Base fiscal year (FY2022 results)	Year ended Mar. 31, 2025 (FY2025 results)	Final fiscal year (FY2027)
Net sales	¥679.7 billion	¥851.5 billion	¥950.0 billion
5-year CAGR*			6.9%
Operating profit	¥29.4 billion	¥46.4 billion	¥57.0 billion
5-year CAGR			14.1%
EPS (Earnings per share)	¥59	¥117	¥140
5-year CAGR			18.9%
ROE	4.0%	7.0%	8.0%

Refer to “(2) Financial Position, Review of Financial Performance and Management’s Recognitions, Analysis and Opinions” for more information on business results for the fiscal year under review.

<Capital policy>

To enhance corporate value, we strive to achieve continual improvements in capital efficiency by reducing inefficient assets and improving our capital structure while maintaining financial soundness. We manage invested capital using ROIC by business division.

- We will introduce operating division-level ROIC management to raise profitability more than capital costs (the Company-wide ROIC target for the fiscal year ending March 31, 2027 is 7%).
- We will dispose of cross-shareholdings if we believe the reasons for holding them have decreased. We aim to reduce these cross-shareholdings by 40 billion yen or more over the five years from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2029 (appropriately 8.0 billion yen annually). We will primarily use the cash gained from the reduction for growth investments. - Cash and cash equivalents on hand will be maintained at a level roughly one month of consolidated net sales, taking into account the Nisshin Seifun Group’s social responsibility to ensure the stable supply of staple foods.
- We will proactively return profits to our stakeholders, considering capital efficiency and financial soundness, while utilizing interest-bearing debt using our fundraising capacity (aiming for a debt-to-equity ratio of 0.3 in the medium to long term).
- As for shareholder returns, we aim to increase the consolidated dividend payout ratio, which is calculated by excluding profits and losses resulting from non-recurring extraordinary factors from profit attributable to owners of parent, from the current level, 40% or more, to approximately 50% by the final fiscal year of the current medium-term management plan. If surplus investment funds emerge, our approach is to consider directing these to further shareholder returns.

5. Status of Production, Orders Received and Sales Performance

a. Production

Production values by segment during the fiscal year ended March 31, 2025 are as follows.

Business segment	Year ended March 31, 2024	Year ended March 31, 2025	Change (%)
	(Million yen)	(Million yen)	
Flour Milling	440,727	427,987	(2.9)
Processed Food	120,786	126,041	4.4
Prepared Dishes and Other Prepared Foods	144,204	146,796	1.8
Others	17,028	17,524	2.9
Total	722,747	718,348	(0.6)

Note:

The above financial amounts use average sales prices during the fiscal year under review. Intersegment transactions have been eliminated.

b. Orders received

The Company does not produce a significant volume based on orders and this item is therefore omitted.

c. Sales

Sales values by segment during the fiscal year ended March 31, 2025 are as follows.

Business segment	Year ended March 31, 2024	Year ended March 31, 2025	Change (%)
	(Million yen)	(Million yen)	
Flour Milling	458,226	443,592	(3.2)
Processed Food	201,073	206,252	2.6
Prepared Dishes and Other Prepared Foods	153,573	156,076	1.6
Others	45,375	45,565	0.4
Total	858,248	851,486	(0.8)

Notes:

- Intersegment transactions have been eliminated.
- Transactions with major business partners and the ratio of corresponding sales to total sales are shown in the table below.

Business partner	Year ended March 31, 2024		Year ended March 31, 2025	
	(Million yen)	Proportion (%)	(Million yen)	Proportion (%)
FamilyMart Co., Ltd.	111,105	13.0	113,032	13.3

The status of changes in the prices of major raw materials and the selling prices of major products are described in “2. Financial Position, Review of Financial Performance and Management’s Recognitions, Analysis and Opinions.”

(5) Important Contracts, Etc.

There are no applicable matters to be reported.

(6) Research and Development

The Nisshin Seifun Group (the Company and its consolidated subsidiaries) operates various research and development (R&D) facilities. As part of the Company's organizational structure, the Research Center for Basic Science Research and Development focuses primarily on the research of basic technologies. The Research Center for Production and Technology focuses mainly on the development of production technology and nanotechnology for adoption in each of the Group's business operations. Consolidated subsidiaries operate separate R&D organizations with specialized functions tailored to each business field. These subsidiaries are: Nisshin Flour Milling Inc. and Allied Pinnacle Pty Ltd. (in the Flour Milling Segment); Nisshin Seifun Welna Inc., Oriental Yeast Co., Ltd., and Nisshin Pharma Inc. (in the Processed Food Segment); Nisshin Seifun Delica Frontier Inc. (in the Prepared Dishes and Other Prepared Foods Segment); Nisshin Engineering Inc., and NBC Meshtec Inc. (in the Others Segment).

R&D program goals vary widely. All Group R&D organizations seek to identify prospective ingredients for new products and undertake basic research to create new technology. They also create new products to meet market needs and preferences and develop food processing technologies while improving existing products, automating production systems, and developing and applying powder and granular technologies. The Nisshin Seifun Group also actively seeks to further cooperation among Group research centers, and with other research institutions, to enhance specialist research expertise and promote adoption of the latest technical innovations. Through these efforts, the Group aggressively seeks to conduct highly effective R&D activities that generate new business opportunities.

Consolidated R&D expenditures totaled ¥7,983 million in the fiscal year ended March 31, 2025.

This figure also includes ¥1,287 million in research spending that cannot be attributed to any particular segment.

The following is an overview of the main R&D programs and results in the fiscal year under review.

1. Flour Milling Segment

Research in this segment is centered on Nisshin Flour Milling Inc.'s Innovation & Development Division and the Cereal Science Research Center of Tsukuba. These centers collaborate with the Company's Research Center for Basic Science Research and Development and the Research Center for Production and Technology to conduct R&D focused on the development of new flour-processing technologies, and grain science and grain flour-processing technologies focused on wheat and wheat flour. Their main achievements include successfully clarifying the composition various fermentable dietary fibers included in Amuleia, Japan's first high-fiber wheat flour, produced and sold by Nisshin Flour Milling Inc. These fermentable dietary fibers account for approximately 14% of the wheat flour and are made up of five or more different types. Through culture testing, they demonstrated that these dietary fibers can improve the intestinal environment. Amuleia won top prize at the 2024 Wellness Food Awards and received a Gold award in the ingredients category because of its potential to enhance quality of life through its diverse fermentable dietary fibers and its significant impact on the market. Allied Pinnacle Pty Ltd. has also started to develop a high-fiber wheat flour market. It launched Wise Wheat and is developing wheat flour products, prepared mixes, and raw materials for bakery products. The Cereal Science Research Center of Tsukuba published papers on a new method to analyze the gluten network, the gluten microstructure, and the behavior of ferulic acid in relation to structural changes in wheat dietary fiber in international journals.

R&D expenditures attributable to the Flour Milling Segment totaled ¥1,389 million.

2. Processed Food Segment

Led by Nisshin Seifun Welna Inc.'s Product Development Division, and in collaboration with the Company's Research Center for Basic Science Research and Development and the Research Center for Production and Technology, R&D in this segment is focused on developing new processed foods across all temperature ranges, including an array of prepared mix products, dried noodles, pastas, microwavable retort pouch foods, frozen foods, and other foods. The main achievements include improvements in the quality of pasta (dried noodles), pasta sauces, and frozen one-dish pasta. Nisshin Seifun Welna enhanced the quality of these products when it rebranded Ma•Ma, a leading brand in the pasta category. Nisshin Seifun Welna launched Ma•Ma Nameraka Mocchiri Quick boil spaghetti, "Fine Fast" banded 1.6mm 500g with zip fastener. The company developed pasta with a texture that is both smooth and chewy using its durum wheat flour miller technology. The company also launched the Majisakutto series of prepared mixes. These products allow consumers to prepare quasi-tempura and other deep-fried dishes with a crispy texture without the need for deep frying. Users can simply coat their ingredients with the prepared mixes and fry them using a small amount of oil. This development comes in response to a decline in home cooking of deep-fried dishes, which is often attributed to the hassle of dishwashing after meals. The Majisakutto series consists of breakthrough products that have enabled textures and appearances previously unattainable with conventional products. Nisshin Seifun Welna utilized unique raw materials and compounding techniques developed over many years. Overseas, we entered the household products market in Vietnam. We developed products tailored to the preferences of local consumers, making maximum use of the technology and product development expertise we have gained in Japan. We launched three varieties of pasta sauce, two types of cooked rice ingredients, and four prepared mixes. The foods division of Oriental Yeast Co., Ltd. engaged in the R&D of baking yeasts and other ingredients for bakery products, as well as agents for improving quality and

preservation through its Laboratory of Yeast & Fermentation and three flour-based food product development centers. The biotechnology division, meanwhile, conducted R&D through the Nagahama Institute for Biochemical Science and the CS Development division of the Nagahama Plant on regenerative medicine-related products, among others. The Health Care Research Center of Nisshin Pharma Inc. developed and launched Men's Amino, a food with functional claims designed to support the psychological wellbeing of healthy middle-aged and older men. This product contains a sulfur-containing amino acid derived from onions, which serves as its key functional ingredient. Nisshin Pharma utilizes its proprietary purification technology to extract a highly concentrated form of this amino acid.

R&D expenditures attributable to the Processed Food Segment totaled ¥3,890 million.

3. Prepared Dishes and Other Prepared Foods Segment

Led by the R&D Division and Production Technology Development Division of Nisshin Seifun Delica Frontier Inc., research and development of cooking and processing technology and microbe control technology take place through collaboration with the Company's Research Center for Basic Science Research and Development and the Research Center for Production and Technology, with the aim of improving quality and date of freshness, and for development of labor-saving automation and robotics technologies. R&D work occurs in collaboration with Tokatsu Foods Co., Ltd., Initio Foods Inc. and Joyous Foods Co., Ltd., with the aim of achieving fast commercialization.

R&D expenditures attributable to the Prepared Dishes and Other Prepared Foods Segment totaled ¥610 million.

4. Others Segment

In cooperation with the Company's Research Center for Production and Technology, Nisshin Engineering Inc.'s Powder-Processing Business Department conducts R&D programs on various types of machinery for powder grinding and classification and technologies for producing nano-particles using thermal plasma. In addition, NBC Meshtec Inc. conducts R&D efforts to develop new products and materials in the fields of screen-printing and industrial use, as well as chemical products. In June 2024, we established a new Screen Printing Laboratory within the R&D Division.

R&D expenditures attributable to the Others Segment totaled ¥805 million.

[3] Facilities and Capital Expenditures

(1) Capital Expenditures

The Nisshin Seifun Group (the Company and its consolidated subsidiaries) makes capital expenditures with the aim of raising production capacity and ensuring product safety. The following is a breakdown of capital expenditures for the fiscal year ended March 31, 2025, based on actual expenditures.

	Year ended March 31, 2025 (million yen)	Year-on-year change (%)
Flour Milling	29,746	55.2
Processed Food	7,301	31.2
Prepared Dishes and Other Prepared Foods	3,846	44.3
Others	2,179	6.1
Subtotal	43,075	46.3
Elimination/common-use	(1,606)	—
Total	41,468	42.1

In the Flour Milling Business, the Group primarily made investments to increase production capacity and enhance production safety. Investments were made in the construction of the Mizushima Plant of Nisshin Flour Milling Inc., which began operations in May of this year, and in expansion work at the Saginaw Plant of Miller Milling Company, LLC to add new production lines, which began operating in March of this year.

Capital expenditures in the Processed Food Segment were focused primarily on augmenting production capacity and enhancing product safety.

Capital expenditures in the prepared dishes and other prepared foods businesses were focused primarily on augmenting production capacity and enhancing product safety.

Capital expenditures in the Others Segment were principally made to increase production capacity.

(2) Principal Facilities

The main facilities of the Nisshin Seifun Group (the Company and its consolidated subsidiaries) are listed in the tables below.

1. Nisshin Seifun Group Inc. and domestic consolidated subsidiaries

(As of March 31, 2025)

Company name	Site name (location)	Business segment	Facility type/ purpose	Book value (million yen)						Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (thousand m ²)	Right-of-use assets	Other	Total	
Nisshin Flour Milling Inc.	Tsurumi Plant (Kawasaki-ku, Kawasaki)	Flour Milling	Wheat flour production	4,975	2,001	5,802 (84)	–	553	13,332	129 [4]
Nisshin Flour Milling Inc.	Higashinada Plant (Higashinada-ku, Kobe)	Flour Milling	Wheat flour production	4,064	1,579	1,803 (30)	–	301	7,748	92 [2]
Nisshin Flour Milling Inc.	Chiba Plant (Mihama-ku, Chiba)	Flour Milling	Wheat flour production	1,989	1,180	294 (43)	–	97	3,562	67 [3]
Nisshin Flour Milling Inc.	Chita Plant (Chita, Aichi)	Flour Milling	Wheat flour production	2,607	1,201	68 (33)	–	209	4,087	58 [5]
Nisshin Flour Milling Inc.	Fukuoka Plant (Chuo-ku, Fukuoka)	Flour Milling	Wheat flour production	2,431	464	3,454 (25)	–	175	6,526	44 [–]
Kumamoto Flour Milling Co., Ltd.	Head Office and Kumamoto Plant (Nishi-ku, Kumamoto)	Flour Milling	Wheat flour production	717	685	2,310 (45)	–	104	3,817	134 [10]
Nisshin Seifun Welna Inc.	Tatebayashi Plant (Tatebayashi, Gunma)	Processed Food	Prepared mix production	958	614	250 (28)	–	236	2,059	43 [31]
Ma•Ma-Macaroni Co., Ltd.	Utsunomiya Plant (Utsunomiya, Tochigi)	Processed Food	Pasta production	930	1,646	27 (23)	–	105	2,709	63 [197]
Oriental Yeast Co., Ltd.	Tokyo Plant (Itabashi-ku, Tokyo)	Processed Food	Production of yeast	963	547	0 (11)	–	1,103	2,614	56 [3]
Oriental Yeast Co., Ltd.	Osaka Plant (Suita, Osaka)	Processed Food	Production of yeast and other items	1,085	672	(Note 4) 167 (22) [5]	–	839	2,765	84 [17]
Oriental Yeast Co., Ltd.	Biwa Plant (Nagahama, Shiga)	Processed Food	Production of flour paste, powdered brine, baking powder and other items	817	523	709 (36)	–	87	2,138	59 [13]
Tokatsu Foods Co., Ltd.	Kashiwa Plant (Kashiwa, Chiba)	Prepared Dishes and Other Prepared Foods	Production of cooked food, including bento lunch boxes and prepared foods	2,710	508	(Note 4) 29 [5]	–	68	3,318	60 [567]
Joyous Foods Co., Ltd.	Kodama Plant (Kamisetomachi, Kodama-gun, Saitama)	Prepared Dishes and Other Prepared Foods	Production of processed noodles	844	680	1,060 (85)	–	30	2,615	70 [546]
Joyous Foods Co., Ltd.	Kyoto Plant (Kumiyamacho, Kuse-gun, Kyoto)	Prepared Dishes and Other Prepared Foods	Production of processed noodles	622	676	779 (16)	–	18	2,096	64 [545]
NBC Meshtec Inc.	Yamanashi Tsuru Plant (Tsuru, Yamanashi)	Others	Production of mesh cloths and forming filters	695	954	452 (35)	–	390	2,492	225 [78]
Nisshin Seifun Group Inc.	Head Office and Institutes and Laboratories (Chiyoda-ku, Tokyo, Fujimino, Saitama and others)		Office, and research and development	2,907	870	10,011 (40)	–	986	14,775	343 [62]

2. Overseas subsidiaries

(As of March 31, 2025)

Company name	Site name (location)	Business segment	Facility type/ purpose	Book value (million yen)						Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (thousand m ²)	Right-of-use assets	Other	Total	
Miller Milling Company, LLC	Winchester Plant (U.S.)	Flour Milling	Wheat flour production	1,885	3,511	602 (80)	72	997	7,069	47 [–]
Miller Milling Company, LLC	Fresno Plant (U.S.)	Flour Milling	Wheat flour production	463	1,833	318 (130)	11	532	3,159	35 [7]
Miller Milling Company, LLC	Los Angeles Plant (U.S.)	Flour Milling	Wheat flour production	1,920	2,542	1,019 (23)	1	419	5,903	46 [3]
Miller Milling Company, LLC	Oakland Plant (U.S.)	Flour Milling	Wheat flour production	685	777	1,940 (51)	1	585	3,990	51 [–]
Miller Milling Company, LLC	Saginaw Plant (U.S.)	Flour Milling	Wheat flour production	4,483	11,374	102 (26)	158	723	16,843	64 [4]
Allied Pinnacle Pty Ltd.	Altona Plant (Australia)	Flour Milling	Bakery ingredient production	15	2,946	– (19)	1,638	241	4,841	183 [4]
Allied Pinnacle Pty Ltd.	Kensington Plant (Australia)	Flour Milling	Wheat flour production	31	513	– (11)	1,355	94	1,994	62 [1]
Allied Pinnacle Pty Ltd.	Kingsgrove Plant (Australia)	Flour Milling	Prepared mix production	94	418	– (22)	3,753	453	4,720	73 [1]
Allied Pinnacle Pty Ltd.	Picton Plant (Australia)	Flour Milling	Wheat flour production	1	503	– (1,103)	3,373	346	4,224	42 [1]
Allied Pinnacle Pty Ltd.	Tennyson Plant (Australia)	Flour Milling	Wheat flour production	112	410	– (25)	2,591	141	3,254	59 [7]
Allied Pinnacle Pty Ltd.	Tullamarine Plant (Australia)	Flour Milling	Bakery ingredient production	27	1,253	– (9)	1,310	86	2,677	56 [17]
Rogers Foods Ltd.	Chilliwack Plant (Canada)	Flour Milling	Wheat flour production	2,243	1,811	35 (41)	–	31	4,122	79 [–]
Nisshin-STC Flour Milling Co., Ltd.	Phrapradaeng Plant (Thailand)	Flour Milling	Wheat flour production	712	532	341 (15)	–	142	1,728	104 [–]
Nisshin-STC Flour Milling Co., Ltd.	Sriracha Plant (Thailand)	Flour Milling	Wheat flour production	926	640	304 (24)	–	80	1,952	57 [–]
Vietnam Nisshin Technomic Co., Ltd.	Head Office and Plant (Vietnam)	Processed Food	Prepared mix production	1,703	1,394	– (20)	207	54	3,360	224 [–]
Oriental Yeast India Pvt. Ltd.	Yeast plant (India)	Processed Food	Production of yeast	1,190	9,003	– (156)	370	26	10,590	209 [8]

Notes:

1. Book values in the “Other” column refer to the total for tools, furniture and fixtures, construction in progress and lease assets.
2. There were no principal facilities that were not in operation as of March 31, 2025.
3. Numbers of employees in square brackets refer to part-time workers.
4. The Company leases some or all of its machinery, equipment, vehicles, land and buildings from parties other than consolidated companies. The area of land leased is presented separately within square.

(3) Facility Construction and Disposal Plans

The Nisshin Seifun Group (the Company and its consolidated subsidiaries) makes capital investment with the aim of raising production capacity, ensuring product safety, and achieving production-related streamlining and labor savings.

As of March 31, 2025, funds which are planned to be allocated for the construction of facilities (actual expenditure) amounted to ¥50,000 million. Plans call for this entire sum to be mainly financed internally from cash flows.

Plans for construction or disposal of major facilities at the end of the fiscal year ended March 31, 2025 are listed below.

1. Construction of major facilities, etc.

Company name Site name	Location	Business segment	Facility type/ purpose	Planned investment amount		Funds procurement method	Scheduled commencement / completion		Increased capacity after completion
				Total amount (million yen)	Amount already paid (million yen)		Commencement	Completion	
Nisshin Flour Milling Inc. Mizushima Plant	Kurashiki, Okayama	Flour Milling	Wheat flour production	18,000	14,351	Internal cash flow	May 2023	May 2025 (Note 1)	Ground raw materials (tons) 550 tons per day
Nisshin Flour Milling Inc. Tsurumi Plant	Kawasaki- ku, Kawasaki	Flour Milling	Raw wheat silo	10,000	1,850 (Note 2)	Internal cash flow	May 2025	2028	Storage capacity for raw wheat 47,000 tons
Nisshin Seifun Group Inc.	Setagaya-ku, Tokyo, etc.	—	Development base, etc.	To be determined (Note 3)	322 (Note 2)	Internal cash flow	May 2025	To be determined (Note 3)	—

Notes:

1. The Mizushima Plant began operations in May 2025.
2. Various expenses were incurred to begin construction.
3. The detailed investment plan and completion date are under review and pending.

2. Disposal of major facilities, etc.

After the Mizushima Plant of Nisshin Flour Milling Inc. began operations, the Okayama Plant and Sakaide Plant of the Company will be closed in July and September of this year, respectively.

[4] Other Matters Related to Nisshin Seifun Group Inc.

(1) Share-Related Matters

1. Total number of shares, etc.

(1) Total number of shares authorized to be issued

Type	Total number of shares authorized to be issued (shares)
Common stock	932,856,000
Total	932,856,000

(2) Total number of shares issued and outstanding

Type	Shares issued and outstanding on March 31, 2025	Shares issued and outstanding at date of filing (June 23, 2025)	Exchanges on which stock is listed / Certified associations of financial instruments dealers to which the Company is affiliated	Comments
Common stock	290,657,891	290,657,891	Tokyo Stock Exchange Prime Market	Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit (MTU).
Total	290,657,891	290,657,891	—	—

2. Subscription rights to shares, etc.

(1) Stock option scheme

There are no applicable matters to be reported.

(2) Description of the rights plan

There are no applicable matters to be reported.

(3) Status of other new subscription rights to shares, etc.

There are no applicable matters to be reported.

3. Exercise of bonds, etc., with subscription rights to shares with an amended exercise price

There are no applicable matters to be reported.

4. Changes in shares issued and outstanding and in capital

Date	Change in shares issued and outstanding (thousand shares)	Total number of shares issued and outstanding after change (thousand shares)	Change in paid-in capital (million yen)	Paid-in capital balance (million yen)	Change in legal capital surplus (million yen)	Legal capital surplus balance (million yen)
February 12, 2025	(13,700)	290,657	—	17,117	—	9,500

Note: A decrease due to cancellation of treasury shares.

5. Ownership and share distribution

(As of March 31, 2025)

Category	Shareholders and ownership status (N.B. Minimum trading unit [MTU] = 100 shares)								Sub-MTU share holdings (shares)
	Government (national and local) entities	Financial institutions	Financial instruments dealers	Other institutions	Foreign institutions, etc.		Individuals and other shareholders	Total	
					Non-individual	Individuals			
Numbers of shareholders (persons)	–	89	38	479	317	243	49,907	51,073	–
Number of shares held (MTUs)	–	1,288,955	90,217	565,182	457,770	880	499,179	2,902,183	439,591
Ratio to total shares (%)	–	44.41	3.11	19.48	15.77	0.03	17.20	100.00	–

Notes:

- Treasury shares holdings of 818,878 shares consist of 8,188 MTUs listed under “Individuals and other shareholders” and 78 shares listed under “Sub-MTU share holdings.” All of these treasury shares are listed in the shareholder register. As of March 31, 2025, total beneficial ownership of treasury shares was equivalent to 818,531 shares. The treasury shares do not include 36,900 shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.
- Shares nominally held under the name of Japan Securities Depository Center, Inc. account for 24 MTUs in the column marked “Other institutions” and 27 shares in the column marked “Sub-MTU share holdings.”

6. Major shareholders

(As of March 31, 2025)

Name	Location	Number of shares held (thousand shares)	Shareholding as a proportion of total shares outstanding (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 8-1, Akasaka 1-chome, Minato-ku, Tokyo	45,054	15.54
Nippon Life Insurance Company	5-12, Imabashi 3-chome, Chuo-ku, Osaka	19,387	6.68
Yamazaki Baking Co., Ltd.	10-1, Iwamotocho 3-chome, Chiyoda-ku, Tokyo	16,988	5.86
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	15,996	5.51
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	9,447	3.25
The Norinchukin Bank	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	6,932	2.39
Marubeni Corporation	4-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	6,284	2.16
National Mutual Insurance Federation of Agricultural Cooperatives	JA Kyosai Building 7-9, Hirakawa-cho 2-chome, Chiyoda-ku, Tokyo	6,045	2.08
Nisshin Seifun Group Employee Shareholding Association	25, Kanda-Nishiki-cho 1-chome, Chiyoda-ku, Tokyo Japan	4,089	1.41
JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Dept. of Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5 JP, UNITED KINGDOM (Shinagawa Intercity A building, 15-3 Konan 2-chome, Minato-ku, Tokyo, 108-6219, Japan)	3,651	1.25
Total	—	133,877	46.19

Notes:

1. The Large Shareholding Report (Report of Changes) made available to the public on January 8, 2021, contained the information listed below regarding shares held by Mizuho Bank, Ltd. and its joint shareholder company Asset Management One Co., Ltd. as of December 31, 2020. However, because the Company was unable to verify the actual number of shares held as of the end of the fiscal year under review (March 31, 2025), these companies were omitted from the list of major shareholders.

The content of the aforementioned Large Shareholding Report (Report of Changes) was as follows:

Name	Location	Number of shares held (thousands)	Shareholding as a proportion of total shares outstanding (%)
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	10,447	3.43
Asset Management One Co., Ltd.	8-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	8,976	2.95
Total	—	19,423	6.38

2. The Large Shareholding Report (Report of Changes) made available to the public on March 22, 2022, contained the information listed below regarding shares held by MUFG Bank, Ltd. and two joint shareholder companies as of March 14, 2022. However, because the Company was unable to verify the actual number of shares held as of the end of the fiscal year under review (March 31, 2025), these companies were omitted from the list of major shareholders.

The content of the aforementioned Large Shareholding Report (Report of Changes) was as follows:

Name	Location	Number of shares held (thousands)	Shareholding as a proportion of total shares outstanding (%)
MUFG Bank, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	2,694	0.89
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	5,777	1.90
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	4,243	1.39
Total	—	12,715	4.18

3. The Large Shareholding Report (Report of Changes) made available to the public on December 6, 2022, contained the information listed below regarding shares held by Nomura Securities Co., Ltd. and two joint shareholder companies as of November 30, 2022. However, because the Company was unable to verify the actual number of shares held as of the end of the fiscal year under review (March 31, 2025), these companies were omitted from the list of major shareholders.

The content of the aforementioned Large Shareholding Report (Report of Changes) was as follows:

Name	Location	Number of shares held (thousands)	Shareholding as a proportion of total shares outstanding (%)
Nomura Securities Co., Ltd.	13-1 Nihonbashi 1-chome, Chuo-ku, Tokyo	939	0.31
Nomura International PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	186	0.06
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2-chome, Koto-ku, Tokyo	15,485	5.09
Total	—	16,610	5.46

4. The Large Shareholding Report (Report of Changes) made available to the public on June 21, 2023, contained the information listed below regarding shares held by Sumitomo Mitsui Trust Bank, Limited and two joint shareholder companies as of June 15, 2023. However, because the Company was unable to verify the actual number of shares held as of the end of the fiscal year under review (March 31, 2025), these companies were omitted from the list of major shareholders.

The content of the aforementioned Large Shareholding Report (Report of Changes) was as follows:

Name	Location	Number of shares held (thousands)	Shareholding as a proportion of total shares outstanding (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	2,419	0.79
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shibakoen 1-chome, Minato-ku, Tokyo	5,521	1.81
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	7,347	2.41
Total	—	15,288	5.02

5. The Large Shareholding Report (Report of Changes) made available to the public on September 5, 2023, contained the information listed below regarding shares held by BlackRock Japan Co., Ltd. and six joint shareholder companies as of August 31, 2023. However, because the Company was unable to verify the actual number of shares held as of the end of the fiscal year under review (March 31, 2025), these companies were omitted from the list of major shareholders.

The content of the aforementioned Large Shareholding Report (Report of Changes) was as follows:

Name	Location	Number of shares held (thousands)	Shareholding as a proportion of total shares outstanding (%)
BlackRock Japan Co., Ltd.	8-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	4,801	1.58
BlackRock Financial Management, Inc.	251 Little Falls Drive, Wilmington, DE, USA	431	0.14
BV(BlackRock (Netherlands) BV)	Amstelplein 1, 1096 HA Amsterdam, Netherlands	685	0.23
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, United Kingdom	538	0.18
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin, Ireland	787	0.26
BlackRock Fund Advisors	400 Howard Street, San Francisco, California, United States	2,283	0.75
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, California, United States	1,700	0.56
Total	—	11,229	3.69

7. Voting rights

(1) Distribution within shares issued and outstanding

(As of March 31, 2025)

Category	Number of shares	Number of voting rights	Comments
Shares with no voting rights	—	—	—
Shares with restricted voting rights (treasury shares, etc.)	—	—	—
Shares with restricted voting rights (other)	—	—	—
Shares with full voting rights (treasury shares, etc.)	(Treasury shares)	—	Common stock is the standard type of shares issued by the Company without limitations on the shareholders' rights, and 100 shares form a minimum trading unit (MTU).
	Common stock 818,500		
	(Mutually held shares)	—	As above
	Common stock 271,200		
Shares with full voting rights (other)	Common stock 289,128,600	2,891,286	As above
Sub-MTU (minimum trading unit) share holdings	Common stock 439,591	—	—
Shares issued and outstanding	290,657,891	—	—
Total voting rights of all shareholders	—	2,891,286	—

Notes:

1. “Shares with full voting rights (other)” above includes 2,400 shares (24 voting rights) nominally held under the name of Japan Securities Depository Center, Inc. (JASDEC), 300 shares (3 voting rights) listed under Company ownership in the register of shareholders but without any beneficial owner, and 36,900 shares (369 voting rights) held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.
2. “Number of shares” for “Sub-MTU share holdings” above includes, in addition to 27 shares nominally held under the name of Japan Securities Depository Center, Inc. (JASDEC), and 47 shares listed under Company ownership in the register of shareholders but without any beneficial owner, treasury shares owned by the Company and mutually held shares shown below.

