日清製粉グループ

NISSHIN SEIFUN GROUP

Nisshin Seifun Group Integrated Report

2026



Growing Value from Wheat

1. Introducing the Nisshin Seifun Group

2. Group Value Creation Strategy

3. Value Creation Strategies for Each Business

4. Sustainability Strategy

5. Governance

6. Data Section

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Purpose of the integrated report

This report was prepared to present important information intended to facilitate an understanding of the activities and objectives of the Nisshin Seifun Group.
Additional details about the Group are available on the corporate website.

Financial Information	Non-Financial Information

Integrated Report (PDF)
This report was prepared to communicate the Nisshin Seifun Group's corporate value to stakeholders in an easy-to-understand format.

Financial Statements | **Securities Reports** | **Corporate Governance Report**

IR Information Webpage
https://www.nisshin.com/english/shareholders/

Sustainability Webpage
https://www.nisshin.com/english/sustainability/

Editorial policy

The Nisshin Seifun Group Integrated Report aims to convey to investors and other stakeholders in an easy-to-understand manner an overall picture of the Group, its unique values and strengths, and its medium- and long-term strategies and initiatives. The Integrated Report is also intended to facilitate dialogue with stakeholders and contribute to enhancing corporate value.

Integrated Report 2026 outlines our approaches and initiatives for our value creation, financial, and sustainability strategies for maximizing corporate value over the long term. The value creation and financial strategies center on strengthening business competitiveness, while the sustainability strategy underpins them. The report also presents the Group's value creation story and explains how we fulfill our social mission of ensuring a stable food supply while putting our guiding philosophy, "Being in tune with the changing business climate," into practice and turning change into growth.

In compiling this report, we referred to the "Guidance for Collaborative Value Creation 2.0" of the Japanese Ministry of Economy, Trade and Industry and the "International Integrated Reporting Framework" issued by the IFRS Foundation (formerly Value Reporting Foundation (VRF)).

Period represented
The primary period covered in this Integrated Report is the Company's fiscal year 2026, beginning April 1, 2025 and ending March 31, 2026. When considered helpful to understanding, some content also covers periods before and after fiscal year 2026.

Scope of the report
This report covers the 67 companies of the Nisshin Seifun Group as of the end of March 2026, including Nisshin Seifun Group Inc. and its consolidated subsidiaries. Information that does not apply to all companies of the Group is duly indicated and the pertinent organizations are provided.

Forward-looking statements
The content of this report was prepared based on various assumptions. The report does not represent a guarantee for the presented future target figures or management strategy objectives.

Our History of Value Creation

Enriching the Japanese diet with wheat—Creating value through dynamic corporate management ahead of its time

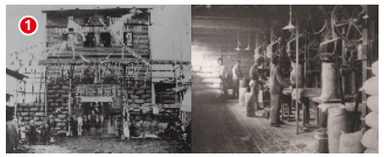
1900–1930s

Modernizing and industrializing the manufacturing structure

Establishing a steady supply of high-quality, domestically produced wheat flour

Beginning of modern domestic mechanical flour milling operations

1900 Teiichiro Shoda established the Tatebayashi Flour Milling Co., Ltd. to develop the potential of mechanical flour milling. ❶



1908 Acquired "Nisshin Flour Milling Co., Ltd." by merger and adopted that name.

1913 Teiichiro Shoda embarked on inspection tours in Europe and the United States, where he recognized the need for physicochemical research on European wheat and flour.

Introduction of the first chemical technology to the Japanese flour milling industry

1914 Laboratory research begun at a chemical laboratory established at the head office.

1918 The original chemical laboratory that later became the Central Research Laboratory (now part of the Kamifukuoka Research Laboratories) established.

Groundbreaking construction of a major seaside plant

1926 Constructed to develop the Japanese flour milling industry, the export-focused Tsurumi Plant featured a large dock for steamships transporting raw wheat, wheat intake equipment, a production line using German flour milling machines, and a large silo.

Domestic production of yeast and mesh sieves for flour milling

1929 The establishment of Oriental Yeast Co., Ltd., made it the pioneer of Japanese yeast production.

1934 Nippon Bolting Cloth Co., Ltd. established (precursor of NBC Meshtec Inc.).

1940–1960s

Post-war reconstruction period / Rapid economic growth

Contributed to improving diets and a flourishing food culture

Contribution to post-war reconstruction

1945 Four days after the end of the war, Company President Hidesaburo Shoda established a Reconstruction Committee and began rebuilding the Company. The all-out company effort led to all factories that had been damaged returning to operation in just four years, allowing the Company to devote itself to alleviating the post-war food crisis.

Efforts to popularize bread and flour products and diversify management into new fields

1955 Household-use size packages for wheat flour introduced and household-use macaroni products launched. ❷

1957 Installing the latest pneumatic milling technology vastly enhanced product quality. ❸

1961 Acquired the formula feed manufacturing and research department of Nisshin Feed Co., Ltd.

1962 Nisshin Foods Co., Ltd. established (now Nisshin Seifun Welna Inc.) to manufacture and sell premixes for household use.

1965 Began full-scale manufacturing and sales of pharmaceutical products.

1967 Successfully developed the world's first method for mass production of Coenzyme Q10.



Responding to the shift in consumer needs from volume to quality

1960s Construction of the Central Research Laboratory completed (now part of the Kamifukuoka Research Laboratories); Nisshin Chemicals Co., Ltd. established; and Nisshin-DCA Foods Inc. established (now Nisshin Seifun Premix Inc.).

1970–1990s

Globalization of the Japanese economy

Responding to diversifying lifestyles

Continuously diversifying business with a priority on dialogue with customers

1970 Nisshin Pet Food Co., Ltd. established (Pet food sales business sold in 2020).

1972 Nisshin Engineering Co., Ltd. established.

1973 Food Consumer Center (now the Customer Service Office) established to provide information and respond to customer inquiries.

1977 Patented the frozen noodle manufacturing method and created a new market for frozen noodles. ❹



Developing business in overseas markets to be an international competitor

1987 Company President Osamu Shoda formulated and launched the NI-90 action plan to restructure Group businesses with the core principles of change and execution that became the driving forces of all subsequent management plans.

1988 Thai Nisshin Seifun Co., Ltd. established.

1989 Canadian flour milling company Rogers Foods Ltd. acquired. ❺

1991 Thai Nisshin DCA Co., Ltd. (now Thai Nisshin Technomic Co., Ltd.) and Nisshin-STC Flour Milling Co., Ltd. established.

1993 Tsukuba Research Center (now the Cereal Science Research Center of Tsukuba) established.

1996 Medallion Foods, Inc. established in the United States.

1999 Entered the prepared dish and chilled foods business.



2000–2020s

Declining birthrate and aging population, plus a borderless world economy

Creating further value and contributing to richer diets

Rapidly expanding overseas business in anticipation of global increase in food need

2001 Nisshin Flour Milling Co., Ltd. split into a holding company and operating companies.

2002 Qingdao Nisshin Seifun Foods Co., Ltd. (now Shin Nisshin Seifun Foods (Qingdao) Co., Ltd.) established in China.

2004 Initio Foods Inc. established in the prepared dishes and foods business.

2010 Hokkaido Wheat Center established in Hokkaido to raise the quality of Hokkaido-grown wheat and advance domestic wheat production.

Oriental Yeast Co., Ltd. and NBC Meshtec Inc. became wholly owned subsidiaries.

2012 Oriental Yeast India Pvt. Ltd. established.

Miller Milling Company, LLC of the United States acquired.

2013 Flour milling operation acquired in New Zealand, and Champion Flour Milling Ltd. established.

Vietnam Nisshin Seifun Co., Ltd. established.

2014 Nisshin Seifun Turkey Makarna Ve Gida Sanayi Ve Ticaret A.S. established. Global production network of pasta products realized.

2016 Pre-cooked noodle manufacturer and seller Joyous Foods Co., Ltd. made a subsidiary.

2018 Vietnam Nisshin Technomic Co., Ltd. established.

2019 Allied Pinnacle Pty Ltd. acquired, making Nisshin Seifun the largest flour maker in Oceania.

Comprehensive prepared dish and delicatessen food manufacturer Tokatsu Foods Co., Ltd. made a subsidiary.

2022 Company name Nisshin Foods Inc. changed to Nisshin Seifun Welna Inc.

2023 Kumamoto Flour Milling Co., Ltd. acquired and made a subsidiary.

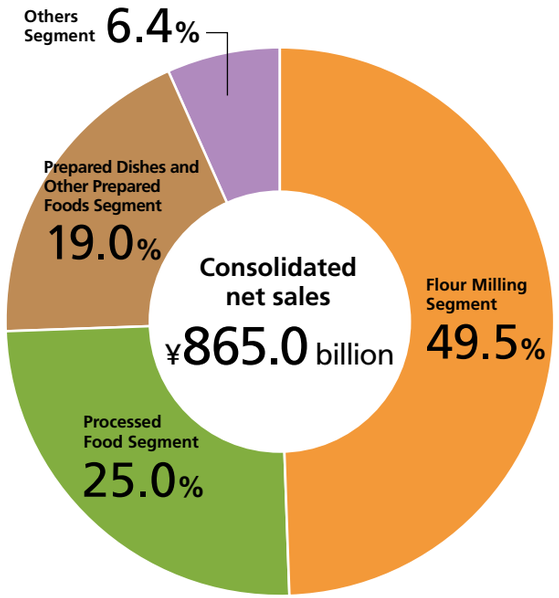
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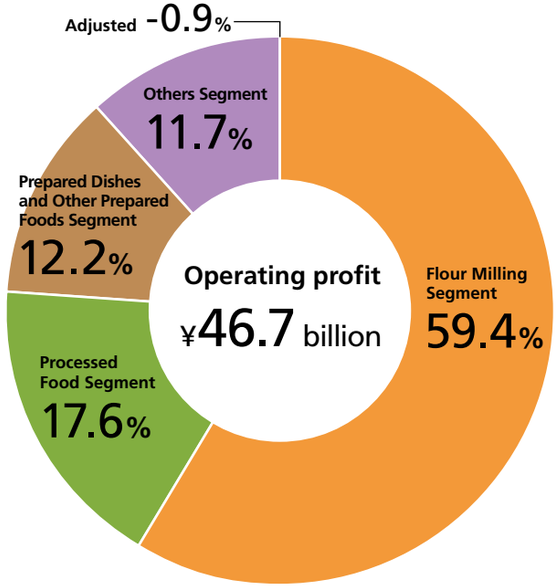
The Nisshin Seifun Group originated as a flour milling business and has expanded into a global operation with a broad portfolio of businesses encompassing processed foods, yeast, health, and biotechnology, prepared dishes and other prepared foods, engineering, and mesh cloth.

Fiscal 2026 (ended March 31, 2026) (Net sales and operating profit figures are rounded to the nearest ¥100 million)

Sales composition by segment



Operating profit composition by segment



Overseas sales ratio

29.2%

Consolidated subsidiaries
(as of end-March 2026)

67

ROIC

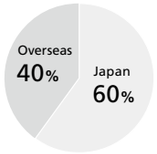
5.7%

ROE

6.5%

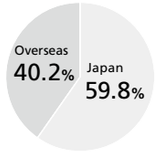
Manufacturing sites
(as of end-March 2026)

87



Employees
(as of end-March 2026)

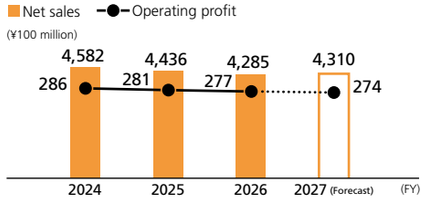
9,624



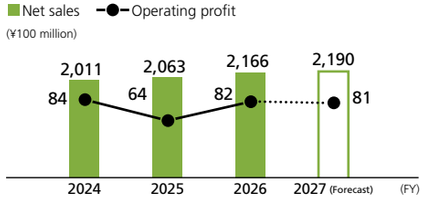
Net sales and operating profit by segment

*1 Effective from FY2026, the Company changed the basis for allocating corporate expenses to each segment. *2 The FY2027 forecast is based on the FY2027 earnings forecast announced by the Company on May 14, 2026.

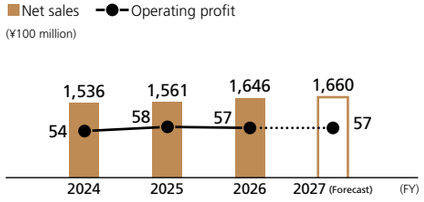
Flour Milling Segment



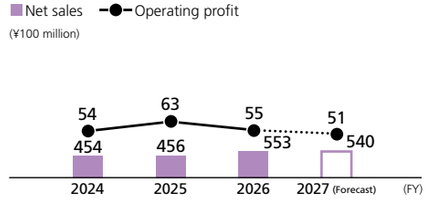
Processed Food Segment



Prepared Dishes and Other Prepared Foods Segment



Others Segment



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A solid presence in a range of markets

Flour Milling Segment

Flour Milling Business

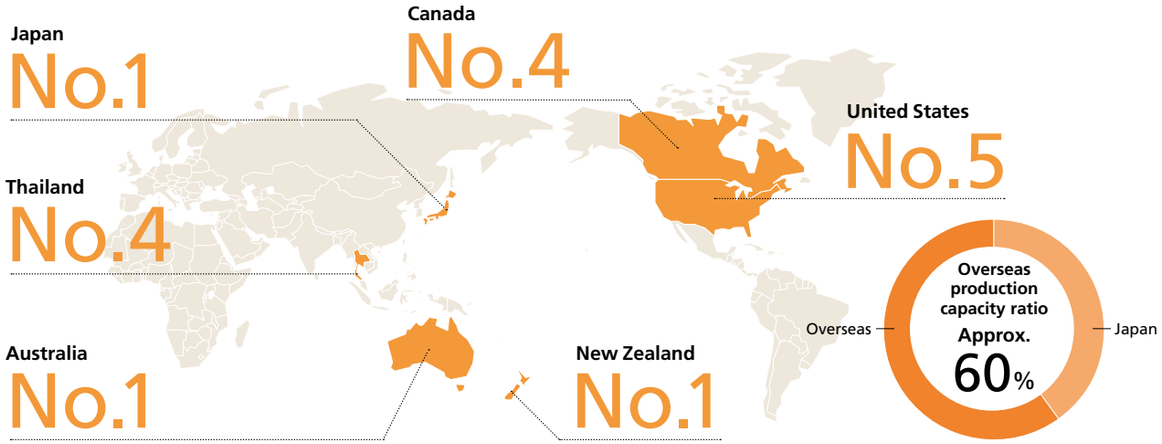
We have been leading the Japanese flour milling industry, holding the top market share in Japan for many years. We have also expanded our production bases in North America, Oceania, and Asia, and our overseas production capacity now surpasses our capacity in Japan.

Market share of wheat flour sales in Japan (weight basis)
Source: Company research (fiscal 2025)

No.1 (40%)



Group wheat flour production capacity rank by country
Source: Company research (as of March 2026)



Prepared Dishes and Other Prepared Foods Segment

Prepared Dishes and Other Prepared Foods Business

This business provides products in a wide range of categories, including *onigiri* rice balls, bento boxed lunches, sandwiches, prepared Japanese dishes, pre-cooked noodles, and other offerings for the expanding prepared food market. The Group is currently focusing its comprehensive capabilities on developing foods and automating its manufacturing processes.

Number of manufacturing sites in Japan
(as of March 2026)

25



Rice products



Baked bread



Pre-cooked noodles



Prepared dishes and salads



Frozen prepared dishes



Frozen New Year's dishes (*Osechi*)



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Processed Food Segment

Processed Food Business

The Processed Food Business offers a wide variety of frozen and room-temperature products centered on premixes, pasta, and pasta sauces for home and commercial use. The business is expanding from Japan to worldwide.

Market share of household-use products in Japan
Source: Intage SRI+ research (cumulative sales)

No.1 in the following categories

Percentages represent our shares in terms of value for each market. The data periods for the No. 1 market shares are April 2025–March 2026 for flour, pasta (spaghetti), pasta sauce, and frozen pasta (spaghetti & sauce and short pasta); August 2024–March 2026 for *okonomiyaki* pancake flour; May 2024–March 2026 for *tempura* mix; and September 2023–March 2026 for *karaage* deep-fry mix.

Pasta (spaghetti) **43.2%**





Wheat flour **66.8%**

Karaage deep-fry mix **54.5%**





Okonomiyaki pancake flour **41.7%**

Pasta sauce **34.0%**





Tempura mix **59.6%**



Frozen pasta **34.8%**

Yeast, Health, and Biotechnology Business

We develop and supply a broad range of products, including Japan's leading baker's yeast, food ingredients such as flour paste and bakery fillings, and biochemical materials for diagnostic reagents. We are strengthening our healthcare business after taking over the health food business from Nisshin Pharma in fiscal 2027.

Domestic ranking of baker's yeast production volume
Source: Company research

No.1
(approximately **50%** market share)



Others Segment

Engineering Business

We combine our extensive experience in food plant construction and our world-class powder processing technology. Focusing on plant and factory construction, we develop and sell powder processing equipment and provide powder processing services using cutting-edge technology.

Number of projects

Over **4,000**

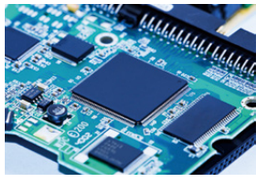


Mesh Cloth Business

We have advanced mesh cloth technology from flour milling sieve nets to cover a wide range of high-precision, high-performance products used in growth markets worldwide, including solar cells, hydrogen technologies, electric vehicles, and semiconductors. Our mesh cloth products are key components helping companies achieve carbon neutrality.

Overseas sales ratio

Approx. **45%**



Management Philosophy / Medium- to Long-Term Value Creation Strategy

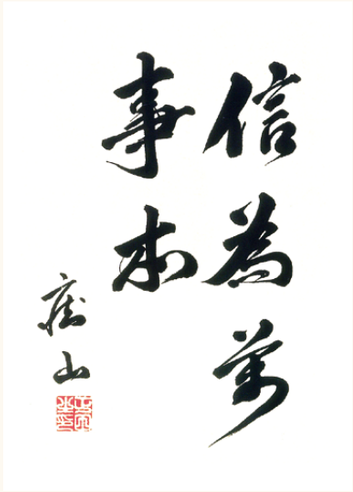
Our founder's maxim: "The basis of business is built on trust"

Nisshin Seifun Group founder Teiichiro Shoda said, "We must always remember that a business is connected to society. A company that works solely for its own benefit will not survive for very long. Trust is the foundation of all business."

The Nisshin Seifun Group's strong devotion to fulfilling our social responsibility and generating sustainable growth is rooted in these words from the Company's inception and remains in our DNA to this day. We will remain true to our founding spirit as we seek to continue growing as a global corporate group.

Guiding philosophies
The basis of business is built on trust
Being in tune with the changing business climate

Corporate principle
Contributing to a healthy and fruitful life for all





Teiichiro Shoda
Nisshin Seifun Group founder

1900

1987

Fostering a culture of change and execution with Nisshin Innovation

We launched the Nisshin Innovation (NI) initiative in 1987 as an action plan to restructure the business, guided by the principle that "a company must change to survive and grow" and our aspiration to become a robust and innovative organization.

NI-90
FY1988–FY1991 NI-90
Formulating management strategies for the 1990s, Starting point for future management plans

NI-93
FY1991–FY1994 NI-93
NI Phase II: Revising the management plan

NI-21
FY1995–FY2001 NI-21
Formulating a long-term management plan for strong growth in the 21st century

2010s

In the 2010s, we reaffirmed these principles as the Group's guiding philosophy and incorporated them into two medium-term management plans and the long-term vision. The NI initiative established the foundation for the Group's growth, and its spirit of change and execution continues to shape our business today.

NNI-120
FY2013–FY2015
Medium-Term Management Plan
NNI-120
Highlighted "Speed" and "Growth and Expansion"

NNI-120 II
FY2016–FY2021
Medium-Term Management Plan
NNI-120 II
Revenue base restructuring focused on the bottom line

NNI Compass for the Future
FY2019 onward
NNI "Compass for the Future"
Formulating a long-term vision anticipating structural changes in society

2022

Driving growth through Medium-Term Management Plan 2026

The Group is executing its five-year Medium-Term Management Plan, which is based on the three key policies shown below. Under this plan, which concludes in fiscal 2027, earnings have been rapidly improving.

Basic policy 1 **Stimulate the Group's ability to grow by restructuring the business portfolio**
Basic policy 2 **Enhance management by clarifying our business' relationships toward stakeholders**
Basic policy 3 **Integrate ESG into management strategy, implement by adapting to social trends**

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Management Philosophy / Medium- to Long-Term Value Creation Strategy

Direction of new management strategies

2026–

In an external environment characterized by an unprecedented pace of change, we are advancing our transformation by unlocking our latent competitive strengths in line with our philosophy of "being in tune with the changing business climate" and facilitating long-term value creation.

Mission Key actions to confront a new era

Establishing business foundations to maximize long-term corporate value

This is also our responsibility to the next generation, and as **the first step over the next several years**, we will return to our roots as a manufacturing company and focus all aspects of corporate behavior and organizational operating mechanisms **on business competitiveness**.
Definition of business competitiveness: the ability to generate returns that outperform competitors in the market while maintaining sound governance and crisis management capabilities.

1st Step
Breakthrough

Over several years, we will work to structurally transform our earning model

2nd Step
Overdrive

Our goal is **the creation of long-term economic value**, and social value will also be created as part of the process

Strategy Reignite Nisshin Seifun Group Innovation (Nisshin Innovation)

Promote a breakthrough strategy to awaken latent competitiveness

The principal theme of this strategy is putting into **practice "independence and collaboration."**
We will also work to adjust frameworks for collaboration structures in each business, optimizing the resources of the entire Group.

Three pillars

1. Structural transformation of the earning model by **awakening latent competitiveness**
2. **Redesign of our management infrastructure** with a view to maximizing corporate value
3. **Optimization of support functions** underpinning our competitive strategy

Value Basic stance toward stakeholders

Pursuing corporate value

As **a corporate group managing infrastructure that supports people's daily lives through food and health**, we will generate life value that promotes coexistence between society and business operations. Our consistent basic stance toward stakeholders is that **the basis of business is built on trust**, responding to global changes while **being in tune with the changing business climate** in flexible ways. By reinvesting the profits we generate back into the business and supplying beneficial products and services, we will return profits to customers, business partners and all stakeholders, and by extension the whole of society. In other words, we strive to create shared value with society.

Maximizing shareholder value

Through **sustainable business development and the cycle of returning profits**, we will live up to the trust and expectations of the shareholders who support the foundations of management. While striving to ensure stable shareholder returns based on a consolidated dividend payout ratio of 50% when operating under normal conditions, we will preserve **disciplined management committed to sustainability and effectiveness**, aiming to maximize shareholder value.

Maximizing the value of human resources

We provide human resources who voluntarily take on challenges with **opportunities for fair profit sharing based on created value and skill development**, and we offer them **an environment where they can demonstrate their abilities to the fullest extent**. By providing opportunities for our talented pool of human resources, which spans multiple generations, to take pride in their roles and focus on creating value for stakeholders, we will ensure the sustainability of our business competitiveness.

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We will maximize corporate value by unlocking our latent competitive strengths and proactively applying our guiding philosophy of “being in tune with the changing business climate”

Yu Nagaki
Representative Director and President
Nisshin Seifun Group Inc.

Pride in our role as a foundation of “food infrastructure”

As the newly appointed Representative Director and President of Nisshin Seifun Group Inc., I am deeply aware of my responsibility to carry forward the history and trust in the Group built by those who came before me.

As I step into this role, I would like to begin by sharing a little about my background and the core experiences that have shaped who I am and brought me to this role.

The Company first hired me in 1993 and assigned me to an administrative position. However, I was determined to work on the front lines of a manufacturing company. So I requested a position at a plant and was assigned to the Kobe milling plant, where I managed product supply and demand.

Milling a single grain of wheat produces several types of flour for different uses. These are known as joint products

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because they are produced simultaneously from the same raw material. Changes in the weather can dramatically impact demand for joint products, so we need to manage production carefully to avoid a surplus of one and a shortage of another. I was on the production floor every day and was often covered in flour dust, as I was constantly adjusting production to maintain the delicate balance between supply and demand.

The experience of the Great Hanshin-Awaji Earthquake in 1995 had a major impact on my perspective of what we do. After the earthquake, transportation networks were at a standstill, so I walked about 10 kilometers every day to get to the plant. Employees worked desperately to restack inventory toppled by the earthquake and resume supplying customers as quickly as possible. I watched senior colleagues who were themselves affected by the disaster return to the plant as soon as they knew their families were safe. I remember thinking, "That shows the character of the company I joined." The experience brought home the value and importance of our business to society, as well as the pride that each of our employees feels in fulfilling that responsibility in both thought and action.

Around the same time, we established a countermeasure response base in Osaka where we collected a steady inflow of flour to stockpile from our factories across the country. Our sales and technical teams carefully explained the features of each of our flours to customers so they would feel confident using flour from regions they were not used to using. Their efforts kept supplies flowing. Colleagues across Japan worked together to ensure supplies would continue flowing when one area suffers a disaster. That firsthand experience taught me deeply that our mission as a food infrastructure company is not an abstract philosophy but a responsibility we live every day.

I believe this shared sense of mission lies at the heart of the Group's strength. Only three groups directly handle our commercial-use flour: our employees, distribution and logistics partners, and customers. Consumers rarely see the flour itself, yet every one of our hundreds of varieties has its own name, logo, and story. Every employee takes personal ownership of these products. This dedication that all our business divisions share drives the operating excellence that enables us to create superior products with unmatched efficiency. I believe that is the Nisshin Seifun Group DNA that has been passed down through generations.

I have held 14 different jobs during my 33-year career in the Company. I began on the production floor and went on to work in supply and demand management, logistics, port operations, business strategy, IR, and overseas operations. Each role has kept me close to the front lines of the Group's businesses. I will draw on the full breadth of this experience as I lead the Group forward.

Actively "in tune with the changing business climate"

I assume the presidency with a profound sense of urgency about the extraordinary changes unfolding in the world around us.

Until recently, the world has marched steadily toward globalization and liberalization. But that tide is now turning. The emerging world order increasingly resembles the economic blocs of a century ago, and the global supply chains, painstakingly built on a foundation of peace, are increasingly being seen as sources of risk. After three decades of deflation, Japan is also undergoing a structural shift to inflation. Interest rate and exchange rate trends are changing the value of cash. Political, economic, and social conditions are all changing in ways that are increasingly difficult to predict.

At the same time, the flow of technological innovation continues to advance unabated in AI, robotics, biotechnology, and space exploration. A company that stands still because of the uncertain conditions will inevitably fall behind the surges in productivity and expanding frontiers of human activity, and its competitiveness will rapidly disappear. The most important and most difficult management challenge will be to find a way to adapt to our changing world.

Companies that focus tightly on their established fields and have achieved operational excellence find it especially difficult to pivot when the competitive landscape shifts. When accepting this position, the first question I asked myself was to honestly answer, "Will this company survive the changes?" Our guiding philosophy of "being in tune with the changing business climate" carries more weight for me than ever. By no means does this mean adapting passively. It means turning on our high-beam headlights to see even further ahead. Rather than waiting for change to occur, we must anticipate it and meet it head-on. That proactive approach is also part of what I think of as "being in tune with the changing business climate."

Key words that define our times

Global change

Rapid regional population growth / Population decline, falling birthrates, and aging populations in advanced economies / Climate change / Severe natural disasters / Wars and conflicts / Food security / Worldwide inflation and interest rate volatility / Anti-globalization / Populism / Fragmentation of the international community / Polarization / Diversity / Sustainability

Technological innovation

AI / Robotics / Networks / Quantum computing / Fusion of cyber and physical domains / Renewable energy / Nanotechnology / Biotechnology / Food technology / Genetic research and life sciences / Space exploration

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Enhancing corporate value in a turbulent world

In response to the escalating tensions in the Middle East, we have made ensuring stable supply our highest priority. We are securing necessary materials at every point in the supply chain, promptly sharing information throughout the Group, and managing risks at the executive level. Rather than delaying decisions due to uncertainty, we must honestly confront the facts available at that moment. I consider that as the essence of sound management.



We formulated our fiscal 2027 earnings forecast based on this same approach. We expect total costs to increase by approximately ¥10.0 billion, with roughly ¥1.5 billion of this due to a time lag in passing through rising costs. Our forecast incorporates these effects and projects operating profit of ¥46.0 billion. Because of the constantly changing business conditions, the various business divisions run simulations, and we share the strategic direction based on these among top management. This framework enables the business leaders to act quickly and flexibly on the ground.

My highest priority for fiscal 2027 is to prepare a comprehensive strategy for strengthening our profitability and outpacing inflation. With inflation likely to persist as a structural feature in the global economy, we will need to revise our product prices to pass on the rising costs. However, that alone will not ensure that we continue to be competitive in the long term. We will therefore execute a multifaceted approach of reducing costs, strengthening our brands, and delivering higher value-added offerings to safeguard earnings and provide the resources to grow our businesses.

