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(Securities Code: 2002)

June 6, 2022

To Those Shareholders with Voting Rights

Nobuki Kemmoku
Director and President
Nisshin Seifun Group Inc.
25, Kanda-Nishiki-cho 1-chome,
Chiyoda-ku, Tokyo JAPAN

CONVOCAION NOTICE OF THE 178th ORDINARY GENERAL MEETING OF SHAREHOLDERS

This is to notify you that the 178th Ordinary General Meeting of Shareholders of Nisshin Seifun Group Inc. (the “Company”) will be held as described below.

In order to prevent the spread of COVID-19, we request that shareholders refrain from attending the meeting in person as much as possible. Instead, to exercise your voting rights, please review the “Reference Documents for the General Meeting of Shareholders,” and exercise your voting rights by one of the following methods **no later than 5:30 p.m. (JST), Monday, June 27, 2022.**

[Voting in Writing (by Postal Mail)]

Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form, then return the form so as to arrive by the aforementioned deadline for the exercise of voting rights.

[Voting Electronically (via the Internet)]

Please refer to the following “Guidance for the exercise of voting rights via the Internet, etc.” and vote for or against each of the proposals at the voting rights exercise website by no later than the aforementioned deadline for the exercise of voting rights.

- 1. Date and Time:** Tuesday, June 28, 2022 at 10:00 a.m. (Reception from 9:00 a.m.)
2. Place: Tokyo Marriott Hotel, B1 The GOTENYAMA Ballroom
4-7-36, Kitashinagawa, Shinagawa-ku, Tokyo

If there are any changes to the above times, place, or any other items, as a result of the COVID-19 pandemic, etc., the information will be posted on the Company’s website (<https://www.nisshin.com/ir/stock/meeting/>).

3. Agenda of the Meeting:

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the 178th fiscal term (from April 1, 2021 to March 31, 2022) and results of audits on the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Committee
 2. Non-consolidated Financial Statements for the 178th fiscal term (from April 1, 2021 to March 31, 2022)

Proposal to be resolved:

- Proposal No. 1:** Dividends from Surplus
Proposal No. 2: Amendment of Parts of the Articles of Incorporation
Proposal No. 3: Election of Ten (10) Directors (Excluding Directors Who Are Members of the Audit & Supervisory Committee)
Proposal No. 4: Election of One (1) Director Who Is a Member of the Audit & Supervisory Committee

4. Matters concerning the Exercise of Voting Rights

Handling of multiple voting

- (1) If you exercise your voting rights via the Internet more than once, your final vote shall be deemed valid.

- (2) If you exercise your voting rights by two different methods, that is, via the Internet as well as by mailing the Voting Rights Exercise Form, the vote via the Internet shall be deemed valid.

5. Other Matters concerning this Convocation Notice

Of the documents to be provided with this Convocation Notice, “Subscription Rights to Shares” and “Systems to Ensure Appropriate Business Execution and the Status of Operation of Systems Concerned,” in the Business Report, the “Consolidated Statement of Changes in Net Assets,” the “Notes to the Consolidated Financial Statements,” the “Non-consolidated Statement of Changes in Net Assets” and the “Notes to the Non-consolidated Financial Statements” are provided on the Company’s website (<https://www.nisshin.com/english/shareholders/meeting.html>) in accordance with laws and regulations and Article 15 of the Company’s Articles of Incorporation, and they are therefore not attached herewith.

The Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements audited by the Audit & Supervisory Committee, and the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Independent Auditor consist of the items posted on the Company’s aforementioned website, as well as the documents included with this Convocation Notice.

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- Modifications, if any, to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements will be posted on the Company’s website (<https://www.nisshin.com/ir/stock/meeting/>).

In order to prevent the spread of COVID-19, we request that you exercise your voting rights, in writing or via the Internet, and refrain from coming to the meeting in person as much as possible.

- Please refer to the enclosed “The COVID-19 Infection Prevention Measures at the 178th Ordinary General Meeting of Shareholders” for points to note regarding the operation of the meeting.
- If you are attending the meeting in person, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting. Please bring this Convocation Notice with you.
- If a proxy is attending the meeting on your behalf, the proxy shall present written proof of his/her power of representation and the Voting Rights Exercise Form at the reception desk on arrival at the meeting. You may appoint only one proxy, who shall be a shareholder of the Company with voting rights.
- **Please note that the place, time, operating methods, etc., of the meeting is subject to change depending on the state of the COVID-19 pandemic, etc. If there are any changes, the information will be posted on the Company’s website (<https://www.nisshin.com/ir/stock/meeting/>).**

Guide to Exercising Voting Rights

To exercise voting rights in advance

Please review the “Reference Documents for the General Meeting of Shareholders,” described hereafter, and exercise your voting rights by either of the following methods.

Note: Institutional investors can use the platform for exercising voting rights operated by ICJ, Inc.

1. To exercise voting rights in writing (by postal mail)

- Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form, then return the form so as to arrive no later than 5:30 p.m. (JST), Monday, June 27, 2022.
- In the event you do not indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form, it shall be deemed that you indicated a vote for.

2. To exercise voting rights via the Internet, etc.

- Please refer to the following “Guidance for the exercise of voting rights via the Internet, etc.” and exercise your voting rights no later than 5:30 p.m. (JST), Monday, June 27, 2022.
- If you exercise your voting rights via the Internet more than once, your final vote shall be deemed valid.
- If you exercise your voting rights by two different methods, that is, via the Internet as well as by mailing the Voting Rights Exercise Form, the vote via the Internet shall be deemed valid.

To attend the meeting

Please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting. Please bring this Convocation Notice with you.

If a proxy is attending the meeting on your behalf, the proxy shall present written proof of his/her power of representation and the Voting Rights Exercise Form at the reception desk on arrival at the meeting. You may appoint only one proxy, who shall be a shareholder of the Company with voting rights.

Please note that the place, time, operating methods, etc., of the meeting is subject to change depending on the state of the COVID-19 pandemic, etc. If there are any changes, the information will be posted on the Company’s website (<https://www.nisshin.com/ir/stock/meeting/>).

Guidance for the exercise of voting rights via the Internet, etc.

Deadline for exercising voting rights: 5:30 p.m. (JST), Monday, June 27, 2022

■ To exercise voting rights from a smartphone

1 Access the website for exercising voting rights from a smartphone

Use your smartphone or tablet to scan the “QR Code® for the website for exercising voting rights from a smartphone” at the bottom right of the enclosed Voting Rights Exercise Form.

2 Open the website for exercising voting rights

When you open the displayed URL, the website for exercising voting rights will appear.

There are two methods for exercising voting rights.

- To indicate your vote for or against each proposal individually → 3
- To indicate your vote for all Company proposals, click “すべての会社提案議案について「賛成」する (Indicate your vote for all Company proposals).” → 4

3 To vote on each proposal individually

Click “各議案について個別に指示する (Vote individually).” Please indicate your vote for or against each of the proposals by following the instructions on the screen.

4 Complete the exercise

If there is no error on the confirmation page, click “この内容で行使する (Exercise this content)” to complete the exercise.

If you wish to change your vote after exercising your voting rights, you need to scan the QR Code® again and enter the “voting rights exercise code” and “password” indicated on the enclosed Voting Rights Exercise Form. (You can also exercise your voting rights by accessing the website for exercising voting rights (<https://www.web54.net>) directly from your computer.)

Note: QR Code is a registered trademark of DENSO WAVE INCORPORATED.

■ To exercise voting rights from a computer

1 Access the website for exercising voting rights

<https://www.web54.net>

Click “次へすすむ (Go to next).”

2 Log in

Enter the “voting rights exercise code” indicated on the Voting Rights Exercise Form, then click “ログイン (Log in).”

3 Enter the password

Enter the “password” indicated on the Voting Rights Exercise Form, create a “new password,” then click “登録 (Register).”

The preparations are now complete. Please follow the instructions on the screen and enter your vote for or against.

Notes: Any communication fees, etc., incurred when using the website for exercising voting rights shall be borne by the shareholder.

The website for exercising voting rights may not be available depending on the Internet environment, the service you subscribe to, or the device model you are using.

Inquiries about the system, etc.:

Stock Transfer Agency Web Support
Sumitomo Mitsui Trust Bank, Limited

Dedicated dial-in: 0120-652-031

(Operating hours: 9:00 to 21:00 (JST))

Reference Documents for the General Meeting of Shareholders

Proposal and References

Proposal No. 1: Dividends from Surplus

Regarding dividends from the Company's surplus, the Company wishes to meet shareholders' expectations with dividends based on a dividend payout ratio of at least 40% on a consolidated basis, while taking into account its current and future earnings status and financial position.

The Company proposes the year-end dividend from the surplus for the fiscal year ended March 31, 2022 as detailed below. This will result in the annual dividend, consisting of the interim and year-end dividends, of ¥39 per share for the fiscal year ended March 31, 2022, an increase of ¥2 from the previous fiscal year.

If this proposal is approved, the Company will achieve an increase in dividends for nine consecutive fiscal years since the fiscal year ended March 31, 2014, in which an actual increase in dividends was offered through a stock split without making an adjustment to the dividend per share.

(1) Type of dividend

Cash

(2) Matters related to the allocation of dividend and total amount thereof

¥20 per share of the Company's common stock

Total amount of dividends: ¥5,950,423,480

(3) Effective date of dividend payment

June 29, 2022

Proposal No. 2: Amendment of Parts of the Articles of Incorporation

1. Reason for the Amendment

The amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will come into effect on September 1, 2022, and the Company proposes to amend its Articles of Incorporation as follows in order to prepare for the introduction of the system of electronic provision of materials for general meetings of shareholders.

- (1) Article 15, Paragraph 1 of the proposed amendment provides that the Company shall take measures to provide information electronically that is the content of reference documents for general meetings of shareholders, etc.
- (2) Article 15, Paragraph 2 of the proposed amendment establishes a provision to limit the scope of matters to be included in the documents to be delivered to shareholders who have requested the delivery of paper documents.
- (3) The provision for Internet Disclosure and Deemed Provision of Reference Documents for Shareholders Meeting (Article 15 of the current Articles of Incorporation) shall be deleted as it is no longer necessary.
- (4) In accordance with the above amendments and deletion, supplementary provisions regarding the effective date, etc. shall be established.

2. Details of the Amendment

The Articles of Incorporation, in their current forms as well as the proposed amendments thereto, are described below.

(Underlining indicates changes.)

Current Articles of Incorporation	Proposed Amendment
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for Shareholders Meeting.)</u> <u>Article 15</u> <u>When the Company gives notification of the convocation of a general shareholders meeting, if it discloses, in a manner utilizing the Internet, information pertaining to matters that should be recorded or described in reference documents for shareholders meetings, business reports, financial statements, and consolidated financial statements in accordance with the provisions prescribed by the ordinances of the Ministry of Justice, the Company may be deemed to have provided this information to its shareholders.</u></p> <p>(newly established)</p> <p>Supplementary Provision (Transitional Measures relating to Exemption from Liabilities of Audit & Supervisory Board Members) Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from their liability for damages, resulting from acts taken before the close of the 175th Ordinary General Meeting of Shareholders held on June 26, 2019 set forth in Article 423, Paragraph 1 of the Companies Act, to the extent legally allowed.</p>	<p>(deleted)</p> <p><u>(Measures for Electronic Provision, etc.)</u> <u>Article 15</u> <u>15.1 The Company shall, upon convocation of a general meeting of shareholders, take measures to provide information electronically that is the contents of reference documents for the general meeting of shareholders, etc.</u> <u>15.2 The Company may exclude all or some of the information to be provided electronically as provided for in the applicable Ministry of Justice Order in the paper copy to be delivered to shareholders who have requested it by the record date for voting rights.</u></p> <p>Supplementary Provision (Transitional Measures relating to Exemption from Liabilities of Audit & Supervisory Board Members) <u>Article 1</u> Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from their liability for damages, resulting from acts taken before the close of the 175th Ordinary General Meeting of Shareholders held on June 26, 2019 set forth in Article 423, Paragraph 1 of the Companies Act, to the extent legally allowed.</p>

Current Articles of Incorporation	Proposed Amendment
(newly established)	<p data-bbox="810 188 1385 241"><u>(Transitional Measures relating to Measures for Electronic Provision, etc.)</u></p> <p data-bbox="810 244 898 271"><u>Article 2</u></p> <p data-bbox="810 273 1426 434"><u>2.1 The amendment of Article 15 of the Articles of Incorporation shall be effective as of September 1, 2022 (the “Effective Date”), the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p> <p data-bbox="810 436 1426 629"><u>2.2 Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) shall remain in force with respect to general meetings of shareholders to be held within six months from the Effective Date.</u></p> <p data-bbox="810 631 1394 763"><u>2.3 This article shall be deleted after six months have elapsed from the Effective Date or after three months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3: Election of Ten (10) Directors (Excluding Directors Who Are Members of the Audit & Supervisory Committee)

At the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of all ten (10) Directors (excluding Directors who are members of the Audit & Supervisory Committee) will expire.