Treasury shares

Nisshin Seifun Group Inc. 31 shares

Mutually held shares

Japan Logistic Systems Corp. 55 shares

Chiba Kyodo Silo Co., Ltd. 45 shares

(2) Treasury shares

(As of March 31, 2025)

Shareholders' name	Shareholders' address	Number of shares held under own name	Number of shares held under other name	Total number of shares held	Shareholding as proportion of total shares outstanding (%)
Treasury shares					
Nisshin Seifun Group Inc.	25, Kanda-Nishiki-cho 1-chome, Chiyoda-ku, Tokyo Japan	818,500	—	818,500	0.28
Mutually held shares					
Ishikawa Co., Ltd.	2-10, Shimagami-cho 1-chome, Hyogo-ku, Kobe	168,900	—	168,900	0.05
Chiba Kyodo Silo Co., Ltd.	16, Shinminato, Mihama-ku, Chiba	95,700	—	95,700	0.03
Japan Logistic Systems Corp.	19-17, Ebara 1-chome, Shinagawa-ku, Tokyo	6,600	—	6,600	0.00
Total	—	1,089,700	—	1,089,700	0.37

Note:

“Treasury shares” above does not include 300 shares listed under Company ownership in the register of shareholders but without any beneficial owner, and 36,900 shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

8. Director and Employee Shareholding System

On May 12, 2017, the Board of Directors passed a resolution to adopt a new stock-based remuneration plan (hereinafter, “the new plan”) available to the Company’s directors and executive officers, and the directors of principal subsidiaries. On June 28, 2017, the 173rd Ordinary General Meeting of Shareholders passed a resolution authorizing the adoption of the new plan for the Company’s directors. In conjunction with the Company’s transition to a company structure with an audit & supervisory committee, the 175th Ordinary General Meeting of Shareholders held on June 26, 2019, passed a resolution that re-established the remuneration framework for Directors (excluding Audit & Supervisory Committee Members) associated with the new plan. The Board passed a resolution to retain the new plan at meetings held on May 14, 2020 and May 10, 2023. Additionally, with the aim of further enhancing corporate value for growth over the medium to long term, we opted to raise the payment level of the new plan and boost the proportion of stock-based remuneration to achieve a remuneration composition more strongly linked to corporate value; at a meeting on May 15, 2024, the Board of Directors passed a resolution to pursue an additional trust and an additional purchase of the Company’s own shares. The adoption of the new plan and changes in remuneration for eligible Directors of principal subsidiaries is decided by resolution of the respective Ordinary General Meeting of Shareholders of each subsidiary; the decision to continue this system and to pursue an additional trust is based on resolutions by the Board of Directors of each respective subsidiary.

(1) Overview of the New Plan

Eligibility for the new plan is limited to Directors (excluding Audit & Supervisory Committee Members) and Executive Officers of the Company, and Directors of major subsidiaries (hereinafter, “eligible Directors and others”). The number of Company shares granted is calculated based on a set formula derived from the stock remuneration base amount set out according to the positions and other factors of the eligible directors and others. The Company shares are acquired through a trust (hereinafter, “the trust”) established by the Company, using the amount of money that the Company and its principal subsidiaries will contribute, and are vested with eligible directors and others through the trust.

For Company shares delivered annually to the eligible directors and others through the new plan, a transfer restriction period (i.e., period prohibiting the transfer, establishment of security interests and other treatment) is to be established based on share delivery regulations for 3 years from the date of delivery. For eligible directors and others, this restriction will heighten their desire to contribute to improvement in corporate value over the medium to long term, while raising management awareness from the viewpoint of shareholders through shared interest in profit with shareholders.

(2) Trust Contract

- | | |
|---|--|
| • Trust type: | Specified, individually operated trust of money other than money trust |
| • Trust purpose: | Incentive benefit for eligible directors and others |
| • Settlor: | Nisshin Seifun Group Inc. |
| • Trustee: | Mitsubishi UFJ Trust and Banking Corporation
(Joint trustee: The Master Trust Bank of Japan, Ltd.) |
| • Beneficiaries: | Individuals qualifying as beneficiaries among eligible directors and others |
| • Trust administrator: | Third party with no conflict of interest with the Company or its principal subsidiaries (certified public accountant) |
| • Trust contract date: | May 16, 2017 |
| • Date of agreement to extend trust period: | May 15, 2023 |
| • Trust period after extension: | From August 1, 2023 to July 31, 2026 |
| • Launch date for plan: | July 1, 2017 |
| • Handling of voting rights: | Not exercisable |
| • Type of shares for acquisition: | Common shares of the Company |
| • Monetary value of trust: | Additional contribution of approx. ¥514 million accompanying agreement to extend trust period on May 15, 2023
Additional contribution of approx. ¥78 million accompanying prospectus dated May 15, 2024 pertaining to changes in the trust contract
(Funds remaining in trust prior to trust period extensions are separately allocated as trust remuneration or expenses) |
| • Share acquisition period: | Amounts below are the maximum purchasable amount of Company shares for each period
• Year ended March 31, 2024: approx. ¥118 million
July 3, 2023 |

- Year ended March 31, 2025: approx. ¥223 million
Of this amount, approx. ¥198 million from July 1, 2024 to July 2, 2024
Of this amount, approx. ¥25 million July 4, 2024
 - Year ending March 31, 2026: approx. ¥251 million (forecast)
Of this amount, approx. ¥198 million from July 1, 2025 to July 20, 2025 (forecast)
Of this amount, approx. ¥53 million – 10 days from the second business day following completion of the abovementioned approx. ¥198 million share purchase (forecast)
- Share purchase method: Purchase via stock market
- Rights holder: Nisshin Seifun Group Inc.
- Residual assets: Residual assets receivable by the Company, as the rights holder, are to be within the scope of funds used for trust preparation, after deduction of funds for the purchase of shares from trust funds.

(3) Upper Limit of Total Number of Shares Scheduled for Acquisition by Eligible Directors and Others

The total number of Company shares granted to eligible directors and others as the share granting portion based on this new plan is 960,000 shares for consecutive three-year period.

(4) Scope of Individuals Eligible for Beneficiary Rights and Other Rights under This New Plan

Individuals from among eligible directors and others who meet qualifying beneficiary criteria

(2) Acquisitions of Treasury Shares

Class of shares, etc.:

Acquisition of common shares under Article 155 (iii) of the Companies Act and acquisition of common shares under Article 155 (vii) of the Companies Act

1. Stock acquisitions by resolution of the Ordinary General Meeting of Shareholders

There are no applicable matters to be reported.

2. Stock acquisitions by resolution of the Board of Directors

Category	Number of shares	Total value (yen)
Status of the resolution passed at a meeting of the Board of Directors (January 28, 2025) (Acquisition period: January 29, 2025)	7,700,000	15,400,000,000
Treasury shares acquired before the fiscal year under review	—	—
Treasury shares acquired in the fiscal year under review	7,700,000	13,906,200,000
Total number and total value of treasury stock still to be acquired based on resolution	—	1,493,800,000
Ratio of treasury stock yet to be acquired as of March 31, 2025 (%)	—	9.7
Treasury shares acquired during the term	—	—
Ratio of treasury stock yet to be acquired as of the date of submission	—	9.7

Notes:

- The treasury shares were acquired through the off-floor trading system ToSTNeT-3 of the Tokyo Stock Exchange.
- The acquisition of treasury shares by the resolution above was completed on January 29, 2025.

3. Stock acquisitions not based on resolutions of the Ordinary General Meeting of Shareholders or the Board of Directors

Category	Number of shares	Total value (yen)
Treasury shares acquired in the fiscal year under review	1,025	1,914,522
Treasury shares acquired during the term	21	35,364

Note:

The treasury shares acquired during the term does not include shares acquired by purchasing sub-MTU (minimum trading unit) shares during the period from June 1, 2025, to the date of filing the original Japanese version of this report.

4. Disposals or holdings of acquired treasury shares

Category	Fiscal year ended March 31, 2025		During the term	
	Number of shares	Total value of disposals (yen)	Number of shares	Total value of disposals (yen)
Shares of acquired treasury shares that went on offer	—	—	—	—
Treasury shares retired	13,700,000	23,362,747,000	—	—
Shares of acquired treasury shares involved in transfers accompanying merger, share exchange, share delivery or corporate demerger	—	—	—	—
Other (Sale upon request of sub-MTU share holdings)	331	627,415	—	—
Shares of treasury shares held	818,531	—	818,552	—

Notes:

- The number of treasury shares retired during the term does not reflect the sale upon request of sub-MTU shareholdings between June 1, 2025 and the filing of this report.
- The number of treasury shares held during the term does not reflect the purchase or sale upon request of sub-MTU shareholdings between June 1, 2025 and the filing of this report.
- The number of treasury shares held for the year ended March 31, 2025 and during the term does not include shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

(3) Dividend Policy

We distribute profit in consideration of current and future earnings and our financial position. To ensure that we can provide consistent dividends over the long term, the Company follows a policy that established a standard consolidated dividend payout ratio that is calculated using profit attributable to owners of parent, excluding any profits or losses from non-recurring extraordinary factors. We set a payout ratio of 40% or higher. However, to live up to shareholders' expectations, we have raised the standard payout ratio to 50% for the period leading up to the fiscal year ending March 31, 2027, the final year of The Nisshin Seifun Group Medium-Term Management Plan 2026.

In principle, the Company intends to pay dividends twice a year: interim and fiscal year-end. The Company's Articles of Incorporation state that decisions regarding dividends may be made by the General Meeting of Shareholders or the Board of Directors according to Article 459, Paragraph 1 of the Companies Act, unless otherwise specified by law. The Articles of Incorporation also state that the payment of interim dividends as provided for in Article 454, Paragraph 5 of the Companies Act may be approved by a resolution of the Board of Directors. The record date for these dividends is set as September 30 each year.

The Company will present a proposal for a year-end dividend of ¥30 per share at the General Meeting of Shareholders on June 26, 2025. The annual dividend, including the interim dividends of ¥25 per share already distributed, will be ¥55 per share, an increase of ¥10 per share from the previous fiscal year. Dividends will effectively increase for the 12th consecutive fiscal year, starting from the fiscal year ended March 31, 2014, when we did not adjust dividends per share after a share split and increased total dividends. The consolidated payout ratio will be 46.9%. If we exclude gains and losses from non-recurring extraordinary factors, the payout ratio will be 51.1%. The divided on equity (DOE) rate will be 3.3%.

We will appropriately allocate internal reserves to growth investments and shareholder returns, aiming for sustainable growth and an increase in earnings per share (EPS) in line with The Nisshin Seifun Group Medium-Term Management Plan 2026. These growth investments will focus on environmental initiatives, digital technologies, new business development, mergers and acquisitions, research and development, and the development of human resources. We will proactively consider raising dividends at appropriate times. If we have surplus investment funds, we will consider providing additional returns to shareholders.

Note: Payment of dividends for which the date of record falls during the fiscal year ended March 31, 2025 is as follows.

Authorizing resolution	Total dividends (million yen)	Total dividends per share (yen)
Resolution of the Board of Directors made on October 30, 2024	7,438	25
Resolution of the Ordinary General Meeting of Shareholders made on June 26, 2025 (forecast)	8,695	30

(4) Corporate Governance and Other Matters

1. Corporate governance

This section provides an overview of corporate governance at the Company and the Nisshin Seifun Group. All data are accurate as of the date of filing this Securities Report in Japanese (June 23, 2025).

(1) Corporate governance systems

<Basic policy on corporate governance>

The Nisshin Seifun Group espouses two corporate philosophies, “the basis of business is built on trust” and to “be in tune with the changing business climate.” Underpinned by a corporate principle of “contributing to a healthy and fruitful life for all,” the Group’s mission is to stably supply safe and reliable food centering on wheat flour. Based on this corporate philosophy, the Company aims to realize sustainable growth and maximize long-term corporate value. Hence, the Company’s basic policy on corporate governance focuses on building a functional management system and maintaining accountability and transparency. The policy also emphasizes that the Company respects the position of all stakeholders, including shareholders, and promotes management that is highly transparent and carries out agile and appropriate decision-making. Under this philosophy, the Company fulfills its duties to a wide range of stakeholders, including shareholders who have entrusted us with management of the Company. In addition, the Company has defined its “basic policy on corporate governance” to realize effective governance that will lead to sustainable growth and medium- to long-term creation of corporate value.

<Description of the Company’s corporate governance systems and reasons for adopting such systems>

The Nisshin Seifun Group is a company with an Audit & Supervisory Committee-based governance structure. The rationale for adoption of this model is detailed below.

- Along with selecting a company structure with an audit & supervisory committee, whereby Directors who are Audit & Supervisory Committee Members retain decision-making authority on the Board of Directors, the percentage of Outside Directors has been increased to strengthen the supervisory functions of the Board of Directors with respect to business execution and related matters.
- The Audit & Supervisory Committee, of which Outside Directors comprise over half of its members, is responsible for auditing the appropriateness and propriety of business execution, resulting in even greater management transparency; meanwhile, placing the Internal Audit Department under the direct authority of the Audit & Supervisory Committee is designed to promote more robust audits.
- The authority of Executive Directors has been refined and the speed of management decision-making increased, with the aim of improving flexibility in business execution.

These changes seek to further enhance the Company’s sustainable growth and its medium- to long-term corporate value. Other matters regarding corporate governance are detailed below.

1) Reasons for adopting a holding company structure

The Company evaluates and supervises operating subsidiaries from the standpoint of a shareholder, and has adopted a holding company structure with the objective of executing Group management that ensures strategic utilization of management resources and effective governance. In the execution of Company operations, there is clear management accountability and the Company uses a system that promotes timely and appropriate decision-making.

2) Management system

The Company has the Board of Directors as a body for making important managerial decisions and supervising operational execution. Six Outside Directors are appointed to provide opinions to management from a highly independent third-party perspective. The Board of Directors met 13 times during the fiscal year under review. Attendance information for each Director is listed below. Refer to (2) below for more details regarding the composition of the Board of Directors as of the date of submission of this report (June 23, 2025). President Kenji Takihara serves as chair of the Board of Directors.

Position	Name	Attendance at meetings of the Board of Directors
Director	Kenji Takihara	Attended all 13 meetings
Director	Naoto Masujima	Attended all 13 meetings
Director	Eiichi Suzuki	Attended all 13 meetings
Director	Seiichiro Takahashi	Attended all 10 meetings
Director	Takao Yamada	Attended all 13 meetings
Director	Takahiko Iwahashi	Attended 12 out of 13 meetings

Position	Name	Attendance at meetings of the Board of Directors
Director	Shinichi Ikeda	Attended all 10 meetings
Director	Yasuo Ito	Attended all 3 meetings
Director	Koichi Iwasaki	Attended all 3 meetings
Director	Kazuhiko Fushiya	Attended all 13 meetings
Director	Motoo Nagai	Attended all 13 meetings
Director	Nobuhiro Endo	Attended 12 out of 13 meetings
Director (Audit & Supervisory Committee Member)	Shoh Ohuchi	Attended all 13 meetings
Director (Audit & Supervisory Committee Member)	Mieko Tomita	Attended all 13 meetings
Director (Audit & Supervisory Committee Member)	Takaharu Ando	Attended all 13 meetings
Director (Audit & Supervisory Committee Member)	Hiroto Kaneko	Attended all 13 meetings

Notes:

1. Directors Yasuo Ito and Director Koichi Iwasaki retired at the conclusion of the 180th Ordinary General Meeting of Shareholders on June 26, 2024.
2. Directors Seiichiro Takahashi and Shinichi Ikeda were elected at the 180th Ordinary General Meeting of Shareholders on June 26, 2024. The meeting count and attendance numbers for them are counted after that date.

Matters resolved by and reported to the Board of Directors for the fiscal year under review are as follows.

Matters resolved: Survey on core systems, capital investments by subsidiaries

Matters reported: Progress of measures based on management policy; results of audits, internal control evaluation, and internal audits; status of the business portfolio; projects pertaining to the governance of overseas subsidiaries, status of implementation of the intellectual property strategy

The Company adopts an Executive Officer system to expedite the execution of business operations. In addition, the Company has the Group Management Meeting, which mainly consists of Executive Officers who discuss and exchange opinions as to important matters regarding the management of the Nisshin Seifun Group and the group companies. The Group Management Meeting as of the date of filing this Securities Report in Japanese (June 23, 2025) is comprised of President Kenji Takihara; Senior Managing Executive Officer Naoto Masujima; Managing Directors and Executive Officers Eiichi Suzuki, Seiichiro Takahashi and Tsuguhiko Yoshida; Executive Officers Shigemitsu Fujita, Kenji Sakamoto, and Hiroyuki Yamada; Full-time Audit & Supervisory Committee Member Shoh Ohuchi; and others appointed by the President, Kenji Takihara, who serves as chair for the meeting. The Group Management Meeting meets twice a month, in principle, and whenever the need arises.

The Group Management Meeting following the Ordinary General Meeting of Shareholders on June 26, 2025 will be attended by President Kenji Takihara, Senior Managing Executive Officer Kenji Sakamoto, Managing Executive Officers Eiichi Suzuki, Seiichiro Takahashi, Tsuguhiko Yoshida, Shigemitsu Fujita, Katsuhiro Totsuka, Full-time Audit & Supervisory Committee Member Shoh Ohuchi, and individuals nominated by the President.

3) Auditing system

As of the date of filing this Securities Report (June 23, 2025), the Audit & Supervisory Committee comprises four members: Outside Directors (Mieko Tomita, Takaharu Ando, and Hirota Kaneko) and an internal Director and full-time Audit & Supervisory Committee Member (Shoh Ohuchi). The chair of the committee is Full-time Audit & Supervisory Committee Member Shoh Ohuchi.

The Company's subsidiaries in Japan have appointed auditors; the full-time member of the Audit & Supervisory Committee holds a concurrent appointment as an audit and supervisory committee member of the Company's principal subsidiaries, and carries out audits of Nisshin Seifun Group companies.

In terms of personnel and systems to support the Group's auditing structure, a secretariat has been established to support auditing by the Audit & Supervisory Committee Members. In addition, the Company appoints several employees with extensive practical business experience at the Company and have held posts above a certain level to specialist positions for auditing Group companies.

Full-time Audit & Supervisory Committee Member Shoh Ohuchi has experience in accounting and finance work. For the part-time Outside Directors and Audit & Supervisory Committee Members, Mieko Tomita holds qualifications

as an attorney, while Hiroto Kaneko holds qualifications as a certified public accountant.

As a division for conducting internal audits, the Company has the Internal Audit Department, under the direct authority of the Audit & Supervisory Committee, coupled with expert personnel in charge of audits covering specialized areas such as facilities, safety, environmental protection and quality assurance. This structure is responsible for internal audits of the Nisshin Seifun Group companies.

The Company and its major subsidiaries have an independent auditing contract with Deloitte Touche Tohmatsu LLC, which conducts audits as stipulated in the Companies Act and the Financial Instruments and Exchange Act under that contract.

At the Ordinary General Meeting of Shareholders on June 26, 2025, the Company will present a proposal for the election of three (3) Directors who are members of the Audit & Supervisory Committee. If the proposal is passed, the Audit & Supervisory Committee will continue to have four members (three Outside Directors and one internal Director).

4) Committee structure voluntarily established in relation to the corporate governance system

(a) In a bid to improve the objectivity of functions of the Board of Directors with respect to the nomination of candidates for President and Outside Directors, as well as remuneration for management and executives, the Company has established a Nomination and Remuneration Advisory Committee. Comprised entirely of independent Outside Directors, this committee enables the exchange of information between Outside Directors, while serving as a site for deliberation and counsel regarding the nomination of Representative Directors and Outside Directors, as well as the composition of the Board of Directors (including the skill matrix), following request for advice from the Board of Directors. The committee also deliberates and provides counsel regarding approaches to remuneration for management and executives (e.g., Managing Directors, Executive Officers and Presidents of principal subsidiaries). The committee as of the date of filing this Securities Report in Japanese (June 23, 2025) consists of six members – Mr. Kazuhiko Fushiya, Mr. Motoo Nagai, Mr. Nobuhiro Endo, Ms. Mieko Tomita, Mr. Takaharu Ando and Mr. Hiroto Kaneko, with Mr. Kazuhiko Fushiya serving as chair.

At the Ordinary General Meeting of Shareholders on June 26, 2025, the Company will present a proposal for the election of ten (10) Directors (excluding Directors who are members of the Audit & Supervisory Committee) and a proposal for the election of three (3) Directors who are members of the Audit & Supervisory Committee. If both proposals are passed, the Nomination and Remuneration Advisory Committee will continue to comprise six independent Outside Directors.

(b) The Nomination and Remuneration Advisory Committee met twice during the fiscal year under review. Attendance information for each committee member is listed below. The committee primarily discussed management succession, dialogues with investors, changes in Directors, and the evaluation of the effectiveness of the Board of Directors.

Position	Name	Attendance at meetings of the Board of Directors
Outside Director Independent Director	Kazuhiko Fushiya	Attended all 2 meetings
Outside Director Independent Director	Motoo Nagai	Attended all 2 meetings
Outside Director Independent Director	Nobuhiro Endo	Attended all 2 meetings
Outside Director Independent Director	Mieko Tomita	Attended all 2 meetings
Outside Director Independent Director	Takaharu Ando	Attended all 2 meetings
Outside Director Independent Director	Hiroto Kaneko	Attended all 2 meetings

Furthermore, the Company has established a Corporate Value Committee. Refer to (8) below for more information. All members of the Corporate Value Committee are independent Outside Directors. The chair of the Corporate Value Committee is Mr. Kazuhiko Fushiya.

5) Reasons for adopting the corporate governance systems

The rationale for the Company's selection of an Audit & Supervisory Committee-based governance structure is as described above. To maximize the effect of the holding company structure, the Company's Board of Directors comprises (i) directors who exclusively belong to the holding company and are responsible for functions that unify

the overall Group; (ii) Directors who concurrently hold the position of managing major operating companies, being familiar with the market environment and having experienced management skills for those businesses; (iii) Outside Directors who possess an independent, third-party viewpoint, and (iv) Directors with decision-making authority on the Board of Directors who are also Audit & Supervisory Committee Members responsible for auditing the appropriateness and propriety of business execution. We believe that this structure is suitable for promoting management that respects the standpoint of each stakeholder group, including shareholders, maintains a high degree of transparency, and carries out timely and appropriate decision-making. The Company appoints Outside Directors, who offer opinions at Board of Directors meetings based on extensive experience and broad knowledge. Their opinions are delivered from the same viewpoint as the Company's shareholders and the general society surrounding the Company, and such opinions are extremely important for examining the management of the Company.

<Outline of limited liability contract>

Pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company holds a limited liability contract with Directors (excluding Executive Directors) to the effect that the maximum amount of liability as stipulated in Article 423, Paragraph 1 of the Companies Act shall be the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the Companies Act, as long as they perform their duties in good faith and without gross negligence.

<Outline of directors and officers liability insurance contract>

The Company has entered into a directors and officers liability insurance contract with an insurance company, as provided in Article 430-3, Paragraph 1 of the Companies Act, under which damages arising from insureds' liability borne from the performance of their duties, or from claims in pursuit of that liability, shall be compensated. The insurance premiums are fully borne by the companies. The insurance policy provides for certain exclusions and deductibles, such as not covering damages caused by acts committed while aware of violations of laws and regulations, and requires the insured to pay a certain amount of the deductible. The 33 insureds under such insurance policies are Directors, Audit & Supervisory Board Members, Executive Officers, and important employees, etc. of the Company and its domestic subsidiaries.

<Basic policy on internal control systems and status>

The internal control systems of the Company establish the hierarchical command structure and clarify authority and responsibility while putting in place management control of department heads or managers in operational departments, internal checks between departments (i.e. operations division and accounting division), as well as the following systems.

- 1) Systems to ensure the duties of directors and employees of the Company and its subsidiaries are performed in compliance with law and the Articles of Incorporation
 - (a) The Nisshin Seifun Group has formulated the Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines. The presidents and directors of the Company and its subsidiaries recognize their duty to comply with said Code and Guidelines, and shall take the lead in following said rules and publicizing them to the people concerned. Said presidents and directors shall also endeavor to grasp internal and external opinion at all times, and adjust their internal systems accordingly to enhance their effectiveness, while promoting corporate ethics throughout their companies.
 - (b) The Audit & Supervisory Committee of the Company and its subsidiaries shall audit the performance of duties by each director, and oversee and verify whether directors construct and operate systems for internal control in an appropriate manner.
 - (c) The Internal Audit Department, directly supervised by the Audit & Supervisory Committee of the Company, shall lead the enhancement and operation of the Nisshin Seifun Group's internal control systems.

As an independent organization, the Internal Audit Department shall evaluate the internal control systems of the Nisshin Seifun Group and perform internal audits of the Group's business operations.
 - (d) The Company's Social Committee shall address all Nisshin Seifun Group's corporate social responsibility (CSR) issues by discussing a comprehensive range of CSR issues, including corporate ethics and compliance, promoting practical CSR measures, providing education on CSR throughout the Group and ensuring recognition of and compliance with laws, the Articles of Incorporation and social norms.
 - (e) The Nisshin Seifun Group shall not bow to unreasonable demands of antisocial forces that could threaten the order and safety of civil society and shall take organized countermeasures in collaboration with specialized institutions.
 - (f) The Company shall operate and maintain the Compliance Hotline, which was established as a measure for Nisshin Seifun Group employees, etc., to directly report any acts of non-compliance so that such acts can be early detected and dealt with.
- 2) Rules and systems for managing the danger of loss to the Company and its subsidiaries
 - (a) In the Nisshin Seifun Group, issues concerning business operations, approval and reporting procedures shall be determined according to their level of importance, impact, etc., and evaluation of such issues, including risk

assessment thereof, shall be made in advance.

- (b) In the Nisshin Seifun Group, in line with the Nisshin Seifun Group Risk Management Rules, in parallel with evaluation and review of risks, the Company's Risk Management Committee shall supervise the overall risk management efforts of the Nisshin Seifun Group by confirming and providing guidance to ensure that subsidiaries have appropriate control over the risks that subsidiaries recognize, analyze, and evaluate, and that no risks are left unnoticed.
 - (c) In the Nisshin Seifun Group, in line with the Nisshin Seifun Group Crisis Control Rules, any emergence of crises or fear thereof shall be reported by employees, etc. to a specified contact within the Nisshin Seifun Group to ensure the early detection and handling of the danger of loss.
Should crises occur, the Company shall immediately set up countermeasures headquarters to handle them in an appropriate manner to minimize damages.
 - (d) The Audit & Supervisory Committee of the Company and its subsidiaries shall take the necessary measures, such as advice and recommendation, whenever they recognize the possibility that each director may bring about a significant loss or serious accidents.
- 3) Systems for ensuring that duties of directors of the Company and its subsidiaries are performed efficiently
- (a) For the Company and its subsidiaries, the range of responsibility and authority is clarified, for example, by identifying matters to be resolved by and reported to the Board of Directors and matters of request for approval of presidents, Directors and Executive Officers in charge of respective business divisions. This enables directors to perform their duties in a prompt and appropriate manner.
 - (b) The Nisshin Seifun Group clarifies its business strategies and their potential direction, according to which each subsidiary formulates its profit plans on a yearly basis. The term of office of directors (excluding Directors who are Audit & Supervisory Committee Members) shall be one year to clarify their responsibilities. The Board of Directors reviews business performance on a monthly basis, and discusses and implements measures to improve performance.
- 4) Systems for ensuring that proper business operations are conducted within the group of companies that consists of the Company and its subsidiaries
- (a) The Nisshin Seifun Group has adopted a holding company structure under Nisshin Seifun Group Inc., whereby the Company, as the holding company constantly oversees and evaluates the actions of subsidiaries with the best interests of the shareholders in mind.
 - (b) For important issues concerning the business operations of subsidiaries, standardized criteria determine the matters to be submitted for discussion or report to the Company's Board of Directors.
 - (c) The Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines stipulates and specifies Nisshin Seifun Group's: Corporate Philosophy; Primary Management Objective; Attitudes Toward Stakeholders and Corporate Code of Conduct and Employee Action Guidelines, and awareness of these is promoted throughout the Group.
 - (d) The procedures and methods for creation of the Group's financial reports, including the consolidated financial statements, are stipulated to eliminate wrongful acts and errors and ensure the reliability of consolidated financial statements and other financial reporting from the Nisshin Seifun Group.
 - (e) The Audit & Supervisory Committee of the Company and its subsidiaries hold regular meetings of Nisshin Seifun Group Audit & Supervisory Liaison Committee to exchange opinions on audit cases, etc., and share issues to be addressed.
 - (f) The Company provides special audits, such as of facilities, safety, environment and quality assurance for the Nisshin Seifun Group.
 - (g) The Internal Audit Department, directly supervised by the Audit & Supervisory Committee of the Company, shall lead the enhancement and operation of the Nisshin Seifun Group's internal control systems.
As an independent organization, the Internal Audit Department shall evaluate the internal control systems of the Nisshin Seifun Group and perform internal audits of the Group's business operations.
 - (h) The subsidiaries of the Nisshin Seifun Group have their own Internal Control Committee, headed by the president, which leads efforts to enhance and operate their internal control systems.
- 5) Systems for ensuring the preservation and management of information in relation to the performance of the duties of the directors of the Company
- The minutes of Board of Directors' meetings, request for managerial decision, and other documents and information relating to the directors' performance of their duties shall be preserved and managed appropriately as confidential information in accordance with the relevant regulations.
- 6) Provisions concerning the individuals assisting the Audit & Supervisory Committee Members in performing their

duties, their independence from directors (excluding Directors who are Audit & Supervisory Committee Members), and ensuring the efficacy of directions given to such individuals by the Audit & Supervisory Committee Members

- (a) An Audit & Supervisory Committee Secretariat has been established to assist the Audit & Supervisory Committee in performing its duties. The secretariat assists the Audit & Supervisory Committee in performing audits under the direction of the committee. Personnel changes concerning the members of the Audit & Supervisory Committee Secretariat require the consent of the Audit & Supervisory Committee.
 - (b) Directors (excluding Directors who are Audit & Supervisory Committee Members) pay close attention to ensuring that no unreasonable constraints exist that could potentially hinder the independence of the Audit & Supervisory Committee Secretariat in the performance of its duties.
- 7) Systems for reporting to the Audit & Supervisory Committee of the Company by the directors (excluding Directors who are Audit & Supervisory Committee Members) and employees of the Company, the directors, auditors and employees of subsidiaries, and individuals who receive reports from these individuals
- (a) The Audit & Supervisory Committee Members of the Company attend the meetings of the Board of Directors and other important meetings, including meetings of the Group Management Meeting, the Credit Management Committee and the Normative Ethics Committee, and state their opinions as appropriate.
 - (b) The Audit & Supervisory Committee of the Company may ask for reporting from the independent accounting auditors, the directors, the Internal Audit Department and others, whenever such necessity arises.
 - (c) When Directors of the Company or its subsidiaries recognize anything that could cause remarkable damage or serious accidents to their respective companies, they shall immediately report that to their respective Audit & Supervisory Boards or auditors, with subsequent reporting by the respective Audit & Supervisory Board Members to the Company's Audit & Supervisory Committee.
 - (d) The results of audits conducted by subsidiaries' Audit & Supervisory Board Members shall also be reported to the Company's Audit & Supervisory Committee.
 - (e) The results of internal control system evaluations and internal audits conducted by the Company's Internal Audit Department are also reported to the Company's Audit & Supervisory Committee.
 - (f) The results of specialized audits, equipment and safety audits, environmental audits and quality assurance audits, are also reported to the Company's Audit & Supervisory Committee.
 - (g) Any information obtained through the Compliance Hotline is reported immediately to the Company's Audit & Supervisory Committee.
 - (h) Documents for taking over the duties of the executive managers of the Company's divisions and the presidents of its subsidiaries are submitted to the Company's Audit & Supervisory Committee.
 - (i) All circular requisitions of the Company and its subsidiaries are transmitted to all of the Audit & Supervisory Committee Members or auditors of each respective company.
- 8) System for ensuring individuals reporting to the Company's Audit & Supervisory Committee can do so without fear of reprisal for doing so
- Individuals reporting any of the previously addressed items, including those reporting via the Compliance Hotline, will face no reprisals, through personnel systems or in any other way, for such reporting.
- 9) Provisions regarding policies guiding procedures for the prepayment or reimbursement of expenses incurred by the Company's Audit & Supervisory Committee Members in the execution of their duties and other expenses incurred in the execution of such duties or fulfillment of related responsibilities
- Anticipated expenses incurred by the Audit & Supervisory Committee Members in the execution of their duties are budgeted; expenses incurred beyond those budgeted, excluding such expenses deemed unnecessary for execution of the duties of the Audit & Supervisory Committee Members, shall be dealt with immediately by the Company pursuant to Article 399-2, Paragraph 4 of the Companies Act.
- 10) Other systems for ensuring that the audits by Audit & Supervisory Committee of the Company are conducted efficiently
- The Audit & Supervisory Committee holds regular meetings with representative directors, and exchange opinions on prospective challenges and risks for the Company, as well as the status of the environment for audits by the Audit & Supervisory Committee and other important auditing issues.