We are methodically fortifying the foundation for executing these initiatives. This allowed us to increase operating profit to ¥46.7 billion in fiscal 2026 even as we absorbed higher strategic costs associated with the start of operations at the state-of-the-art Mizushima Plant, invested in capacity expansion in North America, and implemented initiatives to strengthen Ma•Ma, *Ao no Dokutsu*, and other brands. The rise in operating profit may not be dramatic, but I believe it demonstrates that our underlying competitiveness is steadily improving.

I have focused so far on our immediate priorities. However, my responsibility as a business leader extends well beyond the year ahead. I view corporate value as the product of the two factors of short-term earnings and the value created over the longer term. If either factor is zero, then our corporate value is also zero. Effective management requires the ability to firmly secure short-term earnings coupled with a strong commitment to creating long-term value.

A two-phase strategy for maximizing corporate value

I plan to implement a two-phase management strategy following our philosophy and aimed at the "maximization of long-term corporate value."

The first step toward achieving a "breakthrough" is to return to the fundamentals of being a manufacturing company and focus every aspect of our business operations and organizational management on strengthening our business competitiveness. I define business competitiveness as the ability to generate superior earnings relative to competitors while maintaining sound governance and robust crisis management capabilities. It is the ability to continuously outperform rivals in any business environment. Calling for improvement and growth will not do it. I want us to raise our current competitiveness to new heights. That is the "breakthrough" I am aiming for.

All of our businesses are already highly competitive. Fully unlocking the latent potential across our businesses is what will enable us to achieve that breakthrough. That is what we call "Awakening Latent Competitiveness." The Company established Nisshin Innovation (NI) as its guiding principle for action in 1987 (Please see Management Philosophy / Medium- to Long-Term Value Creation Strategy (Page 7)). Now, four decades since the sweeping transformation of our business model following that principle, it is time to transform again.

The results of the first phase will provide the foundation for our transition to the second phase, which will focus on "the creation of long-term economic value." In this phase, we will more fully integrate efforts to address social issues into our business strategies and build a business model that grows in step with global developments. Compared to the first phase,

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Direction of Management Strategies

Corporate Value = **Multiplier Effect of** **Short-term Earnings** × **Long-term Value**

1st Step

Breakthrough

We will once more return to our roots as a manufacturing company, accelerating the speed of transformation to drive future development.

2nd Step

Overdrive

Integrate the relationship between the issues faced by society and our business strategy to an even stronger degree, and aim to develop a business model underpinned by the inertial force to grow in step with the world's development.

Over several years,
we will work to structurally transform our earning model

Our goal is
the creation of long-term economic value,
and social value will also be created as part of the process

Three pillars

1. **Structural transformation of the earning model by awakening latent competitiveness**
2. **Redesign of our management infrastructure with a view to maximizing corporate value**
3. **Optimization of support functions underpinning our competitive strategy**

the second phase will require greater business momentum and more energy from every employee, as we will shift from standard operating mode to an accelerated "overdrive" mode. The first phase is when I want to build the organizational strength to sustain that pace.

Transforming the earning structure through independence and collaboration

The first phase will have three pillars that we will simultaneously advance. The first pillar is "Structural transformation of the earnings model by awakening latent competitiveness," thereby expanding relative returns beyond those of our competitors. The second pillar is "Redesign of our management infrastructure with a view to maximizing corporate value," thereby strengthening our resilience to risk. The third pillar is "Optimization of support functions underpinning our competitive strategy," thereby accelerating progress on both fronts.

The first pillar, transforming the earning structure, centers on putting "independence and collaboration" into practice. This is the banner under which, 25 years ago, the Company reorganized into a holding company and independent operating companies. The independence of each business has enabled all of our businesses to evolve to suit their specific markets, and we have reshaped our business portfolio with the changing business environment. In terms of collaboration, however, we still have considerable untapped potential.

When I worked in investor relations, investors sometimes would comment about Nisshin being involved in a wide range of businesses. Broadly speaking, however, our activities can be clearly categorized into four segments. These are the wheat and wheat-flour ingredient business; the food business of processed foods, prepared dishes and other prepared foods; the technology-expansion businesses applying biotechnology, engineering technology, and other intangible assets cultivated in

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Business Portfolio Framework

Business Category	Views on Business Portfolio		
Flour Milling Business Processed Food Business Yeast, Health, and Biotechnology Business Prepared Dishes and Other Prepared Foods Business Engineering Business Mesh Cloth Business	 **Wheat flour-related ingredients**	• Flour milling (wheat flour, etc.) • Commercial-use premixes • Baker's yeast • Ingredients with functional benefits	**Goals** (Japan) Ensure innovation and appropriate earnings (Overseas) Enhance competitiveness / expand business
	 **Processed food**	• Processed food • Prepared dishes and other prepared foods • Filling, etc.	**Goals** (Japan) Enhance value / ensure appropriate earnings (Overseas) Build infrastructure / expand business
	 **Technology expansion approach**	• Biotechnology (diagnostic reagents, culture medium, etc.) • Engineering • Mesh cloths	**Goals** (Japan/Overseas) Expand business / redefine portfolio
	 **Base of the pyramid (BOP)**	• India yeast • Expand business into new areas	**Goals** (Overseas) Ensure future growth base

our core businesses; and the "base of the pyramid" businesses, exemplified by the business in India. Between each group's business units and where the four groups intersect are numerous untapped opportunities for complementary collaboration.

The Group's overall competitive strength is greater than the sum of the individual business units. The Group's next leap forward will come when we fully unlock the power created through collaboration across our technologies, brands, customer bases, production sites, and talent. Each business has been working to achieve its best performance independently. We will optimize and not hesitate to reconfigure their value chains as needed so they will benefit the entire Group. I firmly believe that competing beyond the boundaries of individual business units will enable us to surpass our current best and raise the Group's strength to a new level.

Please see Business Strategies (Page 30)

Collaboration will also enable us to harness technological innovation more effectively to strengthen our competitiveness. Our core ingredients business is capital-intensive and inherently well suited to AI and robotics. "Physical AI," which uses AI to control real-world equipment and machinery, has exceptional potential to transform our production sites. Our world-class production capacity already gives us significant economies of scale, and collaboration across the Group could generate substantial returns on technology investments. We will secure appropriate profits and continue investing in growth to ensure that these alliances lead to future growth and ultimately advance Japan's food industry.

Please see Digital Strategy (Pages 28-29)

A "winning formula" for the global stage

While visiting our businesses overseas, I noticed a key factor for a "winning formula." Our highest-performing operations created an intellectual edge by building strengths rooted in their local markets and combining that with the best elements of a Japanese company.

I asked our U.S. subsidiary what it values most. Its answer was

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not efficiency, but "customer intimacy," the close relationships it maintains with customers. That strength is cultivated locally. Delivery delays are more common in the U.S. than in Japan, and there is an industry joke about customers always asking "Where's my flour?" Our subsidiary maintains high customer satisfaction by combining American-style digital technologies with prompt, attentive Japanese-style service. Customers choose us because we earn their trust every day. That differentiation is our competitive edge.

At the same time, some of our businesses are struggling. I view these difficulties not simply as headwinds but as challenges that will shape our future. The Australian market is very challenging because it is highly exposed to macroeconomic volatility, including inflation and high interest rates that are currently impacting consumer spending. We are revising prices accordingly; adding product value, as exemplified by the high-fiber Wise Wheat® flour for which we hold exclusive distribution rights; and restructuring the supply chain. We are also planning structural business reform through selection and concentration.

We have positioned the India yeast business as the Base of the Pyramid Group operation. While the Indian market is highly competitive with numerous global yeast producers, we see great prospects for future growth in a country with a population of 1.4 billion people.

We have secured the No. 2 position in India's yeast market with a 25% share through local production of Japanese quality products and steadily establishing a clear service advantage. While building customer loyalty takes time, we aim to earn that loyalty by contributing to local communities, stabilizing our earnings, and enhancing our business value. In this vast nation with high growth potential, we believe we can chart a new course for our future. Success today will lay the foundation for future growth. We will bring this determination to every market and devise the optimal winning formula for success in each market.

Please see Overseas Business (Page 31)

Building the foundation to accelerate our strategies

The world is changing at a continually faster pace and greater scale. We cannot continue to compete in the future on the same business foundation we have built in the past. We are also pursuing strategies that carry greater risk than before, and we need to establish a new management foundation for implementing our competitive strategy. For that reason, we are reforming our governance as part of the second pillar of the first phase, "Redesign of our management infrastructure with a view to maximizing corporate value."

The Board of Directors has adopted a monitoring board structure comprised of a majority of outside directors. As we execute our ambitious innovation strategy, our executive team will be overseen by independent outside directors providing guidance based on their unique perspectives and abundant experience. We have also revised the criteria for submitting items for deliberation and are limiting the agenda to only the most critical matters. We believe this new format will create healthy tension that will enable the executive team to take on necessary risks and make swift decisions. Together, this should enable the Group to take on new challenges more quickly.

We have also restructured the executive bodies by separating strategic discussion from information sharing, thereby enabling faster, higher-quality decisions. We have similarly revised the leadership of our overseas operations, establishing a dual-leadership structure with a local CEO with deep knowledge of the region and a CEO dispatched from the Group who is responsible for managing risk and ensuring alignment with group strategy. We continue to refine our management structure so that growth acceleration and risk management, as well as localization and global integration, reinforce rather than impede one another.

Please see Outside Director Interview (Pages 52-54) and Governance (Pages 55-60)

Changing the way investment decisions and management are conducted

The third pillar of the first phase is "Optimization of support functions underpinning our competitive strategy." I do not believe our existing approach to management control will be sufficient to keep us competitive in the years ahead. The highly uncertain environment makes it unrealistic to base go/no-go decisions strictly on narrow quantitative parameters, such as net present value (NPV) calculated through discounted cash flow (DCF) analysis. We will therefore fundamentally overhaul how we make investment decisions and manage the business.

Part of this overhaul will be to adopt a mindset of considering all options, which will give us the flexibility to adjust course quickly as conditions change. This ability to anticipate change and make dynamic decisions is essential in an era of high uncertainty. Rather than determining investment decisions with a simple yes or no, we will continue to monitor conditions and make flexible, swift decisions in response to actual conditions as they evolve.

This investment strategy will also directly influence our capital policy, which governs how the Company uses its funds. The Nisshin Seifun Group is a manufacturing group. In investment decisions, management, or shareholder returns, I always prioritize protecting the substance, the quality of our business.

In this approach, we will demonstrate purpose and performance—purpose by fulfilling the mission of our business, and performance by generating the funds required for reinvestment and shareholder returns. ROIC, for example, measures returns on invested capital, but its denominator reflects the quality of the fixed assets, including the plants and equipment needed to sustain our business. Reducing the denominator may improve ROIC, but doing so at the expense of asset quality would not enhance corporate value over the long term. Discussions about each business's ROIC will therefore begin with a fundamental question: "Is its business foundation truly sound?"

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Our priority in making these decisions will be to maintain balance sheet discipline and strike the right balance between business investment and shareholder returns. This balance will enable us to fulfill our business purpose and build long-term relationships of trust with our shareholders.

Please see Financial Strategy (Pages 24-27)

Creating a thriving workplace

Our people make all of our business activities possible and ultimately define the Company itself. Maximizing the value they bring is therefore one of my highest priorities as a business leader.

The Group is now entering a period of transformation that will shape its future growth. In this pivotal period for the Company, I have the highest expectations for people who take the initiative to embrace challenges. Management scholar Henry Mintzberg argues that succeeding on the global stage requires a balance of art, craft, and science. In Japan we have a very similar concept expressed as *shin-gi-tai*, or mind, skill, and body. Mind or aspiration alone lacks grounding, knowledge or skill alone does not translate into action, and experience or physical effort alone limits ingenuity and the ability to fully adapt to change.

The greatest test of the balance of these three elements is in operations overseas. Local employees will invariably ask a person assigned to a post overseas, "Why are you here?" The only way to gain acceptance is to demonstrate through action all three elements of *shin-gi-tai*. I consider that to be a healthy tension, and I want it to become the norm in Japan as well.

That will require employees to continue learning and growing in their jobs. To encourage this, we will begin by shifting from a seniority-based personnel and compensation system to a format that rewards responsibility and performance. We will introduce the new system for managers in fiscal 2027. Talented employees who take initiative to embrace challenges will be placed in positions where they can pursue their full potential and be fairly rewarded for the value they create. Our ability to remain competitive will be supported by creating a workplace where outstanding talent of every age can take pride in their roles and perform at their fullest potential.

Please see Human Resources Strategy (Pages 46-49)

Long-term plan to maximize corporate value

Why did our founder establish a flour milling company in 1900? The fundamental reason was to serve society. He believed that Japan would one day need such a company.

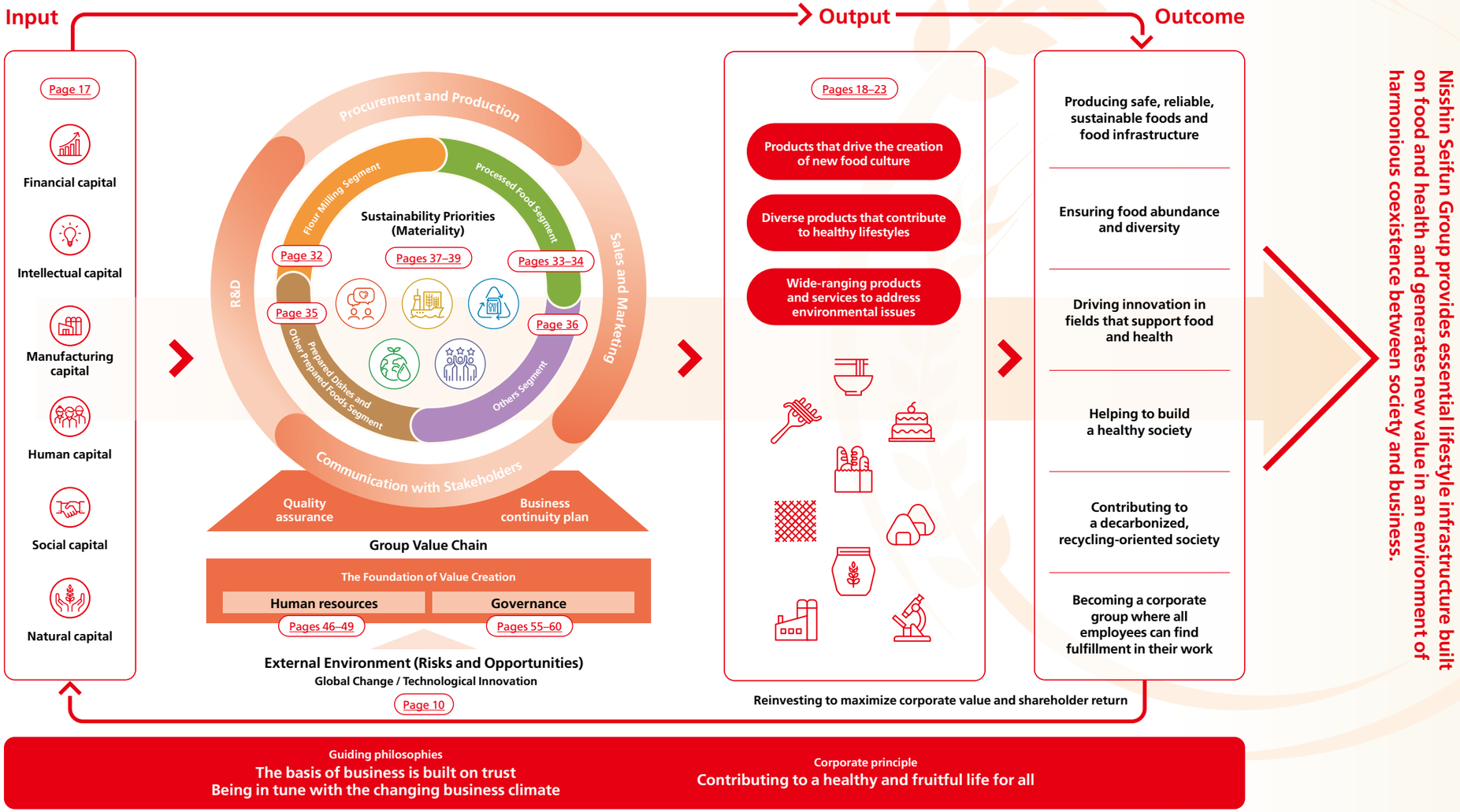
The Group's business model does not differentiate between social value and economic value. Strengthening our business competitiveness and investing in our businesses creates new value for society. Creating business value that generates long-term economic value naturally produces social value. The second phase, Overdrive, embodies my commitment to "the creation of long-term economic value" with stakeholders around the world.

I will close by sharing the commitment that will guide my first year as Group President. I will integrate management strategy and capital policy, build strong relationships of trust with all stakeholders, and steadily steer the Group toward maximizing long-term corporate value. I will fully apply the guiding philosophy of "being in tune with the changing business climate" and position the Nisshin Seifun Group for the next era. I sincerely appreciate your continued support.

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Value Creation Model

We are pursuing a variety of businesses to leverage the technology and networks we have developed as the leading flour milling corporate group supporting the food infrastructure in Japan. With safety and reliability as our highest priority, our mission is to create and offer a wide range of value by providing products and services that "contribute to a healthy and fruitful life for all."



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Six Types of Capital

Backed by the reputation of its trusted brand, the Nisshin Seifun Group leverages interactions among six types of accumulated capital to create sustainable value through the supply of safe, reliable foods.

Financial capital

Our stable earnings base and cash generation capacity have enabled us to diversify across business areas ranging from flour milling to processed foods, yeast, health, and biotechnology, prepared dishes and other prepared foods, engineering, and mesh cloth, while linking a stable financial base to sustainable growth investment. A robust earnings base built on our flexible and resilient business portfolio is also the source of dependable long-term shareholder returns.

Main indicators and strengths

Equity ratio 61.1%
ROE 6.5%
Operating cash flow ..... ¥69.2 billion
Credit rating ..... AA (JCR)

Intellectual capital

We are refining our R&D capabilities across every stage—from basic and foundational research to product development and customer-centric secondary processing technologies. Furthermore, we are using internal and external collaboration and open innovation to generate new value, including value derived from the functional properties of wheat, and leveraging that value as a key source of competitive advantage.

Main indicators and strengths

R&D spending ..... ¥8.3 billion
Patents held 1,978
(1,107 in Japan / 871 overseas)

Manufacturing capital

Built on our core flour milling expertise, our advanced production technologies and domestic and overseas manufacturing networks form a robust foundation for the stable supply of safe, high-quality products. By drawing on milling capabilities that maintain daily consistency across hundreds of flour varieties, and by driving efficiency improvements through automation and digitalization, we can consistently supply high-quality products tailored to customer needs.

Main indicators and strengths

Group manufacturing sites 87
(52 in Japan / 35 overseas)
Countries in which we have plants 11
Capital expenditure .... ¥39.5 billion

Human capital

Our human capital foundation centers on a diverse workforce that embodies our steadfast commitment to consumer-focused quality assurance, as expressed in our corporate philosophy: "The basis of business is built on trust." Our advanced business operations, from the factory floor to R&D, as well as our capacity for continuous value creation are also supported by a deep pool of technical talent and cross-group knowledge sharing.

Main indicators and strengths

Employees 9,624
Percentage of non-Japanese employees ... 40%
Percentage of management positions held by women 14.6%
Educational investment ..... ¥501 million

Social capital

We maintain strong, trust-based relationships with clients, consumers, and suppliers, backed by marketing capabilities that span both BtoB and BtoC markets. Furthermore, by delivering solutions and proposals tailored to customer needs, we have established a brand synonymous with trust, driving the creation of new value in food.

Main indicators and strengths

Customer base cultivated during a century of business
Relationships of trust with wheat producers
Market share of commercial wheat flour sales ..... No.1 in Japan
Household-use products ..... Market leader in numerous categories

Natural capital

We maximize the efficient use of wheat and other raw materials and ensure stable supplies through our international procurement and production networks. We contribute to a sustainable food supply by mitigating climate change risks through CO_2 emissions reductions, and by optimizing scarce resources through the minimization of food waste, packaging waste, and water consumption.

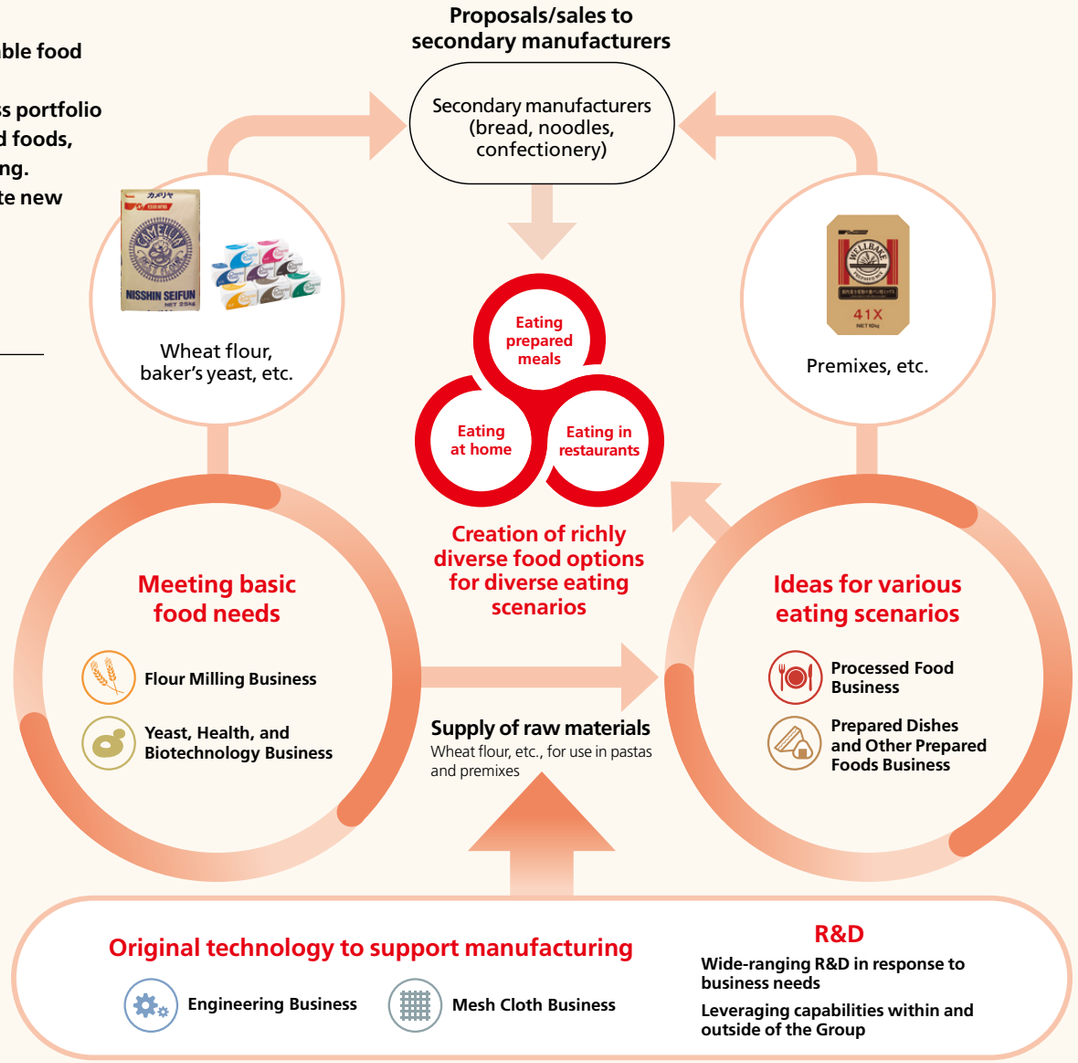
Main indicators and strengths

Energy usage ..... 7,892 TJ
CO_2 emissions (scope1+2) ..... 363 thousand tons
(net-zero emissions by 2050)
Total water inputs ..... 7,439 thousand m^3

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Leveraging Group strengths, we create new value backed by our trusted Nisshin brand

As a corporate group anchored in food and health and a key provider of lifestyle infrastructure, we have built a trusted brand by consistently providing safe, reliable food supplies for over 125 years since our founding.
From our beginnings in the flour milling business, we have built a robust business portfolio through expansion into processed foods and prepared dishes and other prepared foods, while also honing key strengths in R&D, manufacturing technology, and marketing.
Four core strengths provide the impetus behind our continuing ability to generate new value for consumers through co-creation between society and business.



Strength 1 A business foundation that enables us to deliver safety and reliability as a food infrastructure enterprise

A robust business portfolio covering products for a wide variety of eating options

From its origins as a flour-milling company, the Nisshin Seifun Group has steadily expanded its business portfolio in step with changing needs. The Group has diversified into the yeast business, and during Japan's period of high economic growth, it brought new choices to Japanese dining tables by launching household-use flour and macaroni. Through our premix business, we have helped our customers to improve productivity and build extensive product lineups. Anticipating growth in the number of households in which both partners work outside of the home, we also moved into the frozen food business and began to supply prepared dishes and other prepared foods. In addition, we are expanding the potential of our engineering business, through which we contribute to quality and efficiency in manufacturing, and our mesh cloth business, through which we continually create new technologies and value. In this way, we create diverse value through collaboration among our Group businesses.

Building on our history of autonomous business operations by individual Group companies, we will strengthen alliances across the entire Group to unlock our full competitive potential and maximize long-term corporate value.

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Group Strengths

Safe and reliable products backed by comprehensive quality management

Quality assurance from a consumer's perspective

Since its founding in 1900, the Nisshin Seifun Group has worked to earn the trust of society by following our guiding philosophies of "the basis of business is built on trust" and "being in tune with the changing business climate," along with our corporate principle of "contributing to a healthy and fruitful life for all." As part of this commitment, individual employees practice quality assurance from a consumer's perspective by constantly asking themselves whether they could clearly explain the work that they are doing to a consumer.

The Quality Assurance Policy of the Nisshin Seifun Group
https://www.nisshin.com/english/safety/

Full quality assurance in all processes

Our internationally certified management systems and our team of Quality Assurance Controllers ensure the safety of all processes from product development and raw material procurement through to manufacturing and distribution. In addition, all of our manufacturing plants and storage facilities use the Nisshin Quality Assurance Audits (NQ Audits) system based on our unique checklists. These audits not only highlight emerging issues but also identify potential problems, enabling us to maintain and enhance our quality assurance performance through the early detection of and response to risk factors. We have further strengthened product safety by formulating food defense guidelines designed to prevent deliberate contamination of our products.

The management system certifications obtained by the Nisshin Seifun Group
https://www.nisshin.com/english/safety/authentication.html

Global networks capable of supporting stable supplies of food

Global production and procurement networks

We are determined to procure the best raw materials and create products that will meet customer expectations by optimizing our production structures for each Nisshin Seifun Group product on a global basis. In the Flour Milling Business, we own flour mills in the United States, Canada, and Australia, which are all major sources of wheat imported into Japan. This presence allows us to obtain information and knowledge about wheat by communicating with local growers about growing conditions and other factors. In the Processed Food Business, we have established pasta production facilities in the United States and Turkey, which produce excellent durum wheat. We operate pasta sauce facilities in Thailand and Vietnam, which are expected to achieve rapid economic growth. We also have commercial premix operations in countries with large numbers of frozen food manufacturers, especially China, Thailand, and Vietnam. In the Yeast, Health, and Biotechnology Business, we own a yeast plant in India, the world's biggest country in terms of population. We are also developing overseas production facilities for the Mesh Cloth Business, including plants in Indonesia and Thailand.

Ensuring supply chain resilience through business continuity planning

In recent years, we have faced escalating uncertainty in our business environment due to the growing severity and frequency of large-scale natural disasters, as well as food supply problems triggered by geopolitical factors and the impact of climate change on grain cultivation. The ability of the Nisshin Seifun Group to maintain reliable supplies of safe, dependable food is backed by comprehensive business continuity planning (BCP). For example, Nisshin Flour Milling has taken various steps to build a disaster-resilient production framework, including the installation of flood barriers at its coastal plants to counter tsunamis and storm surges as well as seismic isolation systems in automated product storage facilities to mitigate earthquake risks.

Nisshin Seifun Welna's plants in Japan and overseas are also coordinating to develop systems that will allow production to be transferred to other facilities if unforeseen situations arise.

Quality management spanning the entire food chain

Product development	New raw material inspection	Raw material management	Manufacturing	Shipment	Storage and distribution	Distributors and key customers	Consumers
Before going on sale, new products undergo safety reviews by personnel with specialized knowledge. These reviews are based on extensive checklists covering product safety, environmental impacts, and other factors.	All new raw materials are assessed by the Quality Exam Center, which carries out safety checks based on scientific evidence obtained through analyses based on specifications and safety requirements.	We use traceability systems to record and store data about the raw materials that we use.	We have introduced a food safety management system based on the hazard analysis and critical control points (HACCP) approach to product safety control.	Our Quality Assurance Controllers work independently from manufacturing units. They inspect products from the consumer's perspective and make final decisions on whether items can be shipped.	Storage conditions in plants and external storage facilities are regularly checked.	Product safety support and advice are provided to distributors and key customers.	Product information is provided through various media, including labeling and websites. Consumer feedback is used to improve our products.