Therefore, we propose that ten (10) Directors (excluding Directors who are members of the Audit & Supervisory Committee) be elected. The Audit & Supervisory Committee has considered this proposal and expressed its opinion that there are no particular matters to be stated.

The candidates for Directors (excluding Directors who are members of the Audit & Supervisory Committee) are as follows.

No.	Name		Current Position and Responsibility in the Company	Attendance at meetings of the Board of Directors (Times)
1	Akira Mori	Renomination	Director, Senior Managing Executive Officer (In charge of Corporate Planning Division and Finance and Accounting Division)	13/13 (100%)
2	Koichi Iwasaki	Renomination	Director, Managing Executive Officer and Division Executive (Business Development Division)	13/13 (100%)
3	Satoshi Odaka	Renomination	Director, Managing Executive Officer and Division Executive (Technology and Engineering Division)	13/13 (100%)
4	Naoto Masujima	Renomination	Director, Managing Executive Officer and Division Executive (General Administration Division)	9/10 (90%)
5	Takao Yamada	Renomination	Director and Managing Executive Officer	13/13 (100%)
6	Yuji Koike	Renomination	Director and Managing Executive Officer	13/13 (100%)
7	Kazuhiko Fushiya	Renomination Outside Director Independent Director	Director	13/13 (100%)
8	Motoo Nagai	Renomination Outside Director Independent Director	Director	13/13 (100%)
9	Kenji Takihara	New candidate	Managing Executive Officer	—
10	Nobuhiro Endo	New candidate Outside Director Independent Director	—	—

Note: Attendance information for Mr. Naoto Masujima only includes meetings of the Board of Directors held since his appointment on June 25, 2021.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]		Number of the Company's Shares Held
1	Renomination	April 1979	Joined the Company	42,160 shares
	Akira Mori (December 16, 1956)	June 2010	General Manager (Finance Department of Finance and Accounting Division)	
June 2012		Executive Officer and General Manager (Finance Department of Finance and Accounting Division)		
June 2013		Director and Division Executive (Corporate Planning Division)		
June 2015		Managing Director and Division Executive (Corporate Planning Division)		
April 2017		Managing Director and Division Executive (Finance and Accounting Division)		
June 2019		Director, Managing Executive Officer and Division Executive (Finance and Accounting Division)		
June 2020		Director, Senior Managing Executive Officer (In charge of Corporate Planning Division and Finance and Accounting Division) (to the present)		
Reason for selecting the candidate for Director				
The Company selected Mr. Akira Mori as candidate for Director as he has a wealth of experience and excellent track record in overall management, including accounting, finance, and corporate planning, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				
2	Renomination	April 1980	Joined the Company	65,600 shares
	Koichi Iwasaki (September 12, 1956)	June 2012	Director	
June 2014		Director and President, Nisshin Foods Inc.		
June 2015		Managing Director		
June 2017		Director, Tokatsu Foods Co., Ltd.		
June 2017		Executive Officer		
June 2017		Director and Vice Chairman, Tokatsu Foods Co., Ltd.		
June 2019		Director, Managing Executive Officer and Division Executive (Business Development Division) (to the present)		
July 2019	Director and Chairman, Tokatsu Foods Co., Ltd. (to the present)			
[Director and Chairman (Representative Director), Tokatsu Foods Co., Ltd.]				
Reason for selecting the candidate for Director				
The Company selected Mr. Koichi Iwasaki as candidate for Director as he has a wealth of experience and excellent track record in management of the prepared dishes and other prepared foods business, as well as processed food business, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]		Number of the Company's Shares Held
3	Renomination Satoshi Odaka (November 18, 1958)	April 1983 June 2007 April 2012 June 2012 June 2015 June 2019 June 2020	Joined the Company General Manager (Technology and Engineering Department of Technology and Engineering Division) Director and Division Executive (Production Division), Nisshin Flour Milling Inc. Executive Officer Director and Division Executive (Technology and Engineering Division) Managing Executive Officer and Division Executive (Technology and Engineering Division) Director, Managing Executive Officer and Division Executive (Technology and Engineering Division) (to the present)	34,591 shares
Reason for selecting the candidate for Director The Company selected Mr. Satoshi Odaka as candidate for Director as he has a wealth of experience and excellent track record in the areas including production management and technology development, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				
4	Renomination Naoto Masujima (September 11, 1960)	April 1983 June 2014 June 2015 June 2016 June 2017 June 2019 June 2021	Joined the Company Executive Officer, GS (Globalization) of Corporate Planning Division and General Manager (China Business Development Office of Corporate Planning Division) Director, General Manager (Corporate Planning Department) and Division Executive (Overseas Business Division), Nisshin Flour Milling Inc. Managing Director, General Manager (Corporate Planning Department) and Division Executive (Overseas Business Division), Nisshin Flour Milling Inc. Director and Division Executive (General Administration Division) Managing Executive Officer and Division Executive (General Administration Division) Director, Managing Executive Officer and Division Executive (General Administration Division) (to the present)	31,281 shares
Reason for selecting the candidate for Director The Company selected Mr. Naoto Masujima as candidate for Director as he has a wealth of experience and excellent track record in the areas including general administration, human resources, corporate planning and overseas business, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]		Number of the Company's Shares Held
5	Renomination	April 1983	Joined the Company	38,896 shares
	Takao Yamada (September 27, 1960)	June 2011	Director and General Manager (Tokyo Sales Department), Nisshin Flour Milling Inc.	
June 2012		Executive Officer		
June 2013		Director		
April 2015		Managing Director and Division Executive (Sales Division), Nisshin Flour Milling Inc.		
April 2017		Senior Managing Director and Division Executive (Sales Division), Nisshin Flour Milling Inc.		
June 2019		Director and President, Nisshin Flour Milling Inc. (to the present)		
			Director and Managing Executive Officer (to the present)	
		[Director and President (Representative Director), Nisshin Flour Milling Inc.]		
Reason for selecting the candidate for Director				
The Company selected Mr. Takao Yamada as candidate for Director as he has a wealth of experience and excellent track record in management of the flour milling business, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				
6	Renomination	April 1983	Joined the Company	35,131 shares
	Yuji Koike (January 16, 1960)	June 2014	Executive Officer	
June 2017		Director and President, Nisshin Petfood Inc.		
June 2019		Director		
January 2022		Director and President, Nisshin Foods Inc.		
			Director and Managing Executive Officer (to the present)	
			Director and President, Nisshin Seifun Welna Inc. (to the present)	
		[Director and President (Representative Director), Nisshin Seifun Welna Inc.]		
Reason for selecting the candidate for Director				
The Company selected Mr. Yuji Koike as candidate for Director as he has a wealth of experience and excellent track record as a business manager, along with extensive expertise in the area of sales operation in the processed food business, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]		Number of the Company's Shares Held
7	Renomination Outside Director Independent Director Kazuhiko Fushiya (January 26, 1944)	April 1967 July 1999 July 2001 July 2002 January 2006 February 2008 January 2009 June 2009 June 2015 [Chairman, The Institute of Internal Auditors - Japan]	Joined the Ministry of Finance Commissioner, National Tax Agency Deputy Governor, National Life Finance Corporation Assistant Chief Cabinet Secretary Commissioner, Board of Audit of Japan Commissioner (President), Board of Audit of Japan Retired Audit & Supervisory Board Member Director (to the present)	5,600 shares
Reason for selecting the candidate for Outside Director and a summary of the expected role The Company selected Mr. Kazuhiko Fushiya as candidate for Outside Director as he currently provides appropriate advice and supervision over the Company's business execution, based on a wealth of experience and high-level expertise gained through his career in the Ministry of Finance and other governmental organizations where he held important positions, and thus is hoped to continue to fulfill the aforementioned expected role, as the Company pursues sustainable growth and medium- to long-term enhancement of its corporate value. Although Mr. Fushiya has no experience in participating directly in corporate management, except by serving as Outside Director or Outside Audit & Supervisory Board Member, he is believed, for the aforementioned reasons, to be capable of adequately fulfilling the duties of Outside Director.				
8	Renomination Outside Director Independent Director Motoo Nagai (March 4, 1954)	April 1977 April 2005 April 2007 April 2011 June 2011 April 2014 June 2014 June 2015 June 2019 [Outside Director, Nissan Motor Co., Ltd.] [Outside Director, Organo Corporation]	Joined Industrial Bank of Japan, Limited Executive Officer, Mizuho Corporate Bank, Ltd. Managing Executive Officer, Mizuho Corporate Bank, Ltd. Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd. Deputy President (Representative Director) and Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd. Commissioner, Mizuho Trust & Banking Co., Ltd. Retired as Commissioner, Mizuho Trust & Banking Co., Ltd. Audit & Supervisory Board Member Director (to the present)	1,000 shares
Reason for selecting the candidate for Outside Director and a summary of the expected role The Company selected Mr. Motoo Nagai as candidate for Outside Director as he currently provides appropriate advice and supervision over the Company's business execution, based on his wealth of experience and broad-based insight gained through management of financial institutions, and thus is hoped to continue to fulfill the aforementioned expected role, as the Company pursues sustainable growth and medium- to long-term enhancement of its corporate value.				

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]	Number of the Company's Shares Held
9	New candidate	<p>April 1988 Joined the Company</p> <p>June 2006 General Manager (Investor Relations Office of Corporate Planning Division)</p> <p>June 2009 Group Leader (Operations & Planning Group of Operations & Planning Division), Nisshin Flour Milling Inc.</p> <p>June 2013 Director and Division Executive (Operations & Planning Division), Nisshin Flour Milling Inc.</p> <p>June 2016 Executive Officer</p> <p>June 2017 Director</p> <p>June 2019 Managing Executive Officer (to the present)</p> <p> Managing Director and Division Executive (Operations & Planning Division), Nisshin Flour Milling Inc.</p> <p>June 2021 Senior Managing Director, Nisshin Flour Milling Inc. (to the present)</p> <p>[Senior Managing Director, Nisshin Flour Milling Inc.]</p>	37,760 shares
	<p>Reason for selecting the candidate for Director</p> <p>The Company selected Mr. Kenji Takihara as candidate for Director as he has a wealth of experience and excellent track record in the flour milling business, along with a wide range of expertise in the areas including investor relations, corporate planning and technology development, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.</p>		

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]	Number of the Company's Shares Held
10	New candidate Outside Director Independent Director Nobuhiro Endo (November 8, 1953)	April 1981 Joined NEC Corporation April 2006 Senior Vice President and Executive General Manager (Mobile Network Operations Unit), NEC Corporation April 2009 Executive Vice President, NEC Corporation June 2009 Executive Vice President and Member of the Board, NEC Corporation April 2010 President (Representative Director), NEC Corporation April 2016 Chairman of the Board (Representative Director), NEC Corporation June 2019 Chairman of the Board, NEC Corporation (to the present) [Chairman of the Board, NEC Corporation] [Outside Director, Tokio Marine Holdings, Inc.] [Outside Director, Sumitomo Pharma Co., Ltd.] [Outside Director, Japan Exchange Group, Inc.]	0 shares
Reason for selecting the candidate for Outside Director and a summary of the expected role The Company selected Mr. Nobuhiro Endo as candidate for Outside Director as he has a wealth of experience and broad-based insight as corporate executive, and is considered to qualify for the office of Outside Director in charge of providing appropriate advice and supervision over the Company's business execution based on the experience and insight, and thus is hoped to fulfill the aforementioned expected role, as the Company pursues sustainable growth and medium- to long-term enhancement of its corporate value.			

- Notes:
1. No actual conflict of interest exists between the Company and any of the above candidates.
 2. Under the provision of Article 427, Paragraph 1 of the Companies Act, the Company has concluded liability limitation agreements with Mr. Kazuhiko Fushiya and Mr. Motoo Nagai which limit the amount of liability for damages set forth in Article 423, Paragraph 1 thereof, to the sum of the amount set forth in each item of Article 425, Paragraph 1 thereof, provided that their duties are performed in good faith and without gross negligence.
 3. Under the provision of Article 427, Paragraph 1 of the Companies Act, the Company plans to conclude a liability limitation agreement with Mr. Nobuhiro Endo which limits the amount of liability for damages set forth in Article 423, Paragraph 1 thereof, to the sum of the amount set forth in each item of Article 425, Paragraph 1 thereof, provided that his duties are performed in good faith and without gross negligence.
 4. The Company has entered into a directors and officers liability insurance contract with an insurance company, as provided in Article 430-3, Paragraph 1 of the Companies Act, insuring Directors, Audit & Supervisory Board Members, Executive Officers, and important employees, etc. of the Company and its domestic subsidiaries, under which damages arising from insureds' liability borne from the performance of their duties, or from claims in pursuit of that liability, shall be compensated. If each candidate is elected and assumes office as a Director, each Director will be included as the insured under this insurance contract. In addition, the Company plans to renew this insurance contract under similar conditions, at the time of the next renewal.
 5. Mr. Kenji Takihara is scheduled to assume office as Director and Chairman, Nisshin Flour Milling Inc. on June 28, 2022.
 6. Information on candidates for Outside Directors
 - (1) Mr. Kazuhiko Fushiya, Mr. Motoo Nagai, and Mr. Nobuhiro Endo are candidates for Outside Directors. The Company has selected them as Independent Directors due to their satisfying the "Independence Standards for Outside Directors," which are stipulated by the Company based on the criteria concerning independence set forth by the Tokyo Stock Exchange, Inc. (and posted on the Company's website (https://www.nisshin.com/uploads/governance_is.pdf)) with the necessary notification provided thereto.
 - (2) Mr. Kazuhiko Fushiya is currently an Outside Director for the Company, whose term in office will be about seven years at the time of the conclusion of this Ordinary General Meeting of Shareholders. Furthermore, he was an Outside Audit & Supervisory Board Member for the Company before his appointment as an Outside Director and so has been with the Company for about thirteen years since his appointment as an Outside Audit & Supervisory Board Member.
 - (3) Mr. Motoo Nagai is currently an Outside Director for the Company, whose term in office will be about three years at the time of the conclusion of this Ordinary General Meeting of Shareholders. Furthermore, he was an Outside Audit & Supervisory Board Member for the Company before his appointment as an Outside Director and so has been with the Company for about seven years since his appointment as an Outside Audit & Supervisory Board Member.
 - (4) Mr. Nobuhiro Endo is scheduled to retire from the office of Chairman of the Board of NEC Corporation at the conclusion

of its ordinary general meeting of shareholders to be held in June 2022.