<Basic policy and status of efforts for elimination of antisocial forces>

The Nisshin Seifun Group shall not bow to unreasonable demands of antisocial forces that could threaten the order and safety of civil society and shall take organized countermeasures in collaboration with specialized institutions. The Group's detailed efforts to achieve this are as follows.

- (a) The Nisshin Seifun Group Corporate Code of Conduct calls for strict compliance with all relevant laws and social

norms, while the Employee Action Guidelines call upon employees to maintain a resolute attitude to reject unreasonable demands from antisocial forces.

- (b) Within the Nisshin Seifun Group Inc., an office for control of countermeasures against unreasonable demands and a person responsible for the rejection of such demands are provided to collect information about antisocial forces and to take organized countermeasures in collaboration with specialized institutions. In addition, educational opportunities on ethics and compliance are provided to have the organized countermeasures effectively in place throughout the Group.
- (c) Within the Nisshin Seifun Group Inc., a Normative Ethics Committee, comprised of members from Group companies, and Social Norms Committees at key subsidiaries, have been established. The committees thoroughly review each case to ensure a resolute attitude to reject unreasonable requests from antisocial forces, and to confirm that no illegal payoffs or other such actions occur.

<Status of risk management systems>

As mentioned in “Basic policy on internal control systems and status” above, the Group has risk management systems as follows.

To ensure that the Company fulfills its social responsibilities, the Nisshin Seifun Group has formulated the Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines. The Company undertakes Group-wide training and other educational activities to ensure that all employees understand and abide by this code of conduct. Environmental and other specialist audits are undertaken as a further check of the code’s effectiveness. The Company has also established a Compliance Hotline System that allows employees to communicate directly with external legal counsel or internal departments regarding any compliance-related matters.

Separately, the Nisshin Seifun Group has established the Nisshin Seifun Group Risk Management Rules and the Crisis Control Rules to prevent crisis occurrence and ensure that appropriate actions are taken in the event of any such emergency, as well as to give clear definitions of risk management and crisis. The Company has also set up the Risk Management Committee as a center for overseeing the efforts of risk management throughout the Nisshin Seifun Group. All Nisshin Seifun Group employees are obliged to report any crisis to the Company’s call center so that the information can be relayed swiftly to senior management. The system aims to ensure that any damage caused is minimal due to prompt initial action.

(2) The number of Directors

The Company’s Articles of Incorporation prescribe that the number of the Company’s Directors be not more than 14, of which not more than 4 are Audit & Supervisory Committee Members.

(3) Requirements for a resolution on the appointment of Directors

The Company’s Articles of Incorporation prescribe that a resolution on the appointment of Directors who are Audit & Supervisory Committee Members and other Directors (categorized separately) be adopted by a majority of the voting rights of shareholders attending the General Meeting of Shareholders who collectively hold one-third or more of all voting rights. Cumulative voting shall not be applied to pass a resolution on the appointment of Directors.

(4) The bodies that make a decision on the payment of dividends, etc.

To enable the Company to maintain a dynamic capital stance, the Company’s Articles of Incorporation prescribe that matters specified in all items of Article 459, Paragraph 1 of the Companies Act, including those related to the payment of dividends, may be decided by the Board of Directors, as well as the General Meeting of Shareholders, unless otherwise stipulated by law.

(5) The body that makes a decision on the payment of interim dividends

To enable the expeditious return of profits to shareholders, the Company’s Articles of Incorporation prescribe that the payment of interim dividends as stipulated in Article 454, Paragraph 5 of the Companies Act, for which the date of record is September 30 each year, may be enabled by a resolution of the Board of Directors.

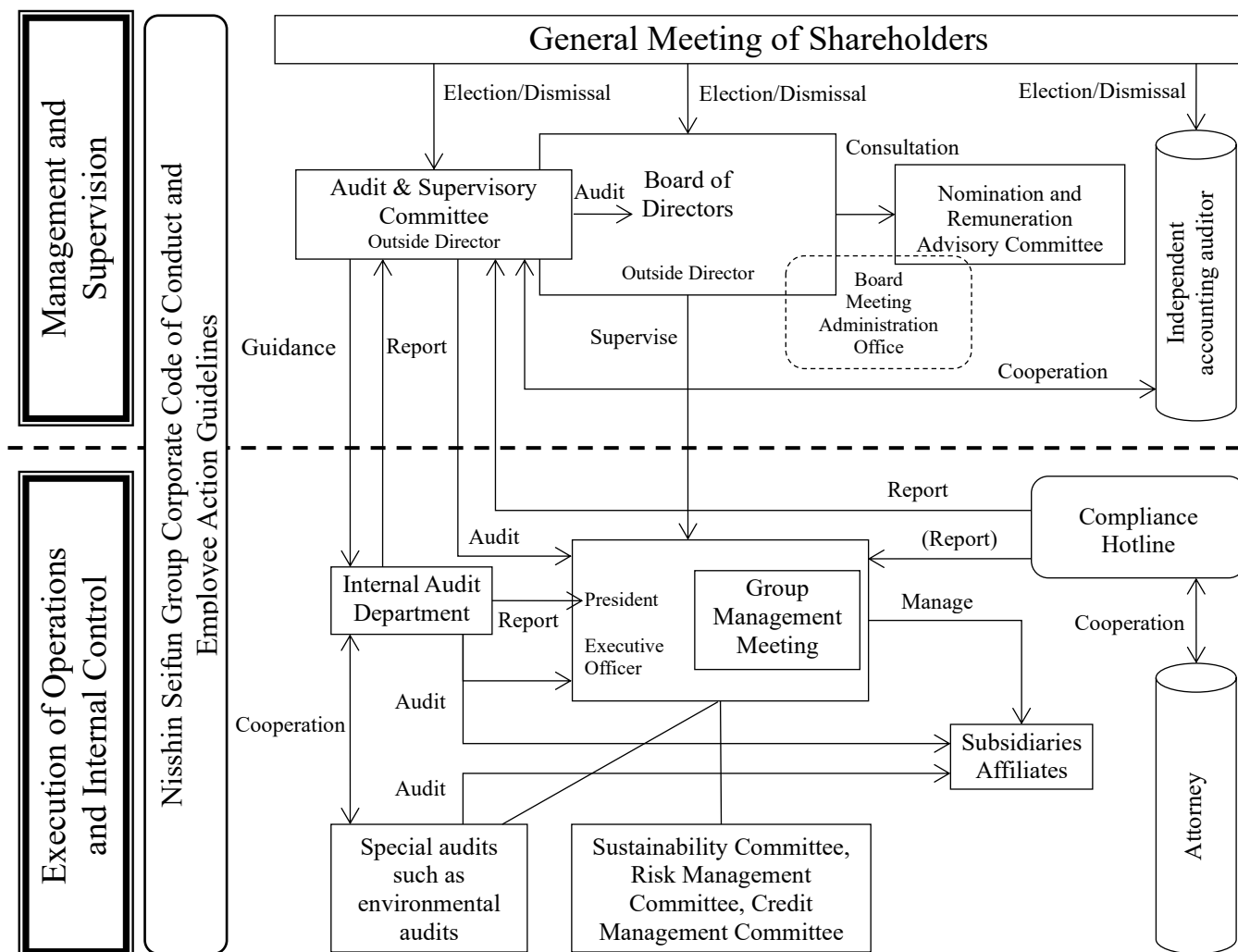
(6) Requirements for a special resolution by the General Meeting of Shareholders

To ensure the integrity of deliberation on matters for special resolution at the General Meeting of Shareholders as defined in Article 309, Paragraph 2 of the Companies Act, the Company’s Articles of Incorporation prescribe that such special resolution be adopted by two-thirds or more of the voting rights of shareholders attending the General Meeting of Shareholders who collectively hold one-third or more of all voting rights.

(7) Exemption from liabilities for Directors

To ensure that the Directors and Audit & Supervisory Committee Members perform their expected roles in an appropriate manner by limiting the liabilities they assume to a reasonable range, the Company's Articles of Incorporation prescribe that Directors (including former ones) and Audit & Supervisory Committee Members (including former ones) may be exempt from the liabilities for damages as defined in Article 423, Paragraph 1 of the Companies Act to a statutorily acceptable degree by a resolution of the Board of Directors in accordance with Article 426, Paragraph 1 of said Act.

The diagram below sets out the structure of the Nisshin Seifun Group for management/supervision, execution of operations, and internal control.



(8) Basic policies regarding control of the corporation

1) Brief description of the basic policies

As a provider of food, the Company believes that its chief responsibility, as well as a source of generating corporate value and the common interests of the shareholders and one of its fundamentals, is to contribute to providing safe food on a continuous basis, namely by ensuring high levels of safety and the quality of its products, along with the stable supply of wheat flour and other foods staples for the people it serves. These actions, in turn, contribute to the Group's sustainable growth and to improvement in its medium- to long-term corporate value and the common interests of the shareholders. Wheat flour, in particular, is an ingredient used in a wide variety of products, including bread, noodles and sweets. The Group, as a leading company in this field, controls roughly 40 percent of Japan's wheat flour market, supplying wheat flour not only for home use but to a host of food-related manufacturers. The Group's stable supply of safe, high-quality wheat flour supports both national food culture and helps society to continue functioning properly, and we view the fulfillment of this responsibility as directly tied to the Group's sustainable growth and medium- to long-term improvement in its corporate value, and to common interests of the shareholders. Accordingly, from the standpoint of this responsibility to society, and prefaced on stable management foundations, the Company considers its ongoing work to conduct management based on continuous and intentional policies planned from a medium- to long-term perspective, ensure the high quality and safety of its products, and implement the stable supply of these

products to be indispensable to securing and improving its corporate value and the shared interests of its shareholders, and the Company believes it is uniquely positioned in this regard. If any person, failing to understand this, buys up the Company's shares and acts in ways contrary to a sustainable and systematic medium- to long-term business policy, such actions would cause damage to the Company's corporate value and the common interests of the shareholders. Moreover, there are other forms of stock purchase that might do harm to the Company's corporate value and the common interests of the shareholders.

In order to properly manage the above issues, the Company believes that the advanced disclosure of sufficient information must be made, such as: the management policies and business plans envisioned by a potential purchaser of the Company's shares; the possible impact of the proposed acquisition on the Company's shareholders, the management of the Nisshin Seifun Group and all of the Group's stakeholders; and the purchaser's views regarding corporate social responsibility, including the matters of ensuring the stable supply of wheat flour and other dietary staples of the people and food safety. Also, a reasonable length of time to review such proposal and ample capacity to negotiate with such purchaser must also be ensured.

- 2) Measures that contribute to the effective utilization of the Company's assets, structuring of the appropriate form of the business group and the realization of other basic policies on control of the corporation

As a pure holding company, the Company is responsible for proposing management strategies for the Group, the efficient distribution of management resources and the auditing and monitoring of business activities. By optimizing the markets of each operating company, the Company has guaranteed a high level of safety and quality for products, as well as ensuring a steady supply. Moreover, through the mutual strengthening of corporate value between operating companies, the corporate value and the common interests of the shareholders of the Group as a whole have been improved.

Under the above system, the Group aims to maintain and improve a high level of technological capability, including the manufacturing technology and development and analysis capabilities required to support product safety and quality. The Group will implement ongoing and systematic capital expenditure from a long term perspective. At the same time, the Group will focus on employee training that can ensure and improve levels of specialist skills, the introduction of ongoing auditing and instruction systems related to product quality and facilities, internal controls, and the construction and ongoing implementation of compliance systems. We will also work hard to build and maintain trust relationships with the Company's stakeholders, including our customers and local society.

- 3) Measures to prevent a decision on the Company's financial and business policies from being controlled by a party who is deemed inappropriate according to the basic policies

With the aim of securing and improving the corporate value of the Company and the common interests of the shareholders, the Company has adopted a plan to take certain measures using a gratis allotment of subscription rights to shares (hereinafter "the Plan"), in line with Article 45 of its Articles of Incorporation and the "Renewal of the Resolution to Approve Gratis Allotments of Subscription Rights to Shares for Securing and Improving Corporate Value of the Company and the Common Interests of the Shareholders," which was approved by the 180th Ordinary General Meeting of Shareholders held on June 26, 2024. The outline of the Plan is as follows.

- (1) The Board of Directors shall ask any party who attempts a Specified Acquisition to present in advance a written proposal pertaining to the Specified Acquisition (Acquisition Proposal) to ask for a resolution of the Board of Directors not to take countermeasures including the gratis allotment of the Subscription Rights to Shares defined in Item (8) below (hereinafter "the Confirmation Resolution") against that proposal; attempts to conduct a Special Acquisition without a Confirmation Resolution shall not occur. The party attempting a Special Acquisition must submit all related documents under the Plan (including the Acquisition Proposal) in Japanese. In order to implement prompt operation of the Plan, the Board of Directors may establish a reply deadline and request the provision of additional information in respect to any parties making a proposal in connection with a Specified Acquisition. In order to implement prompt operation of the Plan, the Board of Directors may establish a reply deadline and request the provision of additional information in respect to any parties making a proposal in connection with a Specified Acquisition.

"Specified Acquisition" means any of the following behaviors as defined by the Board of Directors: a) an act of purchasing the Company's share certificates, etc. (or similar acts), that would result in the holdings of 20% or more of the Company's share certificates, etc., or has formed a relationship in which a third party is acting as its own a joint shareholder; or b) an act of commencing a tender offer that would result in the holdings of 20% or more of the Company's share certificates, etc. (however, this is the total of the proportion of share certificates held by parties with whom the proposer of the tender offer has any special relationship). "Acquisition Proposal" means a document that contains the Company's management policies and business plans after said acquisition, evidence used to calculate prices, proof of acquisition funds, any possible impact on the Company's stakeholders and information related to Items (4) i. or v. that is reasonably demanded by the Company.

- (2) Upon receiving the Acquisition Proposal, the Board of Directors shall promptly submit it to the Corporate Value

Committee, which is composed only of independent Outside Directors of the Company.

- (3) The Corporate Value Committee shall investigate said Acquisition Proposal and discuss whether or not to pass a resolution (hereinafter referred to as a “Recommendation Resolution”) recommending that the Board of Directors passes a Confirmation Resolution in regard to the Special Acquisition pertaining to said Acquisition Proposal. The Recommendation Resolution shall be passed by a majority of all members, and the results of said Recommendation Resolution shall be disclosed. The period for such deliberation and discussion by the Corporate Value Committee shall be a maximum of 60 business days (or a maximum of 90 business days for Acquisition Proposals other than those that specify only cash in Japanese currency as the consideration and set no upper limit to the number of shares to be purchased) upon the receipt of the Acquisition Proposal from the Board of Directors. Only when reasonable grounds exist, the period for the deliberation and discussion may be extended to a maximum of 30 business days. However, in this case, the grounds for the extension and the intended extension period will be disclosed.
- (4) Deliberations and discussion regarding the Recommendation Resolution by the Corporate Value Committee shall be made by faithfully forming an accurate judgment as to whether the Acquisition Proposal can satisfy the Company’s purposes of securing and improving corporate value and the common interests of the shareholders. The Corporate Value Committee must issue a Recommendation Resolution for Acquisition Proposals that meet all of the below requirements and that secure and improve the corporate value of the Company and the common interests of the shareholders.
 - i. The acquisition does not fall under any of the following types of action:
 - a. Buyout of the Company’s shares to demand that the Company or its related party purchase said shares at an inflated price;
 - b. Management that provides a benefit to the Proposed Acquirer (including its group companies or other related parties, same applies below) to the detriment of the Company, such as temporary control of the Company’s management enabling transfer of the Company’s material assets;
 - c. Diversion of the Company’s assets to secure or repay debts of the Proposed Acquirer;
 - d. Actions that unjustly harm fundamentals essential to generation of the Company’s medium- to long-term corporate value and the common interests of the shareholders, such as temporary control of the Company’s management to decrease the assets, funds, etc. that are required for the Company’s business expansion, product development, etc., for future years; and other types of action causing harm to the cooperative relationships of the Company’s stakeholders, including its shareholders, business partners, customers and employees.
 - ii. The scheme and content of the deal proposed by the Acquisition Proposal comply with the relevant laws and regulations.
 - iii. The scheme and content of the deal proposed by the Acquisition Proposal do not threaten to have the effect of compelling shareholders to sell their shares.
 - iv. The true information necessary for deliberations on the Acquisition Proposal is provided in the appropriate timing, such as upon request of the Company.
 - v. The period for the Company to investigate the Acquisition Proposal is secured (including the response period and period for deliberations and discussion by the Corporate Value Committee stipulated by the Plan).
- (5) A Confirmation Resolution of the Company’s Board of Directors shall be made according to the Recommendation Resolution of the Corporate Value Committee or by the outcome resolution of a general meeting to confirm the will of shareholders (see (6) below). In case the Corporate Value Committee issues the Recommendation Resolution, the Board of Directors must make the Confirmation Resolution promptly, unless there are particular reasons that are clearly against the Directors’ duty of care. Countermeasures, such as a Gratis Allotment of Subscription Rights to Shares, cannot be taken against the Special Acquisition attempt for which the Confirmation Resolution is made.
- (6) In cases in which the Corporate Value Committee does not arrive at a Recommendation Resolution despite the said Acquisition Proposal meeting all of the criteria for deliberations detailed in (4) ii, iv and v above, the Board of Directors, after hearing input from the Corporate Value Committee and following consideration of various information, including the details of the Special Acquisition and the time required to hold a General Meeting of Shareholders, may issue, prior to the Gratis Allotment of Subscription Rights to Shares, a call for a General Meeting of Shareholders to confirm the will of the shareholders (hereinafter, shareholder confirmation meeting). A “shareholder confirmation meeting” is a General Meeting of Shareholders where a Recommendation Resolution can take place.

- (7) In the event that a shareholder confirmation meeting is called, the Board of Directors will, in conformance with applicable laws, disclose the date for the said shareholder confirmation meeting to shareholders within the scope of those eligible to exercise voting rights as of the date of record for the exercise of such rights. The resolution of the shareholder confirmation meeting will go forward with a majority of those shareholders able to exercise voting rights in attendance at the meeting. The shareholder confirmation meeting may occur in conjunction with the Ordinary General Meeting of Shareholders or an Extraordinary General Meeting of Shareholders. In the event that the Board of Directors calls for a shareholder confirmation meeting, if a resolution approving the Gratis Allotment of Subscription Rights to Shares is not granted at the shareholder confirmation meeting, the Board of Directors must issue a Confirmation Resolution. Countermeasures, such as a Gratis Allotment of Subscription Rights to Shares, cannot be taken against the Special Acquisition attempt for which the Confirmation Resolution is made.
- (8) In the event that the Specified Acquirer—defined as a person or company with especially large shareholdings or making a special tender offer—appears, the Board of Directors shall disclose the identifying of the appearance of the Specified Acquirer and issue a resolution that identifies and determines the necessary conditions for effecting a Gratis Allotment of Subscription Rights to Shares, including the record and effective dates for such allotment, and execute the Gratis Allotment of Subscription Rights to Shares after publicly announcing details of matters that have been determined. “Subscription Rights to Shares” is defined as the subscription rights to shares whose exercise is restricted for the Specified Acquirer (i.e., the Special Acquirer, its joint shareholders and/or its related parties (also includes any parties effectively the same as those specified, as defined by the Board of Directors)). “Person or company with especially large shareholdings” refers to any party owning the Company’s share certificates that has acquired a shareholding of 20% or more through Special Acquisition attempts without receiving a Confirmation Resolution. “Person or company making a special tender offer” refers to parties who have attempted a Special Acquisition as defined by (1) ii above, without receiving a Confirmation Resolution at the point at which the said Special Acquisition was attempted.

In such a case that it is revealed that the ratio of holdings of the Company’s share certificates, etc., by the Specified Acquirer falls below 20% by the date that is specified elsewhere by the Board of Directors and which should be earlier than three business days prior to the record date for the gratis allotment, the Board of Directors can defer the effect of a gratis allotment of Subscription Rights to Shares.

- (9) In the case that a gratis allotment of Subscription Rights to Shares is effected, the Company shall implement the gratis allotment of Subscription Rights to Shares to all shareholders, except the Company, as of the record date for the gratis allotment at a ratio of one Subscription Right to Share for every one share of the Company’s common stock held, and the number of shares to be issued per one Subscription Right to Share will not exceed two and be determined elsewhere by the Board of Directors. The value of assets invested to exercise one Subscription Right to Share shall be ¥1 multiplied by the number of shares to be issued per one Subscription Right to Share.
- (10) Exercisable Subscription Rights to Shares can be acquired by the Company. For the Subscription Rights to Shares held by shareholders other than the Specified Acquirer, this is accomplished in exchange for common shares of the Company of a number equal to the integral part of the number of said Subscription Rights to Shares multiplied by the number of shares to be issued per Subscription Right to Share. For other Subscription Rights to Shares, this is accomplished in exchange for Subscription Rights to Shares with restriction on transfer (restriction on the exercise of the rights by the Specified Acquirer) of the same number as the Subscription Rights to Shares that are acquired by the Company.

4) Judgment of the Board of Directors and its reasons

The Plan complies with the basic policies described in Paragraph 1) above, and it is carefully devised as follows to ensure its reasonability. Therefore, the Plan protects the corporate value of the Company and the common interests of the shareholders and does not pursue the personal interests of the Company’s management.

- (1) The Plan received prior approval of the shareholders at the 180th Ordinary General Meeting of Shareholders on June 26, 2024, pursuant to the provision of Article 45 of the Company’s Articles of Incorporation. Furthermore, pursuant to item (3) above, the Company has set up a mechanism pertaining to the shareholder confirmation meeting.
- (2) The term of office of the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members) is one year and the timing of reelection is concurrent among all Directors. In addition, the resolution on dismissal of Directors has the same weight as that of an ordinary resolution at a General Meeting of Shareholders. Therefore, the Plan can be abolished by a resolution of the Board of Directors through the election or dismissal of Directors by an ordinary resolution at a single General Meeting of Shareholders.

- (3) To secure the neutrality of judgment relating to the Plan, the Corporate Value Committee, composed only of independent Outside Directors of the Company, shall deliberate the Acquisition Proposal, under legal obligations as the Directors of the Company, to determine if the proposal meets the purposes of securing and improving the Company's corporate value and the common interests of the shareholders. It is also required that the Board of Directors makes a Confirmation Resolution upon receipt of a Recommendation Resolution to that effect from the Corporate Value Committee, unless there are particular reasons that are clearly against the Directors' duty of care.
- (4) To enhance the objectivity of judgment relating to the Plan, the Plan stipulates mechanisms in cases in which the Corporate Value Committee must issue a Recommendation Resolution and for the shareholder confirmation meeting pursuant to (3) above.
- (5) Subject to approval at the General Meeting of Shareholders, the Plan can be revised every year by a resolution of the Board of Directors. This allows the Plan to adjust itself to the development of the related laws and regulations and various other business environments surrounding the Company.
- (6) The validity of an Approval Resolution at the General Meeting of Shareholders is three years from the date of the General Meeting of Shareholders. Upon the passage of three years, the Board of Directors will present a Plan that reflects any revisions, including reflections on its supplementary conditions, for approval by the shareholders.
- (7) The Plan satisfies all of the requirements for legality (to avoid suspension of the issuance of Subscription Rights to Shares, etc.) and rationality (to gain the understanding of shareholders, investors and other stakeholders) specified in the "Securing and/or Improving Corporate Value and Common Interests of Shareholders: Takeover Defense Guidelines" released on May 27, 2005, by the Ministry of Economy, Trade and Industry and the Ministry of Justice. Moreover, the Plan is in accordance with the recommendations of the June 30, 2008 report of the Ministry of Economy, Trade and Industry's Corporate Value Study Group entitled "Takeover Defense Measures in Light of Recent Environmental Changes." The Plan is also in accordance with principles regarding corporate value and the common interests of the shareholders, the will of shareholders and transparency found in "Guidance to Corporate Acquisitions—Improving Corporate Value and Preserving Shareholder Interests," an informational report dated August 31, 2023 from the Ministry of Economy, Trade and Industry's research committee on fair acquisition approaches.