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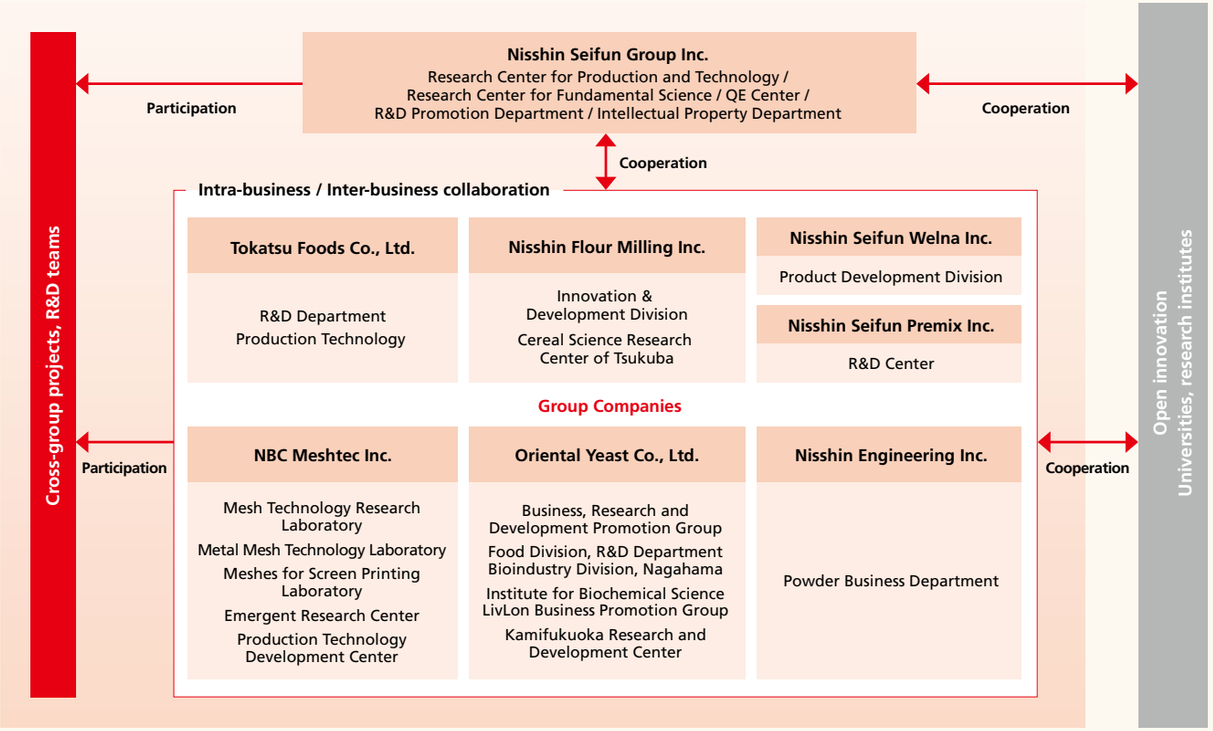
Group Strengths

Strength 2 Our capacity to add new value to food through R&D

Applying the Group's internal and external strengths and multifaceted R&D

Nisshin Seifun Group Inc. and other Group companies each have their own highly effective R&D organizations. These are organically integrated into a group-wide structure encompassing all stages of R&D, from fundamental research to developing products that are delicious, simple, and convenient, through the development of secondary processing technologies that align with the customer's perspective.

By quickly acquiring the patent rights to intellectual property resulting from our research and prioritizing its strategic use in our business activities, we preserve our competitive advantage and satisfy our customers with our unparalleled product quality. We also seek to generate new value through collaborative research, open innovation, and other methods to incorporate input from outside the Group.



New products resulting from research focusing on the health functions of wheat

As a leading company in wheat-related industries, the Nisshin Seifun Group continues to discover new possibilities for wheat. We explore the health benefits of whole wheat flour and bran and prioritize the creation of new products and services that contribute to the health of consumers.

One of the health-enhancing products that we have developed using high-fiber wheat is *Amuleia* high-fiber wheat flour. Since its introduction in 2023, *Amuleia* has been used in a wide variety of products, including bread and noodles. We are also using high-fiber wheat in overseas markets. In Australia, for example, we launched the Wise Wheat® brand of high-fiber wheat products in 2025. The Wise Wheat® brand has since earned an excellent reputation, including awards for promoting health, and is gaining a solid foothold in the market. Modern diets tend to be deficient in dietary fiber, and we are helping people to enjoy healthier lifestyles by enabling them to consume dietary fiber through a variety of foods made using wheat flour.

The Nisshin Seifun Group remains committed to fundamental and basic research leading to actual product development and addition of new value to food.



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Group Strengths

Strength 3 Advanced manufacturing technology that allows us to create new value in response to consumer needs

Dependable quality and diversified range of flour products backed by advanced manufacturing technology and expertise

The Nisshin Seifun Group offers a lineup of several hundred types of wheat flour to meet user needs and product characteristics. The wheat that we use as a raw material is an agricultural crop, which means that wheat harvested in different locations or carried on different ships can show quality differences even within the same variety grown in the same year. However, wheat flour used in secondary processed flour products, such as bread, noodles, and confectionery, must consistently meet quality standards that reflect customer requirements and the characteristics of secondary products, since variations in the quality of the wheat flour used can result in lower yields and food waste.

We ensure that our customers can use Nisshin Seifun Group products with confidence by blending and adjusting multiple types of wheat to stabilize quality. By preventing issues that could impact the quality of our customers' secondary processed flour products, these initiatives help to build customer trust in the Nisshin Seifun Group.





Product sorting robots



Autonomous forklifts

Production structures designed to maximize competitiveness through efficiency enhancement and cost reduction

Input costs, including raw materials, labor, and logistics, are expected to remain on an upward trend for the foreseeable future. In this environment, we need to build low-cost production structures capable of withstanding international competition. Our new Mizushima Plant, which became operational in May 2025, is an eco-friendly smart facility equipped with the latest automation systems and digital technology, including product sorting robots and autonomous forklifts. We are exploring shifting to unmanned operation of production lines at certain times of the day, and we are currently developing and introducing new technology with a view to implementing the system within a few years. We will also actively deploy technology established at the Mizushima Plant to our other flour manufacturing facilities. In the Prepared Dishes and Other Prepared Foods Business, we are pursuing various initiatives to optimize the efficiency of our production processes, including automatic container packaging systems for prepared dishes.

We will continue to leverage the technology development capabilities of Nisshin Seifun Group Inc. and expertise accumulated by our various group companies to maximize cost competitiveness across the entire Nisshin Seifun Group.

Using packaging technology to create environmental value

The Nisshin Seifun Group is committed to developing environmentally responsible products. For instance, "Ma•Ma *Renji de 2-Fun Mochimochi Nama* Pasta," which we launched in the fall of 2025, utilizes innovative packaging technology that combines microwave convenience and quick preparation with room-temperature shelf stability. This helps reduce food waste from expired products and minimizes overall environmental impact. Moving forward, we will continue to drive product development that balances consumer convenience with environmental sustainability.



Ma•Ma *Renji de 2-Fun Mochimochi Nama* Pasta

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Group Strengths

Strength 4 Marketing capabilities that allow us to anticipate market changes through interactions with our diverse customer base

Applying group-wide capabilities to BtoB marketing

In the commercial products category, we are responding to the diversification of consumer needs by rising to the challenge of creating a new food culture. In our Flour Milling Business, for example, we use our vast database of knowledge to provide information to help users create new products and menus. We also provide support and solutions to help customers overcome problems.

Our Flour Milling Business, together with our Processed Food Business and our Yeast, Health, and Biotechnology Business, works collaboratively to solve problems and create new value for secondary processors, who make up their shared customer base. In the Engineering Business, our plant engineering staff prioritize communication with customers as they provide comprehensive services ranging from sales to maintenance.

Product development guided by consumer input

Communication with consumers is a vital part of our efforts to achieve customer satisfaction by offering products and services that match changing needs. Each year, the Customer Service Office receives around 10,000 communications from consumers. Using the CHORUS system based on our internal networks, we share this input across units in areas ranging from R&D and production to marketing, with the aim of linking customer feedback to the creation of new value. These units use this feedback to create products that reflect consumer perspectives. Through these efforts, we are introducing new products to address increasingly diverse consumer needs. Key examples include Ma･Ma *Renji de 2-Fun Mochimochi Nama* Pasta, which delivers an authentic springy texture straight from the bag after just two minutes in the microwave without the need to add water, and Nisshin *Karaage* Deep Fry Mix (Crispy Batter Water-Mix Type), which offers enhanced cooking convenience alongside a crisp batter, engineered to prevent sticking even when fried in just 2 cm of oil.

In addition, we are helping consumers to enjoy healthier lifestyles by providing information about Nisshin Seifun Group products and other topics, such as nutritional and health data relating to flour, through our Well-Navi website.

Nisshin Seifun Welna Inc.

Rebranding of *Ao no Dokutsu*

In the spring of 2026, we rebranded the *Ao no Dokutsu* range of pasta sauces, frozen pasta, and other products with new packaging based on the "*Italian Cuisine, Unleashed*" brand concept.

First introduced in 1995, the *Ao no Dokutsu* brand emerged at a time when Italian food was viewed as upscale and luxurious. It won consumer affection by bringing that special dining experience into the home. Over the years, Italian cuisine in Japan underwent a unique evolution that took it beyond elegant formal dining into more casual options and creative fusion styles embraced by a broader audience. Positioned as a premium brand that captures the charm of this distinctly Japanese evolution, the updated *Ao no Dokutsu* range creates the flavors of Italian cooking with greater freedom and flair. By continually evolving to meet changing consumer needs, we will continue to deliver products that bring new value to the dining table.

The former brand logo and packaging



Rebranding

The new brand logo and packaging



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Examples of value creation based on our strengths

Ma·Ma pasta product development

A prime example of a product line that unites our Group's core strengths is the Ma•Ma brand. The Ma•Ma Quick Cook Spaghetti FineFast series has earned high market acclaim over many years thanks to its unique added value. Meanwhile, the Ma•Ma *Renji de 2-Fun Mochimochi Nama* Pasta series, launched in 2025, takes on the challenge of creating new value to meet emerging consumer needs. Moving forward, we will continue to adapt to changing social trends and customer expectations by constantly creating new value.

Output

Products that drive the creation of new food culture

By shortening preparation times, we are creating new food styles that meet the modern consumer's need for quick yet delicious meals for busy lives.

Wide-ranging products and services to address environmental issues

Products with reduced cooking times consume less energy and help to reduce environmental impacts. The Ma•Ma *Renji de 2-Fun Mochimochi Nama* Pasta series also directly contributes to food waste reduction thanks to its long shelf life at room temperature.



With this product, we pursued the ultimate in pasta flavor, quick preparation, and convenience. Thanks to our proprietary manufacturing process, we have dramatically reduced boiling times while preserving the authentic, natural taste of pasta.



Unlike conventional pasta, this product can be prepared without the need to boil water. Fresh, springy pasta is ready to eat after microwaving for two minutes in the bag.

Related strengths	Ma·Ma Quick Cook Spaghetti FineFast series	Ma·Ma *Renji de 2-Fun Mochimochi Nama* Pasta series
Strength 1 A business foundation that enables us to deliver safety and reliability as a food infrastructure enterprise	Roll-out of *Quick Cook Spaghetti* across international markets, including Europe and Vietnam, under our Quick Cook global strategy	Product innovations that support room-temperature logistics and storage thanks to precise adjustment of post-packaging sterilization conditions through the use of steam-venting pouches
Strength 2 Our capacity to add new value to food through R&D	Development of our proprietary "pinwheel shape" pasta to reduce boiling time while achieving an authentic *al dente* texture	Achievement of the signature springy texture of fresh pasta through microwave cooking, thanks to proprietary ingredient blending and manufacturing processes
Strength 3 Advanced manufacturing technology that allows us to create new value in response to consumer needs	Combination of factory manufacturing expertise with die design technology to create a stable production system for pasta with complex pinwheel shapes	Easy preparation without using pots or water thanks to pre-boiling at manufacturing stage and the development of a custom-engineered, microwave-safe steam-venting package
Strength 4 Marketing capabilities that allow us to anticipate market changes through interactions with our diverse customer base	Practical innovations that anticipate growing demand for speed and convenience and deliver consumer satisfaction, including reclosable zipper packaging, pre-portioned bundles that eliminate the need for measurement, and two-thirds length pasta designed for small pots.	Responding to the consumer need for an easy way to enjoy authentic fresh pasta with enhanced time performance as part of a growing trend toward home-cooked meals

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Capital Policy

We aim to maximize our corporate value by making our businesses more competitive, steadily increasing earnings per share, and improving capital efficiency.



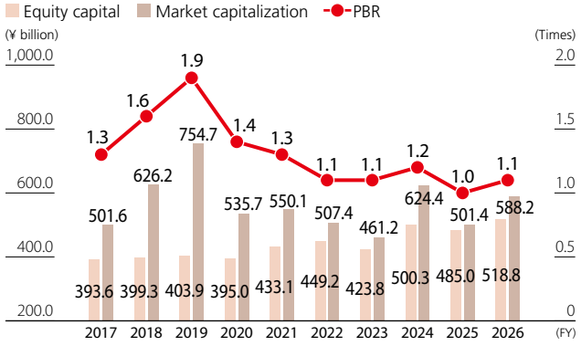
Kazuhiro Imai
Managing Executive Officer
Division Executive, Finance and Accounting Division

Initiatives to enhance corporate value (stronger management commitment to capital efficiency and the share price)

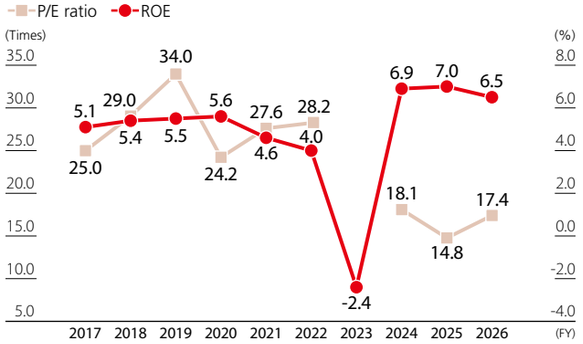
The foundation of the Group's capital policy is to appropriately control the capital structure while maintaining a balance between improving capital efficiency and financial stability, fully taking into account our social responsibility of providing a stable supply of wheat flour and other staple foods. The rapidly changing business environment is making our guiding philosophy of "being in tune with the changing business climate" more critical than ever. The Group must focus its management resources primarily on strengthening business competitiveness to adapt to these changes and continue driving sustainable growth.

We recognize that improving price-to-book ratio (PBR) is an ongoing process. Because PBR equals ROE multiplied by the P/E ratio, with earnings per share (EPS) as the starting point for sustaining growth, we will need to simultaneously improve return on equity (ROE) and foster market expectations for growth. In addition to financial initiatives, we will transform our earning model to strengthen business competitiveness as we evolve into a corporate group that combines capital efficiency with growth potential.

Equity ratio, market capitalization, PBR



PBR breakdown (ROE × P/E ratio)



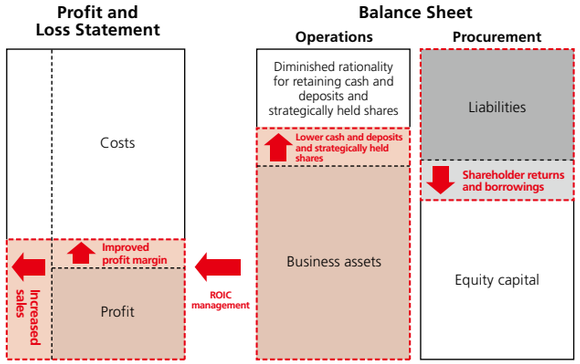
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Measures to raise ROE

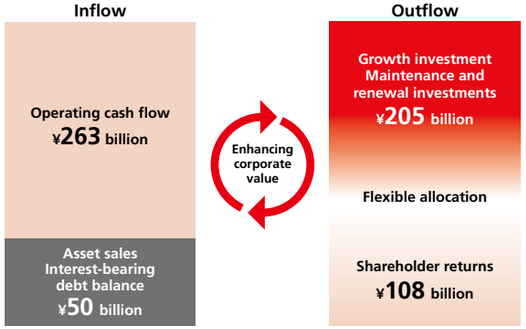
Specific measures to raise ROE are (1) growth investment to enhance business competitiveness, (2) division-based ROIC management, (3) continuing reduction of strategically held shares, and (4) enhanced shareholder returns. Medium-Term Management Plan 2026 provides cash allocations for these initiatives.

Capital policy effect on the Balance Sheet and Profit and Loss Statement



* Guideline net debt-to-equity ratio near 0.3x

Cumulative cash allocation plan for the five years of Medium-Term Management Plan 2026 (FY2023 to FY2027)



(1) Growth investment to enhance business competitiveness

In Medium-Term Management Plan 2026, the Group has positioned EPS as the central driver of corporate value. We will actively allocate operating cash flow and proceeds from reducing strategically held shares to growth investment through M&A, R&D, automation and labor-saving, environmental initiatives, digitalization and AI, and human resource development.

Growth investments will be prioritized based on their contribution to building business competitiveness. We will reassess each business's competitive advantages and focus management resources on areas with clear paths to success. At the same time, we will improve the profitability of existing businesses and cultivate new growth areas.

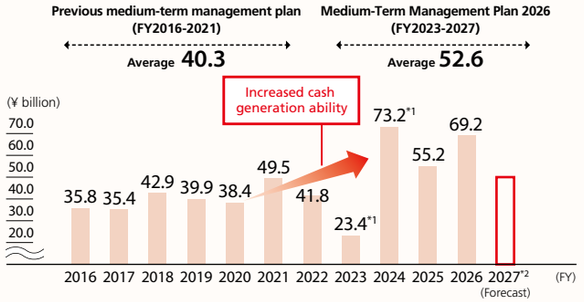
Investment decisions will continue to be based on conventional economic viability assessment methods, such as discounted cash flow (DCF). We will also implement a real options approach of making decisions in stages as the business environment changes, with the aims of capitalizing fully on investment opportunities, limiting downside risk if business conditions do not match expectations, and increasing the effectiveness of growth investments.

Investments (actual and expected)

	FY2023–2026	FY2027
Flour Milling Segment	¥89.1 billion	¥19.0 billion
Processed Food Segment	¥24.1 billion	¥6.0 billion
Prepared Dishes and Other Prepared Foods Segment	¥17.9 billion	¥10.0 billion
Others Segment	¥15.0 billion	¥13.0 billion
Total	¥146.1 billion	¥48.0 billion

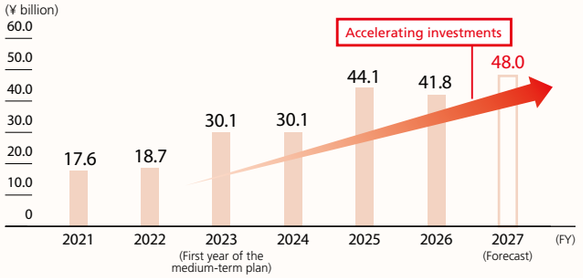
- For investment decisions, we apply discount rates based on the target country and business content
- We flexibly allocate funds based on each business's operating environment and other factors

Group operating cash flow and targets



*1 Working capital is influenced by sharp fluctuations in raw material prices and other factors.
*2 Includes the impact of increased working capital requirements due to escalating tensions in the Middle East.

Growth investment, maintenance and renewal investments



Primary activities

- Flour milling business (Japan): Mizushima Plant construction (Commenced operation in May 2025) ¥18.0 billion
- Flour milling business (Japan): Kumamoto Flour Milling Co., Ltd. acquisition (Acquired shares in January 2023) ¥13.9 billion
- Flour milling business (Japan): Tsurumi Plant expansion of wheat silos (Construction started in May 2025, scheduled for completion in 2028) ¥10.0 billion
- Flour milling business (Overseas): United States, Saginaw Plant expansion (Completed in March 2025) ¥6.2 billion
- Flour milling business (Overseas): United States, Los Angeles Plant expansion (Completed in November 2023) ¥1.4 billion
- Flour milling business (Overseas): United States, Winchester Plant expansion (Completed in July 2025) ¥1.4 billion
- Prepared dishes and other prepared foods business: Construction of new frozen food factory at Nomura Foods Co., Ltd. (Scheduled for completion in 2027) ¥8.0 billion
- Group companies: Construction of a new development site (Yoga, Tokyo) (Scheduled for completion in FY2027)

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(2) Division-based ROIC management

Our efforts to improve ROE included initiating ROIC monitoring at the division level in fiscal 2024. We took this a step further in fiscal 2026 by adopting division-based ROIC management.

In fiscal 2026, we calculated ROIC by product group in selected businesses, reviewed the portfolio within each business, assessed optimal inventory levels to improve capital efficiency, and began applying ROIC management to specific issues.

We will further embed these initiatives into our management practices and use them in investment decisions, pricing strategies, inventory management, and portfolio reviews. Greater visibility into the earnings power and capital efficiency of each business will enable us to set growth investment priorities, improve low-profit operations; optimize inventory, facility operations, and working capital; and ultimately improve ROE.

We will also ensure that efforts to raise ROIC do not delay the equipment upgrades needed to maintain and strengthen our business foundation. We will pursue a balanced approach to improving capital efficiency and investment quality as we seek to steadily enhance corporate value.

(3) Reduction of strategically held shares

The Nisshin Seifun Group's most important mission is to reliably deliver wheat flour and other staple foods to consumers. To fulfill this mission, it is essential that we construct and cultivate long-term stable relationships with manufacturers, sales firms, and other business partners in the supply chain. The strong relationships of trust that we enjoy with our partners have been built over many years, and maintaining and strengthening these relationships is essential for us to continue enhancing our corporate value in the future.

The Company annually assesses each of its cross-shareholdings from a medium- and long-term perspective, giving particular consideration to capital efficiency. We will steadily reduce holdings whose strategic rationale has diminished or that are determined to be no longer justified.

We have set a target of reducing cross-shareholdings by more than ¥40 billion over the five-year period from fiscal 2025 through fiscal 2029. Cross-shareholdings declined by ¥12.3 billion in fiscal 2026, including the ¥9.0 billion reduction in fiscal 2025, bringing the cumulative reduction over the first two years to ¥21.3 billion. Reducing these holdings is a key management priority, and we are aiming to achieve our target ahead of schedule.

(4) Enhanced shareholder returns

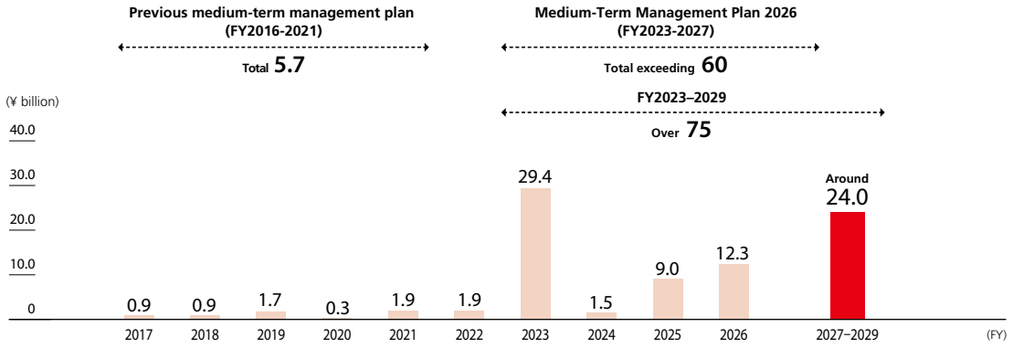
Nisshin Seifun Group Inc. believes that a long-term perspective to providing stable return on profits is the most appropriate stance for meeting the expectations of our shareholders. We intend to raise the consolidated dividend payout ratio, excluding the effects of non-recurring gains and losses such as gains on the sale

ROIC breakdown by segment

	FY2025*2	FY2026
Flour Milling Segment	**6.3**%	**5.6**%
Processed Food Segment	**3.3**%	**5.0**%
Prepared Dishes and Other Prepared Foods Segment	**7.4**%	**7.5**%
Others Segment*1	**5.4**%	**5.8**%
Total	**5.7**%	**5.7**%

*1 Other businesses + total company assets
*2 The FY2025 results were calculated based on figures following a revision to the allocation of head office expenses

Reduction of strategically held shares



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of investment securities, to approximately 50% by fiscal 2027, the final year of the current medium-term management plan. Allocation of generated cash will prioritize investment for future growth. In the event of a surplus of investment funds, increasing shareholder return will be considered while taking into account expected future capital needs.

In fiscal 2026 we raised the dividend distribution to ¥60 per share, an increase of ¥5 from the previous year. We also conducted share buyback programs in both fiscal 2025 and fiscal 2026 to further enhance shareholder returns and improve capital efficiency.

We will continue actively considering dividend increases while monitoring for appropriate timing, and we currently plan to raise the dividend in fiscal 2027, which would effectively mark the 14th consecutive year of increases. We also consider and flexibly implement share buyback programs as another option for shareholder returns.

Raising the price-to-earnings ratio

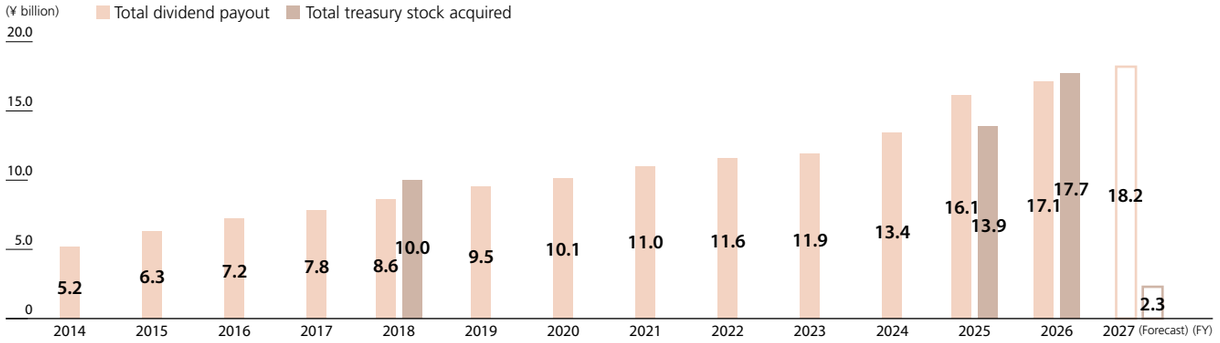
We believe improving the P/E ratio will require lowering the cost of equity and raising the expected growth rate.

We will strengthen the certainty of profit growth by maintaining and enhancing the stable earnings base of our domestic flour milling and other businesses while fortifying our management infrastructure in areas including risk management, governance, overseas management systems, and cybersecurity to limit downside risk to earnings. We will also continue engaging with investors to provide clearer disclosures on our business strategies, progress on growth investments, the effectiveness of ROIC management, and our shareholder return policy. These initiatives will lower our cost of equity and strengthen investor confidence.

We will raise our expected growth rate by steadily advancing initiatives to reestablish the performance of the Australia flour milling business, improve the performance of the India yeast business, continue expanding the US flour milling business, improve profitability in our processed foods and prepared dishes and other prepared foods businesses, and capture growth opportunities in the mesh cloth business. We will also create business opportunities by integrating R&D and DX into each business's competitive strategy, harnessing new technologies, and actively responding to emerging customer needs.

While fulfilling its responsibility to ensure a stable food supply, the Group will maintain financial discipline and continue investing for growth while maximizing corporate value through sustained EPS growth, higher ROE, and an improved price-to-earnings ratio (PER). These initiatives to enhance corporate value will build a stock price representative of the trust shareholders and investors have in our Company and allow us to provide an appropriate level of total shareholder return.

Total dividend



(FY)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 (Forecast)
Payout ratio	34.6%	39.6%	41.2%	40.3%	40.6%	42.7%	45.1%	57.9%	66.2%	*1	42.2%	51.1%*2	48.6%*2	54.1%*2
Dividend per share	¥20*3	¥22*3	¥24	¥26	¥29	¥32	¥34	¥37*4	¥39	¥40	¥45	¥55	¥60	¥65

*1 Dividend payout ratio for fiscal 2023 is not presented due to the net loss in profit attributable to owners of parent.
*2 Figures for fiscal 2025 onward exclude income/loss due to non-recurring special factors. The dividend payout ratio before excluding non-recurring special factors was 46.9% in fiscal 2025 and 52.9% in fiscal 2026, and it is expected to be 44.3% in fiscal 2027.
*3 Stock splits of 1:1.1 were conducted on October 1 of 2013 and 2014. The annual dividend per share was unchanged, but the effective dividend per share increased for fiscal 2014.
*4 Fiscal 2021 included a ¥2 dividend per share to commemorate the 120th anniversary of the Company's founding.