- (5) Nissan Motor Co., Ltd. (“Nissan”), for which Mr. Motoo Nagai served as an outside audit & supervisory board member (full-time) until June 2019 and serves as an outside director from the same month, received process improvement orders on March 26, 2018 and process improvement directives on December 19, 2018 from the Ministry of Land, Infrastructure, Transport and Tourism related to the company’s non-conformities in the final inspection process at its vehicle manufacturing plants in Japan. In addition, Nissan received a surcharge payment order on February 27, 2020 from the Commissioner of the Financial Services Agency for making false disclosures regarding the director’s remuneration in annual securities reports submitted in past years, etc. Due to such false disclosures regarding the director’s remuneration, Nissan and two former directors of Nissan were also indicted on charges of violating the Financial Instruments and Exchange Act (Crime of Submission of False Annual Securities Report), and Nissan and one former director were convicted on March 3, 2022 (the judgment has been confirmed for Nissan). Furthermore, a former director of Nissan was indicted on charges for violating the Companies Act (Crime of an Aggravated Breach of Trust). Mr. Motoo Nagai had not been aware of these issues until the underlying causes for such matters became known. However, Mr. Motoo Nagai has regularly provided suggestions at meetings of the board of directors and other such meetings from the standpoint of compliance with laws and regulations, and after becoming aware of these issues, he has appropriately fulfilled his duties by providing instructions regarding thorough investigation and prevention of reoccurrence of such misconduct.
- (6) Japan Post Insurance Co., Ltd., for which Mr. Nobuhiro Endo served as an outside director from June 2016 to June 2018, received business suspension orders and process improvement orders from the Financial Services Agency on December 27, 2019, due to improper sales for insurance, etc., by the company. Mr. Nobuhiro Endo had not been aware of the underlying causes for the orders while being in office. However, Mr. Nobuhiro Endo had been appropriately fulfilling his duties by providing suggestions from the standpoint of compliance with laws and regulations regularly and ensuring thorough awareness of compliance.
- (7) Japan Exchange Group, Inc., for which Mr. Nobuhiro Endo serves as an outside director, received a process improvement orders from the Financial Services Agency on November 30, 2020, in response to a failure that occurred on October 1, 2020, in the stock trading system of its subsidiary, the Tokyo Stock Exchange, Inc. (hereinafter referred to as the “TSE”), and the resulting all-day trading halt on the TSE, citing deficiencies in the settings of the automatic switching function of the failed equipment and the TSE’s insufficient rules regarding the resumption of trading. Before the occurrence of the fact, Mr. Nobuhiro Endo had been providing suggestions at meetings of the company’s board of directors on how the market should be operated to ensure stability and reliability as appropriate. After the occurrence of the fact, he appropriately fulfilled his duties as a member of the Investigation Committee established by the company, evaluating and making recommendations regarding the true cause of the failure, the appropriateness of pre- and post-response measures, and measures to prevent recurrence, as well as reporting at meetings of the company’s board of directors on the status and results of the Committee’s investigation.

Proposal No. 4: Election of One (1) Director Who Is a Member of the Audit & Supervisory Committee

Mr. Tetsuo Kawawa, a Director who is a member of the Audit & Supervisory Committee, will resign at the time of the conclusion of this Ordinary General Meeting of Shareholders.

Therefore, we propose that one (1) Director who is a member of the Audit & Supervisory Committee be elected. Furthermore, we have received consent from the Audit & Supervisory Committee concerning this proposal.

The candidate for Director who is a member of the Audit & Supervisory Committee is as follows.

Name		Current Position and Responsibility in the Company	Attendance at meetings of the Board of Directors (Times)
Takaharu Ando	New candidate Outside Director Independent Director	—	—

Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]	Number of the Company's Shares Held
New candidate Outside Director Independent Director Takaharu Ando (August 31, 1949)	April 1972 Joined National Police Agency September 1994 Chief of Gunma Prefectural Police Headquarters August 1999 Director of Public Security Bureau of Tokyo Metropolitan Police Department August 2004 Director General of Commissioner General's Secretariat of National Police Agency August 2007 Deputy Commissioner General of National Police Agency June 2009 Commissioner General of National Police Agency October 2011 Retired from National Police Agency [Outside Director, AMUSE INC.] [Outside Director, ZENSHO HOLDINGS CO., LTD.] [Outside Director, TOBU RAILWAY CO., LTD.]	0 shares
<p>Reason for selecting the candidate for Outside Director who is a member of the Audit & Supervisory Committee and a summary of the expected role</p> <p>The Company selected Mr. Takaharu Ando as candidate for Outside Director who is a member of the Audit & Supervisory Committee, as he has a career in the National Police Agency and other governmental organizations where he held important positions, and is considered to qualify for the office of Audit & Supervisory Committee Member in charge of auditing and supervising the Company's operational execution based on his wealth of experience and broad-based insight gained through his career, thus is hoped to fulfill the aforementioned expected role from an objective standpoint in order to further strengthen the Company's governance and risk management. Although Mr. Ando has no experience in participating directly in corporate management, except by serving as Outside Director, he is believed, for the aforementioned reasons, to be capable of adequately fulfilling the duties of Outside Director who is a member of the Audit & Supervisory Committee.</p>		

- Notes:
1. No actual conflict of interest exists between the Company and the above candidate.
 2. Under the provision of Article 427, Paragraph 1 of the Companies Act, the Company is planning to conclude a liability limitation agreement with Mr. Takaharu Ando which limits the amount of liability for damages set forth in Article 423, Paragraph 1 thereof, to the sum of the amount set forth in each item of Article 425, Paragraph 1 thereof, provided that his duties are performed in good faith and without gross negligence on his part.
 3. The Company has entered into a directors and officers liability insurance contract with an insurance company, as provided in Article 430-3, Paragraph 1 of the Companies Act, insuring Directors, Audit & Supervisory Board Members, Executive Officers, and important employees, etc. of the Company and its domestic subsidiaries, under which damages arising from insureds' liability borne from the performance of their duties, or from claims in pursuit of that liability, shall be compensated. If Mr. Takaharu Ando is elected and assumes office as a Director who is a member of the Audit & Supervisory Committee, he will be included as the insured under this insurance contract. In addition, the Company plans to renew this insurance contract under similar conditions, at the time of the next renewal.
 4. Information on a candidate for Outside Director who is a member of the Audit & Supervisory Committee
Mr. Takaharu Ando is a candidate for Outside Director. The Company has selected him as a Independent Director due to him satisfying the "Independence Standards for Outside Directors" which are stipulated by the Company based on the criteria concerning independence set forth by the Tokyo Stock Exchange, Inc. (and posted on the Company's website (https://www.nisshin.com/uploads/governance_is.pdf)) and has provided the necessary notification thereto.

End

Reference: Expertise, etc., of (prospective) Directors after this Ordinary General Meeting of Shareholders (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
Kenji Takihara	●	●		●		●		●	●
Akira Mori	●	●	●	●		●			●
Koichi Iwasaki	●				●		●	●	●
Satoshi Odaka				●		●		●	●
Naoto Masujima		●		●	●	●		●	
Takao Yamada	●				●		●	●	●
Yuji Koike	●				●		●	●	●
Kazuhiko Fushiya		●	●	●		●			
Motoo Nagai	●	●	●				●		
Nobuhiro Endo	●	●			●		●	●	●
Shoh Ohuchi			●						
Satoshi Ito			●						
Mieko Tomita				●	●				
Takaharu Ando		●		●	●	●			

Business Report

(From April 1, 2021 to March 31, 2022)

1. Overview of the Corporate Group

(1) Business Progress and Results

[1] Business Environment and Performance of the Group

During the fiscal year ended March 31, 2022, economic activities are gradually moving toward normalcy, although lifestyles and consumer mindsets are changing, and demand is being affected by a repeated pattern of expansion and retreat in infections from COVID-19. On the other hand, the business environment has been significantly affected by global food inflation, a sharp rise in the prices of cereal and natural resources due to the situation in Ukraine, and the accelerated depreciation of the yen in the foreign exchange market, etc.

Under these conditions, the Group strove to fulfill its corporate mission of ensuring the stable supply of foods involving wheat flour and the delivery of safe and reliable products in each business area, as well as the safety of the employees who support this mission. Additionally, the Group gave highest priority to achieving a swift recovery in sales and earnings capabilities in order to realize its long-term vision called “NNI ‘Compass for the Future’—Toward a New Stage—Maximizing Group-wide Capabilities and Effecting Business Model Change” along with decisive steps for building the foundation for further growth.

As part of this effort, in October of last year, we decided to construct a new flour millig plant in the Mizushima district of the City of Kurashiki, in Okayama Prefecture, which is scheduled to start operations in around May 2025, and to close the Okayama Plant and Sakaide Plant in conjunction with this construction. Through these measures, we will strengthen our cost competitiveness, enhance our BCP (business continuity planning) in preparation for possible damage due to earthquakes and other contingencies, and ensure a stable supply of wheat flour which is our staple foods.

In January of this year, we changed the company name of processed food business subsidiary Nisshin Foods Inc. to Nisshin Seifun Welna Inc. We will pursue new brand strategies both in Japan and overseas with the aim of developing into a globally-operating company through brand strategic investments to increase exposure and to establish and expand awareness of our brand.

Additionally, to promote the sustainable cyclical growth targeted in the Company’s long-term vision, we have endorsed the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), and announced our participation in the TCFD Consortium. In conjunction with these moves, in August 2021 we formulated specific medium/long-term targets with respect to two of our CSR priorities - “addressing climate change and water resource issues” and “efficiently handling food waste and packaging waste” - and are further accelerating efforts to this end.

With respect to performance, consolidated net sales for the fiscal year ended March 31, 2022, came to ¥679,736 million, essentially unchanged year on year. This result came as lower revenue due to effects from the application of an accounting standard regarding revenue recognition and the termination of outsourced production in the pet food business balanced out several positive developments. These included increased revenue in the flour milling business in Japan from price revisions for wheat flour enacted in step with wheat price revisions, growth in wheat market prices and foreign currency translation effects in the overseas flour milling business, and revenue growth from progress in plant construction in the engineering business. Excluding the impact of application of the accounting standard regarding revenue recognition, sales actually increased 8.6% year on year. In terms of profits, operating profit increased 8.2% year on year to ¥29,430 million, while ordinary profit was up 9.2% to ¥32,626 million. These results were largely reflective of robust performance in the U.S. flour milling business, firm sales prices for bran (a byproduct of the flour milling business in Japan), steady recovery in the prepared dishes and other prepared foods business, and progress on large-scale projects in the engineering business. Profit attributable to owners of parent, meanwhile, declined 7.9% to ¥17,509 million, mainly reflecting an impairment loss accompanying worsening business performance in the New Zealand flour milling business.

With respect to dividends, the Company plans to pay a full-year dividend of ¥39 per share, up ¥2 from the previous fiscal year, in line with its basic policy of maintaining a payout ratio of at least 40% on a consolidated basis.

[2] Review of Operations of the Group

In the domestic market, the Group strove to strengthen sales promotion activities and enhance productivity in all of its business fields, as well as continuously implementing cost reductions and ensuring appropriate profits commensurate with purchasing costs. The Group aggressively implemented measures to strengthen its business foundations in overseas markets as well.

In new product development, the Group continued to develop high-value-added products that are novel and unique, while also focusing on new market development.

Moreover, in order to deliver high-quality, safe and reliable products, the Group strove for further improvement

and enhancement of its quality control systems.

The following is a review of operations by business segment of the Group.

