

First Six Months of Fiscal 2024 Results Briefing

Results, Forecasts

October 31, 2023

Nisshin Seifun Group Inc.



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1. First Six Months of Fiscal 2024 Results (1)

(100 millions of yen)		First Six Months of Fiscal 2023 Results	First Six Months of Fiscal 2024 Results	YoY		Forecasts	
				difference	change	difference (May Release)	change (May Release)
Net sales [Overseas sales]		3,887 [1,268]	4,269 [1,324]	+381 [+57]	+9.8% [+4.5%]	+169 -	+4.1% -
	Flour Milling	2,019	2,278	+259	+12.8%	-	-
	Processed Food	925	992	+67	+7.2%	-	-
	Prepared Dishes and Other Prepared Foods	733	781	+48	+6.5%	-	-
	Others	211	219	+8	+3.9%	-	-
Operating profit [Overseas operating profit]		159 [40]	255 [78]	+96 [+38]	+60.3% [+96.5%]	+65 -	+34.3% -
	Flour Milling	71	147	+76	+107.0%	-	-
	Processed Food	41	47	+6	+15.4%	-	-
	Prepared Dishes and Other Prepared Foods	16	34	+18	+107.3%	-	-
	Others	31	26	(5)	(15.4%)	-	-
	Adjustments*	0	1	+1	-	-	-
Ordinary profit		172	265	+93	+53.9%	+73	+38.1%
Profit attributable to owners of the parent		(378)	184	+562	-	+59	+47.6%

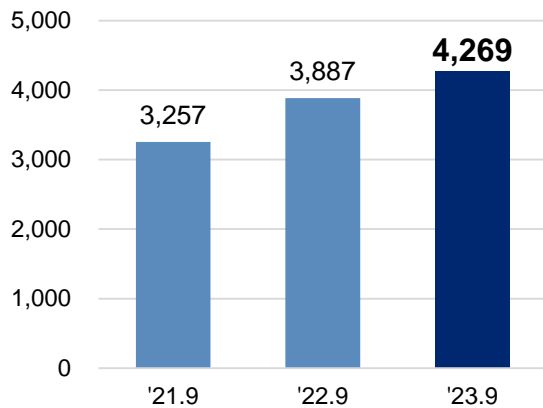
* Includes elimination of intersegment transactions, among other adjustments

* Figures rounded to the nearest 100 million yen.

1. First Six Months of Fiscal 2024 Results (2)

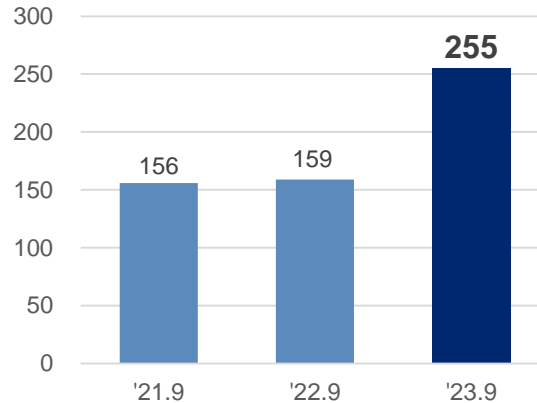
Net sales

(100 millions of yen)



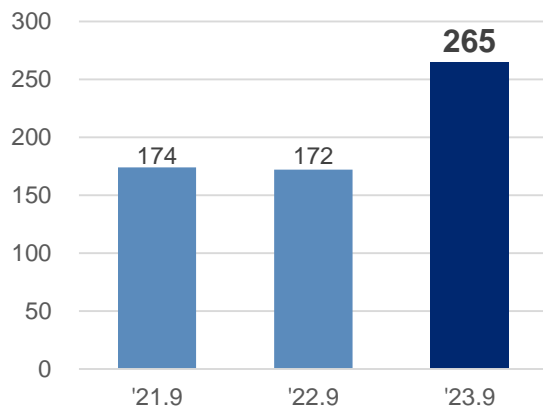
Operating profit

(100 millions of yen)