2. Directors and Audit & Supervisory Committee Members

(1) Directors and Audit & Supervisory Committee Members

a. The Company's officers as of June 23, 2025 (date of submission of the annual securities report) are as follows:

[Male: 13, Female: 1 (percentage of female officers 7.1%)]

Title and position	Name	Date of birth	Career		Term of office	Share holding (hundreds)
Representative Director and President Division Executive, Corporate Planning Division	Kenji Takihara	February 3, 1966	Apr. 1988 Jun. 2013 Jun. 2016 Jun. 2017 Jun. 2019 Jun. 2019 Jun. 2021 Jun. 2022 Jun. 2022 Apr. 2023	Joined the Company Director, Nisshin Flour Milling Inc. Executive Officer Director Managing Executive Officer Managing Director, Nisshin Flour Milling Inc. Senior Managing Director, Nisshin Flour Milling Inc. Director and President Director and Chairperson, Nisshin Flour Milling Inc. (to the present) Director and President and Division Executive (Corporate Planning Division) (to the present)	Note 3	507
Representative Director, Senior Managing Executive Officer In charge of General Administration Division and Human Resources and Labor Relations Division	Naoto Masujima	September 11, 1960	Apr. 1983 Jun. 2014 Jun. 2015 Jun. 2016 Jun. 2017 Jun. 2019 Jun. 2021 Jun. 2022 Jun. 2023	Joined the Company Executive Officer, GS (Globalization) of Corporate Planning Division and General Manager (China Business Development Office of Corporate Planning Division) Director, General Manager (Corporate Planning Department) and Division Executive (Overseas Business Division), Nisshin Flour Milling Inc. Managing Director, General Manager (Corporate Planning Department) and Division Executive (Overseas Business Division), Nisshin Flour Milling Inc. Director and Division Executive (General Administration Division) Managing Executive Officer and Division Executive (General Administration Division) Director, Managing Executive Officer and Division Executive (General Administration Division) Director, Senior Managing Executive Officer and Division Executive (General Administration Division) Director and Senior Managing Executive Officer (In charge of General Administration Division and Human Resources and Labor Relations Division) (to the present)	Note 3	389

Title and position	Name	Date of birth	Career		Term of office	Share holding (hundreds)
Director and Senior Managing Executive Officer	Takao Yamada	September 27, 1960	Apr. 1983 Jun. 2011 Jun. 2012 Jun. 2013 Jun. 2013 Apr. 2015 Apr. 2017 Jun. 2019 Jun. 2022	Joined the Company Director and General Manager (Tokyo Sales Department), Nisshin Flour Milling Inc. Executive Officer Director Managing Director and Division Executive (Sales Division), Nisshin Flour Milling Inc. Senior Managing Director and Division Executive (Sales Division), Nisshin Flour Milling Inc. Director and President, Nisshin Flour Milling Inc. (to the present) Director and Managing Executive Officer Director and Senior Managing Executive Officer (to the present)	Note 3	473
Director and Managing Executive Officer Division Executive, Finance and Accounting Division	Eiichi Suzuki	March 3, 1964	Apr. 1987 Jun. 2013 Jun. 2019 Jun. 2020 Jun. 2023	Joined the Company General Manager (Accounting Department of Finance and Accounting Division) Executive Officer and General Manager (Accounting Department of Finance and Accounting Division) Executive Officer and Division Executive (Finance and Accounting Division) Director, Managing Executive Officer and Division Executive (Finance and Accounting Division) (to the present)	Note 3	99
Director and Managing Executive Officer Division Executive, Technology and Engineering Division	Seiichiro Takahashi	December 27, 1966	Apr. 1990 Jun. 2019 Jun. 2023 Jun. 2024	Joined the Company Director and Manager, Tsurumi Plant, Nisshin Flour Milling Inc. Executive Officer and Division Executive (Technology and Engineering Division) Director, Managing Executive Officer and Division Executive (Technology and Engineering Division) (to the present)	Note 3	217
Director and Managing Executive Officer	Takahiko Iwahashi	October 6, 1964	Apr. 1987 Jun. 2013 Apr. 2014 Jun. 2015 Jun. 2018 Jun. 2019 Jun. 2020 Jun. 2021 Jun. 2022 Apr. 2023 Jun. 2023	Joined the Company Director and General Manager (R&D Division), Nisshin Foods Inc. Director and General Manager (Processed Foods Division), Nisshin Foods Inc. Executive Officer Managing Director and General Manager (Processed Foods Division), Nisshin Foods Inc. Managing Executive Officer Managing Director and General Manager (Product Management Division), Nisshin Foods Inc. Senior Managing Director and General Manager (Product Management Division), Nisshin Foods Inc. Senior Managing Director, Nisshin Seifun Welna Inc. Director and President, Nisshin Seifun Welna Inc. (to the present) Director and Managing Executive Officer (to the present)	Note 3	384

Title and position	Name	Date of birth	Career		Term of office	Share holding (hundreds)
Director and Managing Executive Officer	Shinichi Ikeda	November 21, 1965	Apr. 1989 Jun. 2017 Nov. 2020 Jun. 2021 Jun. 2024 Jun. 2024	Joined the Company Director and President, Thai Nisshin Technomic Co., Ltd. Senior Managing Director (in charge of Sales Division), Tokatsu Foods Co., Ltd. Director and President, Tokatsu Foods Co., Ltd. (to the present) Director and Managing Executive Officer (to the present) Director and President, Nisshin Seifun Delica Frontier Inc. (to the present)	Note 3	189
Director	Kazuhiko Fushiya	January 26, 1944	Apr. 1967 Jul. 1999 Jul. 2001 Jul. 2002 Jan. 2006 Feb. 2008 Jan. 2009 Jun. 2009 Jun. 2015	Joined the Ministry of Finance Commissioner, National Tax Agency Deputy Governor, National Life Finance Corporation Assistant Chief Cabinet Secretary Commissioner, Board of Audit of Japan Commissioner (President), Board of Audit of Japan Retired Audit & Supervisory Board Member Director (to the present)	Note 3	86
Director	Motoo Nagai	March 4, 1954	Apr. 1977 Apr. 2005 Apr. 2007 Apr. 2011 Jun. 2011 Apr. 2014 Jun. 2014 Jun. 2015 Jun. 2019	Joined Industrial Bank of Japan, Limited (IBJ) Executive Officer, Mizuho Corporate Bank, Ltd. Managing Executive Officer, Mizuho Corporate Bank, Ltd. Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd. Deputy President (Representative Director) and Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd. Commissioner, Mizuho Trust & Banking Co., Ltd. Retired as Commissioner, Mizuho Trust & Banking Co., Ltd. Audit & Supervisory Board Member Director (to the present)	Note 3	20
Director	Nobuhiro Endo	November 8, 1953	Apr. 1981 Apr. 2006 Apr. 2009 Jun. 2009 Apr. 2010 Apr. 2016 Jun. 2019 Jun. 2022 Jun. 2022	Joined NEC Corporation Senior Vice President and Executive General Manager (Mobile Network Operations Unit), NEC Corporation Executive Vice President, NEC Corporation Executive Vice President and Member of the Board, NEC Corporation President (Representative Director), NEC Corporation Chairperson of the Board (Representative Director), NEC Corporation Chairperson of the Board, NEC Corporation Corporate Special Advisor, NEC Corporation (to the present) Director (to the present)	Note 3	10
Director (Full-time Audit & Supervisory Committee Member)	Shoh Ohuchi	February 13, 1961	Apr. 1983 Jun. 2014 Jun. 2015 Jun. 2018 Jun. 2019	Joined the Company General Manager (Finance Department of Finance and Accounting Division) Executive Officer and General Manager (Finance Department of Finance and Accounting Division) Audit & Supervisory Board Member Director (Full-time Audit & Supervisory Committee Member) (to the present)	Note 4	197

Title and position	Name	Date of birth	Career		Term of office	Share holding (hundreds)
Director (Audit & Supervisory Committee Member)	Mieko Tomita	August 15, 1954	Apr. 1980 Apr. 1980 Apr. 2001 Apr. 2017 Jun. 2019	Qualified as an attorney Joined Nishi and Iseki Law Office (Currently Nishi & Partners Attorneys and Counselors at Law) Civil Conciliation Commissioner, Tokyo District Court (to the present) Senior Partner, Nishi & Partners Attorneys and Counselors at Law (to the present) Director (Audit & Supervisory Committee Member) (to the present)	Note 4	–
Director (Audit & Supervisory Committee Member)	Takaharu Ando	August 31, 1949	Apr. 1972 Sep. 1994 Aug. 1999 Aug. 2004 Aug. 2007 Jun. 2009 Oct. 2011 Jun. 2022	Joined National Police Agency Chief of Gunma Prefectural Police Headquarters Director of Public Security Bureau of Tokyo Metropolitan Police Department Director General of Commissioner General's Secretariat of National Police Agency Deputy Commissioner General of National Police Agency Commissioner General of National Police Agency Retired from National Police Agency Director (Audit & Supervisory Committee Member) (to the present)	Note 5	–
Director (Audit & Supervisory Committee Member)	Hiroto Kaneko	February 26, 1957	Apr. 1980 Mar. 1983 Jun. 1988 Sep. 1999 Jul. 2000 Jun. 2005 Jul. 2015 Jul. 2021 Jun. 2023	Joined Arthur Andersen Accounting, Tokyo office Qualified as a Certified Public Accountant Transferred to Arthur Andersen Germany, Duesseldorf office Partner, Arthur Andersen (currently KPMG) Representative Partner, Asahi & Co. (currently KPMG AZSA LLC) Deputy General Manager, IFRS Division, KPMG AZSA LLC Managing Director, KPMG AZSA LLC Proprietor, Hiroto Kaneko CPA Office (to the present) Director (Audit & Supervisory Committee Member) (to the present)	Note 4	–
Total						2,574

Notes:

1. Directors Kazuhiko Fushiya, Motoo Nagai and Nobuhiro Endo are Outside Directors.
2. Directors Mieko Tomita, Takaharu Ando and Hiroto Kaneko are Outside Directors who are Audit & Supervisory Committee Members.
3. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 26, 2024, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ended March 31, 2025.
4. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 28, 2023, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ended March 31, 2025.
5. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 26, 2024, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2026.

6. The Company adopts an Executive Officer system to expedite the execution of business operations. The list of Executive Officers, excluding those serving concurrently as Director and Executive Officer, is detailed below.

Title and position	Name
Managing Executive Officer Division Executive, R&D and Quality Assurance Division	Tsuguhiko Yoshida
Managing Executive Officer Director and President, Oriental Yeast Co., Ltd.	Hideo Arai
Executive Officer, GS (Overseas Business Development) of Corporate Planning Division and GS (Globalization) of Corporate Planning Division	Kazuyoshi Watanabe
Executive Officer, Division Executive (General Administration Division) and General Manager (Board Meeting Administration Office of General Administration Division)	Shigemitsu Fujita
Executive Officer and Deputy Division Executive (Finance and Accounting Division)	Kazuhiro Imai
Executive Officer, Division Executive (Human Resources and Labor Relations Division) and General Manager (Human Resources and Labor Relations Planning Office of Human Resources and Labor Relations Division)	Kenji Sakamoto
Executive Officer and General Manager (Public Communications Department of General Administration Division)	Reiko Adachi
Executive Officer and Deputy Division Executive (Corporate Planning Division)	Hiroyuki Yamada
Executive Officer, General Manager (Information Technology Promotion Department of Corporate Planning Division)	Satoru Uchiyama
Executive Officer, Deputy Division Executive (R&D and Quality Assurance Division) and General Manager (Quality Assurance Department of R&D and Quality Assurance Division)	Ryuichi Suzuki
Executive Officer Senior Managing Director, Nisshin Flour Milling Inc.	Satoshi Sekiguchi
Executive Officer Managing Director, Nisshin Flour Milling Inc.	Yu Nagaki
Executive Officer Director and President, Nisshin Pharma Inc.	Hidekuni Tanaka
Executive Officer Managing Director, Nisshin Flour Milling Inc.	Eiichiro Ise
Executive Officer Managing Director, Nisshin Flour Milling Inc.	Toshiaki Yokoyama
Executive Officer Managing Director, Nisshin Seifun Welna Inc.	Shunji Ito
Executive Officer Managing Director, Nisshin Seifun Welna Inc.	Takashi Kamijyo

- b. At the Ordinary General Meeting of Shareholders on June 26, 2025, the Company will present a proposal for the election of ten (10) Directors (excluding Directors who are members of the Audit & Supervisory Committee) and a proposal for the election of three (3) Directors who are members of the Audit & Supervisory Committee. If both proposals are passed, the Company will have the following Directors.

The following information includes matters to be resolved (such as titles) at a Board of Directors meeting immediately following the Ordinary General Meeting of Shareholders.

[Male: 13, Female: 1 (percentage of female officers 7.1%)]

Title and position	Name	Date of birth	Career		Term of office	Share holding (hundreds)
Representative Director and President	Kenji Takihara	February 3, 1966	Apr. 1988	Joined the Company	Note 3	507
			Jun. 2013	Director, Nisshin Flour Milling Inc.		
			Jun. 2016	Executive Officer		
			Jun. 2017	Director		
			Jun. 2019	Managing Executive Officer		
			Jun. 2019	Managing Director, Nisshin Flour Milling Inc.		
			Jun. 2021	Senior Managing Director, Nisshin Flour Milling Inc.		
			Jun. 2022	Director and President (to the present)		
			Jun. 2022	Director and Chairperson, Nisshin Flour Milling Inc. (to the present)		
Representative Director, Senior Managing Executive Officer, Division Executive, Human Resources and Labor Relations Division	Kenji Sakamoto	November 28, 1963	Apr. 1986	Joined the Company	Note 3	227
			Oct. 2012	Director and General Manager (Administration Department), Nisshin Flour Milling Inc.		
			Jun. 2014	Director and General Manager (Administration Department), Nisshin Foods Inc.		
			Jun. 2017	General Manager (Human Resources Management Department of General Administration Division)		
			Jun. 2023	Executive Officer and Division Executive (Human Resources and Labor Relations Division), General Manager (Human Resources Management Department of Human Resources and Labor Relations Division), and General Manager (Human Resources and Labor Relations Planning Office of Human Resources and Labor Relations Division)		
			Jun. 2024	Executive Officer and Division Executive (Human Resources and Labor Relations Division), and General Manager (Human Resources and Labor Relations Planning Office of Human Resources and Labor Relations Division)		
			Jun. 2025	Director and Senior Managing Executive Officer and Division Executive (Human Resources and Labor Relations Division) (plan)		

Title and position	Name	Date of birth	Career		Term of office	Share holding (hundreds)
Director and Senior Managing Executive Officer	Takao Yamada	September 27, 1960	Apr. 1983 Jun. 2011 Jun. 2012 Jun. 2013 Jun. 2013 Apr. 2015 Apr. 2017 Jun. 2019 Jun. 2022	Joined the Company Director and General Manager (Tokyo Sales Department), Nisshin Flour Milling Inc. Executive Officer Director Managing Director and Division Executive (Sales Division), Nisshin Flour Milling Inc. Senior Managing Director and Division Executive (Sales Division), Nisshin Flour Milling Inc. Director and President, Nisshin Flour Milling Inc. (to the present) Director and Managing Executive Officer Director and Senior Managing Executive Officer (to the present)	Note 3	473
Director and Managing Executive Officer Division Executive, Finance and Accounting Division	Eiichi Suzuki	March 3, 1964	Apr. 1987 Jun. 2013 Jun. 2019 Jun. 2020 Jun. 2023	Joined the Company General Manager (Accounting Department of Finance and Accounting Division) Executive Officer and General Manager (Accounting Department of Finance and Accounting Division) Executive Officer and Division Executive (Finance and Accounting Division) Director, Managing Executive Officer and Division Executive (Finance and Accounting Division) (to the present)	Note 3	99
Director and Managing Executive Officer Division Executive, Technology and Engineering Division	Seiichiro Takahashi	December 27, 1966	Apr. 1990 Jun. 2019 Jun. 2023 Jun. 2024	Joined the Company Director and Manager, Tsurumi Plant, Nisshin Flour Milling Inc. Executive Officer and Division Executive (Technology and Engineering Division) Director, Managing Executive Officer and Division Executive (Technology and Engineering Division) (to the present)	Note 3	217
Director and Managing Executive Officer	Takahiko Iwahashi	October 6, 1964	Apr. 1987 Jun. 2013 Apr. 2014 Jun. 2015 Jun. 2018 Jun. 2019 Jun. 2020 Jun. 2021 Jun. 2022 Apr. 2023 Jun. 2023	Joined the Company Director and General Manager (R&D Division), Nisshin Foods Inc. Director and General Manager (Processed Foods Division), Nisshin Foods Inc. Executive Officer Managing Director and General Manager (Processed Foods Division), Nisshin Foods Inc. Managing Executive Officer Managing Director and General Manager (Product Management Division), Nisshin Foods Inc. Senior Managing Director and General Manager (Product Management Division), Nisshin Foods Inc. Senior Managing Director, Nisshin Seifun Welna Inc. Director and President, Nisshin Seifun Welna Inc. (to the present) Director and Managing Executive Officer (to the present)	Note 3	384

Title and position	Name	Date of birth	Career		Term of office	Share holding (hundreds)
Director and Managing Executive Officer	Shinichi Ikeda	November 21, 1965	Apr. 1989 Jun. 2017 Nov. 2020 Jun. 2021 Jun. 2024 Jun. 2024	Joined the Company Director and President, Thai Nisshin Technomic Co., Ltd. Senior Managing Director (in charge of Sales Division), Tokatsu Foods Co., Ltd. Director and President, Tokatsu Foods Co., Ltd. (to the present) (will retire in June 2025) Director and Managing Executive Officer (to the present) Director and President, Nisshin Seifun Delica Frontier Inc. (to the present)	Note 3	189
Director	Kazuhiko Fushiya	January 26, 1944	Apr. 1967 Jul. 1999 Jul. 2001 Jul. 2002 Jan. 2006 Feb. 2008 Jan. 2009 Jun. 2009 Jun. 2015	Joined the Ministry of Finance Commissioner, National Tax Agency Deputy Governor, National Life Finance Corporation Assistant Chief Cabinet Secretary Commissioner, Board of Audit of Japan Commissioner (President), Board of Audit of Japan Retired Audit & Supervisory Board Member Director (to the present)	Note 3	86
Director	Motoo Nagai	March 4, 1954	Apr. 1977 Apr. 2005 Apr. 2007 Apr. 2011 Jun. 2011 Apr. 2014 Jun. 2014 Jun. 2015 Jun. 2019	Joined Industrial Bank of Japan, Limited (IBJ) Executive Officer, Mizuho Corporate Bank, Ltd. Managing Executive Officer, Mizuho Corporate Bank, Ltd. Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd. Deputy President (Representative Director) and Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd. Commissioner, Mizuho Trust & Banking Co., Ltd. Retired as Commissioner, Mizuho Trust & Banking Co., Ltd. Audit & Supervisory Board Member Director (to the present)	Note 3	20
Director	Nobuhiro Endo	November 8, 1953	Apr. 1981 Apr. 2006 Apr. 2009 Jun. 2009 Apr. 2010 Apr. 2016 Jun. 2019 Jun. 2022 Jun. 2022	Joined NEC Corporation Senior Vice President and Executive General Manager (Mobile Network Operations Unit), NEC Corporation Executive Vice President, NEC Corporation Executive Vice President and Member of the Board, NEC Corporation President (Representative Director), NEC Corporation Chairperson of the Board (Representative Director), NEC Corporation Chairperson of the Board, NEC Corporation Corporate Special Advisor, NEC Corporation (to the present) Director (to the present)	Note 3	10
Director (Full-time Audit & Supervisory Committee Member)	Shoh Ohuchi	February 13, 1961	Apr. 1983 Jun. 2014 Jun. 2015 Jun. 2018 Jun. 2019	Joined the Company General Manager (Finance Department of Finance and Accounting Division) Executive Officer and General Manager (Finance Department of Finance and Accounting Division) Audit & Supervisory Board Member Director (Full-time Audit & Supervisory Committee Member) (to the present)	Note 4	197

Title and position	Name	Date of birth	Career		Term of office	Share holding (hundreds)
Director (Audit & Supervisory Committee Member)	Mieko Tomita	August 15, 1954	Apr. 1980 Apr. 1980 Apr. 2001 Apr. 2017 Jun. 2019	Qualified as an attorney Joined Nishi and Iseki Law Office (Currently Nishi & Partners Attorneys and Counselors at Law) Civil Conciliation Commissioner, Tokyo District Court (to the present) Senior Partner, Nishi & Partners Attorneys and Counselors at Law (to the present) Director (Audit & Supervisory Committee Member) (to the present)	Note 4	–
Director (Audit & Supervisory Committee Member)	Takaharu Ando	August 31, 1949	Apr. 1972 Sep. 1994 Aug. 1999 Aug. 2004 Aug. 2007 Jun. 2009 Oct. 2011 Jun. 2022	Joined National Police Agency Chief of Gunma Prefectural Police Headquarters Director of Public Security Bureau of Tokyo Metropolitan Police Department Director General of Commissioner General's Secretariat of National Police Agency Deputy Commissioner General of National Police Agency Commissioner General of National Police Agency Retired from National Police Agency Director (Audit & Supervisory Committee Member) (to the present)	Note 5	–
Director (Audit & Supervisory Committee Member)	Hiroto Kaneko	February 26, 1957	Apr. 1980 Mar. 1983 Jun. 1988 Sep. 1999 Jul. 2000 Jun. 2005 Jul. 2015 Jul. 2021 Jun. 2023	Joined Arthur Andersen Accounting, Tokyo office Qualified as a Certified Public Accountant Transferred to Arthur Andersen Germany, Duesseldorf office Partner, Arthur Andersen (currently KPMG) Representative Partner, Asahi & Co. (currently KPMG AZSA LLC) Deputy General Manager, IFRS Division, KPMG AZSA LLC Managing Director, KPMG AZSA LLC Proprietor, Hiroto Kaneko CPA Office (to the present) Director (Audit & Supervisory Committee Member) (to the present)	Note 4	–
Total						2,412

Notes:

1. Directors Kazuhiko Fushiya, Motoo Nagai and Nobuhiro Endo are Outside Directors.
2. Directors Mieko Tomita, Takaharu Ando and Hiroto Kaneko are Outside Directors who are Audit & Supervisory Committee Members.
3. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 26, 2025, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2026.
4. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 26, 2025, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2027.
5. The term of office began when elected at the Ordinary General Meeting of Shareholders on June 26, 2024, and ends at the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2026.
6. The Company adopts an Executive Officer system to expedite the execution of business operations. The Executive Officers, excluding those serving concurrently as Director and Executive Officer, will be as listed below.

Title and position	Name
Managing Executive Officer Division Executive, R&D and Quality Assurance Division	Tsuguhiko Yoshida
Managing Executive Officer In charge of General Administration Division, Division Executive (Corporate Planning Division), and General Manager (Board Meeting Administration Office of General Administration Division)	Shigemitsu Fujita
Managing Executive Officer Director and President, Oriental Yeast Co., Ltd.	Hideo Arai
Executive Officer, GS (Overseas Business Development) of Corporate Planning Division and GS (Globalization) of Corporate Planning Division	Kazuyoshi Watanabe
Executive Officer and Deputy Division Executive (Finance and Accounting Division)	Kazuhiro Imai

Executive Officer and General Manager (Public Communications Department of General Administration Division)	Reiko Adachi
Executive Officer and Deputy Division Executive (Corporate Planning Division)	Hiroyuki Yamada
Executive Officer, General Manager (Information Technology Promotion Department of Corporate Planning Division)	Satoru Uchiyama
Executive Officer, Deputy Division Executive (R&D and Quality Assurance Division) and General Manager (Quality Assurance Department of R&D and Quality Assurance Division)	Ryuichi Suzuki
Executive Officer, Deputy Division Executive (Human Resources and Labor Relations Division), General Manager (Human Resources Management Department of Human Resources and Labor Relations Division), and General Manager (Human Resources and Labor Relations Planning Office of Human Resources and Labor Relations Division)	Masahiro Tanaka
Executive Officer, Division Executive (General Administration Division) and General Manager (Legal Department of General Administration Division)	Katsuhiko Totsuka
Executive Officer Senior Managing Director, Nisshin Flour Milling Inc.	Satoshi Sekiguchi
Executive Officer Managing Director, Nisshin Flour Milling Inc.	Yu Nagaki
Executive Officer Director and President, Nisshin Pharma Inc.	Hidekuni Tanaka
Executive Officer Managing Director, Nisshin Flour Milling Inc.	Eiichiro Ise
Executive Officer Managing Director, Nisshin Flour Milling Inc.	Toshiaki Yokoyama
Executive Officer Managing Director, Nisshin Seifun Welna Inc.	Shunji Ito
Executive Officer Managing Director, Nisshin Seifun Welna Inc.	Takashi Kamijyo

(2) Status of Outside Directors

As of the date of filing this Securities Report (June 23, 2025), the Company has six Outside Directors (including three Audit & Supervisory Committee Members).

There are no conflicts of interest of a personal, financial or trading nature that could affect general shareholders between the Outside Directors and the Company.

At the Ordinary General Meeting of Shareholders on June 26, 2025, the Company will present a proposal for the election of ten (10) Directors (excluding Directors who are members of the Audit & Supervisory Committee) and a proposal for the election of three (3) Directors who are members of the Audit & Supervisory Committee. If both proposals are passed, the Company will continue to have six Outside Directors (including three members of Audit & Supervisory Committee Members).

Outside Directors Kazuhiko Fushiya, Motoo Nagai and Nobuhiro Endo provide appropriate advice on and supervise the Company's execution of business operations from an independent standpoint.

Outside Directors who are Audit & Supervisory Committee Members Mieko Tomita, Takaharu Ando and Hiroto Kaneko perform audits and supervision of the Company's management from an independent, objective standpoint.

Kazuhiko Fushiya was regarded as appropriate for the position of Outside Director because he held important positions in the Ministry of Finance and has accumulated extensive experience and possesses highly professional expertise, which will enable him to provide appropriate advice on and supervision of the Company's execution of business operations. Motoo Nagai was regarded as appropriate for the position of Outside Director because he possesses a wealth of experience and broad-based insight gained through management of financial institutions, enabling him to offer and conduct appropriate advice and supervision of the Company's execution of business operations, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value. Nobuhiro Endo was regarded as appropriate for the position of Outside Director because he possesses a wealth of experience and broad-based insight as a corporate manager, enabling him to offer and conduct appropriate advice and supervision of the Company's execution of business operations, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value. All three individuals are fully expected to continue to fulfill their respective duties and roles as described above.

Outside Director Mieko Tomita, who is also an Audit & Supervisory Committee Member, was considered appropriate for the position due to a wealth of knowledge and experience as an attorney, and based on her knowledge and experience, she is considered to qualify as an Audit & Supervisory Committee Member in charge of auditing and supervising the Company's operational execution from an objective standpoint. Outside Director Takaharu Ando, who is also an Audit & Supervisory Committee Member, was considered appropriate for the position because he held key positions in Japan's National Police Agency, and possesses a wealth of experience and broad-based insight, and based on his knowledge and experience, he is considered to qualify as an Audit & Supervisory Committee Member in charge of auditing and supervising the Company's operational execution from an objective standpoint. Outside Director Hiroto Kaneko, who is also an Audit & Supervisory Committee Member, was considered appropriate for the position because he has the ability to draw on his extensive auditing experience as a Certified Public Accountant and high-level expertise in both domestic and global finance and accounting, and based on his knowledge and experience, he is considered to qualify as an Audit & Supervisory Committee Member in charge of auditing and supervising the Company's operational execution from an objective standpoint. All three individuals are fully expected to continue to fulfill their respective duties and roles as described above from an objective standpoint.

The Board Meeting Administration Office acts as liaison for the Outside Directors, including those who are Audit & Supervisory Committee Members. Care is taken over the timing of the distribution of reports and reference materials for Board of Directors meetings, and overall explanations are provided in advance for agenda items. Where necessary, divisions with responsibility related to agenda items provide explanations in advance. Based on such preparative arrangements, the Outside Directors, including those who are Audit & Supervisory Committee Members, attend meetings of the Board of Directors and, as appropriate, express their opinions and ask questions about the matters reported and resolved at the meetings. Outside Directors who are Audit & Supervisory Committee Members are assisted by an Audit & Supervisory Committee Secretariat established to assist the committee in the performance of its duties. The secretariat prepares reports and reference materials for Audit & Supervisory Committee meetings, and in cases where explanations regarding agenda items are necessary, these are provided by full-time Audit & Supervisory Committee Members or the secretariat.

(3) Supervision and audits by Outside Directors and mutual collaboration between internal audits, Audit & Supervisory Committee audits and independent audits, and relationship to internal control systems

Outside Directors who are Audit & Supervisory Committee Members receive reports on the auditing situation from full-time Audit & Supervisory Committee Members, as well as reports on implementation of internal audits from the Internal Audit Department. Audit & Supervisory Committee Members also regularly attend liaison meetings with the independent auditor.

Furthermore, pursuant to criteria concerning independence as defined by the Tokyo Stock Exchange, the Company has stipulated the following "Criteria regarding the independence of Outside Directors and Outside Audit & Supervisory Committee Members" detailed below.

<Criteria regarding the independence of Outside Directors and Outside Audit & Supervisory Committee Members>

To be regarded as independent, Outside Directors of the Company must not be associated with any of the criteria stipulated below.

- 1) The party regards the Company as a major business partner or executive thereof, or the party is one of the Company's major business partners or an executive thereof (excluding individuals highlighted in 2) below).
 - * "Party regards the Company as a major business partner" refers to parties who, in the most recent fiscal year, received payments from the Company totaling 2% of annual consolidated net sales (including functional equivalents to net sales, same herein) or ¥100 million, whichever is larger.
 - * "Party is one of the Company's major business partners" refers to parties who, in the most recent fiscal year, made payments to the Company totaling at least 2% of the Company's annual consolidated net sales (in the case of financial institutions from which the Company has obtained loans, this applies only to those institutions on which the Company is so reliant for its fund procurement that they are considered indispensable and irreplaceable).
- 2) Consultants, accounting specialists and legal specialists who receive significant monetary sums or other assets beyond remuneration as Directors or Audit & Supervisory Committee Members from the Company (this includes parties associated with organizations that receive the aforementioned assets, such as corporations, unions and professional offices).
 - * "Significant monetary sums or other assets" refer to monetary sums or assets (excluding remuneration for Directors and Audit & Supervisory Committee Members) that, in the most recent fiscal year, accounted for at least 10% or at least ¥10 million, whichever is larger, of the party's annual net sales.
- 3) Any party to which any of items 1) or 2) recently applies.
 - * Cases for which "any of items 1) or 2) recently applies" refer to cases in which any of the reasons stated in 1) or 2) can be viewed to substantively apply currently to a given party; this suggests that at the time that the agenda for the General Meeting of Shareholders was decided by the Company's Board of Directors, any one of items 1) or 2) applied to a party put forward as an independent candidate standing for election as an Outside Director.
- 4) Any party to which either of item (a) or (b) below applies within 10 years prior to appointment.
 - (a) Directors from the Company's parent company, whether executive or non-executive
 - (b) Executives from the Company's sibling companies
- 5) Parents or other close relatives of parties to whom any of the following (a) through (e) apply (excluding non-vital parties).
 - (a) Parties fitting items 1) through 4) above
 - (b) Executives from the Company's subsidiaries
 - (c) Directors from the Company's parent company, whether executive or non-executive
 - (d) Executives from the Company's sibling companies
 - (e) Parties to whom (b) recently apply, or parties who recently were an executive of the Company
 - * Whether the term "non-vital" applies is determined by criteria stipulated in Article 74, Paragraph 4, Section 7 (x) of the Ordinance for Enforcement of the Companies Act; specifically, for parties to whom 1) above applies, this refers to parties of the director or general manager class of each company or partner; for parties to whom 2) above applies, this refers to certified public accounts affiliated with each relevant independent corporate auditing firm, or attorneys affiliated with each relevant law office (including so-called "associates").
 - * The term "close relatives" refers to parental-level relatives. The term "close relatives" is not applicable to parties for whom such familial relationships have been dissolved as a result of divorce or other official means.
- 6) Any party deemed likely to improperly promote the interests of only select shareholders, or any party deemed likely to have a substantive conflict of interest in light of shared interests with the companies or shareholders.

3. Status of Audits

(1) Status of Audits by the Audit & Supervisory Committee

1) Organization and Personnel of the Audit & Supervisory Committee

As of the date of filing this Securities Report in Japanese (June 23, 2025), the Company has organized an Audit & Supervisory Committee consisting of four Audit & Supervisory Committee Members (three Outside Directors and one internal Director) who conduct audits of Directors in the performance of their duties in accordance with the Audit Standards and the Audit Plan.

The internal Director serves as the full-time Audit & Supervisory Committee Member. The Audit & Supervisory Committee Secretariat has been established to assist the Audit & Supervisory Committee in performance of its duties. Additionally, the Company appoints several employees with extensive practical business experience at the Company and have held posts above a certain level to specialist positions for auditing Group companies.

Audit & Supervisory Committee Member Shoh Ohuchi has experience in accounting and finance work. Audit & Supervisory Committee Member Hiroto Kaneko has the qualification of Certified Public Accountant (CPA).

At the Ordinary General Meeting of Shareholders on June 26, 2025, the Company will present a proposal for the election of three (3) Directors who are members of the Audit & Supervisory Committee. If the proposal is passed, the Audit & Supervisory Committee will continue to have four members (three Outside Directors and one internal Director).

2) Status of Activity by the Audit & Supervisory Committee

[Meeting Frequency and Attendance]

During the fiscal year ended March 31, 2025, the Audit & Supervisory Committee met 12 times. Attendance for individual Audit & Supervisory Committee Members is detailed below.