Flour Milling Segment

Percentage of net sales: 46.1%

Net sales: ¥313,519 million

In the flour milling business in Japan, as economic activity gradually returned to normal, the market environment nonetheless remained challenging even as market conditions moved toward recovery. In this climate, sales expansion measures led to higher shipments compared to the previous year. Additionally, in June and again in December 2021, we implemented price revisions for commercial-use wheat flour in response to revised government prices for five classes of imported wheat. On average, the government's price for imported wheat rose 5.5% in April 2021, and by 19.0% in October that same year.

In the overseas flour milling business, sales were higher year on year mainly due to the effects of rising wheat market prices, coupled with foreign currency translation effects.

As a result, net sales of the Flour Milling Segment increased 9.7% year on year to ¥313,519 million, overcoming the sales-reducing effect of the application of an accounting standard regarding revenue recognition. Operating profit climbed 35.9% to ¥8,587 million, benefiting mainly from favorable business performance in the U.S. flour milling business and robust sales prices for bran, a byproduct from the flour milling business in Japan, offsetting worsening business performance in the Australia flour milling business due to supply chain woes caused by the COVID-19 pandemic.

Processed Food Segment

Percentage of net sales: 26.9%

Net sales: ¥182,968 million

In the processed food business, while shipments of household-use products fell short of the tremendous growth reported in the previous year, demand for commercial-use products continued to recover, while shipments of prepared mix held firm overseas. Nevertheless, sales in the processed food business were lower year on year, mainly due to the sales-reducing effect of the application of an accounting standard regarding revenue recognition. Additionally, we revised prices for wheat flour products in July 2021 and again in January 2022, in line with price revisions for commercial wheat flour reflecting price changes for imported wheat enacted by the Japanese government. Further, in step mainly with rising costs for raw ingredients due to high market prices, we enacted price revisions for pasta and pasta sauces in September 2021 and February 2022, with similar revisions for frozen foods also in February.

In the yeast and biotechnology business, sales were higher year on year, mainly reflecting higher shipments of diagnostic reagents and culture media. Furthermore, local subsidiary Oriental Yeast India Pvt. Ltd. is aiming to launch full-scale operations sometime in summer 2022 of a yeast plant in India, where work was previously delayed by the COVID-19 pandemic.

In the healthcare foods business, sales were lower year on year due to lower shipments of raw materials for pharmaceuticals.

As a result, net sales of the Processed Food Segment decreased 14.8% year on year to ¥182,968 million, which also included sales-reducing effects from the application of an accounting standard regarding revenue recognition. Operating profit declined 19.1% to ¥12,411 million, mainly the result of lower shipments of household-use products and higher expenses for sales expansion measures in the processed food business, coupled with brand strategy investments accompanying a company name change and a decline in shipments of raw materials for pharmaceuticals in the healthcare foods business. These factors overshadowed growth in shipments of prepared mix overseas in the processed food business, as well as higher shipments of diagnostic reagents and culture media in the yeast and biotechnology business.

Prepared Dishes and Other Prepared Foods Segment

Percentage of net sales: 20.4%

Net sales: ¥138,384 million

In the prepared dishes and other prepared foods business, sales were strong, reflecting steady recovery in sales from the effects of the COVID-19 pandemic last year. In addition, sales of seasonal New Year's dishes were again strong as was the case in the previous year. However, net sales of the Prepared Dishes and Other Prepared Foods Segment decreased 3.1% year on year to ¥138,384 million, mainly due to sales-reducing effects from the application of an accounting standard regarding revenue recognition. Operating profit, meanwhile, was ¥3,141 million, up a substantial 145.8% from the previous year, reflecting benefits from improved production efficiency, in addition to sales growth.

In addition, in April this year we decided to establish, this July, an intermediate holding company for overseeing the prepared dishes and other prepared foods business. The purpose of the new company will be to make flexible

strategic decisions considering the overall optimization of the prepared dishes and other prepared foods business, and to further strengthen management of that business. Going forward, this intermediate holding company will have a leading role as we build a competitive business structure. It will effectively use the management resources of subsidiaries under its control, participate in and support the business management and strategic planning of each company, and strengthen risk management and governance.

Others Segment

Percentage of net sales: 6.6%

Net sales: ¥44,864 million

In the engineering business, sales were significantly higher year on year, reflecting progress on large-scale projects in mainstay plant engineering operations.

In the mesh cloths business, sales rose year on year atop increased shipments of screen printing materials for solar panels, mesh cloths for hydrogen production equipment, and plastic molding products mainly for automotive components.

In the pet food business, our involvement in the outsourced production of pet food concluded on March 31, 2021.

As a result, net sales of the Others Segment increased 23.8% year on year to ¥44,864 million, and operating profit increased 21.7% to ¥5,160 million.

(2) Issues to be Addressed

[1] Basic Management Policy

The Group has been operating and striving to expand its business under the corporate principle of “contributing to a healthy and fruitful life for all” which is founded on the guiding philosophies of “the basis of business is built on trust” and to be “in tune with the changing business climate.” Each of our Group companies endeavors to always provide health-conscious products and services, and is committed to earning customer trust under the corporate slogan of “delivering good health and reliability.”

In light of these basic philosophies, the Group makes it a basic management policy to maximize its long-term corporate value, and carries out group management by strategically allocating resources concentrated on our core and growing business.

Furthermore, we pursue self-innovation while fulfilling our social responsibility by implementing internal control systems, reinforcing compliance, ensuring food safety, protecting the environment, and contributing to social activities, etc., and contribute to the realization of a sustainable society. We will continue to strive to gain active support from each of our various stakeholders including shareholders, customers, business partners, employees, and society.

[2] Medium- to Long-term Management Strategies

The Group is striving to achieve the goal set forth in its long-term vision, “NNI ‘Compass for the Future’ — Toward a New Stage—Maximizing Group-wide Capabilities and Effecting Business Model Change” to be “a globally-operating company that assists ‘healthy lifestyles’ and plays a critical role in building ‘the food infrastructure’ of the future,” through the promotion of New Nisshin Innovation activities. We will build a system which demonstrates the Group’s “comprehensive capabilities.” At the same time, we will take this opportunity to emphasize “customer-oriented policy,” implement growth strategies based on the pillars of “remodeling existing businesses” and “enhancing the Group business portfolio,” and further reinforce management functions which support the aforesaid initiatives.

Furthermore, we will strive to secure the stable distribution of profits from a long-term perspective to shareholders who share with us “the values created down through the generations since our establishment.” We aim for a payout ratio baseline of 40% or more on a consolidated basis, while intending to repurchase treasury shares in a flexible manner taking into account cash flows and demand for funds for strategic investments.

The Group will execute these strategies developed to realize the long-term vision so as to achieve further growth in earnings per share (EPS) through efforts in both profit growth and capital policy planning. We will also strive to improve our return on equity (ROE) and ensure ROE exceeds capital cost, while striking a balance between capital efficiency and financial stability.

We will further strengthen the link between “the realization of corporate philosophy” and “the maximization of corporate value” by pursuing sustainability management in a manner that develops a strong link between our business strategies and contributions to environment (E) and society (S), which are associated with business sustainability, while enhancing governance (G), which serves as a discipline to improve corporate value. We seek to achieve the goal of developing a corporate group blessed with ongoing active support from all stakeholders.

We are currently investigating a new medium-term management plan to start in the fiscal year ending March 31, 2023. We plan to formulate it after thorough discussion under the leadership of the new President, who is scheduled to assume office effective from the date of this year’s Ordinary General Meeting of Shareholders.

[3] Management Environment and Issues to be Addressed, etc.

In the food industries in Japan and overseas, economic activities are gradually moving toward normalcy, although lifestyles and consumer mindsets are changing, and demand is being affected by a repeated pattern of expansion and retreat in infections from COVID-19. On the other hand, the business environment has been significantly affected by global food inflation, a sharp rise in the prices of cereal and natural resources due to the situation in Ukraine, and the accelerated depreciation of the yen in the foreign exchange market, etc. In addition, the trend in Japan for negotiating free trade agreements is anticipated to accelerate, due to factors such as international trade agreements coming into effect.

Under these circumstances, the Group will fulfill its mission to continue to secure the stable supply of foods involving wheat flour, and delivering safe and reliable products in each business. In addition, each of our businesses will place a top priority on addressing the significant increase in raw material and other costs due to factors such as food inflation. At the same time, in order to strengthen our business competitiveness (ability to sell and ability to earn), we will promote digital transformation, digitalize our operations, and reform our business model, etc., while seeking to realize our long-term vision by strengthening cooperation among our operating companies in Japan and overseas, which will further generate the Group's "comprehensive capabilities." We will take on the environmental changes being brought about by social issues and technological innovations and achieve sustainable growth. At the same time, we will contribute to the realization of a sustainable society by creating a cycle that contributes to society through the additional value that the Group itself produces. In response to increasing system-related risks such as cyberattacks and unauthorized access, we are enhancing the Group-wide security level, by strengthening our security functions and crisis management systems.

1. Domestic Business Strategies

Regarding the flour milling business, we will strengthen customer relationships through the development of products that accurately capture customer needs and by promoting value-added services that offer total solutions to customers, and continue our efforts to stably supply safe and reliable products. In addition, in October of last year, we decided to construct a new plant in the Mizushima district of the City of Kurashiki, in Okayama Prefecture, which is scheduled to start operations in around May 2025, and to close the Okayama Plant and Sakaide Plant in conjunction with this construction. Through these measures, we will strengthen our cost competitiveness, enhance our BCP (business continuity planning) in preparation for possible damage due to earthquakes and other contingencies, and ensure a stable supply of wheat flour which is our staple foods.

In the processed food business, we will work to address customer needs, adding value to products with an emphasis on three themes of "simple & convenient," "authentic," and "healthy," and will pursue measures to boost brand loyalty by launching new products aligned to the SDGs and to the preferences of Generation Z with aggressive sales promotional efforts. We will also undertake the task of optimizing our business portfolio including the effort to further expand the frozen foods business, which is a growing sector. In January of this year, we changed the company name of Nisshin Foods Inc. to Nisshin Seifun Welna Inc. We will pursue new brand strategies both in Japan and overseas with the aim of developing into a globally-operating company through brand strategic investments to increase exposure and to establish and expand awareness of our brand.

In the prepared dishes and other prepared foods business, we will switch to a highly practical business model that strives to provide delicious flavors, by leveraging the Group's R&D capabilities while realizing a high level of production efficiency through the technological capabilities we have cultivated over the years. In addition, in April this year we decided to establish, this July, an intermediate holding company for overseeing the prepared dishes and other prepared foods business. The purpose of the new company will be to make flexible strategic decisions considering the overall optimization of the prepared dishes and other prepared foods business, and to further strengthen management of that business. Going forward, this intermediate holding company will have a leading role as we build a competitive business structure. It will effectively use the management resources of subsidiaries under its control, participate in and support the business management and strategic planning of each company, and strengthen risk management and governance.

In the yeast, biotechnology, healthcare foods, engineering and mesh cloths businesses, etc., our plan is to seek growth by product and technology developments that will culminate in groups of businesses with real presence in their respective industries.

Moreover, we will appropriately address the issue of labor shortage in Japan by using robots and AI, as well as by making improvements to business processes using new technologies such as automation technologies.

2. Overseas Business Strategies

In the flour milling business, we are committed to achieving further growth in local markets via sales expansion measures that leverage the Group's strengths in flour milling technology and proposal capabilities, and will continue to expand our overseas business foundations by proactively making strategic investments.

In the processed food business, we envisage further expansion of the commercial-use prepared mix business given projected growth in the Asian market. In terms of production, along with bolstering cost competitiveness by utilizing our global optimal production system as a base, we are leveraging production technology and expertise in high-level quality control built up by the Group over many years to pursue further expansion in pasta, pasta sauce and frozen foods businesses, etc.

In the yeast and biotechnology business, a yeast production plant is currently under preparation by Oriental Yeast India Pvt. Ltd., and full-scale operations are planned to commence around this summer. This plant will allow us to enter into the Indian yeast market, which is experiencing growing demand for yeast used in bread baking. We aim to expand business by supplying our high-quality products locally.

Moreover, in the flour milling, processed food, and bakery-related businesses in particular, we will move with speed to promote business expansion in new domains, either through the Group's own proprietary efforts or through M&A and alliance opportunities.

3. R&D Strategies and Cost Strategies

The Group takes on the perspective of its customers in the development of new products, and is engaged in the creation of basic and core technologies in new domains. In terms of the development of new products, high value-added products from a customer perspective that are novel and unique will be developed continuously. In research, we will clarify our priority research domains in order to promote the commercialization and practical application of research results. At the same time, we will establish research themes closely aligned with business strategies to increase efficiency and speed. Furthermore, we will enhance efficiency through practical use of automation technology to address issues caused by labor shortage, etc.

Regarding raw material and energy markets, for which significant fluctuations are expected to continue, the Group will work to reduce procurement and production costs and build an operational foundation that properly reflects changing costs.