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Leveraging digital data and AI for ongoing enhancement of corporate value

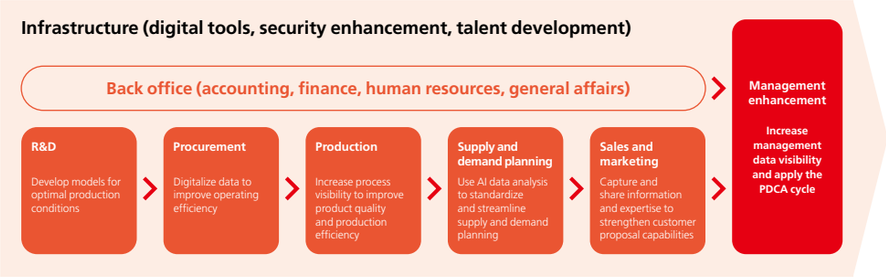
The Nisshin Seifun Group views the business environment, marked by structural challenges from the shortage of labor and rising costs, as an opportunity to leverage digital transformation (DX) to dramatically improve productivity and strengthen competitiveness. We view DX as one of our highest management priorities and are advancing it throughout the Group. Our vision for DX is to streamline the entire value chain and use AI and robotics to enhance production site operations. We will also use our group-wide data platform and generative AI to perform highly accurate analysis that identifies a winning formula for each business and supports faster, more effective decision-making.

In the flour milling business, a dedicated DX team is developing a next-generation operating model for flour milling operations. The team is formulating an operating model using advanced technologies to optimize manufacturing operations and leveraging digital data and AI for sophisticated forecasting and analysis that will enable a smaller workforce to manage complex operations. We are also using DX to further refine our long-established flour milling expertise and develop a growth model that enables us to deploy that expertise globally.

Tokatsu Foods, the core company in the Prepared Dishes and Other Prepared Foods Business, has deployed the Tokatsu Production System (ToPS) across all production facilities and established a common data platform. The company has embedded data-driven management based on common performance indicators into its management framework, improving the quality and speed of decision-making at every management level. At its manufacturing sites, ToPS has accelerated the PDCA cycles for continuous improvement, reduced dependence on workers with specific skills, and enhanced quality, cost, and delivery (QCD).

Getting the full benefit of DX requires continuing investment in our people. We are strategically developing DX talent by raising digital capabilities across the Group through education while providing motivated employees with online and other learning opportunities to further develop their skills. As operational efficiency improves, we will reallocate the human resources made available to higher value-added work, strengthening our competitiveness and driving sustainable growth in corporate value.

Value chain initiative flow chart



Flour Milling Business

Building a next-generation flour milling model with AI and digital technologies

We are using AI, a robust data platform, and advanced technologies to build a next-generation flour milling model. We are creating an AI-driven demand forecasting and production planning system to automate supply and demand management for our diverse product portfolio. Making extensive use of machine learning for demand forecasting, which has relied on the experience of individual planners, is speeding up the forecasting process and reducing workloads. Forecasting commercial shipments is particularly challenging because predictive data is limited and customer-specific requirements must also be taken into account. The system has been methodically refined and is producing highly accurate forecasts. We are now at the stage of establishing reliable operation and are planning its deployment across the Group.

In addition, we have begun operating a system built using AI that rapidly generates production plans, something that has long required human skills and experience. The Mizushima Plant (Kurashiki, Okayama Prefecture), which began operations in May 2025, is a smart factory incorporating IoT, AI, robotics, and other advanced technologies. The plant automates a broad range of operations, from production line control and data collection and analysis to production planning. By digitally reproducing and standardizing 125 years of flour milling expertise and deploying these technologies across our operations in Japan and overseas, we aim to achieve consistently high-precision operations, establish a stable supply system, and raise companywide productivity by over 20%.


The Mizushima Plant uses IoT, AI, robotics, and other advanced technologies to automate operations, improve efficiency, and reduce manual work


Robots transporting packaging materials

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Flour Milling Business

Building a data foundation and leveraging data for data-driven management

We are building a data platform using a data fabric (an architectural framework that integrates data distributed across the enterprise) to accelerate data utilization across the Group. The platform integrates data collected from factory IoT sensors, core business systems, and other sources and allows users to visualize and analyze the data in real time. The resulting shared data environment gives everyone, from frontline employees to senior management, access to the same data.

In the flour milling business, we completed business intelligence (BI) dashboards for all major reports on this platform and established a framework that enables sales and supply chain personnel to use the data in their daily work. All departments now have access to over 100 reports, allowing teams to evaluate initiatives and determine next steps using a common set of sales, production, and logistics metrics through an effective data-driven PDCA cycle. Business reviews also center on quantitative discussions based on shared metrics, which is improving both the quality and speed of decision-making.



A data fabric dashboard screen

Prepared Dishes and Other Prepared Foods Business

ToPS-supported data-driven management

The Tokatsu Foods Group, a comprehensive prepared foods supplier, deploys its proprietary ToPS production management system across all of its factories for real-time monitoring of production progress and output. The system serves as a data platform for the data-driven management that enables a company to use a common set of performance indicators across all divisions to consider and implement improvement initiatives. Management speed and effectiveness have improved at all levels. Manufacturing sites now have faster PDCA cycles, greater accuracy through reduced dependence on individual workers, and higher quality, cost, and delivery (QCD). The company is using its growing body of data to enhance the value it delivers to customers and further strengthen operational excellence.

ToPS
TOKATSU PRODUCTION SYSTEM

Data-driven management
Continuous improvement (accelerated PDCA)

Improved QCD
Operational excellence

Nisshin Seifun Group

Promoting generative AI through a cross-group community

The Group has established a Generative AI Community on its internal chat platform to encourage knowledge sharing and promote the use of generative AI across Group companies. Led by the Information Technology Promotion Department of Nisshin Seifun Group Inc., the community supports the introduction and use of enterprise generative AI and builds employees' practical knowledge by sharing the latest information and encouraging active discussions. These activities are establishing the use of generative AI as standard practice and improving the quality of operations throughout the Group.



An AI agent study session in the generative AI community

Nisshin Seifun Group

Strengthening DX talent development as a foundation for future growth

The Group regards the development of DX talent as a key management priority for continuous business transformation. The Human Resources Management Department of Nisshin Seifun Group Inc. pays certification examination fees and provides other support for employees pursuing IT-related certifications. To date, a total of 268 employees have successfully earned professional qualifications. We recruit DX talent each year through a dedicated digital talent course and digital workshops offered as part of our new graduate recruitment program.

Each Group company has dedicated DX teams and leverages external expertise to develop DX talent. The flour milling business provides training programs tailored to employee skill levels and roles, along with an online learning environment that supports self-directed skill development. These initiatives strengthen the Group's ability to drive DX at both the individual and organizational levels.

The Technology and Engineering Division of Nisshin Seifun Group Inc. leads group-wide initiatives in production operations to promote knowledge sharing among Group companies and provide educational opportunities. The Group is also establishing digital skill standards and systematically providing training tailored to individual competency levels. These efforts strengthen the Group's digital capabilities and contribute to its overall competitiveness.

1. Introducing the Nisshin Seifun Group
2. Group Value Creation Strategy
Management Philosophy / Medium- to Long-Term Value Creation Strategy
Message from the President
Value Creation Model
Six Types of Capital
Group Strengths
Financial Strategy
Digital Strategy
3. Value Creation Strategies for Each Business
4. Sustainability Strategy
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Business Strategies

**The Group develops its competitive strategies around four business portfolios comprising its six current businesses.
We will continue investing across the Group in R&D, digital transformation, and other priority growth areas while strengthening collaboration across our businesses to unlock the Group's full competitive potential.**

Business Portfolio Framework

Business Category

- Flour Milling Business
- Processed Food Business
- Yeast, Health, and Biotechnology Business
- Prepared Dishes and Other Prepared Foods Business
- Engineering Business
- Mesh Cloth Business

Views on Business Portfolio



Wheat flour-related ingredients

- **Flour milling (wheat flour, etc.)**
- **Commercial-use premixes**
- **Baker's yeast**
- **Ingredients with functional benefits**

Goals
(Japan) Ensure innovation and appropriate earnings
(Overseas) Enhance competitiveness / expand business



Processed food

- **Processed food**
- **Prepared dishes and other prepared foods**
- **Filling, etc.**

Goals
(Japan) Enhance value / ensure appropriate earnings
(Overseas) Build infrastructure / expand business



Technology expansion approach

- **Biotechnology (diagnostic reagents, culture medium, etc.)**
- **Engineering**
- **Mesh cloths**

Goals
(Japan/Overseas) Expand business / redefine portfolio



Base of the pyramid (BOP)

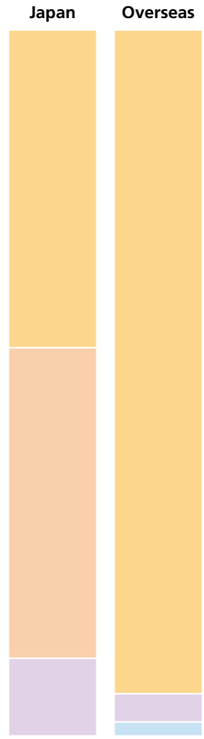
- **India yeast**
- **Expand business into new areas**

Goals
(Overseas) Ensure future growth base

Composition of Net Sales

* Estimated based on FY2026 results

- Wheat flour-related ingredients
- Processed food
- Technology expansion approach
- Base of the pyramid (BOP)



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Business Strategies

Overseas Business

Overseas businesses will play a key role in expanding the Group's operations and building a foundation for future growth.
Overseas sales and operating profit have grown over the medium to long term, and we will continue to invest actively in these businesses to drive further Group growth.

❶ Overseas processed food business

Business expansion in ASEAN

The processed food market in ASEAN continues to grow as urbanization advances. The Group is leveraging the technology and expertise cultivated in Japan to accelerate the development of its premix businesses in Thailand, Vietnam, China, and other countries. In recent years, we have strengthened our ability to offer products tailored to local market needs by broadening our sales reach and collaborating with local food manufacturers.

We are expanding our business in Vietnam by increasing capacity at our premix plant to strengthen the business foundation while further developing our BtoC business. We will continue to develop products tailored to local food cultures and preferences and build the overseas processed food business into one of the Group's growth drivers.

Processed Food Business: Expanding the Product Lineup for the Vietnamese Household-use Market (Page 33)



❷ India yeast business

Building a business foundation in a growth market

India's bakery market continues to expand alongside the country's economic growth and increasingly Westernized diets. The Group began selling baker's yeast with the opening of its local plant in 2022, and the quality and reliable supply of our baker's yeast, backed by technology developed in Japan, have earned a strong reputation and helped steadily expand market share. After rising costs and intensifying competition led to an impairment loss in fiscal 2026, the India yeast business launched a new business plan that is driving steady improvements in business performance and building a solid foundation for future growth in the expanding market.

Yeast, Health, and Biotechnology Business: Strengthening the India Yeast Business Base (Page 34)

❸ US flour milling business

Growing sales with new customers and advancing growth strategies in North America

The US flour milling business has vastly improved its earnings levels under the current medium-term management plan by using its technical expertise and customer support capabilities to secure high sales margins.

We have recently expanded production capacity and made capacity-enhancement investments across all of our operating regions, and we are making steady progress in capturing new demand. Demand in the markets we serve remains strong and these markets offer further growth potential. We are considering new growth investments to further strengthen our presence in the North American market.



The Winchester Plant, potential hub for growth in the North American eastern business region

❹ Australia flour milling business

Reorganizing the earnings structure through appropriate profits and structural reform

Inflation and rising living costs are weighing on consumer spending in Australia, and competition has intensified across the market. We are focusing on sustaining and increasing shipment volumes and passing our higher costs through pricing.

We are strengthening top-line growth by expanding sales of our high-fiber flour, Wise Wheat®, and introducing updated products. We are also continuing product price revisions to reflect higher costs and establish a sustainable pricing structure. At the same time, we are implementing a structural reform plan that includes optimizing our business portfolio to rebuild the earnings structure and put the business back on a growth trajectory.



The Wise Wheat® brand is earning awards for promoting health and is gaining a solid foothold in the market

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Business Strategies

Flour Milling Business

Continuing to evolve as "creators and drivers of food culture" and laying the foundation for the next 100 years



Toshiaki Yokoyama Director and President, Nisshin Flour Milling Inc.

The Company is accelerating its transformation for continually increasing corporate value based on the new "creators and drivers of food culture" corporate concept introduced last year on our 125th anniversary. We are identifying and addressing the priorities that matter most in today's increasingly uncertain business environment to build, together with our customers, a solid foundation for the next 100 years. The strengths and spirit of challenge cultivated throughout our history continue to guide us as we uphold the pride and responsibility that come with our leadership in the flour milling industry.

The business environment is becoming increasingly challenging as raw material, energy, logistics, and labor costs continue to rise. We are responding by implementing price revisions and continuing to improve productivity. The start of operations at the state-of-the-art Mizushima Plant will serve as a catalyst for expanding digitalization and automation across our domestic operations, improving production efficiency, and optimizing staffing. We are also strengthening our sales capabilities by reorganizing our sales structure and creating new markets by developing and proposing high-value-added products, including *Amuleia* high-fiber wheat flour.

In Australia, we will improve profitability through our structural reform plan, which includes optimizing production and logistics flows and revising the product strategy. In the United States, we will accelerate business growth by leveraging the Innovation & Technical Center at the Saginaw Plant to strengthen our customer proposal capabilities and expand production capacity. These initiatives will enable us to generate stable profits and maximize corporate value over the medium to long term.



Amuleia high-fiber wheat flour

Business strategy in the medium-term management plan

As "the world's leading flour milling company creating the future of food," we aim to be a dynamic global company with innovative technology

Japan
- Establish a low-cost production system capable of competing globally (increase large coastal plants from 83% to 92%)
- Secure market share, maintain sales revenue, and strengthen sales of high-value-added products and new materials
- Introduce automation and digital technologies to production plants, further improve operational efficiency and labor savings

Overseas
- Increase revenue and reform the structure of the Australia flour milling business
- Sustain the high earnings and invest in growth for the United States flour milling business
- Explore investment opportunities in new areas

Achievements under the medium-term management plan
- Commenced operations at the Mizushima Plant, featuring state-of-the-art automation and labor-saving technologies
- Steadily revised prices to factor in higher costs amid a challenging business environment
- Strengthened the domestic sales foundation by increasing market share and enhancing customer strategies

Future initiatives
- Increase use of digitalization and automation across production operations to improve production efficiency and optimize staffing
- Strengthen marketing to expand sales of high-value-added products
- Strengthen the supply chain in response to logistics-related regulatory changes
- Implement the structural reform plan to revitalize the Australia business

Topic

Improving productivity with automation and digitalization

We are actively rolling out the automation and digital technologies introduced at the Mizushima Plant and other facilities across our production network to reduce labor requirements and improve production efficiency. We are also accelerating the development and deployment of automation technologies to enable our production lines to operate unattended for specified periods. Overseas, we are advancing structural reforms, including consolidating sites and production, to build an optimal global supply network and improve profitability.



The Mizushima Plant began operations in 2025

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Business Strategies

Processed Food Business

A solid foundation and growth strategy to ensure ongoing growth amid changing market conditions



Takahiko Iwahashi Director and President, Nisshin Seifun Welna Inc.

The Processed Food Business continues to face a challenging operating environment in Japan as a declining population, low birthrate, and aging society reshape the market structure. Consumer preferences are also becoming more diverse, price sensitivity is rising, and raw material, labor, logistics, and packaging material costs are increasing. We are addressing these conditions and building a stronger foundation for sustained growth by transforming the business structure, expanding our localized overseas businesses, and developing new products based on the four axes of authenticity, convenience, ready-to-eat, and health. These initiatives are designed to strengthen our competitiveness, sustainability, and growth potential.

We are responding to rising costs in fiscal 2027 through price revisions and a range of cost reduction measures, including improving productivity and operating efficiency with AI and IoT technology. We are strengthening our domestic business base by leveraging our deep understanding of consumer preferences to develop new products that offer greater added value. In addition, digital technologies are being embedded into our advertising, marketing, and sales activities to increase consumer awareness and value of our corporate and product brands. These efforts will strengthen our earnings base and provide a solid foundation for sustainable growth.

Our overseas businesses are expanding sales of BtoB products, with a main focus on Asia, accelerating BtoC business growth in Vietnam, and pursuing new market opportunities, including developing new sales channels for Quick Cook Spaghetti. We are also tailoring products to regional needs, strengthening sales capabilities, and formulating localized business models to achieve sustainable growth.



The Vietnam production facility was expanded in March 2026 to support steadily growing sales of commercial-use premix products

Business strategy in the medium-term management plan

Strengthening our sustainability, growth potential, and competitiveness, and steadily implementing the three core business strategies

- **Transforming the business structure**
  While developing further added value for our ambient temperature household products, which are our primary revenue base, we will continue expanding business in the growth areas of commercial-use, frozen foods, and overseas operations. We will also build new businesses in areas outside the framework of our existing businesses.
- **Expanding the localized overseas businesses**
  In our overseas operations, we will increase exports of Nisshin Seifun Welna brand products and intensify our focus on local production and BtoC and BtoB sales under our localized business model.
- **Developing new authentic, convenient, ready-to-eat, and healthy products**
  We will deliver safe, reliable, and eco-friendly products that offer customers greater value based on the four axes of authenticity, convenience, ready-to-eat, and health.

Achievements under the medium-term management plan

- Strengthened Vietnam BtoC sales capabilities and product development, enhanced presence by increasing consumer touchpoints
- Enriched long-term customer base by updating Ma•Ma and *Ao no Dokutsu* brands, strengthening consumer touchpoints, and redefining brand value

Future initiatives

- Strengthen ambient and frozen fresh pasta product lineups to offer more in-home consumption choices and further grow the pasta market
- Continue expanding the BtoB and BtoC businesses, primarily in Asia, and enhance the Nisshin Seifun Welna brand market presence to boost exports

Topic

Expanding the product lineup and meeting needs in Vietnamese household-use market

Nisshin Seifun Welna launched new consumer products in Vietnam and expanded its lineup to 22 items in the pasta, frozen pasta, retort sauce, and premix categories. The company introduced Quick Cook Spaghetti and microwaveable products tailored to local preferences and cooking needs and elevated product appeal with the *Nảy Nảy* brand and character-based promotions. These initiatives are building a stronger foundation for growth in Vietnam and reinforcing the company's position as a comprehensive food manufacturer.



Various products developed for the Vietnamese market

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Business Strategies

Processed Food Segment

Yeast, Health, and Biotechnology Business

We are creating value in both deliciousness and health through a variety of food businesses and by delivering high added value in the bio and health-related fields



Hideo Arai Director and President, Oriental Yeast Co., Ltd.

The food business develops and supplies baker's yeast, fillings, mayonnaise, and other ingredients to customers ranging from bread and confectionery companies to prepared dish makers and restaurant operators. Overseas, since subsidiary Oriental Yeast India commenced operations of a new plant in 2022, it has been increasing sales by expanding its business in India's growing bread market and increasing its product proposals for local bakeries. The company plans to use its growing market presence to improve profitability as it continues to grow its business by revising its pricing and to reduce manufacturing and logistics costs.

The bioindustry business is leveraging proprietary technologies to expand overseas sales of its diagnostic and other reagents, culture media, and contract testing services for preventive medicine and medical science applications. The business is also broadening its services in cell-culture related fields.

In fiscal 2027, we will take over Nisshin Pharma's healthcare foods business and evolve it into a new business. We will apply the company's research advances and ingredient development capabilities in health-related fields, continue developing the BtoB business, and increase customer touchpoints by strengthening direct-to-consumer (DtoC) sales channels. We will also enhance our product value with functional food ingredients to establish the business as a pillar of medium- to long-term growth. These initiatives will further enhance our corporate value and help us continue earning the support of our business partners and stakeholders.



Oriental Yeast brand baker's yeast

Business strategy in the medium-term management plan

- In the food business, we will strengthen the business base centered on baker's yeast and improve profitability by deepening our presence in the bread, prepared dish, and restaurant markets and by developing and expanding overseas markets for our products in India and elsewhere. We will also refine our pricing strategy and improve production and logistics efficiency to facilitate growth and improve profitability.
- In the bioindustry business, we will establish a new business in the preventive medicine field by advancing biomarker discovery and developing measurement technologies for substances that indicate aging, such as advanced glycation end-products (AGEs). We will also build a business foundation in high-growth fields by continuing to strengthen and expand our high-value-added businesses providing raw materials for diagnostic and other reagents, culture media, and contract testing services.
- In the healthcare foods business, we will leverage the business foundation inherited from Nisshin Pharma and our own ingredient development and research capabilities to launch full-scale operations. While continuing to develop the existing BtoB business, we will increase customer touchpoints by strengthening direct-to-consumer (DtoC) sales and enhance the added value of functional materials with the aim of positioning the business to be a driver of medium- to long-term growth.

Achievements under the medium-term management plan

- The food business achieved steady growth by developing new markets and deepening its presence in existing markets in Japan
- The bioindustry business built a foundation for its biomarker business by securing patents in fields related to AGEs and launching related measurement kits
- The food business reorganized its two-site flour paste production system by closing the Saitama Plant, increasing production efficiency and profitability
- The bioindustry business integrated the Oriental Bio Service operations and improved profitability across its facilities, strengthening its earnings base and enhancing its competitiveness

Future initiatives

- The food business will refine market-specific strategies focused on the bread and confectionery, rice product, and noodle markets, win new customers through comprehensive proposals in all product categories, and generate sustainable growth in sales and profit
- The bioindustry business will accelerate growth by strengthening next-generation drug discovery technologies and contract services, expanding overseas sales channels, and consolidating facilities to improve efficiency
- The healthcare foods business will enhance its competitiveness in the nutraceutical field by combining the inherited business foundation and our own company's strengths and expanding its sales channels

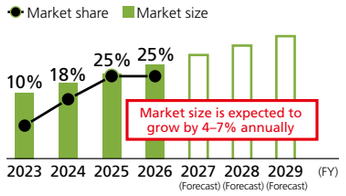
Topic

Expanding market share to strengthen the India yeast business base

The India yeast business has captured approximately 25% of the baker's yeast market by steadily expanding sales in the country's bread market since its plant began operations in 2022. The business aims to continue capturing market share while steadily revising product prices, further lowering manufacturing costs, increasing ethanol yeast sales, introducing high-value-added products, and expanding into adjacent fields to improve profitability and strengthen its business base.

Market Share and Market Size

(Nisshin Seifun Group research)



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Business Strategies

Prepared Dishes and Other Prepared Foods Business

Restructuring is the starting line for faster growth: Integrated operations will generate synergies and build a more resilient Prepared Dishes and Other Prepared Foods Business



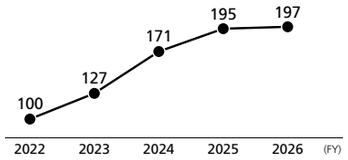
Atsuji Kawada Director and President, Tokatsu Foods Co., Ltd.

We expect the domestic market for prepared dishes and other prepared foods to grow as the number of dual-income and single-person households increases and as more people choose to "retire from preparing meals" at home. The industry is also facing an intensifying labor shortage and sharply rising raw material, energy, logistics, construction, and labor costs. These conditions demand quick responses to both opportunities and challenges. We have restructured our business operations and organization under a unified model to improve our ability to respond swiftly to these market changes and accelerate growth.

Tokatsu Foods absorbed intermediate holding company Nisshin Seifun Delica Frontier through a merger and became the core company leading our business. The new structure enhances business management; accelerates strategy development and execution; strengthens coordination across development, production, and sales; and boosts frontline capabilities. Unified operations enable us to consistently provide safe and reliable products under our quality-first approach while we advance our DX strategy and improve productivity. These initiatives have nearly doubled operating profit per employee in four years and steadily strengthened our earnings base.

The organizational restructuring builds on these achievements and will extend initiatives throughout the Tokatsu Foods Group. The Group will also strengthen its production base, optimize its business portfolio, and build an operating structure that is even more resilient to changing business conditions. We will harness the market expansion and evolve into a highly profitable Prepared Dishes and Other Prepared Foods Business that is resilient to external volatility and that will enhance corporate value over the medium to long term.

Tokatsu Foods operating profit per employee* (FY2022 = 100)



*Operating profit divided by the number of employees at the beginning of each fiscal year.

Business strategy in the medium-term management plan

Strengthen the business base under the new structure and advance initiatives in growth domains

- Enhance business management through Tokatsu Foods-centered integrated operations
  - Directly oversee operating companies to accelerate decision-making from strategy development through execution
- Improve the fixed-cost structure by optimizing the production network
  - Reorganize and consolidate production sites to improve operating efficiency
- Improve productivity and business management through DX
  - Deploy management and productivity systems tailored to specific business and manufacturing characteristics across the Tokatsu Foods Group
- Create high-value-added products by leveraging Group R&D capabilities
  - Apply the Nisshin Seifun Group's ingredient and processing technologies to develop differentiated products
- Establish the frozen food business as a second pillar of growth
  - Use the new plant to increase frozen prepared food production capacity and enhance product development capabilities

Achievements under the medium-term management plan

- Achieved steady growth in net sales and profit (growing approximately 20% and 80% from the FY2022 levels, respectively)
- Became the first DX-certified Business Operator in the prepared food industry (September 2023)
- Established an integrated operating structure centered on Tokatsu Foods through an absorption merger of Nisshin Seifun Delica Frontier
- Reorganized plants in the Kanto region and began construction of a new Nomura Foods frozen food factory in Kyoto to build frozen prepared foods into the second pillar of growth (total project cost: approximately ¥8.0 billion)

Future initiatives

- Begin assessing ways to leverage the strengths of each Tokatsu Foods Group company to strengthen the production base and build an optimal production system
- Use the new Nomura Foods plant as the base for expanding frozen prepared food sales when operations begin in June 2027
- Leverage Group R&D capabilities to accelerate the commercialization of research outcomes

Topic

New Nomura Foods plant strengthens the frozen prepared food business

The new Nomura Foods plant will strengthen the frozen prepared food business as the second pillar of growth. The plant, engineered and equipped for automation and for mass production of high-value-added products, will be a strategic hub for future business growth and overseas expansion. The plant will provide the foundation for accelerating product development by leveraging local specialty vegetables produced in Kyoto Prefecture and incorporating new technologies to drive medium- to long-term profit growth.



Total construction cost: Approximately ¥8 billion
Production capacity: 18 million meals per year
Expected start of operations: Around June 2027

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Business Strategies

Others Segment

Engineering Business

Building the foundation for innovation in DX engineering to drive sustainable growth



Takahiro Goto President, Nisshin Engineering Inc.

Our plant engineering business is benefiting from a favorable operating environment. Its dependence on large-scale projects, however, not only creates growth opportunities but also exposes earnings to volatility. We are addressing this risk by refining our core powder technology and plant construction capabilities and leveraging our ability to work closely with users from the initial planning stage to develop proposals from their perspective. This involvement enables us to shape projects from inception and create new opportunities.

We are using DX to further develop our engineering processes and enhance our proposal capabilities and productivity. We are optimizing our project portfolio and diversifying our customer base by deepening our presence in the food sector and expanding into non-food fields. We are also developing talent that will be the foundation for stable and sustainable growth and continuing to enhance our corporate value over the medium to long term.

Business strategy in the medium-term management plan

- Establish DX engineering (thorough digitalization of all business processes)
- Improve proposal skills, develop digital human resources, and accumulate and share proprietary technologies and expertise
- Cultivate existing areas and expand into other areas, including non-food factories, in the plant business
- Use our world-class powder technology to expand sales in the equipment and powder processing businesses

Achievements under the medium-term management plan

- Improved operating efficiency and design quality by digitalizing group-wide operations and using 3D design systems (3D CAD/BIM)
- Strengthened our technical capabilities and expanded our project range by developing engineers through professional certification and external training
- Expanded the earnings base by increasing sales in existing fields and entering non-food and other new markets

Future initiatives

- Expand the use of 3D design systems (3D CAD/BIM) and AI to improve design, procurement, and knowledge management efficiency
- Strengthen engineer development to increase organizational competitiveness and reinforce the core business earnings base
- Build plants that enhance business continuity by incorporating environmental designs, including equipment that uses natural refrigerants, and technologies aimed at achieving net zero energy building (ZEB) status

Mesh Cloth Business

Using our unique high-density mesh technologies to become a world-leading material company helping to create prosperous lifestyles and improve the global environment



Tetsuya Kaji President, NBC Meshtec Inc.

Our mesh technologies originated in sieve meshes for flour milling and have continued to evolve since our founding. Our product applications have expanded from sieve meshes to printing screens and filters for automobiles and home appliances. Our materials and products now support decarbonization-related businesses through applications such as mesh for hydrogen production equipment and electrode printing for solar cells. Our offerings help customers and society address challenges on the path to carbon neutrality.

NBC Meshtec is a world-leading materials company helping to create prosperous lifestyles and improve the global environment. We are taking steps to maximize our corporate value into the long term by continuing to strengthen our manufacturing technologies, expand production capacity, and invest in and develop engineering talent.