Position	Name	Attendance at meeting of the Audit & Supervisory Committee
Director Audit & Supervisory Committee Member (full-time)	Shoh Ohuchi	Attended all 12 meetings
Director Audit & Supervisory Committee Member	Mieko Tomita	Attended all 12 meetings
Director Audit & Supervisory Committee Member	Takaharu Ando	Attended 10 out of 12 meetings
Director Audit & Supervisory Committee Member	Hiroto Kaneko	Attended all 12 meetings

[Drafting of Audit Policies and Audit Plan]

Following a review of prior-year audit effectiveness, the Audit & Supervisory Committee drafts audit policies and the Audit Plan for the fiscal year under review, paying close attention to changes in the management environment, while identifying risks associated with key audit-related measures.

[Basic Audit Activities]

In addition to attending meetings of the Board of Directors, in accordance with the Audit Standards and Audit Plan, the Audit & Supervisory Committee Members meet regularly with the Company's Representative Directors and hold listening sessions with Executive Directors to audit the executive performance of Directors. The full-time Audit & Supervisory Committee Member attends the Group Management Meeting and other important meetings, offering his or her opinion as appropriate. Audit & Supervisory Committee Members who serve concurrently as Outside Directors attend the Nomination and Remuneration Advisory Committee and other important meetings.

[Corporate Group Audit Activities]

Auditors for the Company's principal subsidiaries conduct audits based on a prescribed audit plan. Furthermore, the Company's full-time Audit & Supervisory Committee Member regularly holds meetings of the Nisshin Seifun Group Audit & Supervisory Liaison Committee with auditors of subsidiaries to exchange opinions regarding audit-related cases in striving to share awareness of problems and improve audit quality throughout the Group. There audit and meeting results are subsequently shared with the Audit & Supervisory Committee.

[Specific Audit Investigations]

In performing audits, the Audit & Supervisory Committee examines the effectiveness and propriety of the execution of duties by divisions responsible for business execution, while investigating the existence of any major violations from the standpoint of legal compliance and examining the suitability of internal control system readiness and operational status. The Audit & Supervisory Committee is also responsible for examining accuracy and reliability in financial reporting and information disclosure, deciding the content of opinions, when relevant, regarding personnel and remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members), and examining the suitability of the audit methodology and results from, as well as the selection and reappointment of, the independent accounting auditor.

[Hearing of Report from Independent Accounting Auditor]

To verify reliance on external audits, as well as audit reliability and suitability, the Audit & Supervisory Committee holds regular liaison meetings, attended by all Audit & Supervisory Committee Members and auditors from subsidiaries, to hear reports from and exchange information with the independent accounting auditor, from the beginning stages of the audit plan to interim review reports (quarterly and first half review reports), and fiscal year financial audit report. Furthermore, the full-time Audit & Supervisory Committee Member monitors progress of the audit process carried out by the independent accounting auditor, working to ascertain the nature of matters discovered during the course of audits and other important matters in a timely fashion. In addition to discussion of all key audit matters (KAM) with the independent accounting auditor, the Audit & Supervisory Committee identifies KAM and confirms the status of implementation and suitability of the results of audits of the selected items, as well as the appropriateness and integrity of related information disclosure.

[Reporting to Board of Directors]

The Audit & Supervisory Committee periodically reports audit results to the Board of Directors.

(2) Status of internal audits

1) Internal Audit Department organization, personnel and procedures

As of the date of filing this Securities Report (June 23, 2025), the Company has a total of 20 members in the Internal Audit Department and 24 expert personnel in charge of audits covering specialized areas such as facilities, safety, environmental protection and quality assurance as a division for conducting internal audits. This team is responsible for internal audits for the Nisshin Seifun Group companies to ensure that their business operations are conducted properly.

2) Collaboration between Audit & Supervisory Committee, Internal Audit Department and the independent auditor

As a body under the direct authority of the Audit & Supervisory Committee, the Internal Audit Department reports as needed on auditing results to the Audit & Supervisory Committee. Meanwhile, members of the audit and supervisory boards and specialized auditing staff of principal Group subsidiaries report auditing results to Audit & Supervisory Committee and Internal Audit Department. Through this process, each of these parties works to enhance mutual cooperation. The full-time Audit & Supervisory Committee Member, together with members of the audit and supervisory boards of principal subsidiaries and the Internal Audit Department, regularly hold meetings of the Nisshin Seifun Group Audit & Supervisory Committee Members' Liaison Committee. At these meetings, opinions are exchanged on auditing case studies, and efforts are focused on sharing awareness of problems and raising the quality of auditing across the Group as a whole.

The Company and its major subsidiaries have an independent auditing contract with Deloitte Touche Tohmatsu LLC, which conducts audits as stipulated in the Companies Act and the Financial Instruments and Exchange Act under that contract. Audit & Supervisory Committee Members and the Internal Audit Department hold regular liaison meetings with the Company's contracted independent auditor, Deloitte Touche Tohmatsu LLC, and receive reports and explanations on the audit plan and the results of audits. They also strive to maintain adequate cooperation with the independent auditor, including through the exchange of necessary information.

3) Initiatives for ensuring internal audit effectiveness

In addition to conducting audits at all Nisshin Seifun Group companies, the Internal Audit Department, under orders from the Audit & Supervisory Committee to which it directly reports, also evaluates internal control systems. Specialized audits with respect to facilities and safety, environmental protection and quality assurance are conducted by departmental staff with expert knowledge in these areas, providing necessary guidance and advice shared horizontally by the Internal Audit Department Group-wide in an effort to maintain and improve the comprehensive level of audits across the entire Group. The results of these internal audits, internal control systems evaluations and specialized audits are reported each time to the Audit & Supervisory Committee. Additionally, the departments responsible for each audit comprise a structure for the reporting of an annual summary of audit results to the Board of Directors, in a commitment to ensuring the effectiveness of specialized audits and all other internal audits.

(3) Status of Independent Audits

- 1) Name of independent auditor, the continuous audit period, and names of certified public accountants conducting audits, composition of assistants

The Company and its major subsidiaries have an independent auditing contract with Deloitte Touche Tohmatsu LLC, which conducts audits as stipulated in the Companies Act and the Financial Instruments and Exchange Act under that contract. The continuous audit period is eight years. The Certified Public Accountants who lead the independent audit of the accounts for the Company are Naofumi Yamazumi and Kenji Oyama. The support staff for the auditing team (including audits of consolidated subsidiaries) consists of 6 CPAs and 18 others.

- 2) Reasons for appointment of independent auditor (including selection policies and conditions for termination of services)

- a) Policies for decisions to terminate or not reappoint independent auditor

The Audit & Supervisory Committee will dismiss the independent auditor in the event that any of the reasons stipulated in each item of Article 340, Paragraph 1 of the Companies Act are deemed applicable to the independent auditor and such action is considered necessary, subject to the unanimous consent of the Audit & Supervisory Committee Members.

In addition, the Audit & Supervisory Committee will decide the details of a proposal for the dismissal or non-reappointment of the independent auditor to be submitted to the General Meeting of Shareholders, as stipulated in Article 399, Paragraph 2, Section 3, Item 2 of the Companies Act, in the event that any of the reasons stipulated in Article 340 of the Companies Act, or any concomitant reasons, are deemed applicable to the independent auditor and such action is considered necessary. Furthermore, the Audit & Supervisory Committee may also decide the details of a proposal for the non-reappointment of the independent auditor to be submitted to the General Meeting of Shareholders, as stipulated in Article 399, Paragraph 2, Section 3, Item 2 of the Companies Act, in the event that the non-reappointment of the independent auditor is considered appropriate in overall consideration of various factors, including the audit quality provided and the status of execution of duties by the independent auditor.

- b) Reasons for appointment of independent auditor

The Audit & Supervisory Committee, in line with its standards for selection and evaluation of independent accounting auditors, conducted a comprehensive examination of candidates in terms of their independence, quality control structure and global accounting framework. Accordingly, the Company retained the services of Deloitte Touche Tohmatsu LLC as independent accounting auditor.

- 3) Summary and details of evaluation of independent auditor conducted by Audit & Supervisory Committee

The Audit & Supervisory Committee conducted an evaluation of the independent auditor in May 2025. Following a comprehensive examination in terms of independence, quality control and global accounting framework, the evaluation found the audits performed by the independent auditor to be appropriate.

- 4) Details of Compensation for Audits

- a) Payments made to the Certified Public Accountants and others involved in the audits of the Company and its consolidated subsidiaries

Category	Year ended March 31, 2024		Year ended March 31, 2025	
	Payments for certified auditing services (million yen)	Payments for services other than certified auditing (million yen)	Payments for certified auditing services (million yen)	Payments for services other than certified auditing (million yen)
The Company	67	—	69	—
Consolidated subsidiaries	145	—	157	—
Total	212	—	227	—

- b) Payments made to those in the same network with the Certified Public Accountants and others involved in the audits (excluding a))

Category	Year ended March 31, 2024		Year ended March 31, 2025	
	Payments for certified auditing services (million yen)	Payments for services other than certified auditing (million yen)	Payments for certified auditing services (million yen)	Payments for services other than certified auditing (million yen)
The Company	—	16	—	7
Consolidated subsidiaries	180	80	206	102
Total	180	97	206	109

Non-audit services performed for the Company and its consolidated subsidiaries consist mainly of tax-related services.

- c) Policy for determining the audit fee

There is no applicable policy, but the audit fee is basically determined according to the scale of the companies audited and the number of days required for the audit, etc.

- d) Reasons for the Audit & Supervisory Committee's approval on compensation to the independent auditor

The Audit & Supervisory Committee has given its approval as prescribed under Article 399, Paragraphs 1 and 3 of the Companies Act, as the compensation to the independent auditor was considered reasonable based on the verification and review of the relevant matters including details of the audit plan in the fiscal year under review, the status of execution of duties by the independent auditor and the basis of calculating the estimated compensation.

4. Remuneration of executives

(1) The amounts of remuneration for executives and matters regarding policy for the method of determining such amounts

- a. Matters regarding decision-making policy concerning specifics of individual remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)

The Company vests decision-making policy regarding the specifics of remuneration for individual Directors (excluding Audit & Supervisory Committee Members; the same will apply hereinafter in a.) in the Board of Directors, following deliberation by the Nomination and Remuneration Advisory Committee, a body comprised solely of independent Outside Directors. An overview of procedures and details regarding the activities of the Nomination and Remuneration Advisory Committee are found in “(1) Corporate Governance.” An overview of the decision-making policy is provided below.

- The Company’s policy for remuneration of Directors was established with reference to three key factors, functioning to (1) retain talented human resources, (2) offer remuneration at levels appropriate to the Company’s size and business domains, and (3) provide a healthy incentive to improve the Company’s medium- to long-term corporate value. A fixed proportion of remuneration consists of variable remuneration reflecting business performance, thus taking into consideration both level of contribution to the Group and level of contribution to medium- to long-term basic Group strategies.
- In order that remuneration for the Company’s internal Directors functions as a healthy incentive for sustainable growth, remuneration comprises a combination of the following components: (i) fixed remuneration, paid monthly, based on seniority role or position (basic remuneration); (ii) variable remuneration reflecting contribution to past business performance (bonus), paid during a set period annually; and (iii) stock-based remuneration reflecting future business performance, paid once during a set period annually, with the objective of promoting management that focuses more acutely on shareholder value.
- Regarding the proportional composition of remuneration, as a corporate group involved in food, the Company believes that it is the responsibility of the Group as a whole, and also a source and a foundation of corporate value, to guarantee a high level of safety and quality in our products, and to consistently ensure the stable supply of food, including wheat flour and other staple foods for the people. To ensure that this fundamental way of thinking remains the basis for an appropriate remuneration for a business of this kind, with the aim of further expanding corporate value and stimulating medium- to long-term growth, and to more deeply embed business performance into the composition of remuneration, our policy for (i) fixed remuneration (basic remuneration), (ii) variable remuneration (bonus), and (iii) stock-based remuneration for each management class is to raise the proportion of variable remuneration in the overall proportion of the remuneration composition from generally 70:15:15 to a standard of 60:20:20.
- The Company believes that while Outside Directors are asked to function in a supervisory role with respect to management, it is also important to offer an appropriate set of incentives to improve the Company’s medium- to long-term corporate value. Remuneration thus consists of fixed remuneration (basic remuneration) and stock-based remuneration within a prescribed scope.
- To ensure objectivity and propriety in the amount of remuneration, the remuneration standards for each management class are determined after referencing the results of surveys by external institutions of the remuneration levels by management class of domestic companies with similar market capitalization, while also taking into account factors such as the responsibilities specific to the management class and the significance of its impact on Group management.

Details regarding bonus are as described in “d. Variable (Performance-based) remuneration (bonus),” and stock-based remuneration is as described in “e. Non-monetary remuneration (stock-based remuneration);” the method for determining remuneration is as described in “c. Matters regarding responsibility for determining specifics of remuneration for individual Directors (excluding Audit & Supervisory Committee Members).

- b. Matters regarding resolution by the General Meeting of Shareholders concerning remuneration for Directors

By a resolution at the 175th Ordinary General Meeting of Shareholders held on June 26, 2019, the Company set the maximum annual amounts of remuneration for Directors (excluding Audit & Supervisory Committee Members), consisting of a basic remuneration and bonus, at ¥400 million (including a maximum annual amount of ¥60 million for Outside Directors), and maximum annual amounts of ¥90 million for Directors who are also Audit & Supervisory Board Members. Furthermore, regarding the remuneration framework for the stock-based remuneration plan, by a resolution at the same meeting, the total number of the Company’s shares granted to Directors (excluding Audit & Supervisory Committee Members) as the stock-based portion of remuneration is capped at 350,000 shares for any consecutive three fiscal years. Additionally, based on the plan, the total amount of the Company’s contribution to the trust for these shares is capped at ¥300 million for every consecutive three fiscal-year period. Furthermore, a transfer restriction period (i.e., prohibiting the transfer, establishment of security interests or other treatment) was established regarding the Company’s shares granted annually to Directors (excluding Audit & Supervisory Committee Members) applicable for a period of 3 years from the date of delivery. The resolution authorizes the Company to seek equivalent monetary compensation for the confiscation of any granted shares subject to the transfer restriction period from

Directors involved in illegal or certain other activities taking place during the transfer restriction period. These rules were applicable to 10 Directors, excluding Audit & Supervisory Committee Members (including three Outside Directors) and four Directors who are Audit & Supervisory Committee Members as of the conclusion of the 175th Ordinary General Meeting of Shareholders.

c. Matters regarding responsibility for determining specifics of remuneration for individual Directors (excluding Audit & Supervisory Committee Members)

Because individual evaluation of each Director (excluding Directors who are Audit & Supervisory Committee Members; the same will apply hereinafter in c.), based on their responsibilities specific to the Directors and the significance of impact on Group management, reflects the view that such evaluation is appropriately performed by the person responsible for overseeing business execution for the entire Group, the President (Kenji Takihara) is vested by the Board of Directors with deciding the basic remuneration, bonus and stock-based remuneration of each Director. However, in light of the decision-making policy concerning specifics of individual remuneration for Directors stipulated in “a.” above, and to ensure propriety and objectivity in the remuneration decision-making process, such decisions are made based on standard amounts for each management class with respect to basic remuneration and non-monetary remuneration (stock-based remuneration), and based on the year-on-year percent change in consolidated ordinary profit as well as the achievement status of CO2 reduction roadmap targets for variable (performance-based) remuneration (bonus). For remuneration of individual directors pertaining to the fiscal year under review, the Board of Directors has confirmed that the details of such remuneration conform to its decision-making policy, and has determined that said remuneration is in line with this policy.

d. Variable (performance-based) remuneration (bonus)

Consolidated ordinary profit and the achievement status of CO2 reduction roadmap targets are used as indicators to reflect the success of all management activities across the Group, and to promote reductions in CO2 emissions as part of efforts to address the impact of climate change; management efforts focus on delivering business performance above that of the previous year and steps aimed at achieving CO2 reduction roadmap targets. Fundamentally, the amount paid is calculated based on the rate of growth or decline in consolidated ordinary profit year on year, which determines whether the amount of bonus increases or decreases from the previous year. However, an evaluation responsive to the achievement status of CO2 reduction roadmap targets is also reflected in this amount. The actual amount of consolidated ordinary profit for the fiscal year ended March 31, 2025 was ¥49.2 billion (down 1.6% year on year). The Company is also expected to generally meet its CO2 reduction roadmap targets for the year.

e. Non-monetary remuneration (stock-based remuneration)

Directors (excluding Audit & Supervisory Committee Members) are granted a number of Company shares calculated based on standard amounts for each management class, together with a cash payment equivalent to applicable taxes for such shares. The Company has also established a set transfer restriction period for such granted shares. For details on stock-based remuneration, refer to “(1) Share-Related Matters, 8. Director and Employee Shareholding System.”

f. Remuneration for Directors who are Audit & Supervisory Committee Members

Remuneration for Directors who are also Audit & Supervisory Committee Members consists of fixed remuneration (basic remuneration) only. Remuneration for Directors who are Audit & Supervisory Committee Members is decided in accordance with remuneration standards for Audit & Supervisory Committee Members by the full-time Audit & Supervisory Committee Member (Mr. Shoh Ohuchi), after discussions with Directors who are Audit & Supervisory Committee Members.

(2) Total amounts of remuneration by category of executives, category of remuneration and number of eligible executives

Category of executives	Total amounts of remuneration (million yen)	Total amounts by category of remuneration (million yen)			Number of eligible executives (persons)
		Fixed remuneration (Basic remuneration)	Variable (Performance-based) remuneration (Bonus)	Non-monetary remuneration (stock-based remuneration)	
Director (excluding Audit & Supervisory Committee Members) (excluding Outside Directors)	235	139	61	34	9
Director (Audit & Supervisory Committee Members) (excluding Outside Directors)	17	17	—	—	1
Outside Directors (including Audit & Supervisory Committee Members)	64	61	—	3	6

(3) The total amounts of remuneration paid to individual executives of the Company

This information is not disclosed because there were no individual executives who received remuneration of ¥100 million or more.

5. Status of stocks held

(1) Classification standards and approach to stocks for investment

Stocks for investment held solely for pure investment are held for the purpose of gaining profits from fluctuations in the value of all such stocks or from stock-related dividends. Stocks for investment held for purposes other than pure investment are held for the purpose of facilitating or strengthening business partnerships and joint ventures, and for developing or strengthening long-term, stable trading relationships.

(2) Stocks for investment held for purposes other than pure investment

- a. Ownership policy, method for examining ownership rationale, and details of examination of propriety of holding stocks from individual issuers by the Board of Directors

(Ownership policy)

Holding for specific policy purposes occurs in cases in which the recognized rationale is that ownership will contribute to improvement in medium- to long-term corporate value, from the perspective of facilitating or strengthening business partnerships and joint ventures, and developing or strengthening long-term, stable trading relationships.

(Method for examining ownership rationale and details of examination by the Board of Directors)

For individual stocks, after confirming the appropriateness of the purpose of ownership, as well as trading situation, earnings and financial situation, shareholder returns, and creditworthiness, the Board of Directors conducts a comparison of anticipated benefit of ownership with risk and capital cost, so that it can verify the rationality of holding such shares each year from a medium- to long-term perspective. Following verification, the Board of Directors devises steps to minimize the ownership of stocks for which the rationale for continued shareholding is weak, or those failing to meet its rationale for ownership.

- b. Number of issuers and carrying value

	Number of issuers (Issuer)	Carrying value (million yen)
Unlisted stocks	11	250
Stocks other than unlisted stocks	26	96,655

(Issuers experiencing increased ownership during the fiscal year under review)

	Number of issuers (Issuer)	Total acquisition cost for increase in number of shares (millions of yen)	Reason for increase in number of shares
Unlisted stocks	—	—	—
Stocks other than unlisted stocks	1	3	Purchase to maintain and strengthen trading relationships involving sales of merchandise and products

(Issuers experiencing decreased ownership during the fiscal year under review)

	Number of issuers (Issuer)	Total sale cost for decrease in number of shares (million yen)
Unlisted stocks	—	—
Stocks other than unlisted stocks	8	8,377

c. Information regarding specific stocks for investment, number of shares deemed as shareholding for each issuer and carrying value

Specific stocks for investment

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose for ownership, overview of business partnerships, quantitative effect of ownership (Note 1) and reason for increase in number of shares	Company shares owned (Note 2)
	Number of shares	Number of shares		
	Carrying value (million yen)	Carrying value (million yen)		
Yamazaki Baking Co., Ltd.	11,062,343	11,062,343	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions.	Present
	31,859	43,375		
Nichirei Corporation	2,719,750	2,719,750	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions.	Present
	9,668	11,267		
NISSIN FOODS HOLDINGS CO., LTD. (Note 5)	2,657,946	2,657,946	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions.	Present
	8,114	11,163		
Mitsubishi Corporation	2,944,422	3,484,422	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions.	Present
	7,733	12,150		
Marubeni Corporation	3,135,511	3,135,511	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions.	Present
	7,460	8,243		
Sumitomo Corporation	1,443,244	2,132,244	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions.	Present
	4,866	7,786		
Kikkoman Corporation (Note 3)	3,302,430	660,486	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions.	Present
	4,758	6,502		
Sumitomo Mitsui Financial Group, Inc. (Note 4)	1,214,382	404,794	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.	Present
	4,608	3,606		
TOPPAN Holdings Inc.	947,500	947,500	There is a relationship of purchasing transactions for packaging materials and other products between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.	Present
	3,841	3,675		
Mitsubishi UFJ Financial Group, Inc.	1,469,450	1,469,450	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.	Present
	2,955	2,287		
Kewpie Corporation	689,100	689,100	The Group and the issuer have a relationship of purchasing materials and others, and this stock ownership is designed to maintain and strengthen such business relationship.	Present
	2,012	1,950		
SHIMIZU CORPORATION	1,473,500	2,947,000	There is a contract relationship of construction and maintenance transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen such business transactions.	Present
	1,950	2,948		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose for ownership, overview of business partnerships, quantitative effect of ownership (Note 1) and reason for increase in number of shares	Company shares owned (Note 2)
	Number of shares	Number of shares		
	Carrying value (million yen)	Carrying value (million yen)		
NIPPON EXPRESS HOLDINGS, INC. (Note 5)	481,400	320,800	There is a relationship of logistics transactions between the Group and the issuer, and this stock ownership is designed to maintain and expand such business transactions.	Present
	1,309	2,480		
Mizuho Financial Group, Inc.	265,151	294,651	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.	Present
	1,074	897		
Tokio Marine Holdings, Inc.	179,310	179,310	There is a relationship of insurance transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.	Present
	1,028	843		
Sumitomo Mitsui Trust Group, Inc. (Note 6)	268,866	384,066	There is a relationship of financial transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.	Present
	1,000	1,270		
Nisshinbo Holdings Inc.	945,800	1,139,800	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions.	Present
	860	1,404		
Sompo Holdings, Inc. (Note 7)	129,936	43,312	There is a relationship of insurance transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.	Present
	587	414		
The Nisshin Oillio Group, Ltd.	50,820	50,820	The Group and the issuer have a relationship of purchasing materials and others, and this stock ownership is designed to maintain and strengthen such business relationship.	Present
	244	261		
YAMAE GROUP HOLDINGS CO., LTD.	101,890	100,623	[Purpose for ownership] The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions. [Reason for increase in number of shares] To further maintain and strengthen trading relationships pertaining to the sale of merchandise and products.	Present
	243	281		
Hakuhodo DY Holdings Inc.	147,000	147,000	This ownership is designed to effectively engage in advertising and promotion activities of the Group through the issuer.	Present
	159	203		
Dai-ichi Life Holdings, Inc.	23,000	23,000	There is a relationship of insurance transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.	Present
	104	88		
Dentsu Group Inc.	26,400	26,400	This ownership is designed to effectively engage in advertising and promotion activities of the Group through the issuer.	Present
	86	110		

Issuer	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose for ownership, overview of business partnerships, quantitative effect of ownership (Note 1) and reason for increase in number of shares	Company shares owned (Note 2)
	Number of shares	Number of shares		
	Carrying value (million yen)	Carrying value (million yen)		
MS&AD Insurance Group Holdings, Inc. (Note 8)	24,723	8,241	There is a relationship of insurance transactions between the Group and the issuer, and this stock ownership is designed to maintain and strengthen the aforementioned relationship.	Present
	79	67		
Sojitz Corporation	12,705	24,705	The Group sells merchandise and products to the issuer, and this stock ownership is designed to maintain and expand such business transactions.	Present
	41	98		
Meiji Machine Co., Ltd.	18,354	18,354	The Group purchases machinery and equipment from the issuer, and this stock ownership is designed to maintain and strengthen such business relationship.	Present
	5	6		

Notes:

1. From the viewpoint of maintaining the confidentiality of transaction data, the quantitative effect of ownership for individual issuers is not shown. On January 28, 2025, the Board of Directors examined the qualitative and quantitative effect of ownership based on (2) a. (Method for examining ownership rationale and details of examination by the Board of Directors) above.
2. For cases in which stock is held in a holding company, the Company's stock ownership is shown based on the portion of ownership in the holding company's principal subsidiary.
3. Kikkoman Corporation conducted a 1-for-5 common stock split on April 1, 2024.
4. Sumitomo Mitsui Financial Group, Inc. conducted a 1-for-3 common stock split on October 1, 2024.
5. NIPPON EXPRESS HOLDINGS, INC. conducted a 1-for-3 common stock split on January 1, 2025.
6. Sumitomo Mitsui Trust Group, Inc. was formerly known as Sumitomo Mitsui Trust Holdings, inc. The business name changed on October 1, 2024.
7. Sompo Holdings, Inc. conducted a 1-for-3 common stock split on April 1, 2024.
8. MS&AD Insurance Group Holdings, Inc. conducted a 1-for-3 common stock split on April 1, 2024.

(3) Stocks for investment held solely for pure investment

There are no applicable matters to be reported.

[5] Financial Accounts

1. Basis of presentation for consolidated and non-consolidated financial statements

- (1) The Company's consolidated financial statements are prepared in conformity with the Regulations Concerning Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Regulation No. 28, 1976).
- (2) The non-consolidated financial statements are prepared in conformity with the Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Regulation No. 59, 1963) (hereinafter, "Regulations on Financial Statements.")

As a company designated for the submission of financial statements prepared in accordance with special provision, the Company prepares its financial statements pursuant to Article 127 of the Regulations on Financial Statements.

2. Independent auditing of financial statements

Pursuant to the provisions of Article 193-2, Paragraph 1, of the Financial Instruments and Exchange Act, the Company arranged for the auditing firm Deloitte Touche Tohmatsu LLC to conduct independent audits of the consolidated and non-consolidated financial statements of the Company for the fiscal year under review (April 1, 2024 to March 31, 2025).

3. Particular efforts to secure the appropriateness of the consolidated financial statements and other financial reports

The Company conducts efforts to secure the appropriateness of the consolidated financial statements and other financial reports. Specifically, the Company endeavors to acquire information that would ensure a good understanding of the corporate accounting standards and keep itself updated on any changes in the accounting standards by participating in the Financial Accounting Standards Foundation and educational opportunities provided by said Foundation, accounting firms and other institutions, as well as subscribing to accounting journals. In addition, the president of each consolidated subsidiary shall sign and seal a written oath to declare the appropriateness of the subsidiary's non-consolidated financial reports that constitute basic information for the preparation of the Company's consolidated financial statements after it is duly confirmed by the subsidiary's managers of the accounting and other related departments, and submit it to the president of the Company. As to such financial reports prepared within the Company, the responsible accounting managers and managers of other related departments shall sign and seal a written oath to declare their appropriateness upon due confirmation thereof, and submit it to the president of the Company.

(1) Consolidated Financial Statements, etc.