4. Measures Addressing Systemic Changes in Wheat Policy, and Others

As the result of the taking effect of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11 Agreement), the Japan-EU EPA, and the Trade Agreement between Japan and the U.S., markups (gains collected by the government upon import) of wheat from the U.S., Canada, and Australia have gradually been falling. Meanwhile, in addition to the taking effect of the Japan-UK Comprehensive Economic Partnership Agreement and the Regional Comprehensive Economic Partnership (RCEP) Agreement, international trade agreements are expanding, with the UK, China, and other countries applying to join the TPP-11 Agreement, and the Group expects degraded border import control mechanisms for wheat-related products, and competition with imported products from related countries to intensify. As the trend for negotiating free trade agreements further accelerates, the Group will take appropriate steps to stay abreast of changes as they emerge, while continuing to develop a robust corporate structure domestically and abroad that will enable it to win out against global competition.

5. Corporate Social Responsibility (CSR)

The Group has fulfilled its corporate social responsibilities (CSR) as a corporate citizen, by putting its "Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines" and "Nisshin Seifun Group CSR Principles" into practice to contribute to the realization of a sustainable society and retains its status as a corporate entity that plays an essential role in society. In addition, a Social Committee has been established under the Board of Directors to implement the Group's CSR initiatives.

In order to strengthen governance, the Group has built and is maintaining a sound and effective corporate governance system, as a company with an audit & supervisory committee. With respect to compliance, the Group complies with relevant laws and regulations, social norms, and corporate internal rules and regulations, and strives to develop its businesses while being engaged in fair and open competition. For internal control, the Group is doing more than what is required by the Financial Instruments and Exchange Act through extensive maintenance of its internal control systems group-wide. These systems are monitored by a dedicated department to maintain their integrity and work toward further improvements.

In 2019, the Group has also identified "CSR priorities (materiality)" such as providing safe and healthy food, promoting the procurement of sustainable raw materials, addressing climate change and water resource issues, efficiently handling food waste and packaging waste, and ensuring fulfilling working environments. The Group has positioned them as one of its top management priorities, which is being addressed on a Group-wide basis. In addition, in order to address the increasingly important issue of human rights, the Group is promoting human rights due diligence in its major businesses, including the supply chain, as part of the implementation of the "Nisshin Seifun Group Human Rights Policy," which was established based on the United Nations Guiding Principles on Business and Human Rights.

[Providing safe and healthy food and promoting the procurement of sustainable raw materials]

In order to ensure the delivery of safe and reliable products to customers, we have established a quality assurance system that places the highest priority on quality assurance from the consumer's perspective, and we are working to continuously improve and strengthen our product safety system, by obtaining and maintaining international management system certification. The CR (Consumer Relations) Office actively collects relevant consumer administrative information, as well as consumer opinions and needs to enhance our response. Furthermore, to secure the stable supply of wheat flour and other foods, we have been taking the initiative in enhancing our disaster and pandemic preparations through our BCP, and activated our BCP at an early stage, to thoroughly implement infection control measures and maintain our business activities in response to COVID-19.

[Addressing climate change and water resource issues, and efficiently handling food waste and packaging waste]

In August of last year, we reviewed our existing environmental targets and set new medium/long-term targets, endorsed the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), and announced our participation in the TCFD Consortium. In addition, as part of our efforts to address environmental issues, we are working to reduce our environmental impact mainly through the introduction of energy-saving equipment at our plants, improvement of production efficiency, introduction of renewable energy, and joint deliveries with other companies. Furthermore, in product development, we also engage in environmentally friendly product design, reducing the amount of energy envisioned for use up to and including the cooking stage, reducing fossil fuel-derived plastic usage, utilizing biomass materials, and improving recycling performance, etc.

Medium/Long-term Targets for Environmental Issues

1) Reduction of CO₂ emissions

Targets for 2050	<ul style="list-style-type: none"> Reduction of CO₂ emissions from facilities owned by the Group to zero
Targets for fiscal year ending March 31, 2031	<ul style="list-style-type: none"> Reduction of CO₂ emissions across our supply chains Reduction of CO₂ emissions from facilities owned by the Group by 50% compared with the level of the fiscal year ended March 31, 2014

2) Reduction of food waste

Targets for fiscal year ending March 31, 2031	<ul style="list-style-type: none"> Reduction of food waste, from the procurement of raw materials to the delivery of products to customers, by 50% or more compared with the level of the fiscal year ended March 31, 2017 We will work with our partners to reduce food waste at all supply chain stages.
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3) Reduction of packaging waste

Targets for fiscal year ending March 31, 2031	<ul style="list-style-type: none"> Reduction of the amount of fossil fuel-derived plastics used by at least 25% compared with the level of the fiscal year ended March 31, 2020 Promotion of plastic recycling, such as through the use of environmentally-friendly designs Increased use of sustainable packaging materials for containers and packaging, such as biomass plastics, recycled plastics, recycled paper, and FSC-certified paper
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4) Reduction of water consumption

Target for fiscal year ending March 31, 2041	<ul style="list-style-type: none"> Reduction of the amount of water used in plants per unit of production by 30% compared with the level of the fiscal year ended March 31, 2022
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[Ensuring fulfilling working environment]

With the aim of developing our human resources so that each and every employee can demonstrate his or her abilities and realize growth, we conduct various training programs, including the Business Manager Training Program for the development of next-generation management personnel, the Career Development Program for the development of highly specialized technical personnel, and Training Based on Employee Positions to enhance the skills, mindsets, and abilities required by employees at each level of the workforce. Furthermore, we are promoting health and productivity management with the President at the top, by strengthening measures to prevent occupational accidents among our employees, and also by focusing on mental health care and health promotion, in order to realize healthy and active work. In the fiscal year ended March 31, 2022, we were

certified for the second consecutive year as a Certified Health & Productivity Management Outstanding Organization (White 500), under the certification system established by the Ministry of Economy, Trade and Industry. We are also making efforts to realize a variety of work styles, such as revising systems to allow flexible work styles.

In terms of activities that contribute to society, we continue working to support reconstruction of the earthquake-affected areas, and contribute to the community through the Nisshin Milling Museum, which serves as a regional tourism resource and an educational asset.

The Group remains committed to fulfilling its corporate social responsibilities.

The Group will steadily tackle the above challenges and ensure the further development of the Group. Our shareholders' continued support is greatly appreciated.

(3) Consolidated Business Results and Summary of Assets of the Group

(Millions of yen unless otherwise noted)

Fiscal term Fiscal Years ended March 31	175 th FY2019	176 th FY2020	177 th FY2021	178 th FY2022 (Current)
Net sales	565,343	712,180	679,495	679,736
Ordinary profit	32,062	31,434	29,886	32,626
Profit attributable to owners of parent	22,268	22,407	19,011	17,509
Earnings per share (¥)	74.98	75.40	63.95	58.88
Total assets	594,754	666,215	687,415	723,073
Net assets	418,848	409,042	444,774	460,643

Note: The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant implementation guidance have been applied from the beginning of the 178th fiscal term.

(4) Capital Expenditures of the Group

The capital expenditures for the fiscal year ended March 31, 2022 increased ¥1,323 million from the previous fiscal year to ¥18,683 million, based on actual expenditures.

The principal capital expenditures were made in the expansion of production capacity, such as construction of a yeast production plant for Oriental Yeast India Pvt. Ltd.

(5) Financing of the Group

The Group did not raise major additional funds in terms of capital increases or bond issues during the fiscal year ended March 31, 2022.

(6) Major Subsidiaries and Acquisition**[1] Major Subsidiaries and Affiliates**

Company Name	Capital Stock	Share of Voting Rights	Main Businesses
(Subsidiaries)	¥ million	%	
Nisshin Flour Milling Inc.	14,917	100.0	Production and sales of wheat flour
Miller Milling Company, LLC	86	100.0	Production and sales of wheat flour
Allied Pinnacle Pty Ltd.	9,689	100.0	Production and sales of wheat flour, prepared mix products, bakery-related ingredients, and other products
Champion Flour Milling Ltd.	3,491	100.0	Production and sales of wheat flour
Nisshin Seifun Welna Inc.	5,006	100.0	Sales of pasta, wheat flour for household use, frozen foods, and other products; production and sales of prepared mix products
Nisshin Seifun Premix Inc.	400	100.0	Production and sales of prepared mix products
Ma•Ma-Macaroni Co., Ltd.	350	68.8	Production and sales of pasta and frozen foods
Oriental Yeast Co., Ltd.	2,617	100.0	Production and sales of food ingredients for bread, etc., biochemical products and other products; drug discovery research support business
Nisshin Pharma Inc.	2,689	100.0	Production and sales of healthcare foods, raw materials for pharmaceuticals, and other products
Tokatsu Foods Co., Ltd.	100	100.0	Production and sales of cooked foods such as bento lunch boxes and other prepared foods
Joyous Foods Co., Ltd.	50	85.1	Production and sales of prepared noodle, and other products
Initio Foods Inc.	487	100.0	Production and sales of prepared foods and frozen foods; direct operation of concessions in department stores
Nisshin Engineering Inc.	107	100.0	Design, contracted construction and supervision of food production facilities, etc.; sales of machinery for powder grinding
NBC Meshtec Inc.	1,992	100.0	Production and sales of mesh cloths and forming filters
(Affiliates)			
Marubeni Nisshin Feed Co., Ltd.	5,500	40.0	Production and sales of compound feed

Notes: 1. Nisshin Foods Inc. changed its company name to Nisshin Seifun Welna Inc. on January 1, 2022.

2. The voting rights in Miller Milling Company, LLC, Allied Pinnacle Pty Ltd., and Nisshin Seifun Premix Inc. are held by subsidiaries of the Company. In addition, the voting rights in Champion Flour Milling Ltd., Ma•Ma-Macaroni Co., Ltd., Joyous Foods Co., Ltd., and Initio Foods Inc., are held by the Company and its subsidiaries.

[2] Status of Significant Acquisition

There are no applicable matters to be reported.

(7) Principal Businesses of the Group (As of March 31, 2022)

The following is a description of the businesses and their principal products, etc., of the Group. The Company, as the holding company, controls and manages the Group companies operating these businesses.

Business Segment	Principal Products, etc.
Flour Milling Segment	wheat flour, bran, and wheat flour-related products
Processed Food Segment	prepared mix products, wheat flour for household use, pasta, pasta sauce, frozen foods, food ingredients for bread, etc., biochemical products, drug discovery research support business, and healthcare foods
Prepared Dishes and Other Prepared Foods Segment	cooked foods such as bento lunch boxes, other prepared foods, and prepared noodles
Others Segment	design, supervision and contracted construction of facilities; mesh cloths

(8) Principal Offices of the Group (As of March 31, 2022)

[1] The Company

The Company Head Office (Chiyoda-ku, Tokyo)

Institutes and Laboratories (Fujimino)

Research Center for Production and Technology

Research Center for Basic Science Research and Development

QE Center

[2] Flour Milling Segment

Nisshin Flour Milling Inc. Head Office (Chiyoda-ku, Tokyo)

Cereal Science Research Center of Tsukuba (Tsukuba)

Sapporo Sales Department (Sapporo), Sendai Sales Department (Sendai)

Kanto Sales Department (Chuo-ku, Tokyo), Tokyo Sales Department (Chuo-ku, Tokyo)

Nagoya Sales Department (Nagoya), Osaka Sales Department (Osaka)

Chushikoku Sales Department (Okayama), Fukuoka Sales Department (Fukuoka)

Hakodate Plant (Hakodate), Chiba Plant (Chiba), Tsurumi Plant (Kawasaki)

Nagoya Plant (Nagoya), Chita Plant (Chita), Higashinada Plant (Kobe)

Okayama Plant (Okayama), Sakaide Plant (Sakaide), Fukuoka Plant (Fukuoka)

Miller Milling Company, LLC Head Office (Minnesota, U.S.A.)

Winchester Plant (Virginia, U.S.A.), Fresno Plant (California, U.S.A.)

Los Angeles Plant (California, U.S.A.), Oakland Plant (California, U.S.A.)

Saginaw Plant (Texas, U.S.A.)