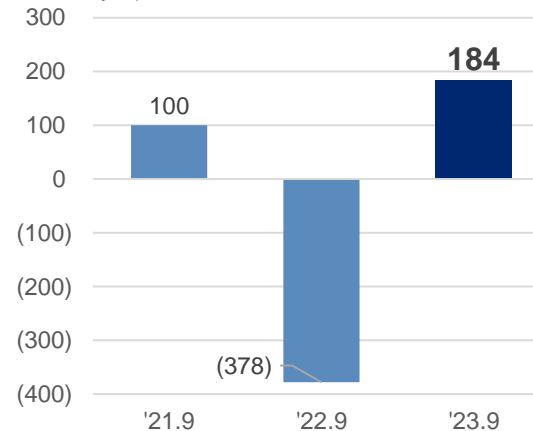
Ordinary profit

(100 millions of yen)



Profit attributable to owners of the parent

(100 millions of yen)



➤ Net sales **increased** mainly due to the implementation of flour price revisions associated with wheat price revisions in the domestic flour milling business, the effect of the new consolidation of Kumamoto Flour Milling Co., Ltd. and price revisions in the processed food segment and prepared dishes and other prepared foods businesses.

➤ Operating profit **increased** chiefly due to price revisions, including revisions of prices that were not revised in each business in fiscal 2023 despite cost increases, strong bran prices in the domestic flour milling business, the effect of the new consolidation of Kumamoto Flour Milling Co., Ltd., a decrease in depreciation and amortization expenses in the Australia flour milling business and a strong performance in the prepared dishes and other prepared foods businesses.

Net sales:	YoY changes	+9.8%
Operating profit:	YoY changes	+60.3%
Ordinary profit:	YoY changes	+53.9%
Profit attributable to owners of the 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 **¥ +25.9 billion**

Domestic wheat flour shipments (down 0% year on year)	(3)
Flour price revisions accompanying revised wheat prices, others (incl. the effect of new consolidation)	+213
Bran prices	+12
Overseas sales	+37

Processed Food **¥ +6.7 billion**

Processed food sales	+46
Household-use flour sales	(0)
Prepared mix product sales	+12
Pasta-related sales	+10
Frozen food sales	+21
Overseas processed food sales	+4
Others	(1)
Oriental Yeast sales	+23
Nisshin Pharma sales	(2)

Prepared Dishes and Other Prepared Foods **¥ +4.8 billion**

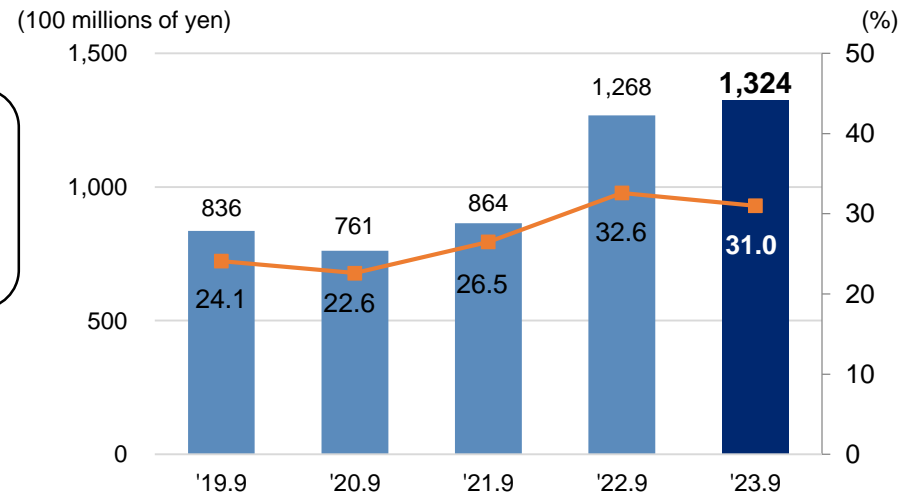
Prepared dishes and other prepared foods sales	+48
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Others **¥ +0.8 billion**