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)		Year ended March 31, 2025 (As of March 31, 2025)	
Assets				
Current assets				
Cash and deposits		109,470		93,968
Notes and accounts receivable - trade, and contract assets	Note 5	114,536	Note 5	109,547
Securities		—		2,150
Inventories	Note 1	124,878	Note 1	120,641
Other		16,729		12,933
Allowance for doubtful accounts		(541)		(512)
Total current assets		365,072		338,728
Non-current assets				
Property, plant and equipment				
Buildings and structures, net	Notes 2, 3, 7	72,092	Notes 2, 3, 7	77,665
Machinery, equipment and vehicles, net	Notes 2, 3	66,504	Notes 2, 3	74,633
Land	Note 7	53,393	Note 7	52,700
Construction in progress		20,158		21,913
Right-of-use assets, net	Note 2	18,471	Note 2	18,731
Other, net	Note 2	5,196	Note 2	5,355
Total property, plant and equipment		235,815		251,000
Intangible assets				
Goodwill		6,212		5,018
Other		15,350		15,956
Total intangible assets		21,563		20,975
Investments and other assets				
Investment securities	Note 4	185,445	Note 4	158,338
Retirement benefit asset		307		300
Deferred tax assets		12,539		11,871
Other	Note 4	6,167	Note 4	8,673
Allowance for doubtful accounts		(208)		(174)
Total investments and other assets		204,250		179,009
Total non-current assets		461,629		450,984
Total assets		826,702		789,713

(Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	76,198	64,872
Short-term borrowings	Note 7 15,101	Note 7 13,141
Income taxes payable	7,890	7,502
Accrued expenses	27,036	26,295
Other	Note 6 37,344	Note 6 35,502
Total current liabilities	163,571	147,313
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	Note 7 12,014	Note 7 11,244
Lease liabilities	39,929	40,148
Deferred tax liabilities	42,671	37,689
Provision for repairs	1,278	1,281
Retirement benefit liability	23,532	21,935
Long-term deposits received	5,642	5,710
Other	1,680	1,819
Total non-current liabilities	146,749	139,829
Total liabilities	310,321	287,143
Net assets		
Shareholders' equity		
Paid-in capital	17,117	17,117
Capital surplus	12,752	12,560
Retained earnings	344,428	341,375
Treasury shares	(10,914)	(1,470)
Total shareholders' equity	363,383	369,583
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	93,519	74,065
Deferred gains or losses on hedges	164	(112)
Foreign currency translation adjustment	43,632	40,514
Remeasurements of defined benefit plans	(398)	955
Total accumulated other comprehensive income	136,918	115,422
Non-controlling interests	16,078	17,564
Total net assets	516,381	502,570
Total liabilities and net assets	826,702	789,713

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)	
Net sales		858,248		851,486
Cost of sales	Notes 1, 2	674,115	Notes 1, 2	661,306
Gross profit		184,132		190,179
Selling, general and administrative expenses	Notes 2, 3	136,341	Notes 2, 3	143,799
Operating profit		47,791		46,380
Non-operating income				
Interest income		563		971
Dividend income		2,711		3,296
Share of profit of entities accounted for using equity method		1,774		1,602
Rental income		294		290
Foreign exchange gains		730		—
Other		1,034		1,349
Total non-operating income		7,109		7,510
Non-operating expenses				
Interest expenses		3,770		3,774
Other		1,137		906
Total non-operating expenses		4,907		4,680
Ordinary profit		49,992		49,210
Extraordinary income				
Gain on sale of non-current assets	Note 4	281	Note 4	143
Gain on sale of investment securities		436		7,404
Total extraordinary income		718		7,547
Extraordinary losses				
Loss on retirement of non-current assets	Note 5	605	Note 5	962
Impairment losses	Note 6	1,254	Note 6	70
Business restructuring expenses		—	Note 7	2,275
Other		—		135
Total extraordinary losses		1,860		3,443
Profit before income taxes		48,850		53,313
Income taxes - current		13,697		14,954
Income taxes - deferred		2,285		2,428
Total income taxes		15,982		17,383
Profit		32,868		35,930
Profit attributable to non-controlling interests		1,125		1,245
Profit attributable to owners of parent		31,743		34,684

Consolidated Statements of Comprehensive Income

(Million yen)

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Profit	32,868	35,930
Other comprehensive income		
Valuation difference on available-for-sale securities	41,322	(19,503)
Deferred gains or losses on hedges	180	(240)
Foreign currency translation adjustment	15,707	(2,907)
Remeasurements of defined benefit plans, net of tax	214	1,237
Share of other comprehensive income of entities accounted for using equity method	386	453
Total other comprehensive income	Note 1 57,810	Note 1 (20,960)
Comprehensive income	90,678	14,969
(Breakdown)		
Comprehensive income attributable to owners of parent	88,865	13,188
Comprehensive income attributable to non-controlling interests	1,812	1,780

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,117	12,728	325,181	(10,989)	344,037
Changes during period					
Dividends of surplus			(12,496)		(12,496)
Profit attributable to owners of parent			31,743		31,743
Purchase of treasury shares				(120)	(120)
Disposal of treasury shares		7		195	202
Change in ownership interest of parent due to transactions with non-controlling interests		16			16
Net changes in items other than shareholders' equity					
Total changes during period	—	24	19,246	74	19,345
Balance at end of period	17,117	12,752	344,428	(10,914)	363,383

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	52,044	(13)	28,352	(588)	79,795	44	14,621	438,499
Changes during period								
Dividends of surplus								(12,496)
Profit attributable to owners of parent								31,743
Purchase of treasury shares								(120)
Disposal of treasury shares								202
Change in ownership interest of parent due to transactions with non-controlling interests								16
Net changes in items other than shareholders' equity	41,474	178	15,280	190	57,122	(44)	1,456	58,535
Total changes during period	41,474	178	15,280	190	57,122	(44)	1,456	77,881
Balance at end of period	93,519	164	43,632	(398)	136,918	—	16,078	516,381

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,117	12,752	344,428	(10,914)	363,383
Changes during period					
Dividends of surplus			(14,579)		(14,579)
Profit attributable to owners of parent			34,684		34,684
Purchase of treasury shares				(14,130)	(14,130)
Disposal of treasury shares		0		211	211
Cancellation of treasury shares		(191)	(23,170)	23,362	—
Changes due to changes in the accounting period of consolidated subsidiaries			13		13
Net changes in items other than shareholders' equity					
Total changes during period	—	(191)	(3,052)	9,443	6,199
Balance at end of period	17,117	12,560	341,375	(1,470)	369,583

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	93,519	164	43,632	(398)	136,918	16,078	516,381
Changes during period							
Dividends of surplus							(14,579)
Profit attributable to owners of parent							34,684
Purchase of treasury shares							(14,130)
Disposal of treasury shares							211
Cancellation of treasury shares							—
Changes due to changes in the accounting period of consolidated subsidiaries							13
Net changes in items other than shareholders' equity	(19,453)	(277)	(3,118)	1,353	(21,496)	1,486	(20,009)
Total changes during period	(19,453)	(277)	(3,118)	1,353	(21,496)	1,486	(13,810)
Balance at end of period	74,065	(112)	40,514	955	115,422	17,564	502,570

(4) Consolidated Statements of Cash Flows

(Million yen)

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	48,850	53,313
Depreciation	22,999	23,768
Impairment losses	1,254	70
Business restructuring expenses	–	2,275
Amortization of goodwill	1,291	1,193
Interest and dividend income	(3,274)	(4,267)
Interest expenses	3,770	3,774
Share of loss (profit) of entities accounted for using equity method	(1,774)	(1,602)
Loss (gain) on sale of investment securities	(436)	(7,381)
Decrease (increase) in accounts receivable - trade, and contract assets	(3,175)	3,754
Decrease (increase) in inventories	9,054	826
Increase (decrease) in trade payables	364	(11,130)
Increase (decrease) in accounts payable - other, and accrued expenses	7,902	(5,889)
Other, net	6,574	4,657
Subtotal	93,400	63,363
Interest and dividends received	3,296	5,122
Interest paid	(3,796)	(3,751)
Income taxes paid	(19,705)	(9,524)
Net cash provided by (used in) operating activities	73,194	55,209
Cash flows from investing activities		
Payments into time deposits	(2,535)	(5,975)
Proceeds from withdrawal of time deposits	777	3,985
Purchase of property, plant and equipment and intangible assets	(29,191)	(41,468)
Proceeds from sale of investment securities	1,451	9,008
Purchase of shares of subsidiaries resulting in change in scope of consolidation	Note 2 (930)	–
Other, net	(515)	(510)
Net cash provided by (used in) investing activities	(30,944)	(34,961)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	24	(460)
Repayments of long-term borrowings	(2,126)	(1,675)
Purchase of treasury shares	(120)	(14,130)
Dividends paid	(12,496)	(14,579)
Repayments of lease liabilities	(4,518)	(4,302)
Other, net	(301)	(283)
Net cash provided by (used in) financing activities	(19,539)	(35,432)
Effect of exchange rate changes on cash and cash equivalents	1,999	(512)
Net increase (decrease) in cash and cash equivalents	24,709	(15,696)
Cash and cash equivalents at beginning of period	82,971	107,681
Net increase (decrease) in cash and cash equivalents due to changes in the accounting period of consolidated subsidiaries	–	21
Cash and cash equivalents at end of period	Note 1 107,681	Note 1 92,005

[Notes to the Consolidated Financial Statements]

[Basis of Presentation of Consolidated Financial Statements]

1. Scope of consolidation

(1) Consolidated subsidiaries: 66 companies

- Names of principal subsidiaries: Nisshin Flour Milling Inc., Kumamoto Flour Milling Co., Ltd., Miller Milling Company, LLC, Allied Pinnacle Pty Ltd., Nisshin Seifun Welna Inc., Nisshin Seifun Premix Inc., Ma•Ma-Macaroni Co., Ltd., Oriental Yeast Co., Ltd., Nisshin Pharma Inc., Nisshin Seifun Delica Frontier Inc., Tokatsu Foods Co., Ltd., Joyous Foods Co., Ltd., Initio Foods Inc., Nisshin Engineering Inc., NBC Meshtec Inc.
- Of the remaining subsidiaries, Nisshin Managerial Technology Center Co., Ltd. and other three companies are not consolidated. The assets, net sales, profit/loss and retained earnings of each non-consolidated subsidiary are small, and the aggregate effect on the consolidated financial statements is immaterial.

(2) Changes in the scope of consolidation

- There were no changes in the scope of consolidation during the fiscal year under review.

2. Scope of the equity method

(1) Subsidiaries and affiliates accounted for by the equity method: 9 (1 non-consolidated subsidiary and 8 affiliates)

- Names of principal subsidiaries and affiliates accounted for by the equity method: Marubeni Nisshin Feed Co., Ltd., Japan Logistic Systems Corp.
- The contributions to consolidated profit/loss, consolidated retained earnings and other consolidated financial statements of three non-consolidated subsidiaries and three affiliates not accounted for by the equity method are negligible and immaterial in the aggregate.

(2) The financial statements for the accounting period of the company concerned are used in the cases of those subsidiaries and affiliates accounted for by the equity method whose accounting period differs from the consolidated accounting period.

3. Accounting periods of consolidated subsidiaries

Shin Nisshin Seifun Foods (Qingdao) Co., Ltd. and two other subsidiaries operate on an accounting period that differs from the consolidated accounting period. When preparing the consolidated financial statements, the Company utilizes their provisional financial statements as of the end of the consolidated fiscal year.

Previously, the Company used the financial statements of consolidated subsidiary Kumamoto Flour Milling Co., Ltd. and its four subsidiaries available as of December 31, the account settlement date for these companies, with necessary adjustments made for important transactions occurring between that date and the consolidated account settlement date (March 31). However, from the fiscal year under review, the account settlement date for Kumamoto Flour Milling Co., Ltd. and its four subsidiaries has been changed to March 31. In line with this change in account settlement period, we have consolidated the twelve-month period from April 1, 2024 to March 31, 2025 in the fiscal year under review. Profits and losses from these consolidated subsidiaries recorded from January 1, 2024 to March 31, 2024 have been adjusted as changes in retained earnings.

4. Significant accounting principles

(1) Valuation standards and methodology for material assets

a. Securities

Held-to-maturity debt securities are stated at amortized cost.

Other securities

Securities with a readily determinable market value: Stated at fair market value (any unrealized gains or losses reported directly as a component of shareholders' equity; the cost of any securities sold computed by the moving average method)

Securities with no readily determinable market value: Stated at cost, with cost being determined by the moving average method

b. Derivatives

Derivative financial instruments are stated at fair market value.

c. Inventories

Wheat flour and bran are stated at cost, with cost being determined mainly by the retail method, with balance sheet values reflecting write-downs for decreased profitability; other products are stated at cost, with cost being determined mainly by the periodic average method, with balance sheet values reflecting write-downs for decreased profitability.

Raw materials are stated at cost, with cost being determined by the first-in, first-out method, and balance sheet values reflecting write-downs for decreased profitability.

- (2) Depreciation and amortization methods for material depreciable assets
- Property, plant and equipment (excluding lease assets and right-of-use assets)
The Company and domestic consolidated subsidiaries mainly apply the declining balance method.
However, for buildings acquired on or after April 1, 1998 (excluding building fixtures) and building fixtures and structures acquired on or after April 1, 2016, they apply the straight-line method.
Foreign consolidated subsidiaries mainly apply the straight-line method.
 - Intangible assets (excluding lease assets)
Amortization is computed by the straight-line method.
Software used in-house is depreciated over its estimated useful life (within five years) based on the straight-line method.
 - Lease assets
Lease assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method with estimated useful lives equal to lease terms, and zero residual values.
 - Right-of-use assets
Right-of-use assets are depreciated using the straight-line method with zero residual values.
- (3) Basis of material allowances
- Allowance for doubtful accounts
The Company and domestic consolidated subsidiaries provide for possible credit losses stemming from monetary receivables. Estimates of irrecoverable amounts are based on historical loan-loss ratios for general receivables, and on a consideration of feasibly recoverable amounts in individual cases of suspected bad debt or other specific dubious accounts. Specific claims are generally deemed irrecoverable in the case of foreign consolidated subsidiaries.
 - Provision for repairs
In advance of expenses pertaining to regular maintenance and repair of plant and equipment, certain consolidated subsidiaries post the estimated amount of such expense anticipated at the end of the fiscal year under review.
- (4) Accounting treatment of retirement benefits
- Regarding its retirement benefit asset and liability, in order to maintain retirement benefits for employees leaving the Company and already retired pension recipients, the Company subtracts retirement benefit asset from its retirement benefit obligation, based on estimates as of the end of the fiscal year under review.
- Imputation method for retirement benefit estimates
In calculating retirement benefit liability, the method for imputing the applicable period until the end of the fiscal year under review for the estimated retirement benefit is determined by the benefit calculation standard.
 - Treatment method for actuarial differences and expenses related to prior service cost
Prior service cost is amortized on a straight-line basis over a period equaling the average remaining service period of employees (mainly 15 years) expected to receive pension benefits as of the fiscal year-end.
Actuarial differences are amortized on a straight-line basis from the following fiscal year over a period equaling the average remaining service period of employees (mainly 15 years) expected to receive pension benefits as of the consolidated fiscal year-end.
- (5) Standard for reporting of significant revenue and expenses
- The Group's main business segments are Flour Milling, Processed Food and Prepared Dishes and Other Prepared Foods.
- Flour Milling Segment
The Flour Milling Segment is involved in the manufacture and sale of wheat flour, bran and wheat flour-related products.
In the sale of merchandise or finished goods, the Company carries an obligation for the delivery of merchandise and finished goods based on sales contracts with customers. With respect to this obligation, at some point in the delivery of the merchandise or finished goods, the customer is deemed to gain adequate control of the said merchandise or finished goods, at which time these are considered delivered and revenue is recognized.
 - Processed Food Segment
The Processed Food Segment is involved in the manufacture and sale of prepared mix, wheat flour for household-use, pasta, pasta sauce, frozen food, cake and bread ingredients, biochemical products, research support for drug discovery, and healthcare foods.
In the sale of merchandise or finished goods, the Company carries an obligation for the delivery of merchandise and finished goods based on sales contracts with customers. With respect to this obligation, at some point in the delivery of the merchandise or finished goods, the customer is deemed to gain adequate control of the said merchandise or finished goods, at which time these are considered delivered and revenue is recognized.

c. Prepared Dishes and Other Prepared Foods

The Prepared Dishes and Other Prepared Foods Segment is involved in the manufacture and sale of boxed lunches, prepared dishes, prepared noodles and other prepared foods.

In the sale of merchandise or finished goods, the Company carries an obligation for the delivery of merchandise and finished goods based on sales contracts with customers. With respect to this obligation, at some point in the delivery of the merchandise or finished goods, the customer is deemed to gain adequate control of the said merchandise or finished goods, at which time these are considered delivered and revenue is recognized.

(6) Standards for converting the value of significant foreign currency-denominated assets or liabilities into the Japanese yen

Foreign currency-denominated monetary claims and obligations are converted into Japanese yen at the prevailing spot exchange rates at the end of the consolidated fiscal year. Any conversion differences are recorded as profits or losses.

The assets and liabilities of overseas subsidiaries are converted into Japanese yen using the spot exchange rate on the date of the consolidated balance sheet. Meanwhile, their revenues and expenses are converted at the average exchange rate for the fiscal year. The resulting conversion differences are recorded as foreign currency translation adjustments and as non-controlling interests in the net assets section.

(7) Significant hedging transactions

a. Hedging transactions are accounted for on a deferred basis. However, the contracted exchange rates are applied in the case of any monetary claims, obligations or similar items denominated in foreign currencies with assigned foreign currency forwards or other hedging instruments.

b. Hedging methods: Derivative transactions (including forward exchange contracts and currency purchase put/call options)

Hedged items: Any monetary receivables and payables and planned trading transactions that are denominated in foreign currencies.

c. The Company employs derivative financial instruments only for the aforementioned transactions purely to manage fluctuations in foreign currency exchange rates.

d. Hedging evaluation

Since hedging methods and the target of each hedging transaction share the same conditions that apply at the start of hedging activities and throughout subsequent periods, the Company's hedging approach enables exchange rate fluctuations to be offset completely. Hence, the Company considers its hedging method to be highly effective.

(8) Goodwill amortization and amortization periods

Goodwill is amortized using the straight-line method over a period of mainly 10 years beginning with the day on which it is realized. However, when the amount of goodwill is immaterial, it is amortized in total in the year it is realized.

(9) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents as stated in the consolidated statements of cash flows consist of cash in hand, readily available deposits, and any short-term liquid investments with a maturity not exceeding three months at the time of purchase whose value is not subject to significant fluctuation risk.

[Significant Accounting Estimates]

Evaluation of property, plant and equipment pertaining to Oriental Yeast India Pvt. Ltd.

1. Monetary figures recognized to consolidated financial statements for the fiscal year under review

(Million yen)

	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Book value of property, plant and equipment belonging to the relevant asset group	10,590

2. Information related to significant accounting estimates pertaining to distinguishable items

Processed Food Segment consolidated subsidiary Oriental Yeast India Pvt. Ltd. formulates financial statements based on International Financial Reporting Standards (IFRS). Upon evaluation of signs suggesting the possibility of impairment of non-current assets, an impairment test is conducted for the asset group held in cases in which impairment signs are present; if, as a result, the recoverable value falls below the book value, the book value is reduced to the recoverable value, with the

decrease in value recognized as an impairment loss. The consolidated subsidiary started operating its yeast plant in August 2022. Since then, the plant's performance fell short of the business plan established when the plant started operations, primarily due to rising raw material and energy prices. The Group determined that there were indications of impairment for the asset group and conducted an impairment test. The test indicated that the recoverable value exceeded the book value, and the Group did not recognize any impairment loss.

The recoverable amount is calculated based on assumptions such as future product sales prices, shipping quantities, raw material prices, and discount rates. If any of these assumptions change due to future changes in the business environment or other factors, we may recognize an impairment loss.

[Accounting standards issued but not yet adopted]

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024), etc.

(1) Overview

The Accounting Standards Board of Japan (ASBJ) aims to align Japanese accounting standards with international standards. As part of this effort, the ASBJ developed a lease accounting standard that recognizes assets and liabilities for all leases of lessees, based on international accounting standards. The basic policy of the new standard is to follow the single lessee accounting model of IFRS 16. However, it does not adopt all of the provisions of IFRS 16, instead selecting only the main provisions. The ASBJ has published this lease accounting standard with the intention of making it simple and user-friendly, effectively eliminating the need for revisions when the provisions of IFRS 16 are applied to non-consolidated financial statements.

The single lessee accounting model governs how lessees allocate their leasing costs. As stated in IFRS 16, lessees shall record depreciation on right-of-use assets and interest on lease liabilities for all leases whether they are finance leases or operating leases.

(2) Scheduled date of application

The Group will apply the accounting standard from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of the application of the accounting standard

The Group is evaluating the effect of the Accounting Standard for Leases, etc. on its consolidated financial statements.

[Additional Information]

Stock-based remuneration plan

The Company has adopted a stock-based remuneration plan (hereinafter, "the Plan") available to the Company's directors and executive officers, and the directors of principal subsidiaries (hereinafter, "Eligible Directors and Others").

For Company shares delivered annually to the Eligible Directors and Others through the Plan, a transfer restriction period has been established based on share delivery regulations for 3 years from the date of delivery. For Eligible Directors and Others, this restriction will heighten their desire to contribute to improvement in corporate value over the medium to long term, while raising management awareness from the viewpoint of shareholders through shared interest in profit with shareholders.

In terms of accounting treatment, the Plan is subject to Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. (PITF No. 30, March 26, 2015).

(1) Transaction overview

As part of the Plan, the Company's own shares granted to Eligible Directors and Others are purchased via a trust established by the Company (hereinafter, "the Trust"), using as funding money contributed by the Company and its principal subsidiaries, with shares subsequently vested with Eligible Directors and Others through the Trust. For Eligible Directors and Others, the number of Company shares granted is calculated based on a set formula derived from the stock remuneration base amount set out according to the positions and other factors of the Eligible Directors and Others. Both the number of shares granted and the amount of money required from the standpoint of tax settlement are provided as benefits on an annual basis.

(2) Company shares remaining in the Trust

Depending on the carrying value of the Trust (excluding money for attendant expenses), Company shares remaining in the Trust are recognized as part of treasury shares under net assets. As of March 31, 2024, the carrying value of such treasury shares was ¥55 million, accounting for 32,600 shares. As of March 31, 2025, the carrying value of such treasury shares was ¥67 million, accounting for 36,900 shares.

[Consolidated Balance Sheets]

1. Components of inventories are as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Merchandise and finished goods	¥43,948 million	¥45,792 million
Work in process	¥4,422 million	¥5,886 million
Raw materials and supplies	¥76,507 million	¥68,962 million

2. Accumulated depreciation of property, plant and equipment

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
	¥402,998 million	¥408,450 million

3. Reduction entry of property, plant and equipment purchased with government subsidy and others

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Accumulated reduction entry of property, plant and equipment	¥1,023 million	¥1,054 million

4. Amounts corresponding to non-consolidated subsidiaries and affiliates are as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Investment securities	¥23,915 million	¥24,959 million
Others	¥239 million	¥272 million
[Investments in joint ventures included in the above]	[¥239 million]	[¥272 million]

5. Amounts of receivables and contract assets arising from contracts with customers, included under notes and accounts receivable – trade, and contract assets, are as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Accounts receivable - trade	¥107,615 million	¥102,203 million
Notes receivable - trade	¥3,444 million	¥2,583 million
Contract assets	¥3,476 million	¥4,760 million

6. Contract liabilities, included under “Other,” are as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Contract liabilities	¥2,886 million	¥7,932 million

7. Pledged assets and secured debt

The breakdown of assets pledged as collateral is as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Buildings and structures	¥133 million	¥121 million
Land	¥100 million	¥100 million
Total	¥233 million	¥221 million

The breakdown of secured debt is as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Long-term loans payable (including current portion)	¥76 million	¥44 million

[Consolidated Statements of Income]

1. The value of inventories at the fiscal year-end represents the value after written down of the book value according to a decrease in profitability, and the following loss on revaluation of inventories is included in the cost of sales.

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
	¥519 million	¥383 million

2. R&D expenditures included in general and administrative expenses and manufacturing costs

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
	¥7,870 million	¥7,983 million

3. Major components of selling, general and administrative expenses are as follows.

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Sales freight expenses	¥48,213 million	¥50,744 million
Salaries	¥23,031 million	¥24,916 million
Bonuses and allowance	¥15,214 million	¥15,997 million
Retirement benefit expenses	¥1,580 million	¥1,533 million

4. Gain on sale of non-current assets

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024) and Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

The figure mainly reflects gains on the sale of land.

5. Loss on retirement of non-current assets

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024) and Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

This figure mainly reflects losses on the disposal of machinery, equipment and vehicles.

6. Impairment losses

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

The Group has recognized an impairment loss regarding the assets described below.

Location	Application	Type
Niiza City, Saitama Prefecture	Business assets (Processed Food business)	Buildings, machinery and equipment, etc.

The Nisshin Seifun Group categorizes assets based on the smallest unit that largely generates cash flows independently from the cash flows of other assets and asset groups.

In the Processed Food Segment, Oriental Yeast Co., Ltd. decided in August 2023 to dismantle and remove its Saitama Plant. The Company has reduced the book value of the assets to their recoverable amount, and has recognized an impairment loss of ¥1,254 million as an extraordinary loss. A breakdown of the impairment loss consists of ¥749 million of impairment loss on buildings, machinery and equipment, etc. and demolition costs of ¥504 million. The net sale value of the buildings, machinery and equipment, etc. was evaluated as 0 since it was decided to remove them.

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

The description has been omitted because of its lack of materiality.

7. Business restructuring expenses

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

Losses incurred from the discontinuation of the fine chemicals business of Nisshin Pharma Inc. in the processed food segment as part of the business portfolio restructuring. A large portion of these losses is a loss on valuation of inventories.

[Consolidated Statements of Comprehensive Income]

1. Reclassification adjustment, income taxes, and tax effect related to other comprehensive income

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Valuation difference on available-for-sale securities		
Gain (loss) in the current period	¥59,860 million	¥(19,609) million
Reclassification adjustment	¥(439) million	¥(7,386) million
Before income taxes and tax effect adjustments	¥59,421 million	¥(26,995) million
Income taxes and tax effects	¥(18,099) million	¥7,492 million
Valuation difference on available-for-sale securities	¥41,322 million	¥(19,503) million
Deferred gains or losses on hedges		
Gain (loss) in the current period	¥185 million	¥(544) million
Reclassification adjustment	¥72 million	¥199 million
Before income taxes and tax effect adjustments	¥258 million	¥(344) million
Income taxes and tax effects	¥(78) million	¥103 million
Deferred gains or losses on hedges	¥180 million	¥(240) million
Foreign currency translation adjustment		
Gain (loss) in the current period	¥15,707 million	¥(2,907) million
Remeasurements of defined benefit plans, net of tax		
Gain (loss) in the current period	¥61 million	¥1,677 million
Reclassification adjustment	¥242 million	¥117 million
Before income taxes and tax effects adjustments	¥304 million	¥1,794 million
Income taxes and tax effects	¥(89) million	¥(557) million
Remeasurements of defined benefit plans, net of tax	¥214 million	¥1,237 million
Share of other comprehensive income of entities accounted for using equity method		
Gain (loss) in the current period	¥386 million	¥453 million
Total other comprehensive income	¥57,810 million	¥(20,960) million

[Consolidated Statements of Changes in Net Assets]

Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

1. Type and number of issued shares and treasury shares

(Thousands of shares)

	Number of shares at the beginning of the year	Increase in shares during the year	Decrease in shares during the year	Number of shares at the end of the year
Issued shares				
Common stock	304,357	—	—	304,357
Treasury shares				
Common stock	6,979	67	115	6,931

Notes:

- Portion of the increase in common stock accounted for by treasury shares:
66 thousand shares, as a result of share delivery trust
1 thousand shares, as result of repurchasing sub-MTU (minimum trading unit) shares
- Portion of the decrease in common stock accounted for by treasury shares:
0 thousand shares, as a result of sale of sub-MTU (minimum trading unit) shares
97 thousand shares, as a result of share delivery trust
18 thousand shares, as result of exercise of stock options
- The treasury shares as of March 31, 2024 include 32,000 Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

2. Subscription rights to shares and treasury subscription rights to shares

There are no applicable matters to be reported.

3. Dividends

(1) Dividends paid

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 28, 2023.

- Dividends on common stock:

- Total dividends to be paid ¥6,247 million
- Dividend per share ¥21
- Record date March 31, 2023
- Effective date June 29, 2023

(Note) "Total dividends to be paid" includes dividends of ¥1 million for Company shares held by the Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

The following resolution was made at the meeting of the Board of Directors held on October 27, 2023.

- Dividends on common stock:

- Total dividends to be paid ¥6,248 million
- Dividend per share ¥21
- Record date September 30, 2023
- Effective date December 4, 2023

(Note) "Total dividends to be paid" includes dividends of ¥2 million for Company shares held by the Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

(2) Dividends for which the record date came during the year ended March 31, 2024, but for which the effective date will come after said period

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 26, 2024.

- Dividends on common stock:

- Total dividends to be paid ¥7,140 million
- Source of dividends Retained earnings
- Dividend per share ¥24
- Record date March 31, 2024
- Effective date June 27, 2024

(Note) "Total dividends to be paid" includes dividends of ¥0 million for Company shares held by the Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

1. Type and number of issued shares and treasury shares

(Thousands of shares)

	Number of shares at the beginning of the year	Increase in shares during the year	Decrease in shares during the year	Number of shares at the end of the year
Issued shares				
Common stock	304,357	—	13,700	290,657
Treasury shares				
Common stock	6,931	7,821	13,816	936

Notes:

1. Portion of the decrease in issued common stock
13,700 thousand shares, as a result of the cancellation of treasury shares
2. Portion of the increase in common stock accounted for by treasury shares
7,700 thousand shares, as a result of purchasing through the off-auction own share repurchase trading system (ToSTNeT-3) on the Tokyo Stock Exchange
120 thousand shares, as a result of share delivery trust
1 thousand shares, as result of repurchasing sub-MTU (minimum trading unit) shares
3. Portion of the decrease in common stock accounted for by treasury shares
13,700 thousand shares, as a result of the cancellation of treasury shares
116 thousand shares, as a result of share delivery trust
0 thousand shares, as a result of sale of sub-MTU (minimum trading unit) shares
4. The treasury shares as of March 31, 2025 include 36,000 Company shares held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

2. Subscription rights to shares and treasury subscription rights to shares

There are no applicable matters to be reported.

3. Dividends

(1) Dividends paid

The following resolution was made at the Ordinary General Meeting of Shareholders held on June 26, 2024.

- Dividends on common stock:
 - i) Total dividends to be paid ¥7,140 million
 - ii) Dividend per share ¥24
 - iii) Record date March 31, 2024
 - iv) Effective date June 27, 2024

(Note) “Total dividends to be paid” includes dividends of ¥0 million for Company shares held by the Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

The following resolution was made at the meeting of the Board of Directors held on October 30, 2024.

- Dividends on common stock:
 - i) Total dividends to be paid ¥7,438 million
 - ii) Dividend per share ¥25
 - iii) Record date September 30, 2024
 - iv) Effective date December 6, 2024

(Note) “Total dividends to be paid” includes dividends of ¥3 million for Company shares held by the Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

(2) Dividends for which the record date came during the year ended March 31, 2025, but for which the effective date will come after said period

The Company will propose the dividends described below at the ordinary general meeting of shareholders scheduled for June 26, 2025.

- Dividends on common stock:
 - i) Total dividends to be paid ¥8,695 million
 - ii) Source of dividends Retained earnings
 - iii) Dividend per share ¥30
 - iv) Record date March 31, 2025
 - v) Effective date June 27, 2025

(Note) “Total dividends to be paid” includes dividends of ¥1 million for Company shares held by the Master Trust Bank of Japan, Ltd. as trust assets for the stock-based remuneration plan.

[Consolidated Statements of Cash Flows]

1. The reconciliation between year-end balance of cash and cash equivalents and amounts stated in the consolidated balance sheets

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Cash and deposits	¥109,470 million	¥93,968 million
Securities	—	¥2,150 million
Total	¥109,470 million	¥96,119 million
Time deposits with maturities of more than three months	¥(1,788) million	¥(3,762) million
Bonds, etc. with a maturity period exceeding three months from the date of acquisition	—	¥(351) million
Cash and cash equivalents at end of period	¥107,681 million	¥92,005 million

2. Purchase of shares of subsidiaries resulting in change in scope of consolidation

Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

This figure reflects the payment of accounts payable upon the purchase of shares of Kumamoto Flour Milling Co., Ltd. by consolidated subsidiary Nisshin Flour Milling Inc. in the previous fiscal year.

[Leases]

1. Finance leases (for the lessee)

Finance leases other than those that transfer ownership

(1) Details of the lease assets

- a. Property, plant and equipment: comprised mainly of production equipment (machinery, equipment and vehicles) in the Prepared Dishes and Other Prepared Foods Segment.
- b. Intangible assets: software

(2) Depreciation and amortization of the lease assets

Depreciation and amortization of the lease assets is as described in “4. Significant accounting policies (2) Depreciation and amortization methods for material depreciable assets” under the Basis of Presentation of Consolidated Financial Statements.

