

Delivering Good Health and Reliability



To Shareholders

Business Report 2020

(April 1, 2019 to March 31, 2020)



Code: 2002

NISSHIN SEIFUN GROUP INC.



Nobuki Kemmoku
Representative Director and President



Allow me to begin by thanking all of our shareholders for your kind cooperation and support.

The pandemic spread of a novel coronavirus has triggered enormous changes in our everyday lives. For its part, the Group continues throughout this crisis to give highest priority to stably supplying safe and reliable wheat flour and other food staples, while taking steps to fulfill our social mission in each Group business.

Two years have passed since the Group's launch of our long-term vision, "NNI 'Compass for the Future'." The Group's push for business model change is moving steadily apace as we strive to turn this vision to become "a globally-operating company that assists 'healthy lifestyles' and plays a critical role in building 'the food infrastructure' of the future" into reality. As we continue to highlight Group-wide capabilities while moving growth strategies forward, we are hard at work through our businesses creating a cycle of contribution to society.

Although the business environment is one marked by adverse conditions that make seeing what lies ahead difficult, we remain committed to maximizing corporate value going forward, backed by our corporate principle of "contributing to a healthy and fruitful life for all." The Nisshin Seifun Group aims to be a corporate group that continues to gain the support of our stakeholders. We kindly request your continued support and understanding as we work to achieve our goals.

June 2020

Q Can you discuss business performance and progress on business strategies for the fiscal year ended March 31, 2020?

In April 2019, the Group acquired Allied Pinnacle Pty Ltd., which boasts the top share in Australia's wheat flour market (excluding flour used in starch production and other industrial applications). That same year in July, we purchased additional shares in and consolidated Tokatsu Foods Co., Ltd., Japan's leading comprehensive prepared dishes supplier possessing a nationwide production network and broad production expertise. In existing businesses, although the U.S. flour milling business struggled in the face of intensifying competition, brisk shipments of raw materials for pharmaceuticals to the U.S., coupled with firm facility construction work in the engineering business, led to top- and bottom-line growth in consolidated business performance for the term. Meanwhile, we

transferred the pet food business to industry pioneer Petline Co., Ltd., a move taken to pass on the brand and expertise we cultivated over many years, with an eye to stimulating further development of the entire industry.

On a different note, the effect on the Group's business results of the pandemic caused by the novel coronavirus has been mixed.

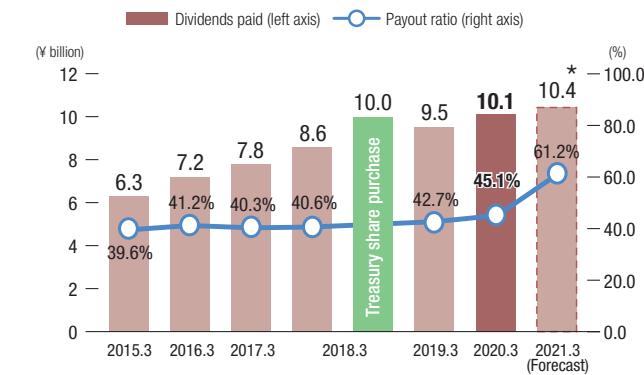
For example, while growth in eating at home is sparking increased sales of pasta, pasta sauces and frozen foods, the decline in both opportunities to dine out and inbound demand is leading to lower demand for commercial-use products. Although the outlook for economic recovery is still unclear, the stable delivery to customers everywhere of safe and reliable wheat flour and other products indispensable to daily life remains the top priority



"Ma•Ma THE PASTA" boasts the top share of Japan's frozen pasta market

in the actions we take. In a bid to strengthen the return of profit to shareholders, for the fiscal year ended March 31, 2020, we set the annual dividend at ¥34 per share, or ¥2 per share more than in the previous fiscal year. For the year ending March 31, 2021, we plan to raise that by an additional ¥1 to ¥35 per share, resulting in an actual dividend increase for an eighth consecutive term. In this way, we remain committed to both strategic investments that will lead to sustainable growth and more robust shareholder returns.