Business strategy in the medium-term management plan

- Raise sales and increase earnings by developing and expanding sales of differentiated high-performance products in each growth market segment
- Strengthen cost competitiveness and optimize domestic and overseas production systems
- Contribute to resource recycling, environmental protection, and Group sustainability by advancing decarbonization, including converting plants to hydroelectric power generation sources and expanding the use of solar panels at our plants

Achievements under the medium-term management plan

- Increased shipments of high-performance products, including metal mesh for solar cells, semiconductor materials, mesh for hydrogen production equipment, and molded automotive filters for PHEVs, HEVs, BEVs, and FCVs. Contributed to sales expansion in growth markets
- Stabilized supply and increased production capacity by strengthening overseas production sites such as those in Indonesia and Thailand
- Lowered electricity consumption and advanced toward zero CO_2 emissions by using hydroelectric and solar power generation equipment

Future initiatives

- Further enhance our technical capabilities, maintain and strengthen the production system to provide a stable supply of high-quality products and expand sales in growth markets
- Strengthen the synthetic fiber production base in Indonesia and plastic molding product production bases in Kikukawa and Thailand while improving cost competitiveness
- Strengthen development and production capabilities and advance technological innovation to meet growing demand for high-density mesh cloth with advances in solar technology

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Sustainability Initiatives

Activity structures

The Sustainability Committee, which is chaired by the President of Nisshin Seifun Group Inc. and made up of the presidents of other Group companies, was established to promote sustainability activities by the Group. In principle, the Committee meets twice each year to monitor progress on important sustainability priorities identified in our materiality, including the medium- to long-term environmental targets formulated in 2021. It also deliberates on new sustainability-related issues, etc., as well as policies and strategies to address these issues.

In addition, it oversees and facilitates the activities of three subsidiary organizations—the Environment Committee, the Human Rights Promotion Committee, and the Work Style Reform Committee—which coordinate group-wide initiatives relating to individual issues, such as climate change responses, respect for human rights, and the improvement of employees' working environments. Together, these committees work to strengthen sustainability initiatives by the Nisshin Seifun Group.

Important matters relating to sustainability in the Nisshin Seifun Group are reported to and discussed by the Group Executive Meeting and then reported to the Board of Directors. The Board reviews and confirms progress on sustainability initiatives from various perspectives, including risk avoidance and mitigation, the maximization of opportunities, and tradeoff assessment.

Identifying our materiality

We have identified sustainability priorities (materiality) for the Nisshin Seifun Group with the aim of focusing our efforts on social issues that are extremely significant for our stakeholders and have the greatest impact on our business activities. The sustainability priorities will be reviewed regularly to reflect changes in the social environment.



Topics discussed by the Sustainability Committee in fiscal 2026

- Recent sustainability and ESG trends in Japan and overseas
- Natural capital and biodiversity risks, strategic utilization
- Sustainable and responsible raw material procurement initiatives
- Roadmap for reducing CO_2 emissions, progress toward medium- to long-term targets relating to environmental issues
- Measures to drive human resource strategies (productivity improvement, organizational improvement based on engagement surveys, DEI initiatives, etc.)
- Progress on human rights due diligence, future human rights priorities

Process for identifying priority issues

With the assistance of experts, we have identified approximately 60 issues using the procedures outlined below. These have been condensed into five sustainability priorities.

Step 1

Examine issues based on international norms and surveys of environmental, social, and governance (ESG) rating organizations.

We compiled a list of candidate issues, with reference to the GRI standards, ISO26000, evaluation items used by ESG rating organizations, case studies from other companies, and other information.

Step 2

Organize the issues by analyzing value chains.

We identified issues in the value chains for key businesses by ascertaining the status of processes, procured goods, and workers through interviews with business divisions and factory visits.

Step 3

Assess stakeholder interest.

We rated stakeholder interest on three levels (high, medium, low) based on assessments by ESG rating organizations, questions from NGOs, and other information.

Step 4

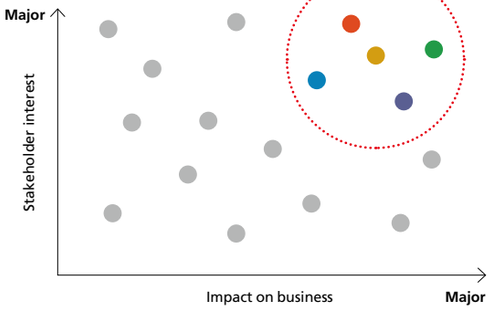
Assess the potential impact on our business.

Using the same methodology as the assessment of stakeholder interest in Step 3, we rated issues on three levels according to their impact on business and arranged them on the materiality matrix chart on the right.

Sustainability Priorities (Materiality)

- Provide safe and healthy food and responsible consumer communication
- Enable secure and sustainable raw material procurement
- Efficiently handle product and packaging waste
- Address climate change and water resource issues
- Provide working environments that are healthy and fulfilling

Materiality matrix



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Sustainability Priorities (Materiality)

Sustainability Priorities (materiality)
https://www.nisshin.com/english/sustainability/principles_management/materiality.html

Sustainability priorities	Priority themes	Approaches and targets	Risks and opportunities	Progress in FY2026	Areas contributing to the SDGs
Provide safe and healthy food and responsible consumer communication	Ensuring food safety	**Implement quality assurance from the viewpoint of consumers and continually strengthen the quality assurance system** • Acquire and maintain certification for food safety management systems	**Risks** • Loss of social reputation and stakeholder confidence due to quality-related incidents or other issues • Loss of growth opportunities due to delays in responding to the health needs of consumers **Opportunities** • Gaining the trust of consumers through the supply of safe, reliable products • Creation of opportunities through the enhancement or development of products based on consumer feedback • Expansion of business opportunities linked to rising health consciousness	• Certification of food safety management systems: 98% Certification progress https://www.nisshin.com/english/safety/authentication.html • Periodic audits of the quality assurance systems at all Group business sites and contracted factories (Japan: 60 sites, including 38 contracted sites; overseas: 22 sites, including 5 contracted sites) • Provision of quality assurance training for around 5,700 employees	12, 2, 3
	Responsible consumer communication	**Provide fair and responsible consumer communication** • Conduct advertising activities that consider ethics, human rights, and the environment • Promote measures to increase consumer engagement		• Cooperated in the production of *Komugiko no Himitsu* (The Secrets of Wheat Flour), Vol. 232 of a series of educational *manga* for elementary school students published by Gakken Inc. • Commenced the progressive disclosure of nutritional and allergen information for retail consumer products on the Nisshin Seifun Welna website.	
	Contribution to healthy diets	**Research and develop health functions of food ingredients, primarily focused on wheat, such as its effectiveness in preventing metabolic syndrome and promoting brain functions and anti-aging**		• Demonstrated, through collaborative research with the National Institutes of Biomedical Innovation, Health and Nutrition (NIBN), the importance of consuming diverse fermentable dietary fibers for gut microbiota improvement, confirming the potential effectiveness of high-fiber wheat flour as an intake method.	
Enable secure and sustainable raw material procurement	Ensuring stable wheat procurement	**Establish sustainable procurement of wheat, our primary raw material** • Understand that climate change, biodiversity, and exploitation of human rights are having an impact on wheat procurement, and thus implement mitigation and adaptation measures	**Risks** • Impact of climate change or other factors on our ability to procure wheat • Procurement problems or impairment of corporate value due to environmental or human rights issues in our supply chains • Slowdown or disruption of supplies of raw materials due to natural disasters, epidemics, or geopolitical risks, such as conflicts **Opportunities** • Creation of structures to support stable supplies of safe, reliable products and services	• Continued to investigate the impact of climate change and sustainable agriculture on wheat production under the 4°C and 1.5°C scenarios, and worked toward the sustainable procurement of wheat through partnerships with growers and other approaches. Analysis results and initiatives **(Pages 40–41)** • As one of our sustainable wheat procurement initiatives, including partnerships with wheat producers, we have signed a business partnership agreement with the HOKUREN Federation of Agricultural Cooperatives and have started to explore initiatives toward the sustainable development of agriculture in Hokkaido and the reliable supply and procurement of Hokkaido-grown wheat. (Nisshin Flour Milling Inc.)	2, 14, 15
	Sustainable raw material procurement	**Promote responsible procurement activities based on fair and ethical transactions** • Enforce the Responsible Procurement Policy • Strengthen supply chain management		• Formulated the Nisshin Seifun Group "Sustainable Palm Oil Procurement Guidelines" and the NBC Meshtec Group "Minerals Procurement Guidelines" based on the "Responsible Procurement Policy." • Completed the first round of CSR procurement self-assessments across all business operations, monitored the status of human rights due diligence initiatives, continued to address high-risk/priority issues.	
Efficiently handle product and packaging waste	Food waste reduction	**Reduce food waste and contribute to realizing sustainable food systems** • Reduce food waste, from the procurement of raw materials to the delivery of products to customers, by 50% or more compared with the fiscal 2017 level by 2030*1, *2 • Work with our partners to reduce food waste at all supply chain stages Note: Scope of reduction: Production and distribution by-products and waste that are not suitable for use as food and are processed through thermal recycling, volume reduction, landfill disposal, or incineration, etc.	**Risks** • Higher compliance costs resulting from changes to or strengthening of laws and regulations relating to waste and resource recycling • Loss of stakeholder confidence due to delays in actions to reduce waste and recycle resources **Opportunities** • Efficiency improvements and cost reductions resulting from waste reduction initiatives • Expansion of business opportunities through the development of environmentally responsible products	• Food waste in fiscal 2026: 1,071 tons (60% reduction compared with the base year)*3 • Ongoing efforts to shift from thermal recycling to material recycling (feed and fertilizer production, fermentation, reuse, etc.) • Launched the "*Pasta de Mirai* Upcycle Project" to uncover new potential and utilize pasta that would otherwise become food loss, such as pasta scraps and items affected by packaging damage during transport. (Nisshin Seifun Welna)	12, 14
	Reducing packaging waste	**Promote the 3Rs (reduce, reuse, and recycle) + renewables with our partners at all supply chain stages** • Reduce the amount of fossil fuel-derived plastics used by at least 25% compared with the fiscal 2020 level by 2030*2 • Promote plastic recycling, such as by using environmentally friendly package designs • Increase the use of sustainable packaging materials, such as biomass plastics, recycled plastics, recycled paper, and FSC®-certified paper		• Use of fossil fuel-derived plastics in fiscal 2026: 4,946 tons (18% reduction compared with the base year)*3 • Reduction of use of fossil fuel-derived plastics, including the use of thinner plastic packaging and paper and biomass materials, and the reduction of product sizes while maintaining content volumes • Eco-friendly packaging design measures, such as the use of biomass inks and FSC-certified paper	

*1 Initio Foods Inc., Joyous Foods Co., Ltd., and Tokatsu Foods Co., Ltd., compared to fiscal 2020 *2 Group companies in Japan *3 Excluding the Kumamoto Flour Milling Group and Kyushu NF Foods Co., Ltd.

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Sustainability priorities	Priority themes	Approaches and targets	Risks and opportunities	Progress in FY2026	Areas contributing to the SDGs
Address climate change and water resource issues	Climate change adaptation and mitigation	**Introduce energy-saving technology and promote the use of renewable energy, and contribute to realizing a decarbonized society** • Reduce CO_2 emissions from Group-owned facilities to net zero by 2050 • Reduce CO_2 emissions from Group-owned facilities by 50% compared with the fiscal 2014 level by 2030 • Reduce CO_2 emissions across our supply chains **Strengthen resilience against increasingly severe natural disasters** • Take steps to protect major domestic flour milling plants, including tidal surge protection and seismic strengthening	**Risks** • Increased intensity and frequency of natural disasters, rising temperatures, and water shortages that could impact our ability to operate production sites and affect procurement of raw materials • Increased costs relating to regulations, including carbon taxes • Loss of stakeholder confidence due to a slow response to climate change and water problems **Opportunities** • Expansion of business opportunities through increased demand for sustainable, environmentally responsible products and services	• Fiscal 2026 CO_2 emissions: 363,000 tons (26% reduction compared with the base year)*6 • Large-scale capital investment to achieve targets in a CO_2 reduction roadmap, and adoption of internal carbon pricing (ICP) • Ensured sustainable operations at the Mizushima Plant of Nisshin Flour Milling, which became operational in fiscal 2026, by securing 100% renewable electricity on a net basis and implementing business continuity planning (BCP) measures against earthquakes, liquefaction, storm surges, and other natural disasters. • Transitioned to multimodal logistics on a trial basis in Hokkaido, partly replacing truck transportation with rail to address driver shortages and lower environmental impacts, as part of a joint distribution initiative involving six food manufacturers (including Nisshin Seifun Welna) and the logistics firm F-LINE.	13, 7, 6
	Water resource conservation	**Work with our partners to ensure effective utilization of water at all stages of our supply chain** • Reduce the amount of water used in plants per unit of production by 30% compared with the fiscal 2022 level by 2040*4 Note: Halving of water use in regions where there is a high risk of water supply problems in the future		• Water use per unit of production in fiscal 2026: 1.05 m^3/t (4% reduction compared with the base year)*7 • Reassessment of water risk and stress at production site	
Provide working environments that are healthy and fulfilling	Respect for diversity	**Respect humanity and diversity, and create workplaces that consider work-life balance** **March 2027 targets*5** • Percentage of management positions held by women: 15.0% • Percentage of female employees returning to work after childbirth (retention rate one year after returning to work): 100.0% • Percentage of male employees taking childcare leave: 100.0% • Percentage of eligible male employees taking parental leave for one month or longer: 50.0%	**Risks** • Labor shortages caused by reduced competitiveness in the recruitment market and the loss of existing employees • Impact on business continuity due to increases in occupational accidents and heightened employee health risks **Opportunities** • Employee retention through the improvement of work motivation and job satisfaction • Innovation and corporate growth resulting from the activities of diverse human resources	• Percentage of management positions held by women: 14.6% • Percentage of female employees returning to work after childbirth (retention rate one year after returning to work): 95.2% • Percentage of male employees taking childcare leave: 109.3% • Percentage of eligible male employees taking parental leave for one month or longer: 46.3% • Established an ally community and hosted events to foster greater understanding and awareness of LGBTQ issues.	8, 5
	Cultivation of human resources	**Cultivate human resources so each person can grow and fulfill their potential** • Cultivate next-generation business managers • Develop the skills of technical personnel in specialized fields • Cultivate human resources with global perspectives		• Training programs for next-generation managers (62 participants) • Facilitation of participation in IT-related qualification courses as part of training for DX personnel (qualifications obtained by 54 employees) • Program to train human resources with global perspectives (14 participants, total of 45 alumni transferred overseas as of June 2026)	
	Employee working environments and health	• Continuously strengthen occupational health and safety management activities (zero occupational accidents) • Promote workstyle reform • Promote health management by implementing measures based on these three pillars: work environment, personal physical care, and mental healthcare		• Regular in-house occupational health and safety audits implemented at all Group business sites (implemented at 34 sites, including 12 overseas sites) • Occupational accidents are analyzed and issues identified, and equipment safety measures and safety education are conducted. • Leveraged the potential of the IoT, AI, and robotics to automate a wide range of operations at the Nisshin Flour Milling Mizushima Plant, which became operational in fiscal 2026. • Walking campaigns (twice in fiscal 2026) designed to encourage employees to take regular exercise • Redevelopment of office environments including the construction of the new Yoga Office (provisional name) to support diverse workstyles	

*4 All Group companies in Japan and overseas *5 Scope: Nisshin Seifun Group Inc., Nisshin Flour Milling Inc., Nisshin Seifun Welna Inc., Nisshin Seifun Premix Inc., Oriental Yeast Co., Ltd., Nisshin Engineering Inc., NBC Meshtec Inc., Nisshin Grain Silo Inc., Nisshin Associates Inc.
*6 Excluding Kyushu NF Foods Co., Ltd. *7 Excluding Oriental Yeast India Pvt. Ltd., the Kumamoto Flour Milling Group and Kyushu NF Foods Co., Ltd.

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Initiatives Based on the TCFD Recommendations

In August 2021, the Nisshin Seifun Group expressed its support for the TCFD recommendations and announced its participation in the TCFD Consortium, which transitioned to the GX Future Consortium in April 2026.
In 2021, we performed qualitative scenario analyses of the Flour Milling Business, the Processed Food Business, and the Prepared Dishes and Other Prepared Foods Business.
Based on the results of an assessment of financial impacts on key domestic businesses in fiscal 2024, we will take steps to enhance business continuity, including actions to address climate change and sustainable raw material procurement initiatives. We will also foster dialogue with stakeholders through our disclosure activities.

TCFD framework

Disclosure items recommended by the TCFD	Activities by the Nisshin Seifun Group	
Governance	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 actions on these risks under our management system is the Director and President of Nisshin Seifun Group Inc., the Group holding company, as the top management executive. We have established a Sustainability Committee chaired by the President of Nisshin Seifun Group Inc., with the presidents of Group companies serving as members. The role of this Committee is to verify progress on identified sustainability priorities (materiality), including initiatives formulated in 2021 for addressing medium- to long-term targets for environmental issues, and to deliberate on and verify policies and strategies regarding new issues pertaining to sustainability. The Sustainability Committee has established the Environment Committee as a subcommittee and supervises and facilitates its activities. Chaired by the Division Executive of the Technology and Engineering Division, who is a Managing Executive	Officer, the Environment Committee is responsible for the management of environmental issues, as well as the drafting of medium- to long-term environmental targets, and the management and assessment of progress toward the targets. Important matters are discussed and reviewed by the Group Executive Meeting and other relevant meetings, and are then reported to the Board of Directors. 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 fiscal 2026, it submitted a yearly progress report on initiatives to reduce CO_2 emissions, which are a key climate-related indicator, and the CO_2 emissions reduction roadmap. Furthermore, as an incentive for efforts to address climate change, we opted to reflect evaluations pegged to progress toward the achievement of CO_2 emissions reduction roadmap targets in bonuses for internal Directors (excluding directors who are also members of the Audit & Supervisory Committee).
Strategy	In fiscal 2022, we carefully discussed the impact of climate change under long-term 1.5°C and 4°C scenarios for 2050 and measures to address those scenarios. It is possible that business could be impacted significantly, both under the 1.5°C scenario due to regulatory measures, such as an increase in the carbon price, and under the 4°C scenario due to the increased frequency and intensity of extreme weather events and increasing risks relating to the sourcing of raw materials and water. In relation to short and medium-term risks arising from the increased frequency and intensity of extreme weather events, we are implementing disaster prevention measures and improving facilities to withstand storm surges and other events, based on hazard analyses and safety timelines (Disaster Prevention Action Plans) for each operation site. 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. We also aim to make further	progress on efforts to address climate change through collaboration with producers, research organizations, and government agencies. 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 for environmental issues, such as the reduction of CO_2 emissions, water use, food waste, and packaging waste based on the 1.5°C and 4°C scenarios. In fiscal 2024, we conducted a detailed analysis of the potential effects of long-term (2050) and medium-term (2030) climate-related risks, including the financial impact, on our Flour Milling, Processed Food (excluding Nisshin Pharma Inc.) and Prepared Dishes and Other Prepared Foods Segments in Japan. We will continue to work proactively to strengthen the adaptive capacity and resilience of our business operations. **Fiscal 2026 analysis results (Page 41)**
Risk management	As an organization committed to the appropriate management of environmental issues relating to our business operations, we have established an Environment Committee, while individual Group companies have appointed environmental management coordinators and established environmental management committees in response to inherent environmental issues relating to their respective activities. The Risk Management Committee, which is made up of the presidents of Group companies under the chairmanship 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. In addition, the Sustainability Committee oversees progress on actions in response to these risks. Progress on the analysis of climate-related scenarios to determine climate-related risks is as described in the strategy.
Metrics and targets	The Nisshin Seifun Group has established four medium- to long-term targets for the reduction of CO_2 emissions, food waste, packaging waste, and water use as indicators for its efforts to mitigate and adapt to climate change and reduce environmental impacts. The Environment Committee regularly reviews progress toward these targets and takes systematic action toward their achievement.	Our CO_2 emissions reduction KPIs are aimed at limiting the global average temperature increase to 1.5°C, in line with the target in the Paris Agreement. **Progress toward medium- to long-term environmental targets (Pages 42-43)**

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Initiatives Based on the TCFD Recommendations

Results of TCFD scenario analysis (including a detailed analysis of the financial impact of significant risks)

Impact of major climate change-related risks on the domestic Flour Milling Segment, Processed Food Segment (excluding Healthcare Foods Business), and the Prepared Dishes and Other Prepared Foods Segment

Risks and opportunities			Impact of major climate change-related risks		Countermeasures
Item	Main category	Sub-category	Impact on business	Financial impact	
Transitional risks	Policies/regulations	**Carbon price increases**	A higher carbon price would cause wide-ranging cost increases in such areas as raw materials, manufacturing, and logistics. We need to enhance our sustainable transition plans and response actions.	The carbon price burden will increase by an estimated ¥4.5 billion by 2030. *1 An estimate based on a scenario in which CO_2 emission reduction efforts stagnate and emissions remain at around the fiscal 2023 level *2 Calculations based on the NZE Scenario (net zero emissions by 2050) published in International Energy Agency's World Energy Outlook 2022	• Net zero CO_2 emissions by 2050, 50% reduction by 2030 (compared with the fiscal 2014 level) • Initiatives under the CO_2 emissions reduction roadmap, including increased use of renewable energy, energy-saving measures, and the improvement of production efficiency • Investment based on the use of internal carbon pricing (ICP) →Reduction of the financial impact to around ¥2.5 billion (2030) (reduction of the carbon price burden by around ¥2.0 billion through these initiatives)
		Restrictions on plastics	Cost increases resulting from a transition to sustainable containers and packaging designed to facilitate the cyclical use of plastic resources	—	• Reduce the amount of fossil fuel-derived plastics used in containers and packaging by 25% compared with the fiscal 2020 level by 2030. • Transition to environmentally responsible containers and packaging. • Increase use of sustainable packaging materials, including biomass plastic.
Physical risks	Acute	**Increasing intensity of extreme weather events (opportunity losses, including disruption of operations due to water-related disasters, such as tidal surges and floods)**	The increasing size of typhoons and severity of rainstorms will lead to an increase in the frequency of water-related disasters and their impacts on production sites and logistics operations. We need to enhance our preparedness through business continuity planning (BCP), and to strengthen our countermeasures.	Net sales reduced by up to ¥600 million per disaster * Estimate prepared with reference to past disasters affecting the Nisshin Seifun Group, using projected inundation depths based on local government hazard maps	• Enhancement of BCP countermeasures based on hazard analyses, expansion of collaboration among business sites • Reinforcement of buildings and facilities against tidal surges (e.g., installation of flood barriers based on projected inundation levels at production sites) • Enhancement of preparedness for major power outages or requests for long-term reductions in power usage (e.g., use of emergency generators, fuel stockpiling)
	Acute	**Increased frequency of droughts**	Decreased agricultural yields due to multiple climate-related factors could affect the stability of raw material procurement and result in sharply higher procurement costs		
	Chronic	**Rising average temperatures, changing rainfall patterns** **Outbreaks of insect pests and infectious diseases**	**Impact on wheat as a key raw material** The following is an analysis of how wheat would be affected by rising temperatures and adaptation measures under 4°C and 1.5°C scenarios. **4°C scenario** While rising temperatures would reduce yields in low-latitude regions where temperatures are already high, yields would increase due to improvements in the suitability of land for wheat growing in high-latitude regions, where yields are currently limited by low temperatures. On a global basis, average yields would continue to rise. **1.5°C scenario** There would be a transition to agriculture with a focus on sustainability, such as measures to reduce agriculture-related greenhouse gas emissions and restore soil. The transitional phase would be likely to bring lower yields and high costs. However, yields would recover or increase in the period to 2050. We believe that the possibility of substantial increases in yields in major wheat-producing countries is low in the medium- to long-term future. However, long-term forecasts about supply and demand and procurement costs for food, including wheat, are subject to uncertainties. Furthermore, analyses of wheat procurement risks relating to climate change need to take into account not only yield fluctuations and costs under each scenario, but also other factors, such as the impact of droughts on trade volumes and quality. Medium- to long-term wheat procurement risks cannot be ignored. We need to take steps to mitigate or adapt to climate change, including support for the development of new strains in collaboration with growers and research organizations, and the exploration of new growing areas with a focus on sustainability.		• Continuous research on the impact of climate change and natural disasters on wheat • Support for the development of wheat strains capable of tolerating high temperatures and droughts in collaboration with growers and research organizations • Exploration of growing areas and procurement of wheat with a focus on sustainability • 50% reduction of food waste by 2030 (compared with the fiscal 2017 level; compared with the fiscal 2020 level for Tokatsu Foods Co., Ltd., Initio Foods Inc., and Joyous Foods Co., Ltd.) • Diversification of suppliers and discovery of alternative raw materials
		Sea level rises	Increased frequency of storm surges, leading to the expansion of inundation damage at production sites.	—	• Reinforcement of buildings and facilities against tidal surges (e.g., installation of flood barriers based on projected inundation levels at production sites) • Comprehensive assessment of flooding risks when establishing new plants
		Increased water procurement risks at production sites	Operational disruptions due to water procurement problems at production facilities in watersheds affected by water shortages	—	• Reduce the amount of water used in plants per unit of production by 30% compared with the fiscal 2022 level by 2040. • Implement water conservation and recycling and other initiatives at plants. • Carry out detailed water procurement risk assessments when establishing new plants.

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Addressing Climate Change and Water Resource Issues

The Nisshin Seifun Group's medium- to long-term targets for environmental issues include the achievement of carbon neutrality by reducing CO_2 emissions to net zero by 2050, the reduction of CO_2 emissions by 50% by 2030 (from the fiscal 2014 level), and the reduction of water usage at production sites by 30% by 2040 (compared with the fiscal 2022 level). We will continue to pursue related initiatives across the entire Nisshin Seifun Group.

Reducing CO_2 emissions

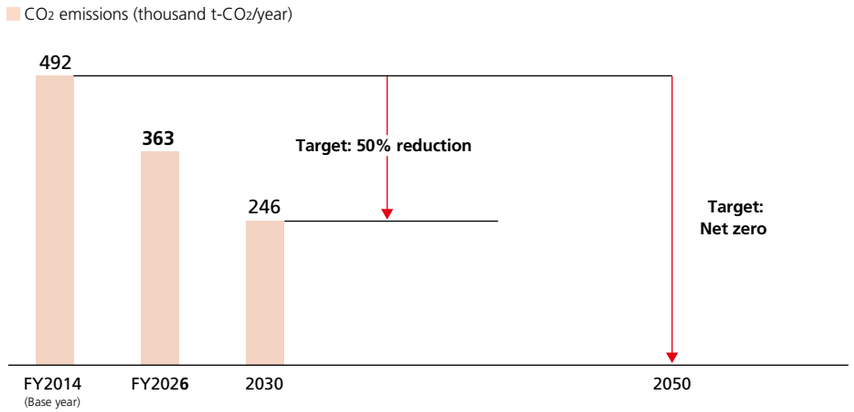
The Nisshin Seifun Group is working to achieve its medium- to long-term environmental targets by reducing energy consumption at its business sites and shifting to energy sources with low CO_2 emissions. Higher group-wide production volumes pushed CO_2 emissions up in fiscal 2026; however, improved production efficiency following the start of full-scale operations at Nisshin Flour Milling's Mizushima Plant helped to curb CO_2 emissions. Other factors that contributed significantly to emission reductions included the introduction of solar power generation systems and renewable energy, as well as the transition to CO_2-free electricity plans across multiple domestic and overseas sites. At some sites, we have also achieved net zero CO_2 emissions through the use of non-fossil certification as evidence that the electric power used is not generated using fossil fuels.

As a result of these initiatives, CO_2 emissions have been reduced by 26% compared with the base year.

CO_2 emission reductions based on medium- to long-term environmental targets

We will implement comprehensive energy-saving measures and introduce renewable energy in the period to 2030 based on our roadmap. We also anticipate further expansion of fuel conversion options and the emergence of new technologies. After 2030, we will continue to work toward carbon neutrality by 2050.

Note 1: Figures for fiscal 2026 are preliminary and have not undergone third-party verification. The verified figures will be published on our website.
Note 2: Target values for CO_2 emissions in the base year and 2030 have been revised to reflect the expansion of the calculation scope to include the Kumamoto Flour Milling Group.
Note 3: Kyushu NF Foods Co., Ltd. is not included in the scope of the calculations.



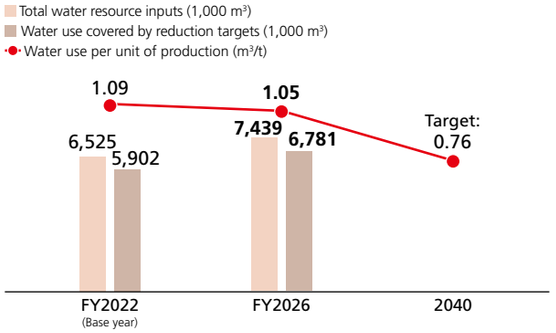
Medium- to long-term environmental targets
https://www.nisshin.com/english/sustainability/environment/target.html

Efficient use of water

The Nisshin Seifun Group aims to ensure efficient utilization of water resources by monitoring water usage and the status of wastewater management systems at all of its production sites. We have set water usage reduction targets according to risk levels based on future water stress forecasts at all of our production sites in Japan and overseas.

In fiscal 2026, water consumption increased compared with the base year due to the expansion of the group-wide scope for the reduction of water use, as well as increased production of products with high water usage. We will continue our efforts to improve the efficiency of water use across the entire group.

Water resource inputs and water use per unit of production based on medium/long-term environmental targets



Note 1: Figures for total water resource inputs in fiscal 2026 are preliminary and have not undergone third-party verification. The verified figures will be published on our website.
Note 2: Initiatives based on separate reduction targets are being pursued at Oriental Yeast India, the Kumamoto Flour Milling Group, and Kyushu NF Foods, which became group companies after the base year.