2. Operating leases

Future minimum lease commitments under non-cancelable operating leases

(Lessee)

(Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Due within one year	386	487
Due after one year	1,869	2,333
Total	2,256	2,821

(Lessor)

(Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Due within one year	189	202
Due after one year	3,152	3,826
Total	3,333	4,029

3. IFRS or US GAAP lease transactions

(1) Details of the right-of-use assets

Comprised mainly of rights to use of land, buildings and structures.

(2) Depreciation and amortization of the right-of-use assets

Depreciation and amortization of the lease assets is as described in “4. Significant accounting policies (2) Depreciation and amortization methods for material depreciable assets” under the Basis of Presentation of Consolidated Financial Statements.

[Financial Instruments]

1. Status of financial instruments

(1) Policies on financial instruments

The Group observes a fund management policy that cash reserves for future strategic investments and temporary surplus funds shall be managed in the form of time deposits with a fixed yield of interest and securities, and it shall not manage these funds to gain marginal gains in trades or for speculative purposes. As for fund procurement, the Group complies with the policy of financing with the most appropriate means, such as bank borrowings for short-term financial requirements, and bank borrowings, the issuance of corporate bonds and an increase in capital for long-term financial requirements, while taking into account market conditions and other factors.

With regard to investment securities, it is the Company's policy to hold such shares in cases where the Company recognizes the rationality of holding shares and the contribution to the medium- to long-term corporate value of shareholdings from the perspective of making the pursuit of joint businesses and/or business alliances smoother and strengthening such relationships, and building and strengthening long-term, stable trading relationships.

The Group utilizes derivative financial instruments to hedge its exposure to various risks described below and abides by a policy of not using them separately to gain marginal gains in trades or for speculative purposes.

(2) Description of financial instruments, related risks and risk management system

Cash and deposits is mainly managed as term deposits, and securities are mainly operated in the form of bonds. Both cash and securities are exposed to the credit risk of the relevant depository or issuer and the fluctuation risk of market prices. These risks are intended to be minimized and diversified using internal regulations at the respective Group companies by limiting such items as the target assets of fund management, the depository or the issuer, the period for management and the upper limit for management at each depository or issuer.

Notes and accounts receivable – trade, as operating receivables, are exposed to the credit risk of the respective customers. To cope with this risk, the Group conducts maturity management and balance management by counterparty in accordance with the internal regulations at the respective Group companies and has established a system for periodically measuring the creditworthiness of major counterparties to quickly determine and mitigate any concerns on the collection of claims that might be caused by deteriorated financial conditions at a counterparty.

Investment securities, which primarily consist of the shares relating to business or capital alliance relationships with the counterparties, are exposed to the risk of market price fluctuations. The Group has established a system of periodically measuring their market value, and, for shares held for specific policy purposes, confirming the appropriateness of the purpose of the shareholding, as well as trading situation, earnings and financial situation, shareholder return, and creditworthiness, coupled with anticipated benefit of the shareholding with risk and capital cost, so that the Board of Directors can verify the rationality of holding such shares each year.

Most notes and accounts payable – trade, as operating payables, have a maturity for payment within one year. Short-term loans payable are procured mainly for use as operating capital. While these instruments are exposed to liquidity risk, the Group largely manages them by making each Group company prepare a cash-flow projection.

Long-term loans payable and bonds function mainly to procure necessary capital for business investment and other purposes, and have fixed interest rates.

As for derivative transactions, the Group uses forward foreign exchange contracts, currency options and the like to hedge against the adverse impact of future fluctuations in foreign currency exchange rates on specific foreign currency denominated assets and liabilities including notes and accounts receivable – trade and notes and accounts payable – trade. Meanwhile, some foreign consolidated subsidiaries use commodity futures and other financial instruments targeting wheat to hedge against the risk of future fluctuations in the market for wheat and other risks. These derivative transactions often entail a general market risk due to the fluctuation of rates. To reduce the exposure to market risk, derivative transactions beyond the targeted, real demand are forbidden by the internal regulations of each Group company, and the regulations set forth a certain percentage of allowable derivative transactions against the total relevant underlying trading amounts. Currency options are limited only to buying put/call options (long position) in accordance with the respective internal regulations. These transactions are traded by the Finance and Accounting Division of the Company mainly based on the instructions given by the governing department of the operating company that might suffer from the exchange-rate fluctuation risk. At several consolidated subsidiaries, they are traded by the department in charge of financial affairs at each company mainly based on the instructions given by the governing department. In managing the derivative transactions, the aforementioned Finance and Accounting Division of the Company or the department in charge of financial affairs at each company receives a notice of position balances on derivative transactions every month from the correspondent bank, checks how these balances agree with performance figures and reports the monitored results to the Division Executive of the Finance and Accounting Division of the Company or the director of the department in charge of financial affairs at each company and the responsible director of the governing department. The Group believes that the risk that the counterparty to its derivative transactions could default is almost insignificant as the Group enters into derivative transactions only with financial institutions of high caliber.

(3) Supplemental explanation on the fair value of financial instruments, etc.

The calculation of the fair value of financial instruments incorporates several variable factors. As such, the resulting amount may vary depending on the different preconditions employed. Furthermore, contract amounts related to derivative transactions, found under “Derivative Transactions,” are not necessarily indicative of the market risk with regard to derivative transactions.

2. Fair value of financial instruments, etc.

Carrying values in the consolidated balance sheets, fair values and the unrealized gains (losses) are presented as follows. Because cash and deposits, notes and accounts receivable – trade, contract assets, notes and accounts payable – trade and short-term loans payable are settled within a short time, the fair value thereof is almost equal to the carrying value. Accordingly, these figures have been omitted.

Year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

	Carrying value	Fair value	Unrealized gains
(1) Investment securities (Note 1)			
Other securities	156,597	156,619	21
Equity in subsidiaries and affiliates	3,694	1,368	(2,326)
Total assets	160,292	157,987	(2,304)
(1) Bonds	20,000	17,905	(2,094)
(2) Long-term loans payable (Note 2)	13,686	12,553	(1,133)
Total liabilities	33,686	30,458	(3,227)
Derivative transactions (Note 3)			
1) Transactions for which hedge accounting has not been adopted	(334)	(334)	–
2) Transactions for which hedge accounting has been adopted	184	184	–
Total derivative transactions	(149)	(149)	–

Notes:

- (1) Stocks with no readily determinable market value are not included under “(1) Investment securities.” Amounts for these financial instruments reported in the consolidated balance sheets are as follows.

(Million yen)

Classification	Year ended March 31, 2024 (As of March 31, 2024)
Unlisted stocks	25,153

- (2) Long-term loans payable includes current portion.

- (3) Net receivables and payables, which were derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

Year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

	Carrying value	Fair value	Unrealized gains
(1) Securities and investment securities (Note 1)			
Other securities	130,717	130,737	19
Equity in subsidiaries and affiliates	4,031	1,331	(2,700)
Total assets	134,749	132,068	(2,680)
(1) Bonds	20,000	17,002	(2,997)
(2) Long-term loans payable (Note 2)	11,930	10,365	(1,565)
Total liabilities	31,930	27,367	(4,562)
Derivative transactions (Note 3)			
1) Transactions for which hedge accounting has not been adopted	197	197	—
2) Transactions for which hedge accounting has been adopted	(166)	(166)	—
Total derivative transactions	31	31	—

Notes:

- (1) Stock, etc. that do not have market prices are not included in (1) Securities and investment securities. Amounts for these financial instruments reported in the consolidated balance sheets are as follows.

(Million yen)

Classification	Year ended March 31, 2025 (As of March 31, 2025)
Unlisted stocks	25,739

- (2) Long-term loans payable includes current portion.

- (3) Net receivables and payables, which were derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

Note 1: Redemption schedule for monetary receivables and securities with maturity dates after the consolidated closing date (March 31)
Year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

	Due within one year	Due after one year but within five years
Cash and deposits	109,470	—
Notes and accounts receivable – trade	111,059	—
Total	220,529	—

Year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

	Due within one year	Due after one year but within five years
Cash and deposits	93,968	—
Notes and accounts receivable – trade	104,786	—
Securities and investment securities		
Available-for-sale securities with maturities (Government bonds)	2,156	—
Total	200,911	—

Note 2: Repayment schedule for short-term loans payable, bonds and long-term loans payable after the consolidated closing date (March 31)
Year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	13,429	—	—	—	—	—
Bonds payable	—	—	—	—	—	20,000
Long-term loans payable	1,672	712	670	576	55	10,000
Total	15,101	712	670	576	55	30,000

Year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	12,455	—	—	—	—	—
Bonds payable	—	—	—	—	10,000	10,000
Long-term loans payable	686	644	547	51	—	10,000
Total	13,141	644	547	51	10,000	20,000

3. Matters regarding breakdown by level of fair value for financial instruments

The fair value of financial instruments is classified as one of the three levels described below, contingent upon the observability and materiality of the inputs used for the calculation of fair value.

Level 1 fair value: Fair value calculated based on market prices (unadjusted) for identical assets and liabilities in an active market.

Level 2 fair value: Fair value calculated using directly or indirectly observable inputs different than Level 1 inputs.

Level 3 fair value: Fair value calculated using important non-observable inputs.

For cases in which multiple inputs with significant impact on the calculation of fair value are used, fair value is classified by the lowest level in the hierarchy of inputs during calculation, based on the respective level of the inputs used.

(1) Fair value of financial instruments in the consolidated balance sheets

Year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	156,581	—	—	156,581
Derivative transactions				
Currency-related	(3)	220	—	216
Commodity-related	(366)	—	—	(366)
Total assets	156,211	220	—	156,432

Year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Other securities				
Equity securities	128,537	—	—	128,537
Government bonds	2,150	—	—	2,150
Derivative transactions				
Currency-related	(0)	(169)	—	(169)
Commodity-related	201	—	—	201
Total assets	130,889	(169)	—	130,720

(2) Fair value of other financial instruments in the consolidated balance sheets

Year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	–	37	–	37
Equity in subsidiaries and affiliates				
Equity in affiliates	1,368	–	–	1,368
Total assets	1,368	37	–	1,405
Bonds payable	–	17,905	–	17,905
Long-term loans payable	–	12,553	–	12,553
Total liabilities	–	30,458	–	30,458

Year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Other securities				
Equity securities	–	48	–	48
Equity in subsidiaries and affiliates				
Equity in affiliates	1,331	–	–	1,331
Total assets	1,331	48	–	1,380
Bonds payable	–	17,002	–	17,002
Long-term loans payable	–	10,365	–	10,365
Total liabilities	–	27,367	–	27,367

Note:

Explanation of valuation methods and inputs used to calculate fair value

Securities and investment securities

Listed stocks and government bonds are valued using the prices, etc. found on the exchange. Because these prices involve transactions on an active market, the fair value is classified as Level 1 fair value.

For golf membership rights framed as stocks, these are valued using prices, etc. from markets between operators involved in the trade of such instruments, which are classified as Level 2 fair value

Derivative transactions

Derivative transactions that take place on exchanges are valued using the prices, etc. found on the exchange. Because these prices involve transactions on an active market, the fair value is classified as Level 1 fair value.

For derivative transactions other than the aforementioned, these are valued using prices, etc. stated by financial institutions involved in the trade of such instruments, etc., which are classified as Level 2 fair value.

Bonds and long-term loans payable

The calculation for bonds and long-term loans payable is based on the current value, which is calculated using future cash flow discounted by the interest rate based on government bond yield or other appropriate indicator plus credit spread, and is classified as Level 2 fair value.

[Securities]

1. Securities classified as other securities

Year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

	Item	Carrying value	Acquisition cost	Unrealized gains (losses)
Securities whose carrying value exceeds their acquisition cost	(1) Equity securities	156,424	21,797	134,626
	(2) Bonds:			
	a. Government bonds	—	—	—
	b. Corporate bond	—	—	—
	c. Other	—	—	—
	(3) Other	—	—	—
	Subtotal	156,424	21,797	134,626
Securities whose carrying value does not exceed their acquisition cost	(1) Equity securities	173	190	(17)
	(2) Bonds:			
	a. Government bonds	—	—	—
	b. Corporate bond	—	—	—
	c. Other	—	—	—
	(3) Other	—	—	—
	Subtotal	173	190	(17)
Total		156,597	21,988	134,609

Note:

Equity securities with no market prices (carrying value of ¥4,931 million) are not included in “Other securities” in the above chart.

Year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

	Item	Carrying value	Acquisition cost	Unrealized gains (losses)
Securities whose carrying value exceeds their acquisition cost	(1) Equity securities	127,114	19,335	107,778
	(2) Bonds:			
	a. Government bonds	1,800	1,799	0
	b. Corporate bond	—	—	—
	c. Other	—	—	—
	(3) Other	—	—	—
	Subtotal	128,914	21,135	107,779
Securities whose carrying value does not exceed their acquisition cost	(1) Equity securities	1,452	1,601	(149)
	(2) Bonds:			
	a. Government bonds	350	350	(0)
	b. Corporate bond	—	—	—
	c. Other	—	—	—
	(3) Other	—	—	—
	Subtotal	1,802	1,952	(149)
Total		130,717	23,087	107,629

Note:

Equity securities with no market prices (carrying value of ¥4,812 million) are not included in “Other securities” in the above chart.

2. Sale of securities classified as other securities

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Million yen)

Type	Proceeds from sales	Total gain on sales	Total loss on sales
Equity securities	1,454	436	—

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Million yen)

Type	Proceeds from sales	Total gain on sales	Total loss on sales
Equity securities	9,011	7,404	22

[Derivative Transactions]

1. Derivative transactions for which hedge accounting is not adopted

(1) Currency-related

Year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

Classification	Type of transactions	Contract amounts		Fair value	Unrealized gains (losses)
			Portion due after one year		
Market transactions	Currency futures:				
	Buy: Canadian dollar	1,650	—	(3)	(3)
Non-market transactions	Forward foreign exchange contracts:				
	Sell: U.S. dollar	271	—	(5)	(5)
	Euro	84	—	(1)	(1)
	Buy: U.S. dollar	1,550	—	40	40
	Euro	75	—	1	1
	Yen	80	—	(1)	(1)
	British pound	26	—	2	2
Total		3,741	—	32	32

Year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

Classification	Type of transactions	Contract amounts		Fair value	Unrealized gains (losses)
			Portion due after one year		
Market transactions	Currency futures:				
	Buy: Canadian dollar	668	—	(0)	(0)
Non-market transactions	Forward foreign exchange contracts:		—		
	Sell: U.S. dollar	187	—	1	1
	Euro	61	—	(0)	(0)
	Buy: U.S. dollar	1,050	—	(5)	(5)
	Euro	89	—	1	1
	Yen	3	—	0	0
	British pound	5	—	0	0
	Non-deliverable forwards (NDF)				
	Buy: Vietnamese dong	290	—	(0)	(0)
Total		2,356	—	(3)	(3)

(2) Commodity-related

Year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

Classification	Type of transactions	Contract amounts		Fair value	Unrealized gains (losses)
			Portion due after one year		
Market transactions	Commodity futures:				
	Sell: Wheat	8,350	—	364	364
	Buy: Wheat	9,871	48	(731)	(731)
Total		18,221	48	(366)	(366)

Year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

Classification	Type of transactions	Contract amounts		Fair value	Unrealized gains (losses)
			Portion due after one year		
Market transactions	Commodity futures:				
	Sell: Wheat	7,005	—	391	391
	Buy: Wheat	8,914	161	(190)	(190)
Total		15,919	161	201	201

2. Derivative transactions for which hedge accounting is adopted

(1) Currency-related

Year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

Method of hedge accounting	Type of transactions	Major hedged items	Contract amounts	Portion due after one year	Fair value
Deferral hedge accounting	Forward foreign exchange contracts:	Anticipated foreign currency transactions			
	Sell: U.S. dollar		2,547	—	(26)
	Forward foreign exchange contracts:	Anticipated foreign currency transactions			
	Buy: U.S. dollar		5,048	—	175
	Thai baht		1,560	—	12
	Euro		660	—	11
	Australian dollar		726	—	11
Appropriation treatment	Forward foreign exchange contracts:	Accounts payable			
	Buy: U.S. dollar		1	—	—
	Euro		22	—	—
Total			10,566	—	184

Note:

Because forward foreign exchange contracts subject to appropriation are handled as a unit with accounts payable to be hedged, the fair value of those is included in the fair value of the relevant accounts payable.

Year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

Method of hedge accounting	Type of transactions	Major hedged items	Contract amounts	Portion due after one year	Fair value
Deferral hedge accounting	Forward foreign exchange contracts:	Anticipated foreign currency transactions			
	Sell: U.S. dollar		2,376	—	(57)
	Forward foreign exchange contracts:	Anticipated foreign currency transactions			
	Buy: U.S. dollar		5,251	—	(55)
	Thai baht		1,667	—	(31)
	Euro		836	—	11
	Indian rupee		902	—	(33)
	Australian dollar		417	—	0
Appropriation treatment	Forward foreign exchange contracts:	Accounts payable			
	Buy: U.S. dollar		264	—	—
	Euro		0	—	—
Total			11,716	—	(166)

Note:

Because forward foreign exchange contracts subject to appropriation are handled as a unit with accounts payable to be hedged, the fair value of those is included in the fair value of the relevant accounts payable.

[Retirement Benefits]

1. Outline of retirement benefit plans

The Company and its consolidated subsidiaries provide a lump-sum retirement benefit plan (unfunded plan) and a defined-contribution pension plan to meet the retirement benefits of their employees. In addition, the Company and certain consolidated subsidiaries provide for a defined-benefit corporate pension plan (funded plan) limited to already retired pension recipients. Certain consolidated subsidiaries belong to multi-employer defined-benefit pension plans. Certain subsidiaries adopt a simplified method for calculating the retirement benefit obligation. Moreover, employees leaving the Company may in some cases receive an additional severance payment beyond that computed on the basis of the actuarial retirement benefit calculated using the relevant accounting standard.

2. Defined benefit plan (including multi-employer plans)

(1) Adjustment of balance of retirement benefit obligation at beginning and end of the year

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Retirement benefit obligation at beginning of year	¥25,251 million	¥25,071 million
Service cost	¥1,475 million	¥1,501 million
Interest expense	¥183 million	¥182 million
Actuarial loss	¥(82) million	¥(1,728) million
Retirement benefits payable	¥(1,779) million	¥(1,866) million
Other	¥23 million	¥32 million
Retirement benefit obligation at end of the year	¥25,071 million	¥23,192 million

(2) Adjustment of balance of pension assets at beginning and end of the year

	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Pension assets at beginning of year	¥2,169 million	¥1,846 million
Expected return on plan assets	¥60 million	¥20 million
Actuarial loss	¥(20) million	¥(19) million
Retirement benefits payable	¥(404) million	¥(331) million
Employer contribution	¥40 million	¥40 million
Pension assets at end of year	¥1,846 million	¥1,557 million

Note:

Plan assets mainly pertain to a defined-benefit corporate pension plan limited to already retired pension recipients.

(3) Adjustment of balance of retirement benefit obligation and pension assets at end of year and net defined benefit liability and assets recognized on the consolidated balance sheet

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Retirement benefit obligation for funded plans	¥1,446 million	¥1,149 million
Pension assets	¥(1,846) million	¥(1,557) million
	¥(400) million	¥(407) million
Retirement benefit obligation for unfunded plans	¥23,625 million	¥22,043 million
Net obligation and assets recognized on consolidated balance sheet	¥23,225 million	¥21,635 million
Retirement benefit liability	¥23,532 million	¥21,935 million
Retirement benefit asset	¥(307) million	¥(300) million
Net obligation and assets recognized on consolidated balance sheet	¥23,225 million	¥21,635 million

(4) Retirement benefit expenses and detailed breakdown

	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Service cost	¥1,475 million	¥1,501 million
Interest expense	¥183 million	¥182 million
Expected return on plan assets	¥(60) million	¥(20) million
Amortization of actuarial loss	¥336 million	¥211 million
Amortization of prior service cost	¥(94) million	¥(94) million
Retirement benefit expenses related to defined-contribution pension plan	¥1,840 million	¥1,780 million

Note:

The retirement benefit expenses incurred by the consolidated subsidiaries that adopt a simplified method of calculation are recognized under service cost.

(5) Adjustments related to retirement benefits

A breakdown of items (prior to tax effect deduction) recognized as adjustments related to retirement benefits is as follows.

	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Prior service cost	¥(94) million	¥(94) million
Actuarial gain	¥398 million	¥1,889 million
Total	¥304 million	¥1,794 million

(6) Cumulative adjustments related to retirement benefits

A breakdown of items (prior to tax effect deduction) recognized as cumulative adjustments related to retirement benefits is as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Unrecognized prior service cost	¥(236) million	¥(141) million
Unrecognized actuarial loss	¥947 million	¥(941) million
Total	¥711 million	¥(1,082) million

(7) Items related to pension assets

a. Breakdown of principal pension assets

The main categories by percentage of total pension assets are as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Regular accounts	55%	54%
Bonds	30%	31%
Other	15%	15%
Total	100%	100%

b. Method for setting long-term expected rate of return

The current and projected allocation of pension assets and the current and future long-term rates of return for the diverse assets that comprise the pool of pension assets are considered when determining the long-term expected rate of return on pension assets.

(8) Basic items for calculating actuarial differences

Basics for calculating principal actuarial differences for the fiscal year under review

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Discount rate	Mainly 0.9%	Mainly 1.9%
Long-term expected rate of return on plan assets	Mainly 1.0%	Mainly 1.0%

Note:

The Group primarily applied a discount rate of 0.9% for actuarial calculations at the beginning of the consolidated fiscal year under review. Towards the end of the fiscal year, the Group reassessed the discount rate and concluded that a change would significantly impact the retirement benefit obligation. The main discount rate was adjusted to 1.9%.

3. Defined contribution plan

The defined contribution of the Company and its consolidated subsidiaries was ¥1,997 million for the year ended March 31, 2024 and ¥2,195 million for the year ended March 31, 2025.

[Stock Options]

1. The amount recorded as profit owing to the non-exercise of rights resulting in forfeiture
(Million yen)

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)
40	—

[Tax Effect Accounting]

1. The principal components of deferred tax assets and deferred tax liabilities are as follows.

	(Million yen)	
	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Deferred tax assets		
Impairment losses	9,582	8,695
Retirement benefit liability	6,956	6,588
Investment securities, etc.	4,136	4,229
Lease transaction-related adjustments on tax return	2,920	3,161
Provision for bonuses	2,102	2,111
Net operating loss carry forwards	1,986	1,587
Accrued sales incentives	927	994
Unrealized gains (losses) on non-current assets	753	864
Depreciation	767	777
Business restructuring expenses	—	691
Inventories	768	611
Accrued enterprise tax	578	559
Provision for repairs	390	399
Intangible assets	660	197
Other	3,275	3,505
Gross deferred tax assets	35,804	34,976
Valuation allowance	(6,269)	(7,811)
Deferred tax assets, net	29,535	27,165
Deferred tax liabilities		
Valuation difference on available-for-sale securities	40,798	33,310
Intangible assets	6,410	5,704
Short-fall of depreciation and amortization	3,519	4,253
Retained earnings of associates	3,271	4,345
Reserve for advanced depreciation of non-current assets	1,664	1,567
Securities returned from employee retirement benefits trust	601	514
Other	3,402	3,286
Deferred tax liabilities, net	59,668	52,983
Net deferred tax liabilities	30,132	25,818

2. The reconciliation between the statutory effective tax rate and the actual effective tax rate when there is a major difference between the statutory effective tax rate and the actual effective tax rate after the application of tax effect accounting is as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Non-taxable permanent differences such as dividend income	(3.1)%	(3.1)%
Non-deductible permanent differences such as entertainment expenses	0.7%	0.7%
Income tax deductions	(1.0)%	(1.7)%
Share of profit (loss) of entities accounted for using equity method	(1.1)%	(0.9)%
Amortization of goodwill	0.7%	0.7%
Inhabitant tax on a per capita basis	0.4%	0.3%
Tax rate difference for consolidated subsidiaries	(0.8)%	(1.0)%
Retained earnings of associates	3.0%	1.9%
Business restructuring expenses	—	1.3%
Valuation allowance	0.8%	1.4%
Other	2.5%	2.4%
Actual effective tax rate after adoption of tax effect accounting	32.7%	32.6%

3. Modification of the amount of deferred tax assets and liabilities due to changes in corporate taxation rates

The Act Amending the Income Tax Act (Act No. 13 of 2025) was passed by the Diet on March 31, 2025, and the Special Defense Corporation Tax will be levied starting from the fiscal year beginning April 1, 2026.

Due to this change, the Company has changed the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities resulting from temporary differences between accounting and tax values that will become deductible from the fiscal year beginning April 1, 2026. The tax rate has changed from 30.6% to 31.5%.

This change to the tax rate will have only a minor impact on the consolidated financial statements for the fiscal year under review.

[Revenue Recognition]

1. Information regarding breakdown of revenue from contracts with customers

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment				Others (Note)	Total
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total		
Japan	219,715	180,354	153,573	553,643	36,369	590,012
Overseas	238,511	20,718	—	259,230	9,006	268,236
Sales to external customers	458,226	201,073	153,573	812,873	45,375	858,248

Note:

Business segment of “Others” is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment				Others (Note)	Total
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total		
Japan	212,073	184,703	156,076	552,853	36,387	589,240
Overseas	231,519	21,548	—	253,067	9,177	262,245
Sales to external customers	443,592	206,252	156,076	805,921	45,565	851,486

Note:

Business segment of “Others” is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.

2. Basic information for understanding revenue from contracts with customers

Refer to “[Basis of Presentation of Consolidated Financial Statements] 4. Significant account principles, (5) Standard for reporting of significant revenue and expenses” for basic information for understanding revenue from contracts with customers.

3. Information on the relationship between the fulfillment of performance obligations in contracts with customers and the resulting cash flows from those contracts, as well as the revenue expected to be recognized and the timing of that revenue recognition for the next consolidated fiscal year and subsequent fiscal years, based on existing contracts with customers as of the end of the consolidated fiscal year under review

(1) Contract assets and contract liabilities, etc.

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Claims generated from contracts with customers (balance at beginning of the period)	105,389	111,059
Claims generated from contracts with customers (balance at end of the period)	111,059	104,786
Contract assets (balance at beginning of the period)	2,498	3,476
Contract assets (balance at end of the period)	3,476	4,760
Contract liabilities (balance at beginning of the period)	3,451	2,886
Contract liabilities (balance at end of the period)	2,886	7,932

(2) Transaction prices allocated to outstanding performance obligations

The Group applies the practical expedient to notes on the transaction prices allocated to outstanding performance obligations, and information with respect to contracts that have an original expected duration of one year or less is not included in the scope of notes. The sum of transaction value allocated to remaining performance obligations and the period of expected income recognition are as follows.

(Million yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Due within one year	19,453	30,648
Due after one year	17,483	8,403
Total	36,937	39,051

[Segment Information, etc.]

[Segment Information]

1. Outline of reportable business segments

Separate financial information is available for each of the Group's reportable segments and other businesses. The Board of Directors regularly reviews the operations in each reportable segment and other businesses to make decisions regarding the allocation of management resources and evaluate business performance.

The Company, as the holding company of the Group, plans and determines group strategies for, allocates resources to and assesses the performance of each of its businesses, which are classified by type of products and services in Flour Milling, Processed Food, Prepared Dishes and Other Prepared Foods and Others.

Accordingly, the Group designates the Flour Milling, Processed Food and Prepared Dishes and Other Prepared Foods segments as its reportable segments. The main products in each reportable segment are as follows.

Flour Milling:	Wheat flour, bran, and flour-based items
Processed Food:	Prepared mix, wheat flour for household-use, pasta, pasta sauce, frozen food, cake and bread ingredients, biochemical products, drug discovery research support business, healthcare foods
Prepared Dishes and Other Prepared Foods:	Box lunches, prepared foods, prepared noodles and other cooked foods

2. Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

The accounting methods used for reportable segments are the same as those discussed under "Basis of Presentation of Consolidated Financial Statements." Profit in the reportable segments is based on operating profit. Intersegment sales and transfers are based on the actual market prices.

3. Information on net sales, profit (loss), assets and other items by reportable segment

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated financial statements (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	458,226	201,073	153,573	812,873	45,375	858,248	—	858,248
Intersegment sales and transfers	19,367	1,796	4,257	25,422	3,437	28,860	(28,860)	—
Total	477,594	202,870	157,831	838,296	48,813	887,109	(28,860)	858,248
Segment profit	28,570	8,356	5,396	42,324	5,409	47,733	57	47,791
Segment assets	356,560	170,455	82,732	609,747	71,332	681,080	145,622	826,702
Other items								
Depreciation	11,853	5,948	4,050	21,852	1,407	23,259	(259)	22,999
Investment for affiliates accounted for by the equity method	4,980	158	—	5,139	18,680	23,819	—	23,819
Increase in property, plant and equipment and intangible assets	20,611	5,589	2,829	29,030	2,192	31,222	(210)	31,011

Notes:

1. Business segment of “Others” is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.

2. Segment profit adjustment refers to intersegment transaction eliminations and other.

The adjustment to segment assets totaling ¥145,622 million includes the intersegment offset elimination of assets (-¥124,951 million) and group-wide assets that are not allocated to specific segments (¥270,573 million). The primary group-wide assets that are not allocated to specific segments are investment securities.

3. Segment profit has been adjusted for the operating profit appearing in the consolidated statements of income.

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated financial statements (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	443,592	206,252	156,076	805,921	45,565	851,486	—	851,486
Intersegment sales and transfers	19,541	1,816	4,395	25,753	5,232	30,985	(30,985)	—
Total	463,133	208,068	160,472	831,674	50,797	882,471	(30,985)	851,486
Segment profit	28,119	6,405	5,832	40,358	6,250	46,608	(228)	46,380
Segment assets	365,736	166,193	76,212	608,142	78,757	686,899	102,813	789,713
Other items								
Depreciation	12,397	6,020	4,082	22,499	1,550	24,049	(281)	23,768
Investment for affiliates accounted for by the equity method	5,572	157	—	5,729	19,186	24,916	—	24,916
Increase in property, plant and equipment and intangible assets	30,149	6,920	3,972	41,043	1,353	42,396	(708)	41,687

Notes:

1. Business segment of “Others” is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations and other.
The adjustment to segment assets totaling ¥102,813 million includes the intersegment offset elimination of assets (-¥110,530 million) and group-wide assets that are not allocated to specific segments (¥213,344 million). The primary group-wide assets that are not allocated to specific segments are investment securities.
3. Segment profit has been adjusted for the operating profit appearing in the consolidated statements of income.