Total Dividends Paid and Payout Ratio



Q Over the past few years, concerns about social continuity have begun to surface in the wake of problems caused by large-scale disasters, pandemics and other incidents. Can you talk once more about measures to safeguard the stable supply of wheat flour, pasta and other key food staples?

The stable supply of vital food staples is the essence of the Group's social mission. In terms of what we face today, the ferocity with which the global novel coronavirus pandemic struck has greatly impacted people across society. Under these conditions the Group, based on its business continuity plan (BCP), is also taking steps to make the stable delivery of products to consumers such as wheat flour and pasta its highest priority, all while working in unison to respond flexibly to circumstances as they change.

In previous years, the Group established a Risk Management Committee, a move designed to strengthen risk management activities with the goal of preventing and mitigating anticipated risks. For moments when crises arise, we have also developed a crisis control mechanism

to quickly share relevant information for mounting an appropriate initial response. While today that mechanism is in play at our sites in Japan and overseas, we continue striving to maintain and enhance our stable supply system.

Q Following previous sites in Thailand and China, the Company's third plant for commercial-use prepared mix came online in Vietnam, is that right?

Yes. Construction proceeded apace for development of a commercial-use prepared mix plant at Vietnam-based subsidiary Vietnam Nisshin Technomic Co., Ltd. The new plant is now complete, and began operating in January 2020.

Even among the fast-growing ASEAN economies, Vietnam stands out as a promising market of nearly 100 million people. At the same time, backed by a high-quality and abundant labor force, the country is witnessing stunning growth into a base for the manufacture of processed foods earmarked for Japan and other foreign markets. Until recently, customers in Vietnam were reliant on products exported from production sites in Thailand. The start of operations at this plant has now made it possible to achieve both greater product supply stability and more in-depth responsiveness. Furthermore, thanks to a structure anchored by three sites spanning Thailand, China and Vietnam, the Group's overseas prepared mix business has a supply structure in place that can leverage predominance in raw material procurement, transport costs and other areas to provide long-term benefit to customers. For marine product and livestock processing companies, restaurant chains, retailers and other local customers, we are also utilizing R&D centers in each country to develop and supply products to meet increasingly differentiated needs.

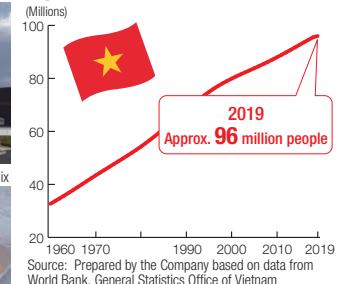
Exterior View of Plant



Sample products made from commercial-use prepared mix



Population Growth in Vietnam



Source: Prepared by the Company based on data from World Bank, General Statistics Office of Vietnam

Easy-to-prepare, Convenient...and Delicious! Fun and Fast “Smart Dining at Home”



Nisshin Foods Inc.

With the number of single-person and working households rising, the need for faster, more easy-to-prepare food preparation is growing more common. To meet this need, we launched the sale of “Smart Dining at Home”-themed products, merging the concept of “easy-to-prepare and convenient” (smart) with “delicious and enjoyable at-home dining” (dining at home).

Easy-to-prepare

Debut of Small-pot Ready, 2/3 Size “Ma•Ma Hayayude Spaghetti” with Premeasured Portions in a Resealable Package



“Ma•Ma Hayayude Spaghetti,” a product series that pioneered the “fast-cook” category in the pasta market, has a new name and redesigned package! Embedded in “FineFast,” the new name for this series, is a desire for customers to enjoy authentic spaghetti that’s ready fast. New products launched in this series include spaghetti with noodles 2/3 normal length, and products available with premeasured portions in a resealable package.



“Ma•Ma Hayayude Spaghetti FineFast” 2/3 normal length, 1.6 mm noodles with premeasured portions in a resealable package

“Ma•Ma Hayayude Spaghetti FineFast” 1.6 mm noodles with premeasured portions in a resealable package

How does the spaghetti cook up so fast?

