

# Fiscal 2023 Results Briefing

## Results, Forecasts

May 15, 2023

Nisshin Seifun Group Inc.



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# 1. Fiscal 2023 Results (1)

(100 millions of yen)	Fiscal 2022 Results	Fiscal 2023 Results	YoY difference	YoY change	Forecasts difference	Forecasts change
Net sales [Overseas sales]	<b>6,797</b> [1,859]	<b>7,987</b> [2,617]	+1,189 [+758]	+17.5% [+40.8%]	+187 [+192]	+2.4% [+7.9%]
Flour Milling	3,135	4,198	+1,063	+33.9%	+188	+4.7%
Processed Food	1,830	1,880	+50	+2.7%	(40)	(2.1%)
Prepared Dishes and Other Prepared Foods	1,384	1,475	+91	+6.6%	+25	+1.7%
Others	449	434	(14)	(3.2%)	+14	+3.4%
Operating profit [Overseas operating profit]	<b>294</b> [39]	<b>328</b> [98]	+34 [+59]	+11.6% [+152.5%]	(2) [+14]	(0.5%) [+16.5%]
Flour Milling	86	176	+90	+105.2%	+13	+8.1%
Processed Food	124	60	(64)	(51.4%)	(20)	(24.5%)
Prepared Dishes and Other Prepared Foods	31	33	+1	+4.5%	(0)	(0.5%)
Others	52	57	+6	+11.4%	+4	+8.4%
Adjustments*	1	1	+0	-	+0	-
Ordinary profit	<b>326</b>	<b>331</b>	+4	+1.3%	(19)	(5.6%)
Profit attributable to owners of the parent	<b>175</b>	<b>(104)</b>	(279)	-	(4)	-

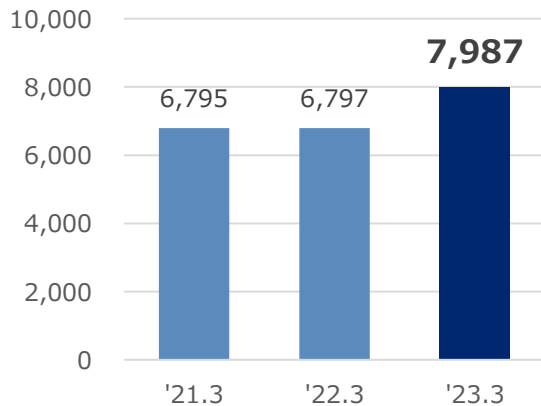
\*Includes elimination of intersegment transactions, among other adjustments

\*Figures rounded to the nearest 100 million yen.

# 1. Fiscal 2023 Results (2)

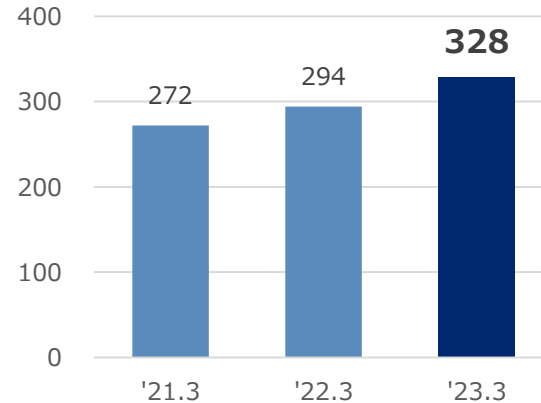
## Net sales

(100 millions of yen)



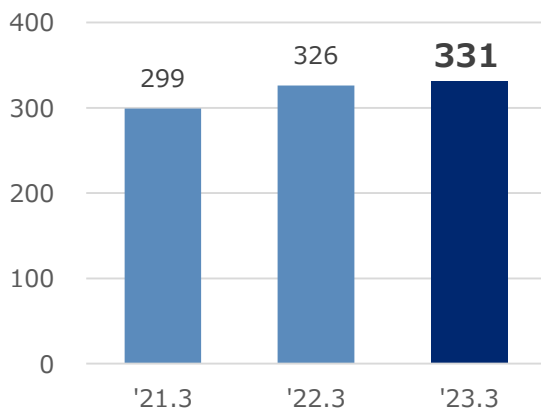
## Operating profit

(100 millions of yen)