[Related information]

Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

1. Information by geographic segment

(1) Net sales

(Million yen)

Japan	U.S.A.	Australia	Other regions	Total
590,012	124,418	80,346	63,470	858,248

Note:

Net sales are classified based on customer location.

(2) Property, plant and equipment

(Million yen)

Japan	U.S.A.	Australia	Other regions	Total
138,623	35,781	28,023	33,387	235,815

2. Information by major customer

(Million yen)

Name of customer	Net sales	Related segment name
FamilyMart Co., Ltd.	111,105	Prepared Dishes and Other Prepared Foods

Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

1. Information by geographic segment

(1) Net sales

(Million yen)

Japan	U.S.A.	Australia	Other regions	Total
589,240	111,359	85,370	65,514	851,486

Note:

Net sales are classified based on customer location.

(2) Property, plant and equipment

(Million yen)

Japan	U.S.A.	Australia	Other regions	Total
150,569	39,416	28,401	32,611	251,000

2. Information by major customer

(Million yen)

Name of customer	Net sales	Related segment name
FamilyMart Co., Ltd.	113,032	Prepared Dishes and Other Prepared Foods

[Impairment losses of non-current assets by reportable segment]

Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Million yen)

	Processed Food	Total
Impairment losses	1,254	1,254

Note:

Impairment losses pertaining to business-use assets are recognized.

Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Million yen)

	Processed Food	Total
Impairment losses	70	70

Note:

Impairment losses pertaining to business-use assets are recognized.

[Amortization of goodwill and unamortized balance by reportable segment]

Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Million yen)

	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total
Amortization for the year under review	72	37	1,180	1,291
Balance at end of period	12	—	6,199	6,212

Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Million yen)

	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total
Amortization for the year under review	12	—	1,180	1,193
Balance at end of period	—	—	5,018	5,018

[Business transactions with related parties]

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

1. Business transactions with related parties

Business transactions between the Company and related parties

There are no applicable matters to be reported.

2. Notes concerning the parent company and significant affiliates

There are no applicable matters to be reported.

Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

1. Business transactions with related parties

Business transactions between the Company and related parties

There are no applicable matters to be reported.

2. Notes concerning the parent company and significant affiliates

There are no applicable matters to be reported.

[Per Share Information]

(Yen)

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Net assets per share	1,682.11	1,674.04
Earnings per share	106.74	117.33

Notes:

- Fully diluted earnings per share of the previous fiscal year is not presented because there are no potential shares having dilutive effects.
Fully diluted earnings per share for the fiscal year under review is not presented because there are no residual shares.
- Basis of calculation for net assets per share

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Total net assets on the consolidated balance sheet (million yen)	516,381	502,570
Net assets pertaining to common stock (million yen)	500,302	485,005
Difference (million yen)		
Non-controlling interests	16,078	17,564
Number of shares of common stock issued (shares)	304,357,891	290,657,891
Number of treasury shares of common stock (shares)	6,931,745	936,739
Number of shares of common stock used for the calculation of net assets per share (shares)	297,426,146	289,721,152

- Basis for calculation of earnings per share

	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent in the consolidated statement of income (million yen)	31,743	34,684
Profit not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	31,743	34,684
Average number of shares of common stock outstanding during the period (shares)	297,389,720	295,619,186
Adjustment of profit attributable to owners of parent (million yen)	—	—
Details of shares not included in calculation of fully diluted earnings per share due to non-dilutive effect	—	—

Note:

In the calculation of net assets per share, the shares of the Company held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock remuneration system are included in treasury shares, which is deducted from the number of shares issued at the end of the fiscal year. The number of shares of the Company held by The Master Trust Bank of Japan, Ltd. was 32,600 at the end of the previous fiscal year and 36,900 at the end of the fiscal year under review.

In the calculation of earnings per share and fully diluted earnings per share, the shares of the Company held by The Master Trust Bank of Japan, Ltd. as trust assets for the stock remuneration system are included in treasury shares, which is excluded in the calculation of the average number of shares outstanding. The average number of shares held by this trust was 64,762 shares in the previous fiscal period and 62,346 shares in the current fiscal year.

[Significant Subsequent Events]

There are no applicable matters to be reported.

(5) Supplementary Consolidated Data

[Debentures]

Company name	Issuer	Issue date	Balance at beginning of period (Million yen)	Balance at end of period (Million yen)	Interest rate (%)	Collateral	Redemption date
Nisshin Seifun Group Inc.	1st series unsecured bonds	July 16, 2019	10,000	10,000	0.20	None	July 13, 2029
Nisshin Seifun Group Inc.	2nd series unsecured bonds	July 16, 2019	10,000	10,000	0.56	None	July 15, 2039
Total	—	—	20,000	20,000	—	—	—

Note:

Amounts for redemption scheduled within five years of March 31, 2025 are as follows.

(Million yen)

Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
—	—	—	—	10,000

[Borrowings]

Category	Balance at beginning of period (Million yen)	Balance at end of period (Million yen)	Average interest rate (%)	Repayment dates
Short-term borrowings	13,429	12,455	4.1540	—
Current portion of long-term loans payable	1,672	686	1.7879	—
Current portion of lease obligation	1,268	1,178	3.8198	—
Long-term loans payable (excluding current portion)	12,014	11,244	0.9033	2026 – 2034
Lease obligation (excluding current portion)	39,929	40,148	7.7023	2026 – 2051
Other interest-bearing liabilities	—	—	—	—
Total	68,314	65,712	—	—

Notes:

- Components of long-term loans payable (excluding current portion) and lease obligation (excluding current portion) with repayments scheduled within five years after March 31, 2025 are detailed in the table below.

(Million yen)

	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term loans payable	644	547	51	—
Lease liabilities	898	811	663	599

- Average interest rates are computed as the weighted average interest rate on debt outstanding at the fiscal year-end. Average interest rates for lease obligations are not included in computation since the lease obligations stated on the consolidated balance sheets of the Company and certain consolidated subsidiaries represent the amounts that do not deduct interest equivalents from total lease payments.
- The Group (Nisshin Seifun Group Inc. and its consolidated subsidiaries) has entered into commitment line agreement with its principal financial institutions in order to ensure efficient procurement of working capital.

The total amount of commitment line agreements ¥41,521 million

Balance outstanding as of March 31, 2025 ¥6,436 million

Credit facility fees for year ended March 31, 2025 ¥55 million (Amount included in “Other” category within non-operating expenses)

[Asset Retirement Obligations]

The balance of asset retirement obligations at the beginning and at the end of the fiscal year ended March 31, 2025 was less than 1/100th of the balance of liabilities and net assets at the beginning and at the end of the fiscal year ended March 31, 2025. Consequently, pursuant to Article 92-2 of the Regulations for Consolidated Financial Statements, this information has been omitted.

2. Others

Financial information for the first half of the year ended March 31, 2025

	First half	Fiscal 2025
Net sales (Million yen)	429,513	851,486
Profit before income taxes (Million yen)	31,011	53,313
Profit attributable to owners of parent (Million yen)	20,363	34,684
Earnings per share (yen)	68.48	117.33

(2) Non-consolidated Financial Statements, etc.

1. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	50,594	15,132
Accounts receivable – trade	Note 1 350	Note 1 332
Prepaid expenses	266	261
Income taxes receivable	3,771	–
Other	Note 1 1,376	Note 1 1,702
Total current assets	56,360	17,429
Non-current assets		
Property, plant and equipment		
Buildings, net	4,706	4,469
Structures, net	288	279
Machinery and equipment, net	808	860
Vehicles, net	12	10
Tools, furniture and fixtures, net	489	500
Land	16,141	15,520
Lease assets, net	126	151
Construction in progress	40	353
Total property, plant and equipment	22,613	22,144
Intangible assets		
Leasehold right	18	18
Software	431	1,613
Lease assets, net	7	262
Other	0	0
Total intangible assets	457	1,894
Investments and other assets		
Investment securities	123,719	96,906
Shares of subsidiaries and associates	152,337	152,337
Investments in capital	354	341
Investments in capital of subsidiaries and associates	1,268	1,268
Long-term loans receivable from subsidiaries and associates	85,282	93,452
Other	813	1,022
Allowance for doubtful accounts	(25)	(9)
Total investments and other assets	363,752	345,320
Total non-current assets	386,823	369,359
Total assets	443,183	386,788

(Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Liabilities		
Current liabilities		
Lease liabilities	46	85
Accounts payable – other	Note 1 466	315
Accrued expenses	Note 1 2,626	Note 1 2,378
Income taxes payable	–	1,385
Deposits received	Note 1 31,571	Note 1 9,053
Provision for directors' bonuses	47	59
Other	21	50
Total current liabilities	34,780	13,326
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	10,000	10,000
Lease liabilities	60	249
Deferred tax liabilities	32,971	26,149
Provision for retirement benefits	2,909	2,881
Other	408	410
Total non-current liabilities	66,350	59,692
Total liabilities	101,130	73,019
Net assets		
Shareholders' equity		
Paid-in capital	17,117	17,117
Capital surplus		
Legal capital surplus	9,500	9,500
Other capital surplus	191	–
Total capital surplus	9,691	9,500
Retained earnings		
Legal retained earnings	4,379	4,379
Other retained earnings		
Reserve for dividends	2,000	2,000
Reserve for advanced depreciation of non-current assets	2,450	2,185
General reserve	170,770	170,770
Retained earnings brought forward	70,437	51,419
Total retained earnings	250,037	230,754
Treasury shares	(10,906)	(1,462)
Total shareholders' equity	265,940	255,909
Valuation and translation adjustment		
Valuation difference on available-for-sale securities	76,112	57,865
Deferred gains or losses on hedges	–	(6)
Total valuation and translation adjustment	76,112	57,859
Total net assets	342,053	313,769
Total liabilities and net assets	443,183	386,788

(2) Non-consolidated Statements of Income

(Million yen)

	Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)	
Operating revenue	Note 1	25,355	Note 1	26,301
Operating expenses	Notes 1, 2	16,352	Notes 1, 2	16,728
Operating profit		9,002		9,572
Non-operating income				
Interest income	Note 1	1,390	Note 1	1,795
Dividend income		1,998		2,406
Other	Note 1	121	Note 1	42
Total non-operating income		3,510		4,244
Non-operating expenses				
Interest expenses	Note 1	155	Note 1	186
Other		13		25
Total non-operating expenses		168		212
Ordinary profit		12,344		13,605
Extraordinary income				
Gain on sale of non-current assets		281	Note 1	143
Gain on sale of investment securities		338		6,864
Total extraordinary income		620		7,007
Extraordinary losses				
Loss on retirement of non-current assets		37	Note 1	276
Loss on valuation of investment securities		—		81
Other		—		18
Total extraordinary losses		37		376
Profit before income taxes		12,927		20,235
Income taxes – current		60		1,626
Income taxes – deferred		(270)		141
Total income taxes		(210)		1,768
Profit		13,137		18,467

(3) Non-consolidated Statements of Changes in Net Assets

Year ended March 31, 2024 (April 1, 2022 to March 31, 2024)

(Million yen)

(million yen)

	Shareholders' equity							
	Paid-in capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for dividends	Reserve for advanced depreciation of non-current assets	General reserve
Balance at beginning of period	17,117	9,500	184	9,685	4,379	2,000	2,484	170,770
Changes during period								
Reversal of reserve for advanced depreciation of non-current assets							(33)	
Dividends of surplus								
Profit								
Purchase of treasury shares								
Disposal of treasury shares			6	6				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	6	6	—	—	(33)	—
Balance at end of period	17,117	9,500	191	9,691	4,379	2,000	2,450	170,770

	Shareholders' equity				Valuation and translation adjustment		Share acquisition rights	Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustment		
	Other retained earnings	Total retained earnings						
	Retained earnings brought forward							
Balance at beginning of period	69,761	249,395	(10,981)	265,217	41,063	41,063	44	306,325
Changes during period								
Reversal of reserve for advanced depreciation of non-current assets	33	—		—				—
Dividends of surplus	(12,496)	(12,496)		(12,496)				(12,496)
Profit	13,137	13,137		13,137				13,137
Purchase of treasury shares			(120)	(120)				(120)
Disposal of treasury shares			195	201				201
Net changes in items other than shareholders' equity					35,049	35,049	(44)	35,004
Total changes during period	675	641	74	722	35,049	35,049	(44)	35,727
Balance at end of period	70,437	250,037	(10,906)	265,940	76,112	76,112	—	342,053

Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Million yen)

(million yen)

	Shareholders' equity							
	Paid-in capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for dividends	Reserve for advanced depreciation of non-current assets	General reserve
Balance at beginning of period	17,117	9,500	191	9,691	4,379	2,000	2,450	170,770
Changes during period								
Reversal of reserve for advanced depreciation of non-current assets							(264)	
Dividends of surplus								
Profit								
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Cancellation of treasury shares			(191)	(191)				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	(191)	(191)	—	—	(264)	—
Balance at end of period	17,117	9,500	—	9,500	4,379	2,000	2,185	170,770

	Shareholders' equity				Valuation and translation adjustment			Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustment	
	Other retained earnings	Total retained earnings						
	Retained earnings brought forward							
Balance at beginning of period	70,437	250,037	(10,906)	265,940	76,112	—	76,112	342,053
Changes during period								
Reversal of reserve for advanced depreciation of non-current assets	264	—		—				—
Dividends of surplus	(14,579)	(14,579)		(14,579)				(14,579)
Profit	18,467	18,467		18,467				18,467
Purchase of treasury shares			(14,130)	(14,130)				(14,130)
Disposal of treasury shares			211	211				211
Cancellation of treasury shares	(23,170)	(23,170)	23,362	—				—
Net changes in items other than shareholders' equity					(18,247)	(6)	(18,253)	(18,253)
Total changes during period	(19,017)	(19,282)	9,443	(10,030)	(18,247)	(6)	(18,253)	(28,283)
Balance at end of period	51,419	230,754	(1,462)	255,909	57,865	(6)	57,859	313,769

[Notes to the Consolidated Financial Statements]

[Significant Accounting Policies]

1. Valuation standards and methodology for securities

- (1) Held-to-maturity debt securities are stated at amortized cost.
- (2) Equity in subsidiaries and affiliates is stated at cost, with cost being determined by the moving average method.
- (3) Other securities:

Securities with a readily determinable market value:

Stated at fair market value (any unrealized gains or losses reported directly as a component of shareholders' equity; the cost of any securities sold computed by the moving average method)

Securities with no readily determinable market value:

Stated at cost, with cost being determined by the moving average method.

2. Valuation standards and methodology for derivatives

Derivative financial instruments are stated at fair market value.

3. Depreciation and amortization methods for non-current assets

- (1) Depreciation on property, plant and equipment (excluding lease assets) is computed principally by the declining balance method.

However, for buildings acquired on or after April 1, 1998 (excluding building fixtures) and building fixtures and structures acquired on or after April 1, 2016, they apply the straight-line method.

- (2) Amortization of intangible assets (excluding lease assets) is computed by the straight-line method.

Software used in-house is depreciated over its estimated useful life (within five years) based on the straight-line method.

- (3) Lease assets

Lease assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method with estimated useful lives equal to lease terms, and zero residual values.

4. Basis of material allowances

- (1) Allowance for doubtful accounts

The Company provides for possible credit losses stemming from monetary claims and other receivables. Estimates of irrecoverable amounts are determined by considering historical loan-loss ratios for general receivables and on a consideration of recoverable amounts on a case-by-case basis in instances of suspected bad debt or other dubious accounts.

- (2) Provision for directors' bonuses

Provision is made for directors' bonuses based on the estimated amounts of payment at the end of the fiscal year.

- (3) Provision for retirement benefits

The Company provides for employees and already retired pension recipients based on the estimated amounts of projected benefit obligation and the market value of the pension plan assets at the fiscal year-end.

- a. Imputation method for retirement benefit estimates

In calculating retirement benefit liability, the method for imputing the applicable period until the end of the fiscal year under review for the estimated retirement benefit is determined by the benefit calculation standard.

- b. Treatment method for actuarial differences and expenses related to prior service cost

Prior service cost is amortized on a straight-line basis over a period equaling the average remaining service period of employees (15 years) expected to receive pension benefits as of the fiscal year-end.

Actuarial differences are amortized on a straight-line basis from the following fiscal year over a period equaling the average remaining service period of employees (15 years) expected to receive pension benefits as of the fiscal year-end.

In the event that the amount of pension assets as of March 31, 2025 exceeds retirement benefit liabilities after deduction of actuarial differences, this amount will be included in "Other" under "Investments and other assets" as a prepaid pension cost.

5. Standard for reporting of earnings and expenses

Along with dividends received from subsidiaries, the Company's earnings consist mainly of trademark usage fees based on contracts with the subsidiaries and leasing fees for real estate.

For trademark usage fees, approval to use trademarks and other Company-owned symbols, based on the contract with the

subsidiary, creates an performance obligation to provide such trademarks, brand images and trust in business transactions built up by the Company; as this performance obligation will be satisfied over time, Revenues are recognized over the full contract period. Dividends received are recognized as Revenues as of the date of receipt of payment. For leasing fees for real estate, monthly leasing fees are recognized for to the corresponding period, based on the lease contract.

6. Hedging transactions

- (1) Hedging transactions are accounted for on a deferred basis. However, the contracted exchange rates are applied in the case of any monetary claims, obligations or similar items denominated in foreign currencies with assigned foreign currency forwards or other hedging instruments.
- (2) Hedging methods: Derivative transactions (including forward exchange contracts and currency purchase put/call options)
Hedged items: Any monetary receivables and payables and planned trading transactions that are denominated in foreign currencies.
- (3) The Company employs derivative financial instruments only for the aforementioned transactions purely to manage fluctuations in foreign currency exchange rates.
- (4) Hedging evaluation
Since hedging methods and the target of each hedging transaction share the same conditions that apply at the start of hedging activities and throughout subsequent periods, the Company's hedging approach enables exchange rate fluctuations to be offset completely. Hence, the Company considers its hedging method to be highly effective.

7. Accounting treatment of retirement benefits

The accounting method for unrecognized actuarial losses related to retirement benefits and unsettled unrecognized prior service cost differs from the accounting method applied to these items in the consolidated financial statements.

[Significant Accounting Estimates]

Evaluation of shares of subsidiaries and associates and investments in capital of subsidiaries and associates

1. Monetary figures in the financial statements for the fiscal year under review

	(Million yen)
	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Shares of subsidiaries and associates	152,337
Investments in capital of subsidiaries and associates	1,268

2. Information related to significant accounting estimates pertaining to distinguishable items

The acquisition cost is used when listing the value of shares of subsidiaries and associates in the balance sheets. However, should the fair value or actual value of such shares decline dramatically, excluding cases in which a projected recovery in value is recognized, an equivalent reduction in value is made and the valuation difference is treated as a loss for the fiscal year under review.

Impairment measures may become necessary in the event that the fair value or actual value falls below the book value due to future downturns in the business performance of investees or other factors.

[Additional Information]

[Stock-based remuneration plan]

The same information can be found under "Notes to the Consolidated Financial Statements [Additional Information]," and is thus omitted here.

[Non-consolidated Balance Sheets]

1. Monetary claims and obligations to affiliates

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Short-term claims	¥1,435 million	¥1,409 million
Short-term obligations	¥31,627 million	¥9,207 million

[Non-consolidated Statements of Income]

1. Transaction balance with affiliates

	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Transaction balance from operating transactions		
Operating revenue	¥25,211 million	¥26,153 million
Operating expenses	¥885 million	¥910 million
Transaction balance from non-operating transactions	¥1,335 million	¥2,225 million

2. Major components of operating expenses are as follows.

All of the operating expenses are categorized as general and administrative expenses.

	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Salaries	¥2,021 million	¥2,148 million
Bonuses and allowance	¥2,094 million	¥2,231 million
Retirement benefit expenses	¥186 million	¥157 million
Research study expenses	¥3,012 million	¥3,087 million
Advertising expenses	¥2,717 million	¥2,665 million
Depreciation	¥702 million	¥634 million
Other	¥5,618 million	¥5,803 million

[Securities]

Equity in subsidiaries and affiliates

Year ended March 31, 2024 (As of March 31, 2024)

(Million yen)

Type	Carrying value	Fair value	Unrealized gains (losses)
Equity securities in subsidiaries	—	—	—
Equity in affiliates	200	270	69
Total	200	270	69

Note: Carrying value of equity securities in subsidiaries and affiliates for which the fair value is not readily determinable

(Million yen)

Type	Year ended March 31, 2024 (As of March 31, 2024)
Equity securities in subsidiaries	146,305
Equity in affiliates	5,831

Year ended March 31, 2025 (As of March 31, 2025)

(Million yen)

Type	Carrying value	Fair value	Unrealized gains (losses)
Equity securities in subsidiaries	—	—	—
Equity in affiliates	200	262	62
Total	200	262	62

Note: Carrying value of equity securities in subsidiaries and affiliates for which the fair value is not readily determinable

(Million yen)

Type	Year ended March 31, 2025 (As of March 31, 2025)
Equity securities in subsidiaries	146,305
Equity in affiliates	5,831

[Tax Effect Accounting]

1. The principal components of deferred tax assets and deferred tax liabilities are as follows. (Million yen)

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Deferred tax assets		
Investment securities, etc.	5,262	5,440
Provision for retirement benefits	869	876
Net operating loss carry forwards	598	—
Provision for bonuses	185	197
Accrued enterprise tax, etc.	—	111
Other	309	356
Gross deferred tax assets	7,225	6,984
Valuation allowance	(5,384)	(5,554)
Deferred tax assets, net	1,841	1,429
Deferred tax liabilities		
Valuation difference on available-for-sale securities	33,020	26,060
Reserve for advanced depreciation of non-current assets	1,080	1,004
Securities returned from employee retirement benefits trust	601	514
Income taxes receivable	110	—
Deferred tax liabilities, net	34,813	27,579
Net deferred tax liabilities	32,971	26,149

2. The reconciliation between the statutory effective tax rate and the actual effective tax rate when there is a major difference between the statutory effective tax rate and the actual effective tax rate after the application of tax effect accounting is as follows.

	Year ended March 31, 2024 (As of March 31, 2024)	Year ended March 31, 2025 (As of March 31, 2025)
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Non-taxable permanent differences such as dividend income	(31.5)%	(21.4)%
Non-deductible permanent differences such as entertainment expenses	0.3%	0.2%
Income tax deductions	—	(1.0)%
Valuation allowance	(0.8)%	0.1%
Other	(0.2)%	0.2%
Actual effective tax rate after adoption of tax effect accounting	(1.6)%	8.7%

3. Modification to the amount of deferred tax assets and deferred tax liabilities due to changes in corporate taxation rates

The Act Amending the Income Tax Act (Act No. 13 of 2025) was passed by the Diet on March 31, 2025, and the Special Defense Corporation Tax will be levied starting from the fiscal year beginning April 1, 2026.

Because of this change, the Company has changed the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities resulting from temporary differences between accounting and tax values that will become deductible from the fiscal year beginning April 1, 2026. The tax rate has changed from 30.6% to 31.5%.

This change to the tax rate will have only a minor impact on the financial statements for the fiscal year under review.

[Revenue Recognition]

Basic information for understanding revenue arising from contracts with customers is as reported in “[Significant Accounting Policies], 5. Standard for reporting of revenue and expenses.

[Significant Subsequent Events]

There are no applicable matters to be reported.

(4) Supplementary Data

[Property, plant and equipment]

(Million yen)

Category	Asset type	Balance at the beginning of the year	Increase during the year	Decrease during the year	Amortization for the year under review	Balance at the end of the year	Accumulated depreciation and amortization at the end of the year
Property, plant and equipment	Buildings, net	4,706	162	128	270	4,469	11,368
	Structures, net	288	25	0	34	279	1,393
	Machinery and equipment, net	808	289	39	198	860	1,873
	Vehicles, net	12	2	0	4	10	12
	Tools, furniture and fixtures, net	489	233	14	207	500	3,244
	Land	16,141	9	629	—	15,520	—
	Lease assets, net	126	101	0	75	151	86
	Construction in progress	40	1,035	722	—	353	—
	Total	22,613	1,858	1,537	790	22,144	17,978
Intangible assets	Leasehold right	18	—	—	—	18	—
	Software	431	1,360	0	178	1,613	—
	Lease assets, net	7	305	—	50	262	—
	Other	0	—	—	0	0	—
	Total	457	1,665	0	228	1,894	—

Note:

Depreciation and amortization expenses of ¥384 million related to the Research Center for Basic Science Research and Development, QE Center and Research Center for Production and Technology are included in research study expenses.

[Other reserves]

(Million yen)

Category	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year
Allowance for doubtful accounts	25	—	16	9
Provision for directors' bonuses	47	59	47	59

2. Major assets and liabilities

Consolidated financial statements have been prepared, thus major assets and liabilities are omitted here.

3. Others

There are no applicable matters to be reported.

[6] Stock-related Administration

Fiscal year	From April 1 to March 31										
Ordinary General Meeting of Shareholders	June										
Record date (final dividend)	March 31										
Record date (interim dividend)	September 30 March 31										
Minimum trading unit (MTU)	100 shares										
Purchase and sale of sub-MTU share holdings											
Handling office (main)	(Special account) Stock Transfer Agent Department, Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo JAPAN										
Custodian of shareholder register	(Special account) Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo JAPAN										
Handling locations	—										
Share purchase/sale commissions	Commission rates for purchase or sale of sub-MTU shares vary depending on the value per MTU (see below). <table> <tr> <td>For MTU values of ¥1,000,000 or less</td><td>1.150%</td></tr> <tr> <td>For MTU values above ¥1,000,000 up to ¥5,000,000</td><td>0.900%</td></tr> <tr> <td>For MTU values above ¥5,000,000 up to ¥10,000,000</td><td>0.700%</td></tr> <tr> <td>For MTU values above ¥10,000,000 up to ¥30,000,000</td><td>0.575%</td></tr> <tr> <td>For MTU values above ¥30,000,000 up to ¥50,000,000</td><td>0.375%</td></tr> </table> (Commissions are rounded down to the nearest ¥1). The minimum value per MTU is set at ¥2,500.	For MTU values of ¥1,000,000 or less	1.150%	For MTU values above ¥1,000,000 up to ¥5,000,000	0.900%	For MTU values above ¥5,000,000 up to ¥10,000,000	0.700%	For MTU values above ¥10,000,000 up to ¥30,000,000	0.575%	For MTU values above ¥30,000,000 up to ¥50,000,000	0.375%
For MTU values of ¥1,000,000 or less	1.150%										
For MTU values above ¥1,000,000 up to ¥5,000,000	0.900%										
For MTU values above ¥5,000,000 up to ¥10,000,000	0.700%										
For MTU values above ¥10,000,000 up to ¥30,000,000	0.575%										
For MTU values above ¥30,000,000 up to ¥50,000,000	0.375%										
Method of public notice	Public notice of the Company shall be given by electronic means; provided, however, that in the event accidents or other unavoidable reasons prevent public notice by electronic means, the notice can be given in the Nikkei newspaper. The electronic public notice is presented on the Company's Web site at https://www.nisshin.com										
Shareholder privileges	All shareholders of record as of March 31 with holdings of at least 500 shares are entitled to receive complimentary supplies of Nisshin Seifun Group products. * A donation to charity is possible in lieu of complimentary products.										

Note:

According to the Company's Articles of Incorporation, sub-MTU shareholders do not have any rights except for those listed in Article 189, Paragraph 2 of the Companies Act, the right of claim, the right to be allotted the shares and/or subscription rights to shares offered according to the number of shares held and the right to ask for sale of sub-MTU shares (top-up purchase) as stipulated in Article 166, Paragraph 1 of the Companies Act.

[7] Corporate Reference Data

(1) Information on the Parent Company of Nisshin Seifun Group Inc.

Nisshin Seifun Group Inc. has no parent company as stipulated in Article 24-7, Paragraph 1, of the Financial Instruments and Exchange Act.

(2) Other Reference Data

The following publications were issued by the Company (in Japanese) between the start of the fiscal year under review and the submittal of the Japanese version of this Securities Report.

(1)	Securities Report (including supplementary documentation) and Confirmation Letters	180th Fiscal Term (April 1, 2023 to March 31, 2024)	Submitted to Director, Kanto Local Finance Bureau: June 26, 2024
(2)	Securities Report Amendment and Confirmation Letters	180th Fiscal Term (April 1, 2023 to March 31, 2024)	Submitted to Director, Kanto Local Finance Bureau: August 30, 2024
(3)	Internal Control Report (including supplementary documentation)		Submitted to Director, Kanto Local Finance Bureau: June 26, 2024
(4)	Semi-annual Reports and Confirmation Letters	For the 181st fiscal term (interim) Covering the period: April 1, 2024 to September 30, 2024	Submitted to Director, Kanto Local Finance Bureau: November 8, 2024
(5)	Extraordinary Report		Submitted to Director, Kanto Local Finance Bureau: June 26, 2024 Submitted to Director, Kanto Local Finance Bureau: June 28, 2024 Submitted to Director, Kanto Local Finance Bureau: August 30, 2024 Submitted to Director, Kanto Local Finance Bureau: April 25, 2025
(6)	Extraordinary Report	According to the provision of Article 19, Paragraph 2, Item 9-2, “Outcome of the Exercise of Voting Rights at General Meetings of Shareholders” of the Cabinet Office Regulations, regarding the disclosure of corporate information	Submitted to Director, Kanto Local Finance Bureau: June 28, 2024
(7)	Extraordinary Report	According to the provision of Article 19, Paragraph 2, Item 9-2, “Outcome of the Exercise of Voting Rights at General Meetings of Shareholders” of the Cabinet Office Regulations, regarding the disclosure of corporate information	Submitted to Director, Kanto Local Finance Bureau: April 25, 2025
(8)	Share Buyback Report		Submitted to Director, Kanto Local Finance Bureau: February 14, 2025

Part B: Information on Corporate Guarantor for Nisshin Seifun Group Inc.

There are no applicable matters to be reported.