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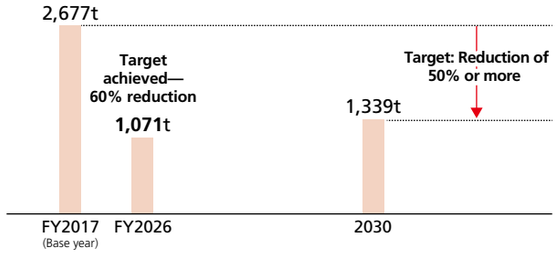
Reduction of Food Waste and Packaging Waste, Effective Resource Utilization

The Nisshin Seifun Group is contributing to the creation of a recycling-oriented society through its initiatives to utilize resources more efficiently. In Japan, the Group as a whole and individual Group companies have emitted zero production waste since fiscal 2014.
We will continue working to reduce food waste throughout the supply chain, reduce the amount of packaging materials used for our products, and promote the effective use of resources throughout the Group in line with our medium- to long-term environmental targets.

The Nisshin Seifun Group defines food waste as production and distribution by-products and waste that cannot be used in food and are processed and disposed of through thermal recycling, landfill disposal, incineration, and other means. In addition to our efforts to reduce the amount of waste generated by production processes, we are also reviewing our disposal methods and proactively adopting material recycling systems. We achieved our food waste reduction target ahead of schedule in fiscal 2024. We also achieved our target for the Group in fiscal 2026. We aim to lower environmental impacts still further through our ongoing efforts to reduce food waste at business sites where the targets were achieved.

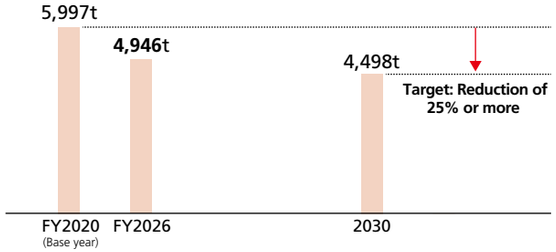
We have also been working to reduce the environmental impact of containers and packaging materials through initiatives starting at the packaging design and R&D stages, including the reduction of the amount of plastics used. We will continue to target reductions in the use of fossil fuel-derived plastics through a shift to biomass plastics and paper packaging, packaging simplification, and other measures. Our goal is to introduce eco-friendly packaging while ensuring product safety.

Food waste reduction (Group companies in Japan)



Note 1: Food waste reduction efforts target: Food waste that is processed and disposed of through thermal recycling, volume reduction, landfill disposal, incineration, etc.
Note 2: Fiscal 2020 was selected as the base year for the Prepared Dishes and Other Prepared Foods business.
Note 3: The Kumamoto Flour Milling Group and Kyushu NF Foods Co., Ltd. are not included in the scope of the results.

Reduction of packaging materials (Group companies in Japan)



Scope: Amount of fossil fuel-derived plastic used by Group companies in Japan
Note: The Kumamoto Flour Milling Group and Kyushu NF Foods Co., Ltd. are not included in the scope of the calculations.

Nomura Foods Co., Ltd.

Initiatives to prevent food waste



Founded in 1978, Nomura Foods specializes in manufacturing *Kyo-no-Obanzai*, which are traditional side dishes popular in Kyoto-style home cooking. In 1987, the company pioneered frozen New Year's dishes (*Osechi*) and has since made frozen side dish products its main business. By freezing and processing seasonal domestic ingredients at the optimal times, Nomura Foods reduces wastage of surplus and non-standard produce, thereby ensuring reliable product supplies while also supporting primary industries. The company is helping to reduce food losses by efficiently utilizing surplus items generated during the manufacturing process to provide its high-quality, affordably priced *Obanzai* at its *Kyosaimi Nomura* restaurants. Food losses are further reduced by selling discounted products that are still safe and good to eat via frozen vending machines installed at its headquarters. Through these initiatives, the company has created an environment where consumers can easily participate in efforts to reduce food losses. Nomura Foods received the Minister of Agriculture, Forestry and Fisheries Award at the Excellent Food Service Industry Awards in recognition of its contributions to the reduction of environmental impacts and its support for regional agriculture.



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Initiatives Aimed at Natural Capital and Biodiversity (Information Disclosure Based on the TNFD Recommendations)

The business activities and products of the Nisshin Seifun Group rely on the blessings of nature. Recognizing that our raw materials, including wheat, depend heavily on ecosystem services and natural capital, we have engaged in environmental conservation through both our business operations and corporate social responsibility initiatives. In December 2025, we endorsed the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum, which supports its activities. Moving forward, we will evaluate our relationship with natural capital alongside associated risks and opportunities, identify priorities, and advance appropriate countermeasures while expanding our natural capital-related disclosures in line with the TNFD disclosure framework.

Governance

The Nisshin Seifun Group works to conserve and sustainably utilize natural capital, including biodiversity and water resources, under its Environmental Basic Policy. Ultimate responsibility for these efforts rests with the President of Nisshin Seifun Group Inc.

Matters relating to natural capital are discussed and reviewed by the Sustainability Committee, which is chaired by the President of Nisshin Seifun Group Inc. Members include presidents of Group companies. The Environment Committee, a subcommittee of the Sustainability Committee, oversees the management of environmental matters, including natural capital.

We are currently evaluating our dependencies and impacts on natural capital, as well as associated risks and opportunities. The results are discussed and reviewed by the Group Executive Meeting and other relevant meetings, and important matters are then reported to the Board of Directors.

Nature-related issues are considered across our entire supply chains, with a focus on our philosophy concerning respect for human rights and responsible procurement.

Strategy

We analyzed our external environment using the LEAP approach recommended by the TNFD for target areas with high dependencies and impacts on nature across our business activities and value chains, in order to identify nature-related risks and opportunities and link them to sustainable business operations. This analysis is summarized in the diagram below. Based on the relationship between our business activities and nature, we evaluated dependencies on natural ecosystems that require close monitoring, together with potential impacts on the ecosystems concerned.

The analysis covered areas around flour mills operated by our core flour milling business, as well as major production regions for wheat, which is a key raw material, and palm oil, which has high dependencies and impacts on nature.

Going forward, we will use the results of this analysis and our TCFD evaluations to identify material nature-related risks and opportunities. We will then explore appropriate countermeasures, metrics, and targets.

Analysis of potential nature-related risks in locations and regions where business activities interface with nature

Results of analysis of potential nature-related risks in locations and regions where business activities interface with nature*1

Target countries by business segment

Wheat growing	USA/Canada/Australia/Japan
Flour milling	Japan/USA/Australia/Others
Palm oil	Indonesia/Malaysia

Regions/business sites with significant potential risks*2

Target business segments	Dependencies on nature (nature→businesses)				Impacts on nature (businesses→nature)			
	Biological resources	Water	Soil	Climate	Water resource utilization	Soil/freshwater utilization	Emissions to water and soil	Pressures on ecosystems
Wheat growing: Total of 15 regions	USA/Australia/ Japan	USA/Australia	USA/Australia/ Japan	USA/Australia/ Japan	USA/Australia/ Canada/Japan	USA/Australia/ Canada/Japan	USA/Australia/ Canada/Japan	USA/Australia/ Canada/Japan
Flour milling: Total of 27 sites	—	USA/Australia/ Canada/Japan, etc.	—	USA/Australia/ Canada/Japan, etc.	USA/Australia/ Thailand /Japan, etc.	—	Australia/ Thailand/Japan, etc.	—
Palm oil: 6 regions	Indonesia/ Malaysia	—	Indonesia/ Malaysia	Indonesia	Indonesia/ Malaysia	Indonesia/ Malaysia	Indonesia/ Malaysia	Indonesia/ Malaysia

Main results and insights

- In major wheat and palm oil producing regions, it is critical to monitor dependencies on biological resources and soil that support production activities, as well as impacts that these activities have on nature, such as water resources, land, and ecosystems.
- In regions around flour mills, it is critical to monitor dependencies on water and weather factors that affect manufacturing, as well as the impacts of water resource usage during the manufacturing process.

Strategic directions for initiatives

- In major wheat and palm oil producing regions, we ensure sustainable procurement through cooperation with growers and participation in support frameworks.
- In regions around flour mills, we reduce impacts on water resources through systematic approaches to reduce water use, including water conservation and recycling in production facilities.

*1 Evaluation of dependencies and impacts on nature based on the TNFD-recommended LEAP approach
*2 ENCORE, WRI Aqueduct, WWF Biodiversity Risk Filter, WWF Water Risk Filter, etc.

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Sustainable raw material procurement

Building sustainable supply chains through responsible procurement

For the Nisshin Seifun Group, agricultural products such as wheat, which are blessings of nature, are an indispensable resource that is essential to our business. We recognize that, in ensuring a stable supply of wheat into the future, rising average temperatures, changes in rainfall patterns, and the increasing frequency of extreme weather events resulting from climate change may have a serious impact. In addition, from the perspective of sustainable raw material procurement, efforts to lower the negative impacts on biodiversity caused by production activities that prioritize efficiency, as well as to address human rights issues within the supply chain, represent an important social responsibility that we must fulfill. We will continue to promote responsible procurement by responding appropriately and promptly to these environmental and social challenges.

Sustainable wheat procurement

Two overseas companies, Allied Pinnacle Pty Ltd. (Australia) and Miller Milling Company, LLC (U.S.A.), are working in partnership with growers to promote sustainable agriculture, including the reduction of greenhouse gas emissions from farmland, improving soil health through natural ecosystem processes, and fostering beneficial practices for farmers. Within Japan, Nisshin Flour Milling Inc. has signed a business partnership agreement with the HOKUREN Federation of Agricultural Cooperatives and has started to explore initiatives for the sustainable development of agriculture in Hokkaido and the reliable supply and procurement of Hokkaido-grown wheat.



Sustainable palm oil procurement

Palm oil derived from the fruit of oil palm trees is widely used across various industries. The Nisshin Seifun Group uses palm oil in various products, such as shortening for premixes. Concerns have been raised about deforestation and human rights issues associated with palm plantation development and production in certain regions.

To promote the responsible procurement of sustainable palm oil based on respect for the environment and human rights, Nisshin Seifun Group Inc. became a member of the Round Table on Sustainable Palm Oil (RSPO) in 2026. Through our RSPO membership, we will further promote sustainable palm oil initiatives across our operating companies and subsidiaries in Japan and overseas.

Biodiversity conservation

We are working with the Nature Conservation Society of Japan (NACS-J) to achieve nature positivity.

The Nisshin Seifun Group has joined the Nature Conservation Society of Japan (NACS-J) and is collaborating with that organization to preserve biodiversity and foster a nature-positive society.

As part of the "Parent and child nature schools" program hosted by NACS-J, we have been participating since fiscal 2025 in an initiative to convert fallow rice paddies into wetlands through mud play activities. Through this program, children learn about the vital importance of the natural environments of *satoyama* (traditional rural landscapes). The mud play concludes with a search for wildlife. By visualizing biodiversity gains—such as through year-on-year comparisons of wildlife populations—participants gain a tangible sense of the impact achieved through their efforts.

We are continuing to drive conservation and restoration activities targeting paddy ecosystems in the Fuzawa rice fields (0.01 ha), which are located in an area designated as a high-priority zone in Tadami Town, Fukushima Prefecture. In fiscal 2026, there were a cumulative total of 112 participants, including local residents and visitors from outside the town.

This initiative is recognized as contributing to the achievement of targets under the Kunming-Montreal Global Biodiversity Framework (GBF). The Nisshin Seifun Group has been awarded "Nature-Positive Contribution Certificates" jointly issued by NACS-J and Tadami Town in recognition of our work in fiscal 2025 and again in fiscal 2026.



Nature-Positive Contribution Certificate


Wetland restoration activities and *satoyama* biodiversity search

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A changing business environment and the challenge of improving corporate value

The speed and scale of change in the Nisshin Seifun Group's business environment are exceeding all expectations. To maximize the Group's long-term corporate value in this era, we must further strengthen the business base that we have built over the years and harness all aspects of our corporate behavior and organizational management to the enhancement of our business competitiveness in order to realize our inherent competitive potential.

Cultivating people with initiative

People are the key to realizing these goals. Through our human resources strategy, we are continuously working to foster individuals who embrace challenges on their own initiative—people who can detect signs of change, proactively identify issues, engage with those around them, and lead the creation of new value.

The Nisshin Seifun Group is systematically recruiting and nurturing people with these attributes through its appointment, training, and deployment systems. We also provide opportunities for people to realize their full potential by working in important roles and growth areas.

Building stronger organizational foundations to support new challenges

At the same time, value creation translates most directly into tangible results when the organization fosters an environment where individuals with diverse experiences, expertise, and values can stimulate one another and leverage their respective strengths. The Nisshin Seifun Group regards DEI promotion and the development of a workplace environment that balances job satisfaction with ease of working not just as one-off measures or add-on systems, but as a vital management foundation for flexibly adapting to change and supporting ongoing challenges.

Integrated approach to enhancing human and organizational potential

The Nisshin Seifun Group pursues a human resources strategy based on the dual perspectives of enhancing human potential and raising organizational potential. Our approach to enhancing human potential focuses on the recruitment, development, and utilization of people who take on challenges on their own volition and drive value creation. We enhance our organizational potential by creating environments, a corporate culture, and systems that enable diverse talent to leverage their respective strengths and translate challenges more directly into tangible results. We see the integrated pursuit of these initiatives as the path to unlocking the potential of each individual and driving the sustainable enhancement of the Group's business competitiveness.

Human resources strategy for the realization of business strategies

Enhancing human potential

Recruit and develop people who take the initiative in tackling challenges and drive the enhancement of business competitiveness and value creation, and enable these people to realize their full potential.

Enhancing organizational potential

Work to develop environments, a corporate culture, and systems that enable diverse talent to take pride in their roles and continuously unleash their capabilities.

Human resource strategy measures

❶Strengthen recruitment	❷Strengthen development capabilities	❸Strengthen HR utilization capabilities	❹Reform human resource management systems	❺Strengthen organizational foundations
Enhance personnel quality and quantity	Strengthen development of human resources who will drive company growth	Strengthening the group-wide use of human resources	Transitioning to systems that reward initiative and contribution	Building stronger organizational foundations to support new challenges

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Dual perspectives for our human resources strategy

The Nisshin Seifun Group pursues a human resources strategy based on the dual perspectives of improving personal potential and boosting organizational potential. We monitor progress under these measures, using KPIs geared toward continuous improvement.

* Scope of targets: Nisshin Seifun Group Inc., Nisshin Flour Milling Inc., Nisshin Seifun Welna Inc., Nisshin Seifun Premix Inc., Oriental Yeast Co., Ltd., Nisshin Engineering Inc., NBC Meshtec Inc., Nisshin Grain Silo Inc., Nisshin Associates Inc.

❶ Strengthen recruitment

Enhance personnel quality and quantity

To strengthen the potential of our existing businesses and further enhance our business competitiveness, we need individuals who will embrace challenges on their own initiative and can detect signs of change—people who can proactively identify issues, engage with those around them, and lead the creation of new value. The Nisshin Seifun Group is working to enhance its ability to attract the necessary talent in terms of both quantity and quality through initiatives to enhance its recruitment competitiveness.

Enhancing our recruitment competitiveness

Our recruitment system for new graduates is based on integrated group-wide hiring, combined with job-specific and business-specific track recruitment. This approach is designed to leverage the Group's comprehensive strengths and optimize placement and development. Furthermore, we have established various internship tracks that further enhance our touchpoints with students. At the same time, we are strengthening our brand potential in the recruitment market through the enhancement of our recruitment website and the use of external media to share information outside of the Group. We use various methods to recruit experienced people, including recruitment agencies, direct scouting, referral hiring through current employees, and alumni hiring programs that leverage connections with former employees. By welcoming talent with diverse external experience and expertise, we combine new perspectives with our existing knowledge to drive business transformation and create new value.

Support for rapid onboarding and early realization of strategic potential

We are strengthening our onboarding processes to enable new hires to adapt quickly and reach their full potential. First, we are clarifying workflows through standardization, documentation, and simplification to build an environment where anyone can easily learn and master their tasks. Additionally, we run various programs designed to support retention and the early realization of strategic potential. For example, new employees undergo training at the Nisshin Seifun Museum, which deepens understanding of the Group's history and founding values. We also help new employees to build internal networks through participation in career cohort groups.

The Nisshin Seifun Group also prioritizes retention of employees who have been with us for a significant period and are building a deeper understanding of their roles and the workplace. To drive continuous improvement across all stages from recruitment to retention to the realization of productive potential, we have set the retention rate after 4–6 years of service as a KPI.

New employee retention rate (4-6 years after hiring)

Result (fiscal 2026): 68.2%*1 Target (fiscal 2027): 75.0%

*1 Average retention rates for employees hired in fiscal 2018–2020

❷ Strengthen development capabilities

Strengthen development of human resources who will drive company growth

Our approach to employee development focuses on three tiers—executive leadership, domain specialists for growth areas, and operational change agents. We provide capacity development opportunities that enhance conceptual thinking, technical expertise, and execution capabilities.

Next-generation leadership development

We run business manager training programs designed to develop next generation management leaders. In addition to the maintenance of a pool of potential in-house successors, we also operate a four-stage cycle that begins with the selection of candidates for business manager training. The second stage is education, including participation in outside courses. The third stage is education based on action learning, and the fourth and final stage is utilization through appointment to important positions.

We are expanding our successor pool and developing talent through the expansion of our educational programs, including the Nisshin Manager's Advanced Program (N-MAP), which is our main in-house training program for next-generation management candidates, as well as participation in external courses in Japan and overseas. We recognize the reinforcement of middle management as an important priority. This is reflected in initiatives to expand the management candidate pool, including the introduction of a two-year management skill enhancement program for newly appointed managers and others.

Participants in business manager training programs

Result (fiscal 2026): 62

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Training specialists for growth areas

To create new value in growth areas, such as overseas expansion and the development of new markets, we need to develop people with digital skills and the ability to leverage technology to drive everything from process efficiency to business model transformation, as well as employees with global business skills who can expand our international operations as a key growth driver for the Group.

To build baseline digital skills across our workforce, we conduct group training on the use of digital technologies for employees in their third year after recruitment as new graduates. We strengthen the execution capabilities of specialists working in DX teams by encouraging employees to earn relevant certifications (such as the IT Passport) and complete project management training, while honing programming skills through hands-on project work. To raise DX literacy across the entire company, we stream in-house digital learning videos and are building an environment where employees can continuously use various applications, BI tools, and digital documentation software.

We have introduced a practical training program to help candidates for overseas leadership roles to develop global business skills. Participants acquire the English communication skills required for management roles in overseas subsidiaries, as well as leadership skills and mindsets. We have also continued to help employees to improve their English skills through self-improvement support programs.

Persons passing IT-related exams*1

Result (fiscal 2026): 54

Persons participating in global business skills training*2

Result (fiscal 2026): 14 (cumulative total: 121)

*1 IT-related exams are exams administered by the Information-technology Promotion Agency (IPA), including the IT Passport Examination, the Fundamental Information Technology Engineer Examination, and the Information Security Management Examination.
*2 As of June 1, 2026, 45 alumni had been assigned to overseas business sites.

Support for autonomous learning

We actively support autonomous learning with the aim of fostering continuous personal growth and motivating employees to learn independently, think for themselves, and take up new challenges. We are expanding elective training programs, self-development initiatives, and online learning content to offer a wider variety of learning opportunities and methods tailored to individual career trajectories and roles. Through these efforts, we aim to build a framework where individual skill development directly enhances our overall organizational competitiveness.

Investment in education and training

Result (fiscal 2026): ¥501 million
Training hours per employee: 21.0 hours

❸ Strengthen HR utilization capabilities

Strengthening the group-wide use of human resources

The most important step toward maximizing the value of the people that we hire and train is to provide opportunities to gain experience and achieve growth in key roles and growth areas through effective deployment and utilization. The Nisshin Seifun Group is implementing the following measures to help individual employees build experience and facilitate optimized deployment across the entire organization.

Personnel exchanges within the Group

To help early- and mid-career employees look at their career paths from a medium- to long-term perspective, we promote group-wide talent exchanges and systematic job rotations. We also offer internal job posting programs for business units that require reinforcement, giving employees the opportunity to broaden their perspective and boost engagement through experiences in different businesses and workplaces, while driving group-wide human resource synergies. By enabling employees to take on new roles proactively, we balance individual professional growth with enhanced organizational agility.

Using talent management systems

To strengthen our talent utilization, we are accumulating, developing, and visualizing employee data under a centralized talent management system. By enhancing our analytical capabilities using dashboards and other tools, we track candidates for key positions, refine position management, and drive optimized deployment alongside structured talent development.

❹ Reform human resource management systems

Transitioning to systems that reward initiative and contribution

Our human resource management system is a vital foundation for the Nisshin Seifun Group's human resources strategy. We are updating this system to create an empowering framework that will reflect the current environment and ensure that proactive, challenge-oriented employees will be fairly recognized and rewarded according to their initiatives and contributions.

System reform policy

We are overhauling our grading, evaluation, and compensation systems from a medium- to long-term perspective. We are transitioning away from age- and experience-based practices toward a framework that emphasizes job roles, results, and

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organizational contributions. Beyond ensuring that employees who show initiative are fairly evaluated and helped to realize their growth potential, we are also enhancing organizational efficiency and making our human resources policies easier to understand.

As part of these efforts, we will revise our managerial framework in October 2026. We will eliminate traditional skill-based job grades (*shokuno shikaku*) and transition to a purely role-based grading system. Uncoupling advancement from age and length of service will encourage employees to take on broader responsibilities and facilitate assignments in high-growth areas. At the same time, this framework will create pathways for both organizational managers and people with advanced specialist skills to excel.

5 Strengthen organizational foundations

Building stronger organizational foundations to support new challenges

To enable proactive, challenge-oriented employees to continue realizing their full potential, we need to combine individual professional development with the development of an organization where diverse talent can leverage their unique strengths, inspire one another, and grow together. The Nisshin Seifun Group is actively strengthening its organizational foundations to cultivate such an environment.

Combining productivity with a positive work environment

Initiatives to improve operating efficiency and working environments include office layout updates and business process innovation through the introduction of IT systems and generative AI. We are also actively curbing excessive working hours by restricting the times for sending non-urgent internal emails, bringing forward office departure times, and setting annual paid leave targets. Through these initiatives, we are creating an environment where employees can focus on higher-value tasks and improve both productivity and work-life balance.

DEI initiatives

The Nisshin Seifun Group approaches DEI not simply in terms of system compliance and equality of opportunity, but as business infrastructure that is vital to continuing generation of new value. We are further strengthening our DEI efforts by moving beyond traditional human rights awareness activities to accelerate initiatives focused on gender equality and LGBTQ understanding. In addition to rolling out the interactive Crossroad Diversity Game across the Group, we conducted an internal diversity survey to gauge real-world employee perspectives and explore future improvements. As part of our commitment to closing the gender gap, we also hosted a talk event featuring guest experts. Our LGBTQ initiatives include the establishment of an ally community*1 and the expansion of employee benefit eligibility to include same-sex partners.

*1 An ally is an individual who understands and supports the LGBTQ community.

Supporting career continuity and expanding opportunities

We are creating an environment in which diverse talent can maximize their potential and thrive throughout their careers, regardless of life stage or personal values.

To help employees to balance major life events—such as childbirth, childcare, and caregiving—with their careers, we have expanded flexible working options. Enhancements include the broadening of eligibility for care leave, the extension of eligibility for reduced working hours to include caregivers, the application of the flextime system to part-time workers, the expansion of the system that allows workers to stipulate working locations, and the introduction of a spousal relocation leave system. We are also building a supportive culture that encourages male employees to take an active role at home. Furthermore, we have made female empowerment a strategic pillar as we work to strengthen our talent pipeline from hiring through to management and executive leadership.

Percentage of management positions held by women

Result (fiscal 2026): 14.6% Target (fiscal 2027): 15.0%

Parental leave indicators

Percentage of female employees returning to work after childbirth (retention rate one year after returning to work)

Result (fiscal 2026): 95.2% Target (fiscal 2027): 100.0%

Percentage of male employees taking childcare leave

Result (fiscal 2026): 109.3% Target (fiscal 2027): 100.0%

Percentage of eligible male employees taking parental leave for one month or longer

Result (fiscal 2026): 46.3% Target (fiscal 2027): 50.0%

* Figures may exceed 100% because the calculation includes both male employees whose children were born during the fiscal year and those whose children were born in prior fiscal years but took parental leave during the current fiscal year

Health management

Our efforts to realize our human resources strategy include health and productivity management initiatives designed to ensure that every employee remains physically and mentally healthy and can perform at their full potential. Under a structure led directly by the President, we have established key performance indicators (KPIs) across three core pillars—the working environment, physical care, and mental health care. Key initiatives include the expansion of post-examination follow-ups, the enhancement of consultation services provided by occupational health professionals, and the delivery of lifestyle disease prevention programs. Additionally, by sharing health information and encouraging participation in various initiatives, we help employees to build health awareness and proactively take charge of their own well-being.

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Corporate Management Based on Respect for Human Rights

The Nisshin Seifun Group regards respect for human rights as the foundation for its business activities and manages its operations on the basis of respect for the human rights of all stakeholders, both within and outside of the Group.

Commitments relating to human rights

The Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines contain specific provisions relating to human rights. In 2018, we brought in outside advisors to assist with the formulation of a Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights. That policy, which was put into effect after its approval by the Board of Directors, applies to Nisshin Seifun Group Inc. and its consolidated subsidiaries, as well as to our business partners and all other parties involved in our business operations.

Every December we run a "Human Rights Week" program, during which the President of Nisshin Seifun Group Inc. issues messages emphasizing the importance of respect for human rights. We also work to improve understanding about human rights through seminars attended by all officers and employees. We have also formulated the "Responsible Procurement Policy" and our "Request to Our Valued Suppliers" (supplier Guidelines), under which we work to ensure that our Group policies are understood and put into practice by suppliers as our business partners.

Human rights promotion structure

Our human rights promotion structure includes the Human Rights Promotion Committee, which is made up of directors in charge of the HR and Labor Planning in operating companies and chaired by the Executive Officer in charge of the Human Resources & Labor Relations Division of Nisshin Seifun Group Inc. We have also established a Diversity Promotion Office within the Human Resources Management Department of the Human Resources & Labor Relations Division of Nisshin Seifun Group Inc. to ensure appropriate action in response to various human rights issues. In addition, Human Rights Promotion Committees have been established within Group companies. These committees monitor progress on initiatives and share views. Important matters relating to human rights are also put forward for discussion at Sustainability Committee meetings, the Group Executive Meeting, or Board of Directors meetings.

Human rights due diligence

We carry out human rights due diligence in order to identify and assess human rights risks that could be impacted by our business activities and to identify important issues requiring prioritized action.

In June 2021, we began to implement human rights due diligence activities covering the Flour Milling, Processed Food, and Prepared Dishes and Other Prepared Foods Business, which account for large shares of our sales in Japan. In November 2022, we expanded the scope of these activities to include the Engineering Business, Yeast, Health, and Biotechnology Business, and Mesh Cloth Business.

Nisshin Seifun Group Inc. monitored these activities and confirmed that all businesses were progressively taking action to address high-risk issues that had been identified. We will continue to address significant risks and serious issues.

Human rights impact assessment process

Step 1

With the cooperation of outside experts, we conduct hearings for related units in such areas as production, development, procurement, logistics, and administration in each business segment. We identify human rights risks in each of our operating companies and its supply chain, taking business characteristics into consideration.

Step 2

We identify high-risk items by creating risk maps with the seriousness of each human rights risk on one axis and the potential for occurrence on the other. Worker health and safety and the human rights of foreign workers (technical intern trainees, specified skilled workers, etc.) are regarded as priority risk items.

Step 3

We consider and implement specific countermeasures to lower the risk level of any high-risk items identified.