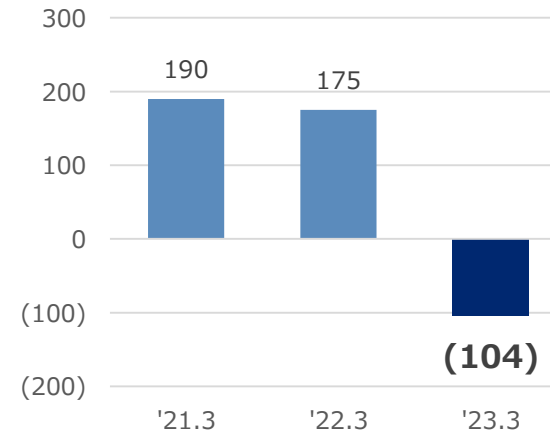
## Ordinary profit

(100 millions of yen)



## Profit attributable to owners of the parent

(100 millions of yen)



➤ Net sales **increased** mainly due to the implementation of wheat price revisions in the domestic flour milling business, higher wheat prices in the overseas flour milling business and foreign currency translation effects.

➤ Operating profit **increased** despite lower profit in processed food segment due to firm bran prices in the domestic flour milling business, strong performance in the overseas flour milling business, and lower depreciation and amortization expenses resulting from an impairment loss on the Australia flour milling business.

➤ Annual **loss** due to an impairment loss in the Australia flour milling business, despite an extraordinary gain from the sale of cross shareholdings.

Net sales:	YoY changes +17.5%
Operating profit:	YoY changes +11.6%
Ordinary profit:	YoY changes +1.3%
Profit attributable to owners of parent:	YoY changes -

\*Figures rounded to the nearest 100 million yen.

## 2. Analysis of Segment Results (1)

### Analysis of Net Sales (YoY Difference)

(100 millions of yen)

#### Flour Milling ¥ +106.3 billion

Domestic wheat flour shipments (down 1.4% year on year)	(22)
Flour price revisions accompanying revised wheat prices, others	+320
Bran prices	+18
Overseas sales	+747

#### Processed Food ¥ +5.0 billion

Processed food sales	+58
Household-use flour sales	(8)
Prepared mix product sales	+9
Pasta-related sales	+20
Frozen food sales	+12
Overseas processed food sales	+17
Other	+8
Oriental Yeast sales	+23
Nisshin Pharma sales	(31)

#### Prepared Dishes and Other Prepared Foods ¥ +9.1 billion

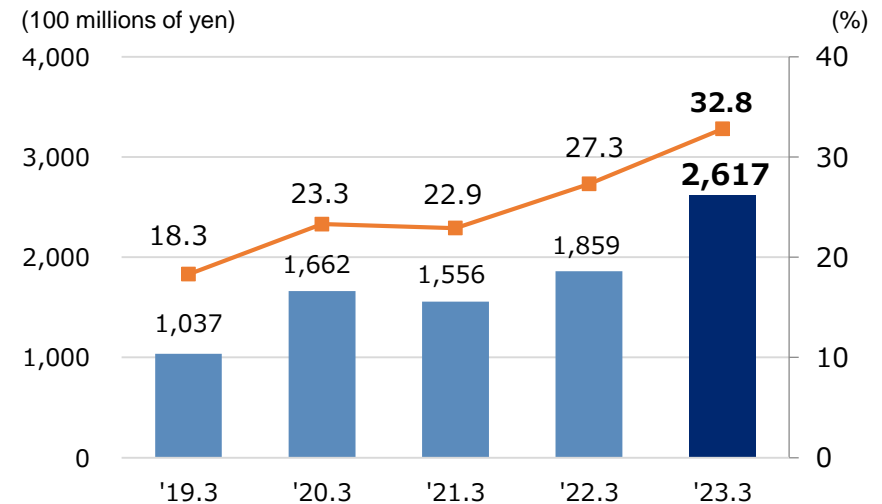
Prepared dishes and other prepared foods sales	+91
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#### Others ¥ (1.4) billion

NBC Meshtec sales	+5
Facility construction sales, others (Nisshin Engineering, others)	(19)