Allied Pinnacle Pty Ltd. Head Office (New South Wales, Australia)

Kingsgrove Plant (New South Wales, Australia), Picton Plant (New South Wales, Australia)

Tennyson Plant (Queensland, Australia), Altona Plant (Victoria, Australia),

Kensington Plant (Victoria, Australia), Tullamarine Plant (Victoria, Australia),

North Fremantle Plant (Western Australia, Australia)

Champion Flour Milling Ltd. Head Office (New Zealand)

Mt. Maunganui Plant (New Zealand), Christchurch Plant (New Zealand)

[3] Processed Food Segment

Nisshin Seifun Welna Inc. Head Office (Chiyoda-ku, Tokyo)

Hokkaido Sales Department (Sapporo), Tohoku Sales Department (Sendai)

Metropolitan Sales Department (Chuo-ku, Tokyo)

Wide Area Sales Department (Chuo-ku, Tokyo)

Chubu Sales Department (Nagoya), Kansai Sales Department (Osaka)

Chushikoku Sales Department (Hiroshima), Kyushu Sales Department (Fukuoka)

Tatebayashi Plant (Tatebayashi)

Nisshin Seifun Premix Inc. Head Office (Chuo-ku, Tokyo)

Nagoya Plant (Nagoya)

Ma•Ma-Macaroni Co., Ltd. Head Office (Utsunomiya)

Utsunomiya Plant (Utsunomiya), Kobe Plant (Kobe)

Oriental Yeast Co., Ltd. Head Office (Itabashi-ku, Tokyo)

Tokyo Plant (Itabashi-ku, Tokyo), Osaka Plant (Suita), Biwa Plant (Nagahama)

Nisshin Pharma Inc. Head Office (Chiyoda-ku, Tokyo)

Health Care Research Center (Fujimino), Ueda Plant (Ueda)

- [4] Prepared Dishes and Other Prepared Foods Segment
 Tokatsu Foods Co., Ltd. Head Office (Yokohama)
 Ashikaga Plant (Ashikaga), Kawaguchi Plant (Kawaguchi)
 Sayama Plant (Sayama), Chiba Kashiwa Plant (Kashiwa)
 Yachiyo Plant (Yachiyo), Yokohama Tsurumi Plant (Yokohama)
 Tsuzuki Plant (Yokohama), Yamakita Plant (Ashigarakami-gun, Kanagawa)
 Joyous Foods Co., Ltd. Head Office (Saitama)
 Kodama Plant (Kodama-gun, Saitama), Kyoto Plant (Kuse-gun, Kyoto)
 Initio Foods Inc. Head Office (Chiyoda-ku, Tokyo)
 Kumagaya Plant (Kumagaya), Shiraoka Plant (Shiraoka)
 Nagoya Plant (Ichinomiya), Higashi-Osaka Plant (Higashi-Osaka)
 Kyushu Plant (Miyaki-gun, Saga)

- [5] Others Segment
 Nisshin Engineering Inc. Head Office (Chuo-ku, Tokyo)
 NBC Meshtec Inc. Head Office (Hino)
 Yamanashi Tsuru Plant (Tsuru), Shizuoka Kikugawa Plant (Kikugawa)

(9) Employees of the Group (As of March 31, 2022)

Business Segment	Number of Employees	Year-on-Year Change
Flour Milling Segment	2,545	(38)
Processed Food Segment	3,563	45
Prepared Dishes and Other Prepared Foods Segment	1,538	(32)
Others Segment	850	(22)
Corporate (Across the Group divisions)	422	14
Total	8,918	(33)

(10) Major Creditors and Loans Payable of the Group (As of March 31, 2022)

Creditor	Outstanding balance of loans payable
Nippon Life Insurance Company	¥10,000 million

2. Outline of the Company

(1) Shares (As of March 31, 2022)

- [1] Total number of shares authorized to be issued 932,856,000 shares
- [2] Total number of shares issued and outstanding 304,357,891 shares
(Including 6,837,064 shares of treasury shares)
- [3] Number of shareholders 31,977
(Increased 3,656 from the previous term-end)

[4] Major shareholders (Top 10)

Name	Number of Shares Held	Shareholding Ratio
	(thousands)	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	49,734	16.7
Nippon Life Insurance Company	19,387	6.5
Yamazaki Baking Co., Ltd.	16,988	5.7
Custody Bank of Japan, Ltd. (Trust Account)	15,185	5.1
Mizuho Bank, Ltd.	10,447	3.5
The Norinchukin Bank	6,932	2.3
Marubeni Corporation	6,284	2.1
Sumitomo Mitsui Banking Corporation	4,468	1.5
Nisshin Seifun Group Employee Shareholding Association	3,877	1.3
National Mutual Insurance Federation of Agricultural Cooperatives	3,530	1.1

Note: The Company is excluded from the major shareholders listed above although it holds 6,837,064 treasury shares. Treasury shares are not included in shareholding ratio calculation.

- [5] Status of shares granted as remuneration for performance of duty to Directors of the Company during the fiscal year ended March 31, 2022

Segment	Number of shares	Number of persons to be granted
Directors (excluding Directors who are members of the Audit & Supervisory Committee and Outside Directors)	13,600 shares of common stock	7
Outside Directors (excluding Directors who are members of the Audit & Supervisory Committee)	1,200 shares of common stock	3

There were no shares granted to Directors (Audit & Supervisory Committee Members) as remuneration for performance of their duties.

(2) Subscription Rights to Shares

The status of subscription rights to shares is provided on the Company's website (<https://www.nisshin.com/english/shareholders/meeting.html>).

(3) Members of the Boards

[1] Directors (As of March 31, 2022)

Title	Name	Position	Significant Positions Concurrently Held
Representative Director and President	Nobuki Kemmoku		Director and Chairman, Nisshin Flour Milling Inc.
Representative Director and Senior Managing Executive Officer	Akira Mori	In charge of Corporate Planning Division and Finance and Accounting Division	
Director and Managing Executive Officer	Koichi Iwasaki	Division Executive, Business Development Division	Director and Chairman (Representative Director), Tokatsu Foods Co., Ltd.
Director and Managing Executive Officer	Satoshi Odaka	Division Executive, Technology and Engineering Division	
*Director and Managing Executive Officer	Naoto Masujima	Division Executive, General Administration Division	
Director and Managing Executive Officer	Takao Yamada		Director and President (Representative Director), Nisshin Flour Milling Inc.
Director and Managing Executive Officer	Yuji Koike		Director and President (Representative Director), Nisshin Seifun Welna Inc.
Director	Akio Mimura		Senior Advisor, Honorary Chairman, Nippon Steel Corporation Chairman, The Japan Chamber of Commerce and Industry Chairman, The Tokyo Chamber of Commerce and Industry Outside Director, Development Bank of Japan Inc. Outside Director, Tokio Marine Holdings, Inc. Outside Director, Japan Post Holdings Co., Ltd. Outside Director, INCJ, Ltd.
Director	Kazuhiko Fushiya		Chairman, The Institute of Internal Auditors – Japan
Director	Motoo Nagai		Outside Director, Nissan Motor Co., Ltd. Outside Director, Organo Corporation
Director (Full-time Audit & Supervisory Committee Member)	Shoh Ohuchi		
Director (Audit & Supervisory Committee Member)	Tetsuo Kawawa		Attorney; Proprietor, Kawawa Law Offices
Director (Audit & Supervisory Committee Member)	Satoshi Ito		Certified Public Accountant; Proprietor, Ito Certified Public Accountant Offices

Title	Name	Position	Significant Positions Concurrently Held
Director (Audit & Supervisory Committee Member)	Mieko Tomita		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, Incorporated

- Notes: 1. Three Directors (Akio Mimura, Kazuhiko Fushiya, and Motoo Nagai) and three Directors (Audit & Supervisory Committee Members) (Tetsuo Kawawa, Satoshi Ito, and Mieko Tomita) are Outside Directors.
2. The Company selects all of the Outside Directors as Independent Directors in accordance with its “Independence Standards for Outside Directors” (posted on the Company’s website (https://www.nisshin.com/uploads/governance_is.pdf)) formulated pursuant to criteria concerning independence as defined by the Tokyo Stock Exchange, providing the necessary notification thereto.
3. Director (Full-time Audit & Supervisory Committee Member) Shoh Ohuchi has work experience in finance and accounting at the Company and substantial knowledge of finance and accounting.
4. Director (Audit & Supervisory Committee Member) Satoshi Ito, who has the qualification as a Certified Public Accountant, has substantial knowledge of finance and accounting.
5. The Company has elected a full-time Audit & Supervisory Committee Member to enhance the effectiveness of audits.
6. Changes in Directors of the Company and the positions thereof, during the fiscal year ended March 31, 2022, are stated as follows.
- 1) Mr. Michinori Takizawa retired from his position as Director, as of June 25, 2021, due to expiration of his term of office. A Director with an asterisk was newly elected at the 177th Ordinary General Meeting of Shareholders held on the same day and assumed office.
- 2) Mr. Akira Mori assumed office of Representative Director, as of June 25, 2021.
7. The following is a list of changes in significant positions concurrently held in the fiscal year ended March 31, 2022.
- | | | |
|--|--------------|--|
| Director
(Audit &
Supervisory
Committee Member) | Mieko Tomita | Retired as an Outside Audit & Supervisory Board Member, FANUC CORPORATION
Took office as an Outside Director (Audit & Supervisory Committee Member), FANUC CORPORATION (June 24, 2021)
Took office as an Outside Director, TEKKEN CORPORATION (June 29, 2021)
Took office as an Outside Auditor, TEPCO Power Grid, Incorporated (June 29, 2021) |
|--|--------------|--|
8. The Company has adopted the executive officer system in order to expedite the execution of business operations. As of March 31, 2022, there were fifteen (15) Executive Officers excluding those serving concurrently as Directors.

[2] Outline of liability limitation agreement

The Company has concluded an agreement with each Director (excluding Executive Directors, etc.) which limits the amount of liability for damages set forth in Article 423, Paragraph 1 of the Companies Act to the sum of the amount set forth in each item of Article 425, Paragraph 1 thereof, provided that the duties of each are performed in good faith and without gross negligence on the part thereof.

[3] Outline of directors and officers liability insurance contract

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

insureds under such insurance policies are Directors, Audit & Supervisory Board Members, Executive Officers, and important employees, etc. of the Company and its domestic subsidiaries.

[4] Remuneration of Directors

1. Overview of the policy for the method of determining remuneration for individual Directors (excluding Directors who are members of the Audit & Supervisory Committee)

At the Board of Directors meeting, the Company established a policy for the method of determining remuneration for individual Directors (excluding Directors who are members of the Audit & Supervisory Committee; hereinafter in 1., the same shall apply), after discussions by the Advisory Committee (reorganized as the Nomination and Remuneration Advisory Committee in December 2021), a body comprised of Independent Outside Directors. An overview of the content of the policy for determination is as follows.

- The remuneration of the Company's Directors was established with reference to three key factors, functioning to 1) retain talented human resources, 2) offer remuneration at levels appropriate to the Company's size and business domains, and 3) to provide a healthy incentive to improve the Company's medium- to long term corporate value. A certain proportion of remuneration consists of variable remuneration reflecting business performance, thus taking into consideration both level of contribution to the Group and level of contribution to medium- to long-term basic Group strategies.
- In order to ensure that remuneration for the Company's Inside Directors functions as a healthy incentive for sustainable growth, it is the Company's policy that such remuneration should comprise a combination of the following components: 1) fixed remuneration paid monthly based on role or position (basic remuneration); 2) variable remuneration reflecting contribution to past business performance (bonus), which is, in principal, paid annually with a fixed timing; and, 3) stock-based remuneration reflecting future business performance, with the objective of promoting management that focuses on shareholder value, which is paid annually with a fixed timing.
- Remuneration for Outside Directors consists primarily of basic remuneration.
- To ensure objectivity and propriety in the amount of remuneration, the remuneration standards for each management class are determined by taking into account factors such as the responsibilities that are specific to the management class and the significance of its impact on Group management, after referencing the results of surveys by external institutions.

In addition to the above, please also refer to Notes 2, 3, and 4 of "3. Amounts of remuneration for Directors."

2. Resolution at the General Meeting of Shareholders regarding remuneration for Directors

By a resolution at the 175th Ordinary General Meeting of Shareholders held on June 26, 2019, the Company set the maximum annual amount of remuneration for Directors (excluding Directors who are members of the Audit & Supervisory Committee), consisting of basic remuneration and bonus of ¥400 million (of this, maximum annual amount of ¥60 million for Outside Directors), and maximum annual amount of remuneration for Directors who are members of the Audit & Supervisory Committee of ¥90 million. In addition, at the 175th Ordinary General Meeting of Shareholders, the Company, by resolution also established a remuneration framework for the stock-based remuneration plan. Based on the plan, the total number of the Company's shares granted to Directors (excluding Directors who are members of the Audit & Supervisory Committee) of the Company as the stock-based portion of remuneration is capped at 350,000 shares for a fixed consecutive three-fiscal-year period. Additionally, the total amount of the Company's contribution to the trust for these shares, etc., is capped at ¥300 million for the fixed consecutive three-fiscal-year period. Further, for Company shares delivered annually to the Company's Directors (excluding Directors who are members of the Audit & Supervisory Committee), a transfer restriction period (i.e., period prohibiting the transfer, establishment of security interests, and other dispositions) has been established for three years from the date of delivery, and if an illegal act or other misconduct occurs during the transfer restriction period, such Director may be required to make monetary compensation equivalent to the confiscated vested shares that are subject to the transfer restriction. As of the conclusion of the 175th Ordinary General Meeting of Shareholders, there were ten (10) Directors (excluding Directors who are members of the Audit & Supervisory Committee, but including three Outside Directors) and four (4) Directors who are members of the Audit & Supervisory Committee at the Company.