Human rights due diligence processes



Human rights initiatives (Detailed description of each process)
https://www.nisshin.com/english/sustainability/social/human_rights.html

Examples of group-wide major human rights risks

Existing and potential risk items identified through the human rights impact assessment process (Step 2)

- **Hazardous tasks / occupational accidents**
- **Violations of human rights of foreign workers**
- **Occupational safety and health management for logistics company workers**
- **Long/extended working hours or continuous work without days off by employees (including employees of suppliers), bribery or other corrupt practices**
- **Risks that our products and services could harm the health of consumers**
- **Harassment of workers**
- **Discriminatory language in advertising**
- **Leakage of personal information**
- **Impact of plant closures or relocations on employment**
- **Inadequate human rights education for non-regular workers.**

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Corporate Management Based on Respect for Human Rights

Reasons for the prioritization and initiatives to address these risks

Flour Milling Business | Processed Food Business | Prepared Dishes and Other Prepared Foods Business | Engineering Business | Yeast, Health, and Biotechnology Business | Mesh Cloth Business

Key issue	Actions	Businesses covered
1) Worker safety and health **Main reason for prioritization** Because the Nisshin Seifun Group operates manufacturing plants, there is a risk that health and safety could be directly impacted by hazardous tasks or occupational accidents, etc. **2) Human rights of foreign workers** **Main reason for prioritization** We need to take prioritized action in relation to the human rights of foreign workers in our own plants (especially in the prepared dishes and other prepared foods segment) and those of subcontracting plants and suppliers, because of the high social importance of this issue and because of the need to embrace diversity.	**Occupational accidents**	
	• Implementation of PDCA cycles based on the Health and Safety Management Policy • Audits by Nisshin Seifun Group Inc. of operating companies in Japan and overseas (FY2026: 34 sites) • Identification of issues through analyses of occupational accidents, expansion of equipment-related countermeasures and safety education activities to address accidents that were judged to be particularly serious, such as entrapment and entanglement in machinery and fall accidents involving older workers • Provision of seniority-based occupational safety and health training (attended by 214 people in fiscal 2026) Occupational safety and health **https://www.nisshin.com/english/sustainability/social/employee/safety.html**	
	Supplier management	
	• Actions to correct excessive working hours through regular dialogue with logistics companies	
	• Compliance surveys to identify excessive loading or other issues at logistics companies	
	• Dissemination of the Responsible Procurement Policy and Supplier Guidelines to key domestic primary suppliers for all Group businesses, completion of first round of CSR procurement self-assessment surveys (assessment items: human rights and labor, employment formats, the environment, etc.) • Continuous dialogue, including feedback about findings and site visits, to inform the companies concerned about issues and remind them of the importance of safety initiatives in cases where improvements are needed in the operations of suppliers • Number of suppliers surveyed: cumulative total: 566	
	Working environment	
	• Use of multilingual signage and illustrations to help foreign workers understand hazardous locations and equipment • Creation of multi-language manuals and notices, provision of interpreters (for key languages) • Screening of occupational safety videos in multiple languages • Seminars on human rights and the management of foreign workers presented by outside experts at individual companies	
	Monitoring and assistance	
	• Implementation of third-party CSR audits (in some plants producing prepared dishes and other prepared foods) • Creation and administration of an assistance channel in the form of a structure capable of conveying issues to corporate management while protecting the privacy of people seeking assistance (e.g., an improvement suggestion box)	
	Raising human rights awareness among foreign workers	
	• Creation of Chinese, Vietnamese, Indonesian, Thai, and Turkish language versions of our human rights policy, distribution of copies to our overseas business sites to promote awareness and assimilation of the human rights policy	

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Building a governance structure to enhance management transparency and effectiveness

We are implementing governance reforms at the group management level with the goal of maximizing corporate value through a redesign of our management infrastructure.
Katsuhiro Totsuka, Executive Officer and Division Executive of the General Administration Division, sat down with Outside Director Mieko Tomita to discuss her insights on our initiatives to date and key priorities going forward.



Transitioning to a monitoring board

Totsuka Today, we'd like to hear your views on our efforts to strengthen our corporate governance framework from your perspective as an Outside Director. First of all, in June 2026 we transitioned from a traditional management board to a monitoring board structure with a majority of Outside Directors. What's your view of this transition?

Tomita I see the recent shift toward a leaner Board of Directors where the majority are Outside Directors as highly significant from the viewpoint of strengthening our oversight and advisory functions. Outside Directors were already providing active input and engaging in robust discussions with management at our Board meetings, so I see this transition as a clearer affirmation of how our Board has actually been operating. By retaining Inside Directors with deep operational knowledge while having Outside Directors constitute a majority, this shift will enable us to engage in even more dynamic discussions from an objective standpoint, while maintaining a healthy distance from executive management. Ultimately, this will also enhance the transparency of decision-making processes.

The role of the Board of Directors is evolving in step with

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the increasing volatility of the business environment, driven by geopolitical risks, raw material price fluctuations, and supply chain uncertainties. The Board must now proactively engage in and oversee key strategic areas, including capital efficiency and growth strategy. With the growing importance of the Board's responsibilities, we need to move beyond deliberations on a wide range of matters toward in-depth discussions on carefully selected agenda items along the lines of risk responses and medium- to long-term management priorities such as overseas expansion. We are confident that this structural reform will free up more time for discussions from broader, long-term perspectives, ultimately resulting in a more effective and impactful Board of Directors.

Totsuka By transitioning toward a monitoring board, we aim to strengthen the Board's supervisory role. However, that will also require ongoing communication between the oversight side and the executive team.



As an Outside Director, what is your approach to maintaining an appropriate distance from management? What are your views on the appropriate depth for monitoring?

Tomita Under the monitoring board model, Directors need to focus their oversight on three key areas: policies, risks, and results, rather than getting involved in the fine details of day-to-day business operations. At the same time, we need to understand frontline conditions and the context behind decision-making through ongoing dialogue with executive management, so that we can improve the accuracy of our oversight.

In that sense, I strive to maintain an appropriate distance while stepping in without hesitation where necessary. For instance, on agenda items concerning major investments or overseas operations, I examine the validity of underlying scenarios and risk responses from multiple angles to ensure the rationality of business decisions. Furthermore, our Outside Directors actively voice their opinions in Board meetings based on their respective expertise and experience. I feel that we have a shared strong awareness of the role we must fulfill as Outside Directors.

Building a relationship based on a clear division of roles between the Board of Directors and the executive management team while remaining aligned in the same direction is essential to enhancing our effectiveness as a monitoring board.

Totsuka The focus of debate over the revision of the Corporate Governance Code has shifted to an emphasis on substantive effectiveness rather than the creation of formal structures, further heightening the importance of enhancing the effectiveness of the Board of Directors. As part of these efforts, we have strengthened the secretariat functions of the Board Meeting Administration Office, which was previously part of the General Administration Division, by placing it under the direct oversight of the President. This allows agendas to be set with greater flexibility and according to the President's intentions. From your perspective, what are the priorities in terms of elevating the quality of Board discussions, and what do you expect with regard to secretariat functions?

Tomita In my role, I am keenly aware of the importance of objectively evaluating the assumptions and deliberative processes that lead up to business decisions. Rather than simply assessing the validity of a final conclusion, I believe that we need to focus on how the key issues were framed and the depth of the analysis—particularly regarding risk identification and mitigation—and to raise questions whenever necessary. For that, the information that we receive from management must be both appropriate and sufficient. It is not just a matter of increasing the volume of information. We also need issues to be presented in a well-structured format that allows us to dedicate more time to substantive discussions. The strengthening of secretariat functions is highly encouraging, and I look forward to further improvements in the quality of agenda setting and board materials. I believe that building these foundations will pave the way for even higher-quality deliberations.

Totsuka We are determined to meet these expectations through ongoing initiatives to enhance the Board's supervisory role, including improvements in the Board Meeting Administration Office's approach to agenda setting and providing information to directors.

Empowering women and advancing diversity

Totsuka Let's talk next about our initiatives to champion diversity, including the advancement of women. Looking first at our current status, the ratio of female Directors stands at 18% as of June 2026, and we now have two female Executive Officers. Furthermore, the percentage of management

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positions held by women has risen under the current medium-term management plan, and we are implementing talent development and support programs to reach our target of 15.0% or higher at major domestic group companies by the end of fiscal 2027. How do you assess these efforts, and what role do you feel expected to play in driving them forward?

Tomita While I am a female Outside Director, I see my role not as representing women specifically, but rather as bringing a diverse perspective to the Board. I believe that true dynamic debate and high-quality decision-making are only possible when Directors with different backgrounds and experience can freely voice their opinions. In that sense, I commend the company's efforts to advance diversity and steadily increase the number of female Directors and managers. Indeed, my interactions with female managers have resulted in free and open exchanges of views while giving me a firsthand impression of their forward-looking mindsets.

Totsuka What is your perspective on the challenges ahead?

Tomita I feel that role models for female managers are beginning to emerge, as evidenced by the recent appointment of two female Executive Officers. However, the number of female managers remains limited, and I'm aware that these initiatives are still a work in progress. The key factors going forward will be the cultivation of future management talent and the experiences that are given. The Nisshin Seifun Group will need to pursue a medium- to long-term talent strategy, along with continuous verification of whether its human resource management systems—including development and assignment—are functioning effectively. Beyond simply placing women in management, the Group also needs to ensure that mechanisms designed to foster management mindsets are fully functional. For example, it needs to offer opportunities for appointments to key internal posts and executive training. The Group actually has many highly capable female employees, so providing them with opportunities should be the first step. The Board will also continue to deepen its discussions from this perspective.

Enhancing governance effectiveness and corporate value

Totsuka Strengthening governance structures is not an end in itself. What matters is enhancing the effectiveness of those structures in ways that raise the quality and efficiency of management, thereby driving improvement in corporate value. How do you view the impact of governance enhancement measures on business management?

Tomita The benefits of governance enhancement are not manifested in short-term figures. However, governance quality is an important factor in corporate valuation within capital markets, and I am confident that elevating the quality and objectivity of decision-making will drive steady improvement in medium- to long-term corporate value. Quality, safety, and reliability of supply are absolute values for the Nisshin Seifun Group as a food manufacturer and are deeply rooted in its corporate culture. The trust that it has earned from society through these efforts serves as the foundation and source of its competitiveness. Properly managing overall business risks—including quality and supply risks—while practicing transparent decision-making that leverages diverse perspectives will further build stakeholder trust, which I expect will ultimately translate into higher corporate value.

Totsuka Finally, what are your thoughts on priorities going forward and the prospects for the Nisshin Seifun Group?

Tomita The Nisshin Seifun Group is moving forward from the establishment of a formal structure for its governance framework to a focus on maximizing the operational



effectiveness of that framework. Key priorities include linking governance improvements in overseas business operations directly to better financial performance, as well as advancing the appointment of diverse executive talent and succession planning. These initiatives will not yield results overnight, and the realization of continuous, steady improvements is extremely important. The Group possesses a solid business foundation cultivated over many years. By further elevating the quality of the governance that supports this foundation, I expect the Group to achieve sustainable growth and enhance its corporate value. The company is currently moving in a very positive direction, and these governance reforms are designed to improve upon that momentum, with operations being conducted with a clear emphasis on effective governance. Naturally, we Outside Directors will continue to work actively to fulfill our responsibilities as effective board members.

Totsuka We will ensure that the valuable insights shared today are reflected in the ongoing administration of our governance systems, so that these reforms yield genuine effectiveness. Thank you very much for your time today.

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Basic approach to corporate governance

The mission of the Group (the Company and its subsidiaries and affiliates) is to stably provide safe and reliable "shoku" (food), including flour, in line with our corporate principle of "contributing to a healthy and fruitful life for all," which is founded on our guiding philosophies of "the basis of business is built on trust" and "being in tune with the changing business climate." In keeping with this basic principle and the aim of realizing sustainable corporate growth and maximizing long-term corporate value, the Company's basic approach to corporate governance is: (i) to develop an efficient management system and clarify management responsibility and (ii) to promote management based on respect for the status of each stakeholder, beginning with our shareholders, and to achieve transparent, timely, and appropriate decision-making. Following this approach, we seek to fulfill our obligations to all of our stakeholders, including our responsibility to manage the Company effectively on behalf of stakeholders. We have also established the Corporate Governance Policy to ensure effective governance that will support sustainable growth and the creation of corporate value in the medium and long term.

Shift to a monitoring board structure

In June 2026, we further strengthened the management oversight functions of the Board of Directors by transitioning to a monitoring board structure with a majority of Outside Directors. We have also enhanced the speed and flexibility of decision-making through the expansion of our matters delegated from the Board to senior management.

Nisshin Seifun Group governance system

Management structure

Board of Directors

The Board of Directors is the supervisory body for decision making on important matters of management policy and business execution. To ensure Board diversity in terms of gender, age, and other attributes, male and female directors with differing backgrounds have been appointed, including some with overseas business experience. The Board of Directors is chaired by President Yu Nagaki.

The Board of Directors basically consists of (i) directors who are dedicated to the holding company and are responsible for the functions of the entire Group; (ii) directors who are familiar with the market environment and management of major businesses and who concurrently hold the position of manager of a primary business subsidiary; (iii) Outside Directors with an independent, third-party perspective; and (iv) directors who have voting rights at the Board of Directors meeting and are members of the Audit & Supervisory Committee responsible for auditing the legality and appropriateness of business execution.

Appointment of Outside Directors

Six highly independent Outside Directors have been appointed to provide opinions from a third-party perspective on the management of the Company. (Please see the List of Directors on pages 61–62 for profiles of members of the Board of Directors)

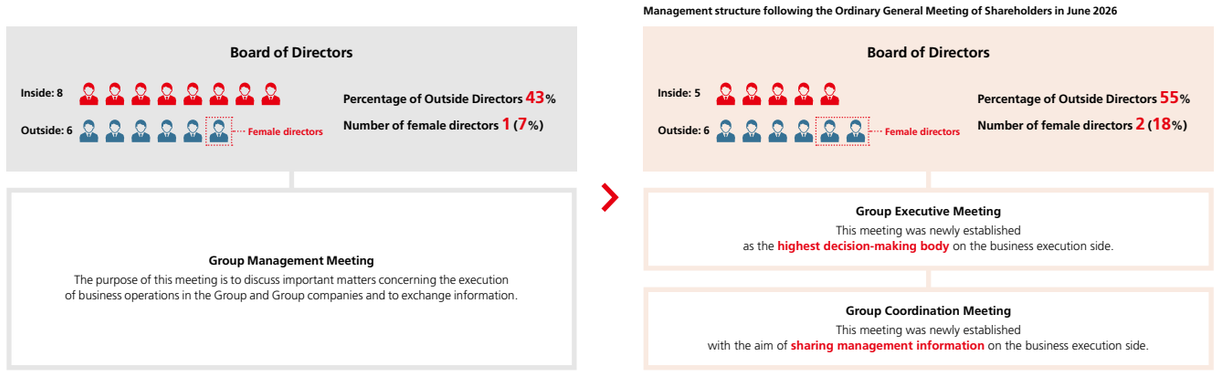
Executive officer system

To accelerate business execution, we transitioned from the executive officer system adopted in 2001 to a new system in 2019. With the transition to a Company with an Audit & Supervisory Committee in June 2019, we revised the previous executive officer system to clarify the role of Executive Officers. Under the new system, Executive Directors also serve as Executive Officers.

Group Executive Meeting and Group Coordination Meeting

We have established the Group Executive Meeting to deliberate and make decisions on important matters concerning the execution of business operations across our corporate group and its companies, as well as the Group Coordination Meeting to facilitate the sharing of management information. Led by the President, the Group Executive Meeting is made up of core personnel responsible for group management. Its role is to ensure rapid, flexible, and agile decision-making. The Coordination Meeting consists of members of the Group Executive Meeting and individuals appointed by the President. Both committees meet once a month in principle and hold additional ad hoc meetings as required. Meetings are chaired by the President, Yu Nagaki.

Transition to a monitoring board structure, establishment of new management platform for business operations

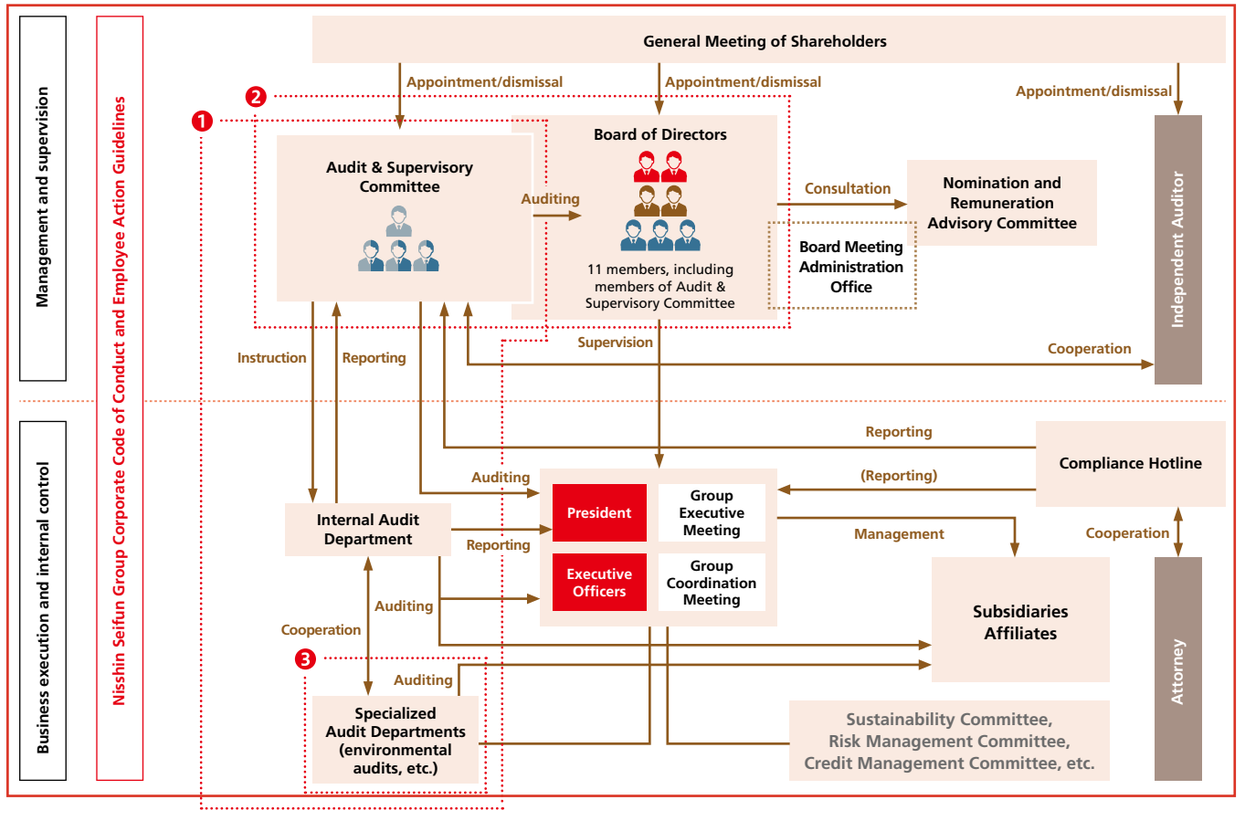


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Diagram of corporate governance structure

The holding company structure has been adopted to allow the holding company, Nisshin Seifun Group Inc., to evaluate and supervise its operating subsidiary companies from the shareholders' perspective to ensure the strategic use of management resources and effective corporate governance in Group operations. The structure clarifies management responsibilities and enables timely and appropriate decision-making to support the execution of our business operations.



Directors who belong exclusively to the holding company and evaluate and oversee the actions of operating companies

Directors who oversee major businesses, and who are familiar with the market environment and management of those businesses

Outside Directors who are Audit & Supervisory Committee Members auditing the legality and appropriateness of business operations, and who are in a position to oversee the management of the Company from independent and third-party viewpoints

Outside Directors who are in a position to oversee the management of the Company from independent and third-party viewpoints

Directors who are Audit & Supervisory Committee Members responsible for auditing the legality and appropriateness of business execution

Committee system for corporate governance

Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee, composed of all the Independent Directors, facilitates information sharing among the Outside Directors. Furthermore, in response to requests for consultation from the Board of Directors, the Nomination and Remuneration Advisory Committee discusses and advises on the appointment of Representative Directors and Outside Directors, the composition of the Board of Directors (including the skill matrix), the senior management remuneration framework, and other related matters. It also carries out functions similar to those performed by optional nomination and remuneration committees.

In principle, the Nomination and Remuneration Advisory Committee holds two meetings each year, but additional meetings can be convened if necessary. In fiscal 2026, there were two meetings chaired by Mr. Kazuhiko Fushiya, who is an Outside Director.

Corporate Value Committee

We have established a Corporate Value Committee consisting solely of independent Outside Directors. The committee carefully deliberates on acquisition proposals submitted to the Company from the perspective of whether the acquisition proposal would secure and improve the Company's corporate value and the common interests of the shareholders. The Corporate Value Committee meets once a year, regardless of whether or not there have been acquisition proposals, to discuss policies and other measures designed to secure corporate value and protect and enhance the interests of shareholders.

❶ Audit structure

The Company has set up an Audit & Supervisory Committee comprising a total of four Directors—three Outside Directors and one Inside Director. The Audit & Supervisory Committee Members attend important meetings, including those of the Board of

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Directors, hold regular meetings with the Representative Directors, and audit the execution of duties by Directors, in accordance with the Board's auditing standards and audit plans. One Inside Director serving as a full-time Audit & Supervisory Committee member and as an Audit & Supervisory Board member at major subsidiaries conducts audits of the Group companies.

The Company regularly holds the Nisshin Seifun Group Audit & Supervisory Liaison Committee Meeting as a forum in which auditors of business subsidiaries can share audit and risk information. The Internal Audit Department is under the direct control of the Audit & Supervisory Committee and performs audits as instructed. It also carries out internal control assessments.

❷ Reasons for selection of the corporate governance structure

The "Company with an Audit & Supervisory Committee" structure was selected in 2019 for the following reasons:

1) A Company with an Audit & Supervisory Committee structure strengthens the supervisory functions of the Board of Directors over business execution by increasing the ratio of Outside Directors and providing Directors who are Audit & Supervisory Committee members with voting rights at meetings of the Board of Directors.
2) An Audit & Supervisory Committee, the majority of which consists of Outside Directors, improves management transparency by taking responsibility for auditing the legality and appropriateness of business execution.
3) The structure enables a review of the authority vested in the Executive Directors with the objective of accelerating management decision-making and improving the agility of business execution.

❸ In-depth specialized audits

From the perspective of ensuring legal compliance and preventing accidents, the Nisshin Seifun Group considers four categories of safety (the safety of people, products, equipment, and the environment) as being preconditions to sound production activities. In line with this approach, specialized audits are performed by sections or departments with the necessary knowledge and expertise. Specialized audits include equipment/safety audits and environmental audits to ensure sound company operations, as well as quality assurance audits aimed at ensuring product safety based on quality assurance from the consumer's perspective. The specialized audits provide necessary guidance and improvements, which are extended horizontally across the Group to maintain and enhance the overall level of the Group. The results of audits are also reported to the Audit & Supervisory Committee.

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Director training

The Company provides its Directors with opportunities to acquire the necessary knowledge appropriate to their role in a governance body that is a critical part of a listed company. For example, the Company plans workshops presented by lawyers and other experts about the Companies Act, corporate governance, and other issues.

The Company also provides and arranges training opportunities, including the subsidization of costs, so that Directors can update the professional expertise required to lead the industry. Directors use these opportunities to deepen their understanding of their roles and responsibilities and endeavor to acquire and enhance the necessary knowledge and skills.

Follow-up system for Outside Directors

Contact with the Outside Directors is made through the Board Meeting Administration Office, which distributes materials

Expertise and other characteristics of Directors (skills matrix)

Name	Corporate management and Management strategy	Global	Finance and Accounting	Legal and Risk management	Human resources management and Human resource development	Environment and Society	Sales and Marketing (including E-commerce, etc.)	Procurement and Production	Technology, Digital, and R&D
Yu Nagaki	✓	✓		✓			✓	✓	✓
Kenji Sakamoto	✓		✓	✓	✓	✓			✓
Takahiko Iwahashi	✓				✓		✓	✓	✓
Toshiaki Yokoyama	✓	✓					✓	✓	
Kazuhiko Fushiya	✓	✓	✓	✓	✓	✓			
Motoo Nagai	✓	✓	✓				✓		
Nobuhiro Endo	✓	✓			✓		✓	✓	✓
Shoh Ohuchi			✓	✓					
Mieko Tomita				✓	✓				
Takaharu Ando	✓	✓		✓	✓	✓			
Emi Kusakabe		✓	✓		✓				

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for meetings in advance and provides Outside Directors with an overview of the proposals to be presented to the Board of Directors. When necessary, the relevant corporate units also brief Outside Directors in advance about proposals. Outside Directors who are Audit & Supervisory Committee Members also view documents drafted by the Audit & Supervisory Committee Administration Office. If necessary, they can also receive briefings by the full-time Audit & Supervisory Committee Member or the Audit & Supervisory Committee Administration Office.

Expertise and other characteristics of Directors (skills matrix)

The Company selects Outside Directors after taking into consideration each candidate's advanced specialized expertise, extensive experience and broad insights as corporate executives, knowledge of the world situation, perspectives on risk management and compliance, and various other attributes. We also strive to ensure a healthy balance in terms of the diversity, knowledge, experience, and abilities of our Outside Directors. In addition, we have established a skills matrix that outlines the expertise and other characteristics of each Director.

Appointment, dismissal, and nomination

The appointment and dismissal of senior management is subject to deliberation and resolution by the Board of Directors, in which Outside Directors also participate. Additionally, the Board of Directors proactively engages in the establishment and implementation of a development plan for senior management, and appropriately oversees the systematic development of a succession plan. The appointment and dismissal of the Company's Representative Directors is discussed by the Nomination and Remuneration Advisory Committee, which is composed of all Outside Directors.

The Company has further enhanced the fairness and transparency of corporate governance by appointing six Outside Directors, all of whom are designated as independent directors.

Evaluation of the effectiveness of the Board of Directors

Initiatives in fiscal 2026 based on findings from the fiscal 2025 evaluation

Matters raised in the fiscal 2025 evaluation of the effectiveness of the Board of Directors included the content and presentation methods used when providing information to the Board. It was also confirmed that there is a need for continuing discussion of important management priorities, including research and development, digital strategy, human resource policy, and sustainability. We therefore implemented the following initiatives in fiscal 2026.

1) Consideration of content and presentation methods for information provided to the Board of Directors

We sought to ensure that Board meeting materials include the content and information required for decision-making. We also worked to create materials that would provide a clearer understanding of points under consideration, such as the use of tables and graphs and the inclusion of non-financial materials that would contribute to deliberations. We will continue to enhance the content of the materials and the presentation methods used.

2) Deliberations on important management matters

We sought to provide enhanced information and secure sufficient time for discussions on important management matters, such as research and development, digital strategy, human resource strategy, and sustainability. We will continue to deepen our deliberations on these important matters.

Fiscal 2026 assessment

In fiscal 2026, we conducted a survey of all directors and attendees at Board meetings. This process included interviews with the Chairman and newly appointed directors. The results were discussed by the Nomination and Remuneration Advisory Committee and other committees and were further analyzed and assessed by the Board of Directors itself. Concerning the overall operations of the Board of Directors, the survey found that discussion quality, meeting frequency, and other aspects were appropriate, and that the composition of the Board, including its size and diversity, enabled it to perform its roles effectively. We believe the survey results indicate that the Board of Directors is operating effectively.

However, the evaluation also identified the need for continuing discussions and deeper deliberations about important management priorities, such as value creation narratives based on overall perspectives and medium- to long-term segment visions, as well as digital strategy, DX, and the establishment of automation technology.

Priorities based on the results of the fiscal 2026 evaluation

While the evaluation of the effectiveness of the Board of Directors of Nisshin Seifun Group Inc. was generally satisfactory, the following matters were identified as priorities.

(1) Board agenda items

It was proposed that the standards for Board agenda items be reviewed, on the grounds that some matters were too detailed for discussion at Board meetings. Accordingly, it was decided that the Company would transition to a monitoring board structure, with Outside Directors constituting the majority, effective from the Ordinary General Meeting of Shareholders held in June 2026, and that the agenda standards would be revised to limit board resolutions strictly to statutory matters and the most critical business issues.

(2) Setting agenda items with a sense of purpose

It was suggested that matters requiring discussion by the Board of Directors should be selected with a clear sense of purpose. Going forward, we will establish the Board's agenda based not only on formal quantitative criteria, but also from the perspective of qualitative factors, such as the need for advice and recommendations from Outside Directors.

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Remuneration

The Company determines senior management remuneration from the perspectives of: (i) retaining outstanding human resources, (ii) setting an appropriate level of remuneration corresponding to the Company's scale and business categories, and (iii) providing healthy incentives for increasing the medium- to long-term corporate value of the Company. Management remuneration includes a variable performance-based portion, which reflects the degree of contribution to the Group and the medium- to long-term basic strategy of the Group.

Based on the above approach, remuneration comprises a combination of the following: (i) a monthly fixed basic payment corresponding to each individual's role; (ii) a variable portion (bonus) payment provided, in principle, at preset times during the year, reflecting the individual's past performance contributions; and (iii) a stock-based remuneration payment provided once per year with the aim of orienting management toward shareholder value by linking remuneration to future performance. Because of our involvement in the food industry, our mission—which at the same time is the source and foundation of our corporate value—is to maintain high standards of product safety and quality and continue to supply flour and other staple foods to the people reliably. Our basic philosophy on remuneration is that the remuneration mix should be appropriate for our business activities. In order to achieve further improvement in corporate value, we aim to link remuneration more closely to business performance by modifying our policy to change the ratio of (i) a monthly fixed basic payment, (ii) a variable portion (bonus), and (iii) a standard amount of stock-based remuneration from 70:15:15 to 60:20:20, resulting in an increased weighting on elements (ii) and (iii). To ensure the objectivity and validity of the remuneration amounts, the standard total amounts of remuneration for each rank are determined by considering a variety of factors, including the results of surveys conducted by external organizations, the professional responsibilities of each rank, and their importance in relation to Group management.

Total remuneration by type for each director category and by type of remuneration, and number of eligible directors

Director category	Total remuneration (¥ million)	Total remuneration by type (¥ million)			Number of eligible directors
		Fixed remuneration (basic portion)	Variable remuneration (bonus)	Non-monetary (stock-based) remuneration	
Director (non-A&S Committee member) (non-Outside Director)	245	148	61	34	8
Director (A&S Committee member) (non-Outside Director)	17	17	–	–	1
Outside Directors (including A&S Committee members)	66	63	–	3	6

Compliance

Basic approach

Our basic stance as a corporate group and the standards of business conduct expected from the officers and employees of the Nisshin Seifun Group are defined in the Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines (Code & Guidelines), which were established in October 2002.