#### [Ref.] Overseas sales

\* Line graph indicates overseas sales ratio



## 2. Analysis of Segment Results (2)

### Analysis of Operating Profit (YoY Difference)

#### Flour Milling **¥ +9.0 billion**

Domestic wheat flour shipment volume	(4)
Sales expansion costs	(2)
Bran prices	+18
Cost related and others	(10)
Overseas operating profit	+88

#### Processed Food **¥ (6.4) billion**

Shipment volume	(14)
Sales expansion costs	(7)
Cost related and others	(13)
Overseas operating profit (incl. Oriental Yeast, Nisshin Pharma exports)	(30)

#### Prepared Dishes and Other Prepared Foods **¥ +0.1 billion**

Sales	+17
Cost related and others	(16)

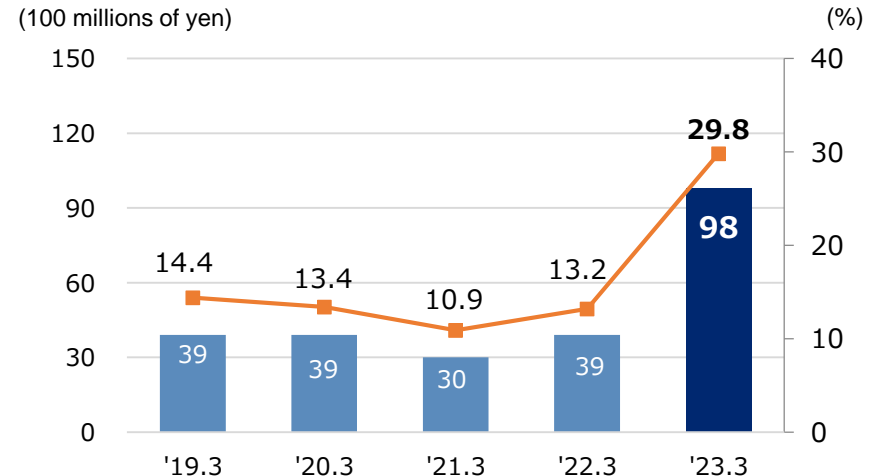
#### Others **¥ +0.6 billion**

Sales	+ 1
Cost related and others	+ 5

(100 millions of yen)

#### [Ref.] Overseas operating profit

\*Line graph indicates overseas operating profit ratio



### 3. Non-operating Income (Expenses) / Extraordinary Income (Losses) (Results)

(100 millions of yen)

	Fiscal 2022 Results	Fiscal 2023 Results	YoY difference	Comments
[Non-operating Income (Expenses)]				
Net financial income	2	(1)	(3)	
Share of profit (loss) of entities accounted for using equity method	21	(3)	(24)	Decrease in profit of compound feed-related affiliates
Other	9	7	(2)	
Total non-operating income (expenses)	32	2	(30)	

[Extraordinary Income (Losses)]				
Gain on sales of investment securities	16	244	+227	Reduction of cross-shareholdings
Impairment loss	(24)	(557)	(533)	(FY2023) Impairment loss due to a decline in results of the Australia flour milling business (FY2022) Impairment loss due to a decline in results of the New Zealand flour milling business
Other	(11)	(9)	+ 2	
Total extraordinary income (losses)	(19)	(322)	(303)	

\*Figures rounded to the nearest 100 million yen.

## 4. Statements of Cash Flows (Results)

(100 millions of yen)

	Fiscal 2022 Results	Fiscal 2023		YoY difference	
		Results	Highlights		
Cash and cash equivalents at beginning of period	592	687		+96	Cash on hand* 707
Cash flows from operating activities	418	234	Profit before income taxes +9 Impairment loss +557 Increase in working capital (225) Income taxes paid (139)	(184)	
Cash flows from investing activities	(155)	5	Capital expenditures (payment basis) (187) Sales of investment securities + 291 Purchase of share of subsidiary (115)	+160	
Cash flows from financing activities	(179)	(106)	Cash dividends paid (116)	+72	
Effect of exchange rate change on cash and cash equivalents	11	10		(2)	
Cash and cash equivalents at end of period	687	830		+142	Cash on hand* 830

\*Cash on hand includes deposits exceeding 3 months and operating bonds

	Fiscal 2022 Results	Fiscal 2023 Results	YoY difference	Highlights
Capital expenditures (construction basis)	182	199	+17	
Depreciation and amortization	231	228	(2)	

\*Figures rounded to the nearest 100 million yen.