3. Amounts of remuneration for Directors

Total amounts of remuneration for Directors for the fiscal year under review

Segment	Total amounts of remuneration (millions of yen)	Total amounts by segment of remuneration (millions of yen)			Number of eligible executives
		Basic remuneration	Performance-based remuneration (Bonuses)	Non-monetary remuneration (Stock-based remuneration)	
Directors (excluding Directors who are members of the Audit & Supervisory Committee)	273	190	46	35	11
Directors (Audit & Supervisory Committee Members)	43	43	-	-	4
(Outside Directors included in the above)	(60)	(57)	(-)	(3)	(6)

Notes: 1. The above number of Directors (excluding Directors who are members of the Audit & Supervisory Committee) includes one Director who retired from office during the fiscal year ended March 31, 2022.

2. For performance-based remuneration (bonus), consolidated ordinary profit, which reflects the result of the Group's overall business performance is used as a key indicator. For the amount paid, the net increase or decrease from the previous year is determined by the year-on-year percent change in consolidated ordinary profit. For consolidated ordinary profit, including that of the fiscal year ended March 31, 2022, refer to "(3) Consolidated Business Results and Summary of Assets" in "1. Overview of the Corporate Group."

3. For non-monetary remuneration (stock-based remuneration), the number of Company shares calculated based on a set formula according to position, as well as cash (corresponding to tax payment) are delivered and paid to Directors (excluding Directors who are members of the Audit & Supervisory Committee). A fixed transfer restriction period is established for the delivered shares. In addition, the total amount of expenses for the fiscal year ended March 31, 2022 is stated.

4. The amount of remuneration for individual Directors (excluding Directors who are members of the Audit & Supervisory Committee; hereinafter in Note 4, the same shall apply) is determined by the Director and President (Nobuki Kemmoku), who is delegated by the Board of Directors, as it is considered to be appropriate for the person who oversees the execution of duties across the Group to evaluate individual Directors, based on factors such as the responsibilities specific to the management class, and the significance of their impact on Group management. However, such decisions are based on the policy for the method of determining remuneration for individual Directors as stipulated in 1. above, and are also based on a set formula according to position, etc. for basic remuneration and non-monetary remuneration (stock-based remuneration), and on the year-on-year percent change in consolidated ordinary profit, etc. for performance-based remuneration (bonuses) as described above (Note 2), in order to ensure the appropriateness and objectivity of the remuneration decision-making process. The Board of Directors of the Company has confirmed that the contents of the remuneration of individual Directors for the fiscal year ended March 31, 2022 are consistent with the decision-making process approved by the Board of Directors, and judged that they are in line with such policy.

[5] Outside Directors

1. Significant positions concurrently held in other companies, etc. and relationship between the Company and said companies, etc.

Significant positions concurrently held in other companies, etc., are mentioned above [1] and there is no significant business relationship or special relationship between the Company and the above-identified companies of concurrently held positions.

2. Principal activities in the fiscal year ended March 31, 2022

1) Director Akio Mimura

Mr. Mimura attended all meetings of the Board of Directors held in the fiscal year ended March 31, 2022. By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors, he has appropriately fulfilled the role expected of him, by providing appropriate advice and supervision over the Company's business execution, based on his wealth of experience and broad-based insight as a corporate executive.

2) Director Kazuhiko Fushiya

Mr. Fushiya attended all meetings of the Board of Directors held in the fiscal year ended March 31, 2022. By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors, he has appropriately fulfilled the role expected of him, by providing appropriate advice and supervision over the Company's business execution, based on a wealth of experience and high-level expertise gained through his career in the Ministry of Finance and other governmental organizations where he held important positions.

3) Director Motoo Nagai

Mr. Nagai attended all meetings of the Board of Directors held in the fiscal year ended March 31, 2022. By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors, he has appropriately fulfilled the role expected of him, by providing appropriate advice and supervision over the Company's business execution, based on his wealth of experience and broad-based insight gained through management of financial institutions.

4) Director (Audit & Supervisory Committee Member) Tetsuo Kawawa

Mr. Kawawa attended all meetings of the Board of Directors and the Audit & Supervisory Committee held in the fiscal year ended March 31, 2022. By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors and the Audit & Supervisory Committee, he has appropriately fulfilled the role expected of him, by appropriately auditing and supervising the Company as an Outside Director who is a member of the Audit & Supervisory Committee, mainly from the viewpoint of legal compliance, based on his high level of expertise as an attorney and his advanced knowledge of the Companies Act and governance.

5) Director (Audit & Supervisory Committee Member) Satoshi Ito

Mr. Ito attended 12 out of 13 meetings of the Board of Directors and 11 out of 12 meetings of the Audit & Supervisory Committee held in the fiscal year ended March 31, 2022. By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors and the Audit & Supervisory Committee, he has appropriately fulfilled the role expected of him, by appropriately auditing and supervising the Company as an Outside Director who is a member of the Audit & Supervisory Committee, based on his extensive auditing experience as a certified public accountant, and his high-level expertise in finance and accounting.

6) Director (Audit & Supervisory Committee Member) Mieko Tomita

Ms. Tomita attended 12 out of 13 meetings of the Board of Directors and 11 out of 12 meetings of the Audit & Supervisory Committee held in the fiscal year ended March 31, 2022. By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors and the Audit & Supervisory Committee, she has appropriately fulfilled the role expected of her, by appropriately auditing and supervising the Company as an Outside Director who is a member of the Audit & Supervisory Committee, mainly from the viewpoint of legal compliance, based on her high level of expertise as an attorney and her wealth of experience in corporate legal affairs.

(4) Independent Auditor

[1] Name of the Independent Auditor: Deloitte Touche Tohmatsu LLC

[2] Compensation to the Independent Auditor for the fiscal year ended March 31, 2022

- | | |
|--|--------------|
| 1. Compensation paid to the Independent Auditor | ¥67 million |
| 2. Total of cash and other financial profits payable by the Company and its subsidiaries | ¥204 million |

Notes: 1. The audit contract between the Company and the Independent Auditor does not and practically cannot separate the amount of compensation for the audit under the Companies Act from the amount of compensation for the audit under the Financial Instruments and Exchange Act. Therefore, the compensation described in the above 1 is the sum of both amounts.

2. Some subsidiaries of the Company have their financial statements and related documents audited by auditors other than Deloitte Touche Tohmatsu LLC.

[3] Reasons for the Audit & Supervisory Committee's approval on compensation to the Independent Auditor

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

[4] Policy for decisions on dismissal or non-reappointment of Independent Auditor

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

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

3. Systems and Policies of the Company

(1) Systems to Ensure Appropriate Business Execution and the Status of Operation of Systems Concerned

Systems to ensure appropriate business execution and the status of operation of systems concerned are provided on the Company's website (<https://www.nisshin.com/english/shareholders/meeting.html>).

(2) Basic Policies Regarding Control of the Corporation

[1] Basic policies

As a corporate group involved in food, we guarantee a high level of safety and quality in our products, and consistently ensure the stable supply of food, including wheat flour and other staple foods for the people. The Company believes that these are the responsibilities of the Group as a whole, a source and a foundation of corporate value, and also a contribution to the Group's sustainable growth, creating medium- to long-term corporate value. In particular, wheat flour is used in various foods including breads, noodles, and confectioneries. With a market share of approximately 40%, the Group is the leading company in the domestic wheat flour market, supplying wheat flour to food companies, etc., as well as to general consumers. By fulfilling our responsibility to provide a stable supply of safe, high quality wheat flour, we support food culture and maintain social functions in Japan, and this leads to the Group's sustainable growth and enhances medium- to long-term corporate value. Therefore, from the perspective of our social responsibility, in order to secure and improve the Company's corporate value and the common interests of the shareholders, it is essential that we operate from a stable business base in accordance with planned and continuous management policies from medium- to long-term perspectives and we continue to guarantee a high level of safety and quality in our products, providing a stable supply of products. These are the circumstances specific to us. Any party which, failing to understand these matters, buys up shares of the Company and acts in a way that goes against a sustainable and systematic medium- to long-term management policy, may damage the Company's corporate value and the common interests of the shareholders. Depending on the conditions, there are other types of share acquisitions that also could damage the Company's corporate value and the common interests of the shareholders.

In order to properly manage the above issues, we believe that it is necessary to ensure advance and sufficient disclosure of information concerning the content of any management policies and business plans planned by an acquirer of the Company's shares, the impact of the proposed acquisition on the Company's shareholders and the management of the Group, the impact on the numerous parties affected by the Group, and the acquirer's philosophy regarding social responsibility, including securing stable supplies of wheat flour and other staple foods for the people, and food safety, as well as to ensure a reasonable period of investigation and bargaining power.

[2] Measures that contribute to the effective utilization of the Company's assets, structuring of the appropriate form of the business group and others for the realization of the basic policies regarding control of the corporation

As a pure holding company for the Group, the Company plans management strategies for the Group, allocates its managerial resources efficiently, and audits and oversees the Group's business operations. Our operating companies optimize themselves according to the markets in which they operate, and by doing so, they secure high levels of safety and quality, as well as a stable supply for their products, thus mutually improving their corporate value, and, in turn, the corporate value of the entire Group.

Under this structure, the Group aims to secure and enhance its high levels of production technologies, and capacities for development and analysis that underpin the safety and quality of its products. The Group also makes ongoing well-planned capital investments, from a long-term perspective; provides employee education to enhance employees' professional abilities; introduces audit and instructional systems as to quality assurance and production facilities on a continuous basis; builds and enhances systems for internal control and legal compliance; and endeavors to maintain trustful relations with stakeholders, including business partners/customers and local communities.

[3] Measures to prevent a decision regarding the Company's financial and business policies from being controlled by a party who is deemed to be inappropriate, according to the basic policies

With the aim of securing and improving the corporate value of the Company and the common interests of the shareholders, the Company has introduced measures using a gratis allotment of subscription rights to shares (hereinafter, "the Plan"), in line with Article 45 of its Articles of Incorporation and the "Renewal of the Resolution to Approve Gratis Allotment of Subscription Rights to Shares for Securing and Improving Corporate Value of the Company and the Common Interests of the Shareholders," as approved at the 177th Ordinary General Meeting of Shareholders held on June 25, 2021. The outline of the Plan is as follows.

1) The Board of Directors shall request that parties intending to implement a Specified Acquisition make an advance written submission of an Acquisition Proposal, and seek a resolution of the Board of Directors

not to implement countermeasures, including the gratis allotment of the Subscription Rights to Shares defined in Paragraph 6) below (hereinafter, “the Confirmation Resolution”) against that proposal. Parties intending to implement the Specified Acquisition shall make an advance submission of an Acquisition Proposal, and seek a Confirmation Resolution. In order to implement prompt operation of the Plan, the Board of Directors may establish a reply period, and request the provision of additional information in respect to any parties making a proposal regarding a Specified Acquisition, to the Company. Even in this case, the reply period shall be set with an upper limit of within 60 business days, starting from the day on which the provision of information was requested of the Proposed Acquirer by the Board of Directors, and the Corporate Value Committee shall commence its deliberation and discussion upon the expiry of such reply period.

“Specified Acquisition” means i) an act of purchasing the Company’s share certificates, etc., that would result in the ratio of holdings reaching or exceeding 20% of the Company’s share certificates, etc. (including similar acts as specified by the Board of Directors), or ii) an act of commencing a tender offer on the Company’s share certificates, etc., that would result in the ratio of possessions reaching or exceeding 20% of the Company’s share certificates, etc. An “Acquisition Proposal” means a written proposal that contains information reasonably requested by the Company, including the Company’s management policies and business plans after said acquisition, evidence used to calculate prices, proof of acquisition funds, any possible impact on the Company’s stakeholders, and information related to Items 4) A) through E) below.