1986



2011



2016



Product Evolution

Fast-Cook Pasta Edition

Sale of “Pronto” fast-cook spaghetti V-shaped cut for shorter cook time.



“Windmill” shape that cooks fast and offers ideal food texture The core at the center of the noodle creates an al dente texture.



“4 blade” technology makes fast-cook possible for thicker noodles as well! Chewier, thick noodles can now be easily enjoyed at home.



Authentic

Debut of Authentic Tempura Flour Supervised by Famed Ginza Restaurant Tempura Kondo

A popular destination for many domestic and international visitors, famed Ginza restaurant Tempura Kondo sits at the pinnacle of the Tokyo tempura restaurant scene. Under Tempura Kondo’s supervision, we launched the sale of “Nisshin Kiwamigoromo Tempura Flour.” Now, the light coating for which Tempura Kondo is known, allowing the flavor of the ingredients to shine with an airy texture throughout, can be enjoyed at home.



Nisshin Kiwamigoromo Tempura Flour



In 2019, restaurant owner Fumio Kondo became the first tempura chef recognized as a “Modern Master” by Japan’s Ministry of Health, Labour and Welfare



Full Frozen Food Lineup Supporting Everyday Meals

Nisshin Foods Inc.

Debut of new products to meet ongoing growth in “dine at home” needs!

A Reimagined Popular Frozen Pasta Series Returns!

In a move that will further revitalize the frozen food market, we completely revamped all 8 items in the “Ma•Ma Cho Mochi Nama Pasta” series. The ratio of noodles to sauce has been readjusted to give enough sauce to robustly cover the noodles, for a satisfying taste down to the last bite. The recipe for the fresh pasta has also been reworked to deliver a chewier texture. Lastly, the design of the package itself has been upgraded to convey a sense of deliciousness and quality.



“Ma•Ma Cho Mochi Nama Pasta Rich Shrimp Tomato Cream”

A Menu of Favorite Chicken Dishes Joins Our Series of Fancy Western-style Prepared Dishes

“Smart Table” is a series of Western-style dishes that normally take hours to prepare, but can now be enjoyed with just a short spin in the microwave. Two new items featuring chicken, an ever-popular ingredient, have now debuted as part of the menu of available dishes. Whether in need of another side dish or a light meal, this series is ready for a wide range of dining situations.



Smart Table Rosemary Grilled Chicken with Tomato Sauce

This stylish paper tray replaces the need for a separate dish!



Nisshin Pharma Inc.

“Water Soluble Q₁₀” for Efficient Coenzyme Q₁₀ Replenishment

Found within the human body, coenzyme Q₁₀ (CoQ₁₀) unlocks the energy essential to bodily activity. Because levels decline with age, CoQ₁₀ must be actively replenished, but is hard to absorb if not taken alongside meals. Enter “Water Soluble Q₁₀.” Based on a patented*¹ water-soluble CoQ₁₀ compound with roughly triple*² the absorption, this product allows easy CoQ₁₀ replenishment any time, supporting an energetic and healthy life.



Water-soluble Q₁₀

Absorption is the focus of patented water-soluble CoQ₁₀

Fat-soluble CoQ₁₀



Separates in water when unmixed

Water-soluble CoQ₁₀



Blends immediately in water

*1: Patent No. 4842824, Invention Name: Constituent containing coenzyme Q₁₀

*2: Based on case comparison of area under the absorption curve between conventional CoQ₁₀ and water-soluble CoQ₁₀ when taken alongside meals

Nisshin Pharma Direct Online

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

Tel: 0120-240-410

(Operator hours: 9 am-9 pm, except year-end and New Year Holidays)
Hours of availability may at times be shortened as part of efforts to prevent the spread of the novel coronavirus.

FAX: 0120-240-470

* Available within Japan only



Announcement of Cancellation of the Individual Shareholders' Tour

Normally, the Group holds individual shareholders' tours each year in March and September. However, with the health and safety of tour participants foremost in mind, we have regrettably chosen to cancel the individual shareholders' tour scheduled for September 2020.