NBC Meshtec sales	+8
Facility construction sales, others (Nisshin Engineering, others)	+0

[Ref.] Overseas sales

* Line graph indicates overseas sales ratio



2. Analysis of Segment Results (2)

Analysis of Operating Profit (YoY Difference)

(100 millions of yen)

Flour Milling **¥ +7.6 billion**

Domestic wheat flour shipment volume	(0)
Sales expansion costs	+7
Bran prices	+12
Cost related and others (incl. the effect of new consolidation)	+16
Overseas operating profit	+41

Processed Food **+ ¥ 0.6 billion**

Shipment volume	(4)
Sales expansion costs	+4
Cost related and others	+10
Overseas operating profit (incl. Oriental Yeast, Nissin Pharma exports)	(4)

Prepared Dishes and Other Prepared Foods **¥ +1.8 billion**

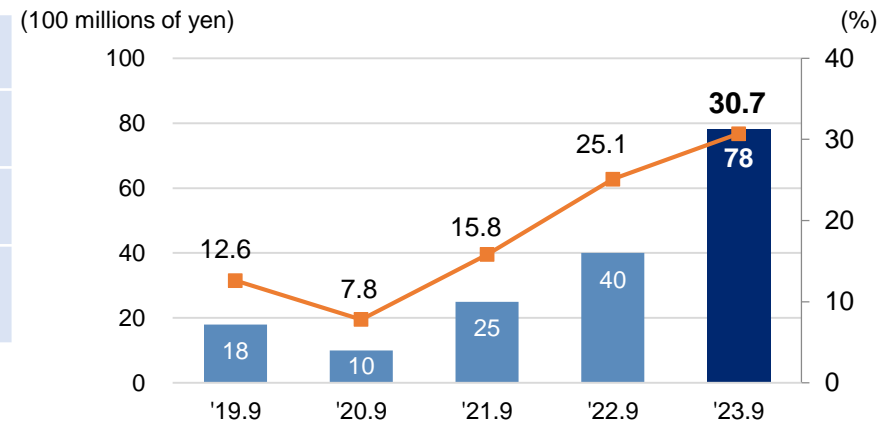
Sales	+12
Cost related and others	+6

Others **¥ (0.5) billion**

Sales	+1
Cost related and others	(6)

[Ref.] Overseas operating profit

*Line graph indicates overseas operating profit ratio



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

(100 millions of yen)

	First Six Months of Fiscal 2023 Results	First Six Months of Fiscal 2024 Results	YoY difference	Comments
[Non-operating Income (Expenses)] Net financial income	(0)	(4)	(4)	Decrease in dividend income due to the sale of cross-shareholdings in fiscal 2023
Share of profit (loss) of entities accounted for using equity method	6	7	+1	
Other	7	7	+0	
Total non-operating income (expenses)	13	10	(3)	
[Extraordinary Income (Losses)]				
Gain on sales of investment securities	2	3	+1	
Impairment loss	(558)	(13)	+546	(FY2023) A decline in results of the Australia flour milling business (FY2024) Decision to close plants in the yeast and biotechnology business
Other	(4)	(2)	+2	
Total extraordinary income (losses)	(560)	(11)	+549	

* Figures rounded to the nearest 100 million yen.