- 2) Upon receiving the Acquisition Proposal, the Board of Directors shall promptly put it before the Corporate Value Committee, which consists only of the Independent Outside Directors of the Company.
- 3) The Corporate Value Committee shall investigate said Acquisition Proposal and discuss whether or not to pass a resolution recommending that the Board of Directors passes a Confirmation Resolution in regard to said Acquisition Proposal (hereinafter, “Recommendation Resolution”). The Recommendation Resolution shall be passed by a majority of all members of the Corporate Value Committee, and the results of that said Recommendation Resolution shall be disclosed. The period for such deliberation and discussion by the Corporate Value Committee shall be a maximum of 60 business days (or a maximum of 90 business days for Acquisition Proposals other than those that specify only cash in Japanese currency as consideration and set no upper limit on the number of shares to be purchased) after the Acquisition Proposal is received by the Board of Directors. Only when reasonable grounds exist, the period for the deliberation and discussion may be extended by an upper limit of 30 business days. However, in this case, the grounds for the extension and the intended extension period will be disclosed.
- 4) Deliberations and discussion regarding the Recommendation Resolution by the Corporate Value Committee shall be made by faithfully forming an accurate judgment as to whether the Acquisition Proposal secures and improves the Company’s corporate value and the common interests of the shareholders. The Corporate Value Committee must issue a Recommendation Resolution for an Acquisition Proposal that meets all of the below requirements and secures and improves the Company’s corporate value and the common interests of the shareholders.
 - A) The acquisition does not fall under any of the following types of action:
 - (a) Buyout of the Company’s shares to demand that the Company or its related party purchase said shares at an inflated price;
 - (b) Management that achieves an interest for the Proposed Acquirer (including its group company or other related party, hereinafter the same shall apply) to the detriment of the Company, such as temporary control of the Company’s management for transfer of the Company’s material assets;
 - (c) Diversion of the Company’s assets to secure or repay debts of the Proposed Acquirer; and
 - (d) Action unjustly causing harm to an important foundation of the creation of the Company’s medium- to long-term corporate value, such as the action of taking temporary control of the Company’s management to decrease the assets, funds, etc., that are required for the Company’s business expansion, product development, etc., for years ahead, and the action of causing harm to the cooperative relations with the Company’s shareholders, business partners, customers, employees, etc.
 - B) The scheme, content, etc., of the deal proposed by the Acquisition Proposal comply with the relevant laws and regulations.
 - C) The scheme and content of the deal proposed by the Acquisition Proposal do not threaten to have the effect of compelling shareholders of the Company to sell their shares.
 - D) The true information necessary for deliberations on the Acquisition Proposal is provided in the appropriate timing, such as upon request of the Company, and sincere responses are made in compliance with the procedures specified by the Plan.
 - E) The period for the Company to deliberate the Acquisition Proposal is secured (including deliberation and presentation of alternative proposals to the Company’s shareholders). This period is 60 business

days upon the receipt of the Acquisition Proposal, or 90 business days for Acquisition Proposals other than those that specify only cash in Japanese currency as consideration and set no upper limit on the number of shares to be purchased, and an upper limit extension of 30 business days applies if required on reasonable grounds.

- 5) A Confirmation Resolution of the Company's Board of Directors shall be made according to the Recommendation Resolution of the Corporate Value Committee. In case the Corporate Value Committee issues the Recommendation Resolution, the Board of Directors must make the Confirmation Resolution promptly, unless there are particular reasons that are obviously against the directors' duty of care. The Gratis Allotment of Subscription Rights to Shares cannot be taken against the Acquisition Proposal for which the Confirmation Resolution is made.
- 6) If a Specified Acquirer—which is defined as a party implementing a Specified Acquisition which has not obtained a Confirmation Resolution at the time when a Specified Acquisition was implemented—appears, the Board of Directors shall, in addition to disclosing the fact that a Specified Acquirer has appeared, implement the gratis allotment of Subscription Rights to Shares, after passing a resolution to designate a record date for the gratis allotment, an effective date for the gratis allotment, and other necessary matters in respect to the gratis allotment of Subscription Rights to Shares and publicizing the items of the resolution. “Subscription Rights to Shares” are defined as the subscription rights to shares with restrictions on the exercise of such rights by Specified Acquirer and its related parties, which are collectively defined as the Specified Acquirer and Related Parties.
If it is revealed that the ratio of holdings of the Company's share certificates, etc., by the Specified Acquirer falls below 20% by a date that is to be specified elsewhere by the Board of Directors, which shall be earlier than the record date for the gratis allotment (the Board of Directors does not intend to stipulate a day on or later than 3 business days prior to the record date for the gratis allotment.), and in some other cases, the Board of Directors may choose not to effect a gratis allotment of Subscription Rights to Shares.
- 7) If a gratis allotment of Subscription Rights to Shares is effected, the Company shall allot Subscription Rights to Shares to all common shareholders, except the Company, as of the record date for the gratis allotment, at a ratio of one Subscription Right to Shares for every one share of the Company's common stock held, and the number of shares to be issued per one Subscription Right to Shares will not exceed two, and be determined elsewhere by the Board of Directors. The value of assets contributed to exercise one Subscription Right to Shares shall be one yen, multiplied by the number of shares to be issued per one Subscription Right to Shares.
- 8) The Subscription Rights to Shares will have an acquisition clause by which the unexercised Subscription Rights to Shares can be acquired by the Company. For the Subscription Rights to Shares held by shareholders other than the Specified Acquirer and Related Parties, this is accomplished in exchange for common shares of the Company of a number equal to the integral part of the number of said Subscription Rights to Shares multiplied by the number of shares to be issued per Subscription Right to Shares. For other Subscription Rights to Shares, this is accomplished in exchange for subscription rights to shares with restriction on transfer (and with restriction on the exercise of the rights by the Specified Acquirer and Related Parties) of a number equal to the number of said Subscription Rights to Shares.

[4] Judgment of the Board of Directors, and its reasons

The Plan complies with the basic policies described above, and the following special methods are to be implemented as a way of increasing its rationality. Therefore, the Plan protects the corporate value of the Company and the common interests of the shareholders, and does not pursue the personal interests of the Company's management.

- 1) The Plan received prior approval of the shareholders at the 177th Ordinary General Meeting of Shareholders held on June 25, 2021, pursuant to the provision of Article 45 of the Company's Articles of Incorporation.
- 2) The term of office of the Company's Directors (excluding Directors who are members of the Audit & Supervisory Committee) is one (1) year, and the timing of reelection is concurrent among all Directors. In addition, a resolution on dismissal of Directors may be passed by an ordinary resolution at a General Meeting of Shareholders. Therefore, the Plan can be abolished by a resolution of the Board of Directors through the election or dismissal of Directors, by an ordinary resolution at a single General Meeting of Shareholders.
- 3) To secure the neutrality of judgment relating to the Plan, the Corporate Value Committee, composed only of the Company's Independent Outside Directors, shall deliberate the Acquisition Proposal, under legal obligations as the Directors of the Company, to determine if the proposal secures and improves the Company's corporate value and the common interests of the shareholders. It is also required that the Board of Directors make a Confirmation Resolution, upon receipt of a Recommendation Resolution to that effect

from the Corporate Value Committee, unless there are particular reasons that are obviously against the directors' duty of care.

- 4) To enhance the objectivity of judgment relating to the Plan, the Plan specifies when the Corporate Value Committee must issue a Recommendation Resolution, as stated in [3] above.
- 5) Subject to approval resolution of the General Meeting of Shareholders, the Plan can be revised every year by a resolution of the Board of Directors. This allows the Plan to adjust itself to the development of the related laws and regulations, and various other business circumstances surrounding the Company.
- 6) The validity of an approval resolution is three years from the date of the General Meeting of Shareholders. Upon the passage of three years, the Board of Directors will present a Plan that reflects any revisions, including reflection of its supplementary conditions, for approval by the shareholders.
- 7) The Plan satisfies all of the requirements for legality (to avoid suspension of the issuance of subscription rights to shares, etc.) and rationality (to gain the understanding of shareholders, investors and other stakeholders) specified in the "Securing and/or Improving Corporate Value and Common Interests of Shareholders: Takeover Defense Guidelines" released on May 27, 2005, by the Ministry of Economy, Trade and Industry and the Ministry of Justice. Moreover, the Plan is in accordance with the recommendations of the June 30, 2008 report of the Ministry of Economy, Trade and Industry's Corporate Value Study Group, entitled "Takeover Defense Measures in Light of Recent Environmental Changes."

(3) Policy on Dividends from Surplus

The Company aims to meet the expectations of shareholders to distribute profits, taking into consideration the current and future profitability of its business and financial position, by undertaking the payment of dividends based on a targeted payout ratio of at least 40% on a consolidated basis.

As a further return of profits to shareholders, the Company intends to pay a full-year dividend of ¥39 per share, representing an increase of ¥2 from the previous fiscal year. Accordingly, the Company will submit a proposal to the Ordinary General Meeting of Shareholders to distribute its surplus to pay a year-end dividend of ¥20 per share. As a result, dividends paid will have increased for nine consecutive terms since the fiscal year ended March 31, 2014, the fiscal year in which total dividends paid were increased by stock split without adjustment to the dividend per share.

End

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Item	Amount	Item	Amount
(ASSETS)		(LIABILITIES)	
Current assets	280,527	Current liabilities	129,158
Cash and deposits	69,607	Notes and accounts payable – trade	63,655
Notes and accounts receivable – trade, and contract assets	100,594	Short-term loans payable	6,789
Securities	1,103	Income taxes payable	5,784
Inventories	96,596	Accrued expenses	24,727
Other	13,167	Other	28,201
Allowance for doubtful accounts	(542)		
Non-current assets	442,546	Non-current liabilities	133,272
Property, plant and equipment	219,379	Bonds	20,000
Buildings and structures, net	68,843	Long-term loans payable	13,785
Machinery, equipment and vehicles, net	53,018	Lease obligations	38,939
Land	46,334	Deferred tax liabilities	28,360
Construction in progress	16,149	Provision for repairs	1,373
Right-of-use assets	29,050	Net defined benefit liability	22,845
Other, net	5,981	Long-term deposits received	5,696
		Other	2,272
		Total liabilities	262,430
Intangible assets	68,752	(NET ASSETS)	
Goodwill	42,385	Shareholders' equity	365,946
Other	26,367	Capital stock	17,117
		Capital surplus	12,622
Investments and other assets	154,414	Retained earnings	347,165
Investment securities	141,590	Treasury shares	(10,960)
Net defined benefit asset	316		
Deferred tax assets	6,933	Accumulated other comprehensive income	83,227
Other	5,698	Valuation difference on available-for-sale securities	60,585
Allowance for doubtful accounts	(125)	Deferred gains or losses on hedges	445
		Foreign currency translation adjustment	23,059
		Remeasurements of defined benefit plans	(862)
		Subscription rights to shares	95
		Non-controlling interests	11,373
		Total net assets	460,643
Total assets	723,073	Total liabilities and net assets	723,073

Consolidated Statement of Income
(For the Fiscal Year Ended March 31, 2022)

(Millions of yen)

Item	Amount	
Net sales		679,736
Cost of sales		531,660
Gross profit		148,075
Selling, general and administrative expenses		118,645
Operating profit		29,430
Non-operating income		
Interest income	157	
Dividend income	3,003	
Share of profit of entities accounted for using equity method	2,070	
Rent income	300	
Other	1,025	6,558
Non-operating expenses		
Interest expenses	2,914	
Other	447	3,362
Ordinary profit		32,626
Extraordinary income		
Gain on sales of investment securities	1,645	1,645
Extraordinary losses		
Loss on retirement of non-current assets	722	
Impairment loss	2,439	
Expenses related to change of the company name	336	3,499
Profit before income taxes		30,773
Income taxes – current	12,654	
Income taxes – deferred	(642)	12,011
Profit		18,761
Profit attributable to non-controlling interests		1,251
Profit attributable to owners of parent		17,509

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Item	Amount	Item	Amount
(ASSETS)		(LIABILITIES)	
Current assets	27,743	Current liabilities	17,362
Cash and deposits	23,471	Lease obligations	159
Accounts receivable – trade	293	Accounts payable – other	213
Prepaid expenses	225	Accrued expenses	2,899
Income taxes receivable	2,540	Deposits received	14,007
Other	1,213	Provision for directors’ bonuses	43
		Other	41
Non-current assets	352,720		
Property, plant and equipment	23,005	Non-current liabilities	54,928
Buildings, net	4,992	Bonds	20,000
Structures, net	328	Long-term loans payable	10,000
Machinery and equipment, net	680	Lease obligations	192
Vehicles, net	12	Deferred tax liabilities	20,640
Tools, furniture and fixtures, net	474	Provision for retirement benefits	3,084
Land	16,156	Other	1,011
Leased assets, net	345		
Construction in progress	16	Total liabilities	72,291
		(NET ASSETS)	
Intangible assets	575	Shareholders’ equity	261,394
Leasehold right	18	Capital stock	17,117
Software	434	Capital surplus	9,683
Leased assets	122	Legal capital surplus	9,500
Other	0	Other capital surplus	183
		Retained earnings	245,545
Investments and other assets	329,138	Legal retained earnings	4,379
Investment securities	85,818	Other retained earnings	241,165
Shares of subsidiaries and associates	164,048	Reserve for dividends	2,000
Investments in capital	326	Reserve for tax purpose reduction entry of non-current assets	2,518
Investments in capital of subsidiaries and associates	1,268	General reserve	170,770
		Retained earnings brought forward	65,877
Long-term loans receivable from subsidiaries and associates	77,062	Treasury shares	(10,952)
Other	639	Valuation and translation adjustments	46,681
Allowance for doubtful accounts	(25)	Valuation difference on available- for-sale securities	46,681
		Subscription rights to shares	95
		Total net assets	308,172
Total assets	380,464	Total liabilities and net assets	380,464

Non-consolidated Statement of Income

(For the Fiscal Year Ended March 31, 2022)

(Millions of yen)

Item	Amount	
Operating revenue		29,445
Operating expenses		15,599
Operating profit		13,845
Non-operating income		
Interest income	879	
Dividend income	2,195	
Other	39	3,113
Non-operating expenses		
Interest expenses	159	
Other	26	186
Ordinary profit		16,772
Extraordinary income		
Gain on sales of investment securities	1,468	1,468
Extraordinary losses		
Loss on retirement of non-current assets	87	87
Profit before income taxes		18,154
Income taxes – current	1,356	
Income taxes – deferred	(33)	1,322
Profit		16,831