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

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

Thanks to Your Support, Celebrating 120 Years of the Nisshin Seifun Group!

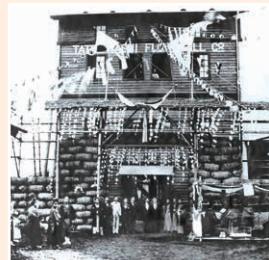
In 2020, the Nisshin Seifun Group will celebrate 120 years in business. The Group's forerunner, Tatebayashi Flour Milling Co., Ltd., was founded in 1900 (Year 33 of the Meiji era) in the town of Tatebayashi (now Tatebayashi City) in Japan's Gunma Prefecture. Our corporate principle of "contributing to a healthy and fruitful life for all" has been an unchanging part of the Group's history ever since. We are deeply grateful for the support of our individual shareholders and all other stakeholders in making this milestone possible.

The design of the 120th Anniversary Emblem (upper right) combines a ribbon mark at the base of the emblem patterned after the "Red Ribbon of Happiness," one of the Group's symbols, along with wheat as a symbol of our business and a sense of gratitude in being able to celebrate our 120th anniversary. The company name in the middle of the emblem is drawn by Studio Ghibli producer Toshio Suzuki. The Group has co-sponsored a variety of activities with Studio Ghibli since 2008.



History of the Nisshin Seifun Group

- ▶ 1900 (Year 33 of the Meiji era)
Tatebayashi Flour Milling Co., Ltd. founded
- ▶ 1908 (Year 41 of the Meiji era)
Merged with Nisshin Flour Milling Co., Ltd. and adopted its name
- ▶ 2001 (Year 13 of the Heisei era)
Separation into a holding company and operating companies



Opening ceremony for Tatebayashi Flour Milling Co., Ltd.

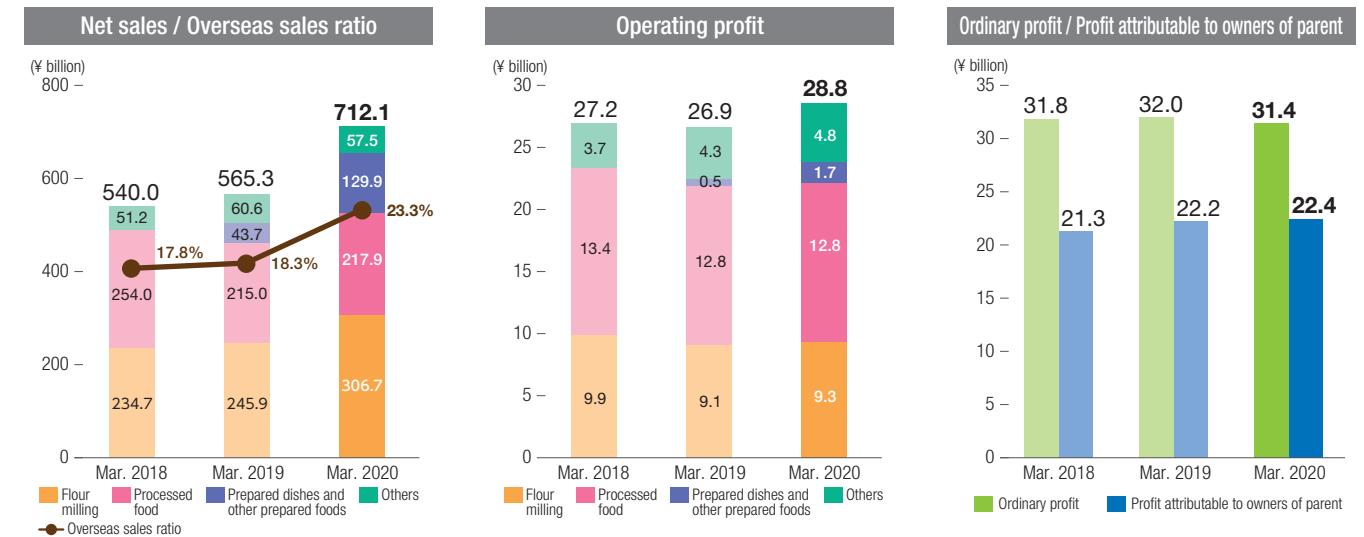
Consolidated Financial Summary

(¥ billion)