4. Statements of Cash Flows (Results)

(100 millions of yen)

	First Six Months of Fiscal 2023 Results	First Six Months of Fiscal 2024		YoY difference	
		Results	Highlights		
Cash and cash equivalents at beginning of period	687	830		+142	Cash on hand* 830
Cash flows from operating activities	(18)	338	Profit before income taxes +254 Depreciation and amortization +111 Decrease in working capital +30 Income taxes paid (130)	+356	
Cash flows from investing activities	(67)	(138)	Capital expenditures (payment basis) (134)	(71)	
Cash flows from financing activities	(13)	(150)	Cash dividends paid (62) Decrease in short-term loans (for working capital) (61)	(137)	
Effect of exchange rate change on cash and cash equivalents	18	17		(0)	
Cash and cash equivalents at end of period	607	897		+290	Cash on hand* 897

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

	First Six Months of Fiscal 2023 Results	First Six Months of Fiscal 2024 Results	YoY difference	Highlights
Capital expenditures (construction basis)	83	121	+38	Establishment of the Mizushima plant, expansion of the Saginaw plant in the U.S.
Depreciation and amortization	115	111	(4)	

*Figures rounded to the nearest 100 million yen.

5. Fiscal 2024 Forecasts (1)

- Net sales are expected to **increase** chiefly due to the new consolidation of Kumamoto Flour Milling Co., Ltd. and price revisions in both the processed food business and the prepared dishes and other prepared foods businesses, despite cuts in flour prices planned in the second half due to wheat price revisions.
- Operating profit is expected to **increase**, mainly due to strong bran prices in the domestic flour milling business, the effect of the new consolidation of Kumamoto Flour Milling Co., Ltd., a decrease in depreciation and amortization expenses in Australia in the overseas flour milling business, a recovery in results in the processed food business and the strong performance in the prepared dishes and other prepared foods businesses.
- Based on the results in the first half, the forecasts for net sales, operating profit, ordinary profit and profit attributable to owners of the parent are **revised upward**.

(100 millions of yen)	Fiscal 2023 Results	Fiscal 2024 Forecasts	Fiscal 2024 Forecasts			
			YoY difference	YoY change	Forecasts difference (May Release)	Forecasts change (May Release)
Net sales	7,987	8,500	+513	6.4%	+300	+3.7%
Overseas sales [Overseas sales ratio]	2,617 [32.8%]	2,671 [31.4%]	+54	+2.1%	+300	+12.7%
Operating profit	328	460	+132	+40.1%	+70	+17.9%
Overseas operating profit [Overseas operating profit ratio]	98 [29.8%]	137 [29.8%]	+39	+40.0%	+24	+21.2%
Ordinary profit	331	470	+139	+42.2%	+75	+19.0%
Profit attributable to owners of the parent	(104)	300	+404	—	+40	+15.4%

* 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	4,570	+372
Processed Food	2,000	+120
Prepared Dishes and Other Prepared Foods	1,530	+55
Others	400	(34)
Total	8,500	+513

Flour Milling

¥ +37.2 billion (100 millions of yen)

Domestic wheat flour shipments (up 0% year on year)	+0
Flour price revisions accompanying revised wheat prices, others (incl. the effect of new consolidation)	+346
Bran prices	+10
Overseas sales	+16

Processed Food

¥ +12.0 billion

Domestic processed food sales	+58
Overseas processed food sales	+17
Oriental Yeast sales	+33
Nisshin Pharma sales	+12

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	262	+86
Processed Food	94	+34
Prepared Dishes and Other Prepared Foods	50	+17
Others	53	(4)
Adjustments*	1	(0)
Total	460	+132

* Includes elimination of intersegment transactions, among other adjustments

Flour Milling

¥ +8.6 billion

(100 millions of yen)

Domestic wheat flour shipment volume	+0
Sales expansion costs	+11
Bran prices	+10
Cost related and others (incl. the effect of new consolidation)	+29
Overseas operating profit	+36

Processed Food

¥ +3.4 billion

Shipment volume	+8
Sales expansion costs	+7
Cost related and others	+15
Overseas operating profit (incl. Oriental Yeast, Nisshin Pharma exports)	+4

Prepared Dishes and Other Prepared Foods

¥ +1.7 billion

Sales	+12
Cost related and others	+5

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.