The presidents and directors of Group companies, including Nisshin Seifun Group Inc., are aware of their responsibility to uphold the Code & Guidelines and provide leadership in ensuring that all concerned are familiar with these requirements and maintain consistently high standards of business ethics. In the event of a situation that contravenes the Code & Guidelines, the president of the company concerned will issue internal and public statements concerning efforts to resolve the issue, investigate the causes, and prevent recurrences. Accountability will be ensured through the timely disclosure of accurate information, and firm disciplinary actions will be taken (including against the president of the company concerned when necessary), after clarification of the authority and responsibility of those concerned.

Compliance Hotline system

If anyone becomes aware of conduct in violation of regulatory requirements or the Code & Guidelines within the Nisshin Seifun Group, or the risk of such conduct, it is vital to report the matter to their manager or other appropriate person and seek advice, so that staff, including those in other concerned units, can take organized action to address the problem. It is also necessary to provide an alternative whistleblowing channel to ensure that issues are not ignored and that prompt action can be taken to resolve or prevent problems.

We created the Compliance Hotline for this purpose in 2003. In addition to an internal helpdesk, we have also established an external contact point at a legal firm for those wishing to use the Compliance Hotline. We have taken steps to make the system more accessible for employees, including provision for reporting matters anonymously. Reports are promptly investigated by teams composed of staff from the relevant departments, according to the type of incident, and appropriate actions are taken. Care is taken to protect whistleblowers and ensure that they are not disadvantaged.

Compliance
https://www.nisshin.com/english/sustainability/governance/compliance/

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Risk Management and Crisis Control

Risk management structure

We established the Nisshin Seifun Group Risk Management Rules and the Nisshin Seifun Group Crisis Control Rules in 2008. We are strengthening day-to-day risk management to ensure appropriate risk prevention, control, and response.

We have established a Risk Management Committee with members that include the presidents of our operating companies under the chairmanship of the President of Nisshin Seifun Group Inc. This committee oversees risk management across the entire Group. Risk management committees have also been created in key operating companies to implement risk management processes in each business. Additionally, the Planning Subcommittee, Disaster Subcommittee, and Overseas Safety Countermeasures Subcommittee of the Risk Management Committee consider and propose specific measures relating to issues in their respective areas of responsibility. Based on this structure, we strive to implement risk management in Group operations so that we can effectively execute measures, such as quickly setting up a task force in the event of a major crisis, and safeguard business continuity and the stability of safe and reliable product supply.

Risk management
https://www.nisshin.com/english/sustainability/governance/risk_management/

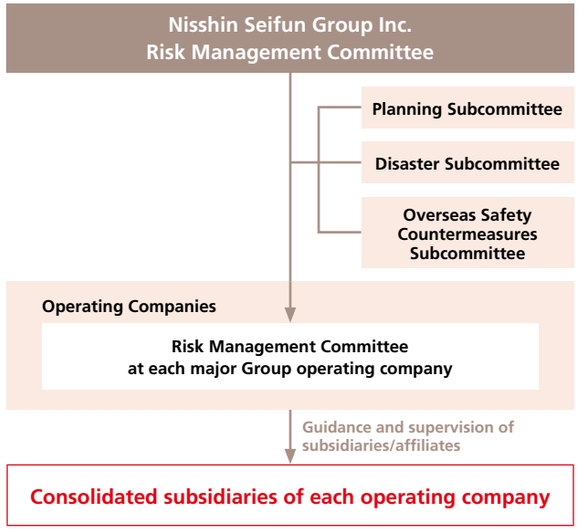
Primary material business risks

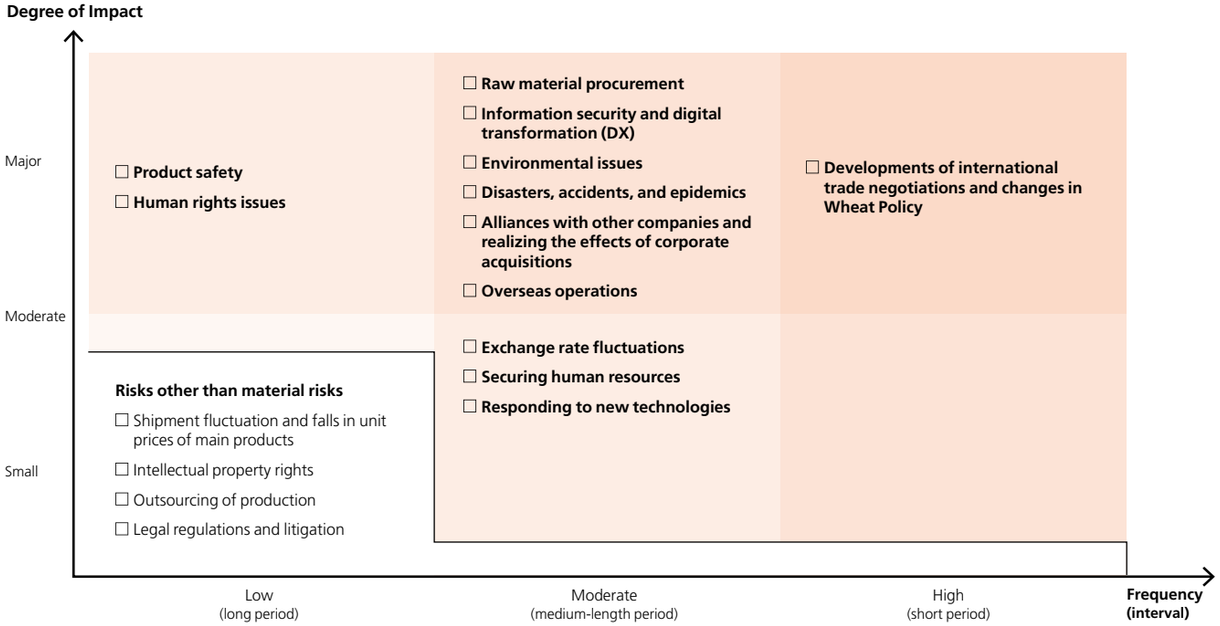
The Nisshin Seifun Group Inc. Risk Management Committee assessed Group risks in fiscal 2026. Risks determined as presenting a potentially significant impact on management based on the estimated degree and frequency (interval) of the impact are shown in the diagram below.

The major material risks, potential impact on business management, and the Company's countermeasures are outlined in the Securities Report for the 182nd Fiscal Term (Part A Company Information, (2) Review of Operations, (3) Business and Other Risks).

Securities Report for the 182nd Fiscal Term
https://pdf.irpocket.com/C2002/xoA3/M9fy/ri81/Oh9n.pdf

Risk management structure





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List of Directors and Executive Officers (as of June 25, 2026)

We aim to maximize corporate value and achieve sustainable growth for the Group over the long term by approaching business management from four perspectives: directors appointed to the Board of Directors of the holding company, which has overall control of the Group; directors who also serve as CEOs of the operating companies, which form the heart of the Group and drive growth; the outside directors, who bring fresh perspectives on the management of the Company and the public interest; and directors who are also members of the Audit & Supervisory Committee, who perform audits on the legality and appropriateness of business execution.

Attendance figures for the Board of Directors meeting are for the period from April 2025 through March 2026.
All Outside Directors meet the Company's "Independence Standards for Outside Directors," which are based on the independence criteria of the Tokyo Stock Exchange, and the Outside Directors have been designated and reported to the Tokyo Stock Exchange as independent directors.
*The attendance figure for Kenji Sakamoto refers only to meetings held since his appointment to the Board of Directors on June 26, 2025.

Director



Yu Nagaki
Newly appointed

Representative Director, President

Date of birth: February 20, 1970
Number of the Company's shares held: 14,905 shares
Board of Directors attendance: —



Kenji Sakamoto

Representative Director, Senior Managing Executive Officer
In charge of General Administration Division and Human Resources and Labor Relations Division

Date of birth: November 28, 1963
Number of the Company's shares held: 25,673 shares
Board of Directors attendance: 10/10 meetings (100%)*



Takahiko Iwahashi

Director and Managing Executive Officer

Date of birth: October 6, 1964
Number of the Company's shares held: 41,616 shares
Board of Directors attendance: 13/13 meetings (100%)

Significant positions concurrently held
Director and President (Representative Director), Nisshin Seifun Welna Inc.



Toshiaki Yokoyama
Newly appointed

Director and Managing Executive Officer

Date of birth: April 23, 1968
Number of the Company's shares held: 10,992 shares
Board of Directors attendance: —

Significant positions concurrently held
Director and President (Representative Director), Nisshin Flour Milling Inc.



Kazuhiko Fushiya
Outside Director

Director

Date of birth: January 26, 1944
Number of the Company's shares held: 9,000 shares
Board of Directors attendance: 13/13 meetings (100%)

Significant positions concurrently held
Chairman, The Institute of Internal Auditors – Japan



Motoo Nagai
Outside Director

Director

Date of birth: March 4, 1954
Number of the Company's shares held: 2,400 shares
Board of Directors attendance: 13/13 meetings (100%)

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Nobuhiro Endo

Outside Director

Director

Date of birth: November 8, 1953
Number of the Company's shares held: 1,400 shares
Board of Directors attendance: 13/13 meetings (100%)

Significant positions concurrently held
Executive Advisor, NEC Corporation
Outside Director, Tokio Marine Holdings, Inc.
Outside Director, Kikkoman Corporation
Outside Director, The Kansai Electric Power Company, Incorporated



Shoh Ohuchi

Director (Full-time Audit & Supervisory Committee Member)

Date of birth: February 13, 1961
Number of the Company's shares held: 19,740 shares
Board of Directors attendance: 13/13 meetings (100%)



Mieko Tomita

Outside Director

Director (Audit & Supervisory Committee Member)

Date of birth: August 15, 1954
Number of the Company's shares held: 0 shares
Board of Directors attendance: 13/13 meetings (100%)

Significant positions concurrently held
Attorney; Senior Partner, Nishi & Partners Attorneys and Counselors at Law
Outside Director (Audit & Supervisory Committee Member), Fanuc Corporation
Outside Director, Tekken Corporation
Outside Auditor, TEPCO Power Grid, Inc.



Takaharu Ando

Outside Director

Director (Audit & Supervisory Committee Member)

Date of birth: August 31, 1949
Number of the Company's shares held: 0 shares
Board of Directors attendance: 13/13 meetings (100%)

Significant positions concurrently held
Outside Director, Zensho Holdings Co., Ltd.
Outside Director, Rakuten Group, Inc.



Emi Kusakabe

Newly appointed
Outside Director

Director (Audit & Supervisory Committee Member)

Date of birth: November 19, 1963
Number of the Company's shares held: 0 shares
Board of Directors attendance: —

Significant positions concurrently held
Certified Public Accountant, Proprietor, Emi Kusakabe CPA Office

Executive Officers (excluding those also serving as directors)

Seiichiro Takahashi
Managing Executive Officer
Division Executive, Technology and Engineering Division

Shigemitsu Fujita
Managing Executive Officer
Division Executive, Corporate Planning Division

Hideo Arai
Managing Executive Officer
Director and President (Representative Director), Oriental Yeast Co., Ltd.

Reiko Adachi
Executive Officer
General Manager, Public Relations Department of General Administration Division

Satoru Uchiyama
Executive Officer
General Manager, Information Technology Promotion Department of Corporate Planning Division

Masahiro Tanaka
Executive Officer
Division Executive, Human Resources and Labor Relations Division
General Manager, Human Resources Management Department of Human Resources and Labor Relations Division
General Manager, Human Resources and Labor Relations Planning Office of Human Resources and Labor Relations Division

Mayumi Abe
Executive Officer
General Manager, Board Meeting Administration Office

Satoshi Sekiguchi
Executive Officer
Senior Managing Director, Nisshin Flour Milling Inc.

Shunji Ito
Executive Officer
Managing Director, Nisshin Seifun Welna Inc.

Toshiya Tago
Executive Officer
Managing Director, Nisshin Flour Milling Inc.

Tsuguhiko Yoshida
Managing Executive Officer
Division Executive, R&D and Quality Assurance Division

Kazuhiro Imai
Managing Executive Officer
Division Executive, Finance and Accounting Division

Atsuji Kawada
Managing Executive Officer
Director and President (Representative Director), Tokatsu Foods Co., Ltd.

Hiroyuki Yamada
Executive Officer
Deputy Division Executive, Corporate Planning Division

Ryuichi Suzuki
Executive Officer
Deputy Division Executive, R&D and Quality Assurance Division
General Manager, Quality Assurance Department of R&D and Quality Assurance Division

Katsuhiro Totsuka
Executive Officer
Division Executive, General Administration Division
General Manager, Legal Department of General Administration Division

Takashi Katsurai
Executive Officer
General Manager, Accounting Department of Finance and Accounting Division

Eiichiro Ise
Executive Officer
Managing Director, Nisshin Flour Milling Inc.

Takashi Kamijo
Executive Officer
Managing Director, Nisshin Seifun Welna Inc.

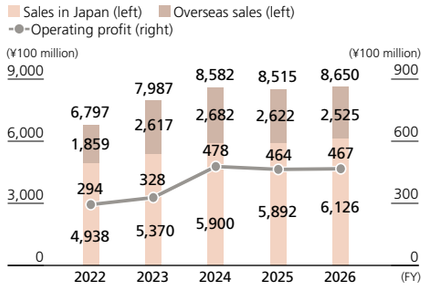
Ikuo Kanno
Executive Officer
Director and President (Representative Director), Nisshin Seifun Premix Inc.

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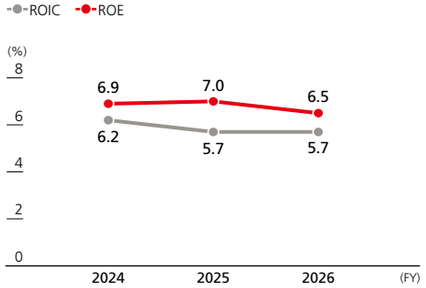
Financial and Non-Financial Highlights

Financial highlights

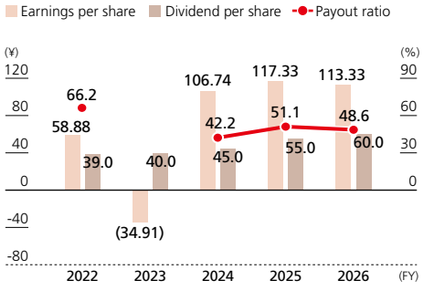
Net sales / Operating profit*1



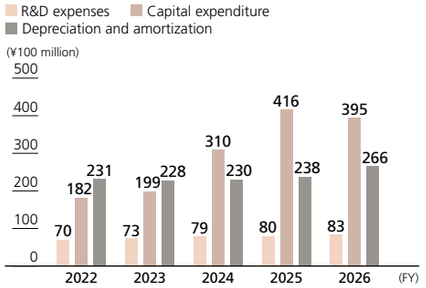
ROIC ROE



Earnings per share / Dividend per share / Payout ratio*2

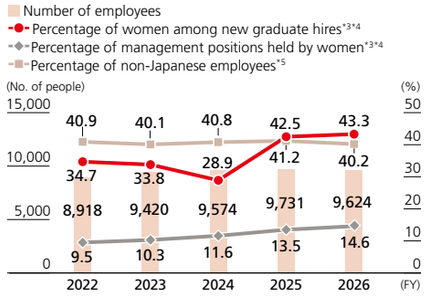


R&D expenses / Capital expenditure / Depreciation and amortization*1

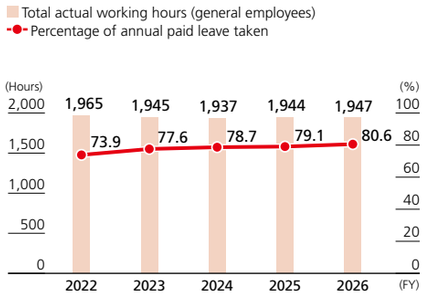


Non-financial highlights

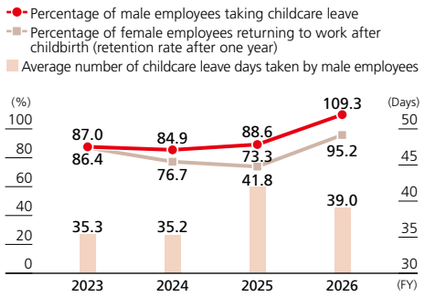
Promoting diversity



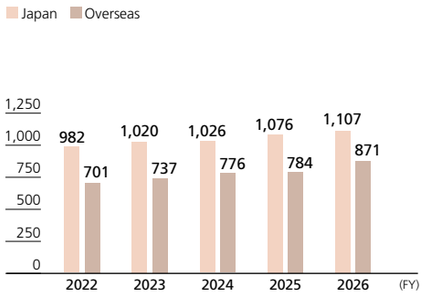
Total actual working hours and annual paid leave taken*3



Childcare leave, post-leave retention*3



Number of patents held



*1 Amounts rounded to nearest hundred million.
*2 Since fiscal 2025, the dividend payout ratio has been calculated excluding any profits or losses from non-recurring special factors.
*3 Scope of calculation: 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 Inc., NBC Meshtec Inc., Nisshin Grain Silo Inc., Nisshin Associates Inc.
*4 Nisshin Petfood Inc. was included in fiscal 2022.
*5 Percentage of non-Japanese employees does not include temporary employees.

Please see Sustainability Strategy for further details about CO_2, Medium and Long-term Environmental Targets for Water Consumption, Food Waste and Packaging Waste (Pages 42–43).

Sustainability website https://www.nisshin.com/english/sustainability/

ESG Data Book https://www.nisshin.com/sustainability/databook.pdf

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(¥ million)

(FY)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Profit & Loss Statement Note 1: Beginning fiscal 2022, figures are based on the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan No. 29, March 31, 2020).											
Net sales	556,701	532,040	540,094	565,343	712,180	679,495	679,736	798,681	858,248	851,486	**865,004**
Cost of sales	402,218	374,028	378,742	401,584	512,356	490,410	531,660	638,062	674,115	661,306	**670,335**
Selling, general and administrative expenses	130,713	132,500	134,152	136,842	170,971	161,887	118,645	127,786	136,341	143,799	**147,983**
Operating profit	23,769	25,511	27,200	26,916	28,852	27,197	29,430	32,831	47,791	46,380	**46,685**
Amortization of goodwill, others	2,270	2,181	2,239	2,256	8,388	8,197	8,828	6,159	3,195	2,850	**2,843**
Operating profit before amortization of goodwill, others	26,040	27,693	29,440	29,172	37,241	35,394	38,258	38,990	50,986	49,230	**49,528**
Ordinary profit	28,099	30,329	31,800	32,062	31,434	29,886	32,626	33,051	49,992	49,210	**51,397**
Profit before income taxes	27,462	31,189	32,430	33,113	33,296	29,762	30,773	879	48,850	53,313	**51,187**
Profit attributable to owners of parent	17,561	19,466	21,339	22,268	22,407	19,011	17,509	(10,381)	31,743	34,684	**32,589**
Capital expenditure	14,970	12,689	21,484	18,719	21,843	16,405	18,150	19,871	30,974	41,641	**39,459**
Depreciation and amortization	16,816	16,132	15,509	14,951	21,235	22,271	23,054	22,805	22,999	23,768	**26,568**
R&D expenses	5,580	5,648	5,913	6,168	6,538	6,593	7,018	7,318	7,870	7,983	**8,251**
Balance Sheet (Period end)											
Total assets	548,120	555,337	591,512	594,754	666,215	687,415	723,073	713,874	826,702	789,713	**849,705**
Current assets	228,271	234,172	260,751	268,170	238,980	238,674	280,527	330,069	365,072	338,728	**353,356**
Non-current assets	319,849	321,164	330,761	326,583	427,234	448,740	442,546	383,805	461,629	450,984	**496,348**
Current liabilities	106,799	89,526	114,189	114,806	131,058	108,740	129,158	150,262	163,571	147,313	**156,560**
Non-current liabilities	54,835	59,005	63,528	61,098	126,114	133,900	133,272	125,112	146,749	139,829	**154,706**
Total liabilities	161,635	148,532	177,718	175,905	257,172	242,640	262,430	275,375	310,321	287,143	**311,266**
Total net assets	386,485	406,805	413,794	418,848	409,042	444,774	460,643	438,499	516,381	502,570	**538,439**
Statements of Cash Flows											
Net cash provided by (used in) operating activities	35,839	35,361	42,869	39,873	38,420	49,506	41,833	23,422	73,194	55,209	**69,194**
Net cash provided by (used in) investing activities	(12,201)	(5,240)	(18,067)	(19,184)	(96,844)	(17,105)	(15,517)	487	(30,944)	(34,961)	**(32,548)**
Net cash provided by (used in) financing activities	(9,446)	(11,470)	(18,593)	(10,567)	8,337	(31,264)	(17,850)	(10,625)	(19,539)	(35,432)	**(40,783)**
Cash and cash equivalents at end of period	72,960	90,837	98,461	107,374	56,550	59,152	68,728	82,971	107,681	92,005	**91,411**
Free cash flow	23,638	30,121	24,802	20,689	(58,424)	32,400	26,316	23,909	42,250	20,248	**36,646**
Primary Management Indicators Note 2: The fiscal 2025 onward dividend payout ratio is calculated excluding any profits or losses from non-recurring special factors.											
Operating margin (%)	4.3	4.8	5.0	4.8	4.1	4.0	4.3	4.1	5.6	5.4	**5.4**
Earnings per share (Yen)	58.25	64.50	71.47	74.98	75.40	63.95	58.88	(34.91)	106.74	117.33	**113.33**
Book value per share (Yen)	1,237.64	1,303.45	1,344.68	1,359.49	1,328.71	1,456.37	1,510.35	1,425.24	1,682.11	1,674.04	**1,848.36**
ROE (%)	4.8	5.1	5.4	5.5	5.6	4.6	4.0	(2.4)	6.9	7.0	**6.5**
Dividend per share (Yen)	24	26	29	32	34	37	39	40	45	55	**60**
Payout ratio (%)	41.2	40.3	40.6	42.7	45.1	57.9	66.2	—	42.2	51.1*2	**48.6*2**
Equity ratio (%)	67.8	70.6	67.5	67.9	59.3	63.0	62.1	59.4	60.5	61.4	**61.1**
Period-end share price (Yen)	1,789.0	1,661.0	2,109.0	2,540.0	1,802.0	1,850.0	1,706.0	1,551.0	2,099.5	1,730.5	**2,095.5**
Net D/E ratio (Times)	(0.14)	(0.19)	(0.21)	(0.22)	0.07	0.05	0.03	0.01	(0.04)	(0.01)	**0.00**

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Wheat flour distribution channels

Around 80% of the wheat flour consumed in Japan is made from imported wheat. Imported wheat is purchased in a stable manner by the Japanese government and sold to domestic milling companies. The wheat sold to milling companies is processed as wheat flour, and it is then sold wholesale to food manufacturers to manufacture products that use wheat flour, including bread, noodles, and confectionery. The products made by these manufacturers are then delivered to the table via retailers such as supermarkets.

Flour production volume by use

(FY2024 Ministry of Agriculture, Forestry and Fisheries survey)

	Bread	Noodles	Confec-tionery	Other	Total
Production volume (1,000 tons)	1,852	1,551	503	804	4,710
Composition (%)	39%	33%	11%	17%	100%



Imported wheat price fluctuations

The Standard Selling Price System, whereby the selling price of imported wheat was fixed for the year, was abolished from April 2007, and a new Market-Linked System was introduced. Under this system, movements on the global wheat market, etc., are reflected quickly and appropriately in the domestic prices of imported wheat and wheat flour and in the domestic prices of products that use wheat flour. With this system, a fixed annual mark-up is added to the average government purchase price that was applied during a fixed period in the past. The selling price of wheat, which was previously fixed for the year, is revised twice a year*1, and the effects of the global wheat and foreign exchange markets, etc. are reflected automatically in the wheat selling price.

Price fluctuation factors

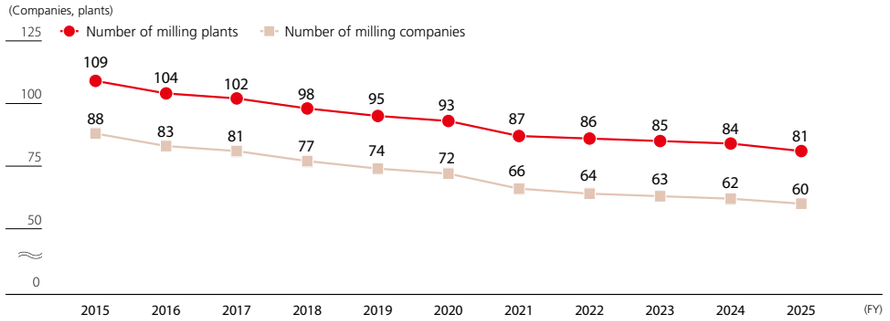


*1 Due to the severity of the selling price increase for the subsequent term, the government implemented a measure alleviating the rate of increase for the period beginning in April 2023.

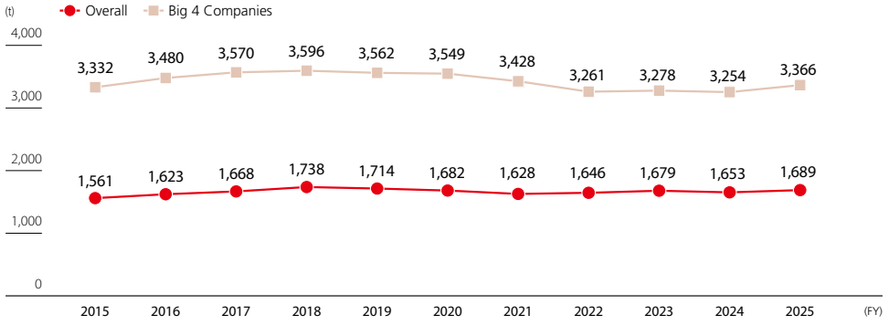
Milling company conditions

The number of milling companies has fallen by 28 over the past 10 years due to factors including intensification of the competitive landscape. Demand for wheat flour has been flat or slightly lower (Japan wheat flour sales volume: 4,616,000 tons in fiscal 2023, 4,624,000 tons in fiscal 2024, 4,650,000 tons in fiscal 2025*2). Major flour milling operations in particular are continuing to concentrate production facilities at coastal plants while expanding and rationalizing plant operations.

Number of milling companies and plants*3



Wheat flour production output per employee*3



*2 Survey by Nikkan Keizai Tsushin Co., Ltd.
*3 Compiled by Nisshin Seifun Group Inc. based on "Wheat supply and demand projections" (March 2026), Ministry of Agriculture, Forestry and Fisheries.

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Company information (as of March 31, 2026)

Corporate name
Nisshin Seifun Group Inc.

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

Foundation
October 1900

Paid-in capital
¥17,117,856,746

Number of employees (consolidated)
9,624

Total number of shares issued and outstanding
282,111,891 shares

Number of shareholders
58,585

Listing market
Prime Market of the Tokyo Stock Exchange

Securities code
2002

Fiscal year closing date and record date for year-end dividends from surplus (profit distribution)
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.

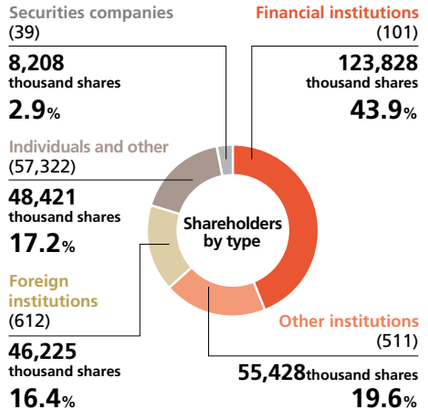
Custodian of shareholder register
Sumitomo Mitsui Trust Bank, Limited

Major shareholders (Top 10) (as of March 31, 2026)*

Name	Number of shares held (Thousands)	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	42,131	15.0
Nippon Life Insurance Company	19,387	6.9
Yamazaki Baking Co., Ltd.	16,988	6.0
Custody Bank of Japan, Ltd. (Trust Account)	16,089	5.7
Mizuho Bank, Ltd.	8,947	3.1
The Norinchukin Bank	6,932	2.4
Marubeni Corporation	6,284	2.2
National Mutual Insurance Federation of Agricultural Cooperatives	6,045	2.1
Nisshin Seifun Group Employee Shareholding Association	4,141	1.4
STATE STREET BANK AND TRUST COMPANY 505001	3,924	1.3

*Treasury stock (1,271,000 shares) is not included in the calculation of shareholding ratios.

Composition of shareholders (as of March 31, 2026)



External evaluation of the Group

FTSE4Good Index Series

FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Index

SOMPO Sustainability Index

S&P/JPX Carbon Efficient Index

Morningstar Japan ex-REIT Gender Diversity Tilt Index

MSCI Japan Empowering Women Index (WIN)

2026 Outstanding Organization of KENKO Investment for Health (Large Enterprise Category)

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