	Mar. 2018	Mar. 2019	Mar. 2020
Net sales	540.0	565.3	712.1
Overseas sales	96.2	103.7	166.1
Overseas sales ratio (%)	17.8%	18.3%	23.3%
Operating profit	27.2	26.9	28.8
Ordinary profit	31.8	32.0	31.4
Profit attributable to owners of parent	21.3	22.2	22.4
Earnings per share (¥)	71	74	75
Total assets	591.5	594.7	666.2
Net assets	413.7	418.8	409.0
Net assets per share (¥)	1,344	1,359	1,328
Dividend per share (¥)	29	32	34

(Notes) 1. Figures shown are rounded down to the nearest hundred million yen (nearest yen for per share figures).

2. "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) has been applied from the start of fiscal 2019, the year ended March 31, 2019. Relevant figures for the previous consolidated fiscal years are presented following retroactive application of this accounting standard.



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

2. Intersegment transaction eliminations are included in "Others segment" of operating profit.

Corporate Data

Corporate name: Nisshin Seifun Group Inc.

Head office: 25, Kanda-Nishiki-cho 1-chome, Chiyoda-ku, Tokyo

Foundation: October 1900

Paid-in capital: ¥17,117,856,746 (As of March 31, 2020)

Board of Directors: (As of June 25, 2020)

Representative Director and President	Nobuki Kemmoku
Representative Director	Michinori Takizawa
Director	Akira Mori
Director	Koichi Iwasaki
Director	Satoshi Odaka
Director	Takao Yamada
Director	Yuji Koike
Director *	Akio Mimura
Director *	Kazuhiko Fushiya
Director *	Motoo Nagai

Director /Member of Audit & Supervisory Committee Shoh Ohuchi

Director */Member of Audit & Supervisory Committee Tetsuo Kawawa

Director */Member of Audit & Supervisory Committee Satoshi Ito

Director */Member of Audit & Supervisory Committee Mieko Tomita

*Outside Director

Stock Information (As of March 31, 2020)

■ Total number of issuable shares:

932,856,000 shares

■ Total number of shares issued and outstanding:

304,357,891 shares

■ Number of shareholders: 25,668 (an increase of 6,336 shareholders from the end of the previous fiscal year)

■ Composition of shareholders (Shareholders by type)



NISSHIN SEIFUN GROUP INC.

25, Kanda-Nishiki-cho 1-chome, Chiyoda-ku, Tokyo
URL <https://www.nisshin.com>

Investor Information

Fiscal year:

April 1 to March 31 of the following year

Date of record for year-end dividends (profit dividends) on retained earnings:
March 31

Date of record for interim dividends:
September 30

Ordinary general meeting of shareholders:
June

Method of public notice:

The Company posts notices via electronic notification on its website at <https://www.nisshin.com>

However, if electronic notification is not possible due to an accident or other unavoidable circumstances, notices will be published in the Nikkei newspaper.

Share trading unit:

100 shares

Custodian of shareholder register:

Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku,
Tokyo Japan

Contact information:

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Department
8-4, Izumi 2-chome, Suginami-ku, Tokyo
168-0063, Japan

Tel: 0120-782-031 (toll-free)

* Available within Japan only.

Special Privileges for Shareholders

Special privileges

Eligible shareholders may select either a gift pack of products from Nisshin Foods, or a product from Nisshin Pharma.

Eligible Shareholders

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

A guide will be sent out separately to eligible shareholders early in July with information on how to apply for the special offer.

Notice

● Application for various share-related procedures

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

1. Shareholders with an account at a securities company → Please contact your securities company.

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

2. Shareholders registered at the special accounts → Please contact Sumitomo Mitsui Trust Bank, Limited.



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