## 5. Fiscal 2024 Forecasts (1)

- Net sales are expected to **increase** due to the implementation of flour price revisions associated with wheat price revisions in the domestic flour milling business, the effect of new consolidation of Kumamoto Flour Milling Co., Ltd. and sales expansion measures in the processed food business.
- Operating profit is expected to **increase** due to the implementation of price revisions in response to rising costs, including the portion of each business that was unable to adequately reflect cost increases in their prices in fiscal 2023, the effect of new consolidation at Kumamoto Flour Milling Co., Ltd., the recovery of performance in the Australia flour milling business and a decrease in depreciation and amortization expenses, measures to expand sales in the processed food business, and increased shipments in the India Yeast business.

(100 millions of yen)	Fiscal 2022 Results	Fiscal 2024 Forecasts	YoY difference	YoY change
Net sales	<b>7,987</b>	<b>8,200</b>	<b>+213</b>	<b>+2.7%</b>
Overseas sales [Overseas sales ratio]	2,617 [32.8%]	2,371 [28.9%]	(246)	(9.4%)
Operating profit	<b>328</b>	<b>390</b>	<b>+62</b>	<b>+18.8%</b>
Overseas operating profit [Overseas operating profit ratio]	98 [29.8%]	113 [29.0%]	+15	+15.5%
Ordinary profit	<b>331</b>	<b>395</b>	<b>+64</b>	<b>+19.5%</b>
Profit attributable to owners of the parent	<b>(104)</b>	<b>260</b>	<b>+364</b>	-

\*Figures rounded to the nearest 100 million yen.

## 5. Fiscal 2024 Forecasts (2)

### Net Sales by Segment

(100 millions of yen)

	Forecasts	YoY difference
Flour Milling	4,270	+ 72
Processed Food	2,000	+120
Prepared Dishes and Other Prepared Foods	1,530	+ 55
Others	400	(34)
Total	8,200	+213

(100 millions of yen)

#### Flour Milling ¥ +7.2 billion

Domestic wheat flour shipments (down 0.3% year on year)	(5)
Flour price revisions accompanying revised wheat prices, others (incl. the effect of new consolidation)	+361
Bran prices	+ 0
Overseas sales	(284)

#### Processed Food ¥ +12.0 billion

Domestic processed food sales	+39
Overseas processed food sales	+17
Oriental Yeast sales	+56
Nisshin Pharma sales	+ 8

#### Prepared Dishes and Other Prepared Foods ¥ +5.5 billion

Prepared dishes and other prepared foods sales	+55
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#### Others ¥ (3.4) billion

NBC Meshtec sales	+14
Facility construction sales, others (Nisshin Engineering, others)	(48)

## 5. Fiscal 2024 Forecasts (3)

### Operating Profit by Segment

(100 millions of yen)

	Forecasts	YoY difference
Flour Milling	196	+ 20
Processed Food	107	+ 47
Prepared Dishes and Other Prepared Foods	33	+ 0
Others	53	(4)
Adjustments*	1	(0)
<b>Total</b>	<b>390</b>	<b>+ 62</b>

\*Includes elimination of intersegment transactions, among other adjustments

(100 millions of yen)

### Flour Milling ¥ +2.0 billion

Domestic wheat flour shipment volume	(1)
Sales expansion costs	+ 1
Bran prices	+ 0
Cost related and others (incl. the effect of new consolidation)	+13
Overseas operating profit	+ 7

### Processed Food ¥ +4.7 billion

Shipment volume	+16
Sales expansion costs	+ 7
Cost related and others	+15
Overseas operating profit (incl. Oriental Yeast, Nisshin Pharma exports)	+ 9

### Prepared Dishes and Other Prepared Foods ¥ +0.0 billion

Sales	+11
Cost related and others	(11)

### Others ¥ (0.4) billion

Sales	(1)
Cost related and others	(3)

## Caution Regarding Results Briefing Content

The content of this briefing is based on various assumptions, and thus does not represent any promise or guarantee that numerical targets and initiatives projected for the future will be realized.