

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code: 2002)
June 6, 2023

To Those Shareholders with Voting Rights

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

CONVOCAION NOTICE OF THE 179th ORDINARY GENERAL MEETING OF SHAREHOLDERS

This is to notify you that the 179th Ordinary General Meeting of Shareholders of Nisshin Seifun Group Inc. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide information electronically that is the contents of the Reference Documents for the General Meeting of Shareholders, etc. (matters for electronic provision measures), as the “Convocation Notice of the 179th Ordinary General Meeting of Shareholders” and “Matters for Electronic Provision Measures in Convening the 179th Ordinary General Meeting of Shareholders” are provided on the Company’s website.

The Company’s website: <https://www.nisshin.com/english/shareholders/meeting.html>

In addition to the aforementioned website, matters for electronic provision measures are also provided on the website of the Tokyo Stock Exchange, Inc. (“TSE”). When checking our information at the TSE’s website, please access the following website, enter and search for the issue name (Nisshin Seifun Group Inc.) or the securities code (2002), select “Basic information,” “Documents for public inspection/PR information” and check “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” in the “Filed information available for public inspection” field.

TSE’s website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you do not attend the meeting in person, you may exercise your voting rights by one of the following methods. Please review the “Reference Documents for the General Meeting of Shareholders,” and exercise your voting rights **no later than 5:30 p.m. (JST), Tuesday, June 27, 2023.**

[Voting in Writing (by Postal Mail)]

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

[Voting Electronically (via the Internet, etc.)]

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:** Wednesday, June 28, 2023 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, the information will be posted on the Company’s website.

3. Agenda of the Meeting:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 179th fiscal term (from April 1, 2022 to March 31, 2023) 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 179th fiscal term (from April 1, 2022 to March 31, 2023)

Proposal to be resolved:

Proposal No. 1: Dividends from Surplus

Proposal No. 2: Election of Ten (10) Directors (Excluding Directors Who Are Members of the Audit & Supervisory Committee)

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

4. Matters Determined in the Convocation

- (1) Of matters for electronic provision measures, “Subscription Rights to Shares,” “Independent Auditor,” 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 Statement,” the “Non-consolidated Statement of Changes in Net Assets,” and the “Notes to the Non-consolidated Financial Statements” are not attached to this Convocation Notice in accordance with laws and regulations and Article 15, Paragraph 2 of the Company’s Articles of Incorporation.

The documents that are attached to this Convocation Notice are part of 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 in preparing the audit report.

- (2) If you exercise your voting rights via the Internet, etc., 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, etc., as well as by mailing the Voting Rights Exercise Form, the vote via the Internet, etc., shall be deemed valid.
- (3) In the event you do not indicate your vote for or against each of the proposals on the returned Voting Rights Exercise Form, it shall be deemed that you indicated a vote for.

-
- Modifications, if any, to the matters for electronic provision measures will be posted on the Company’s website and the website of the TSE (Listed Company Search).
 - Please refer to the “Guide to the 179th Ordinary General Meeting of Shareholders” provided together with this Convocation Notice for the operation of the meeting.
 - If you are attending the meeting in person, please present the Voting Rights Exercise Form provided together with this Convocation Notice 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.

Guide to Exercising Voting Rights

To exercise voting rights in advance

Please review the “Reference Documents for the General Meeting of Shareholders” 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 Voting Rights Exercise Form, then return the form so as to arrive no later than 5:30 p.m. (JST), Tuesday, June 27, 2023.
- In the event you do not indicate your vote for or against each of the proposals on the 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), Tuesday, June 27, 2023.
- If you exercise your voting rights via the Internet, etc., 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, etc., as well as by mailing the Voting Rights Exercise Form, the vote via the Internet, etc., shall be deemed valid.

To attend the meeting

Please present the 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 if there are changes to the place, time, operating methods of the meeting, 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), Tuesday, June 27, 2023

■ 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 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 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.

Despite loss attributable to owners of parent due to the posting of impairment loss in the Australia flour milling business, in consideration of factors including its financial position, the Company proposes the year-end dividend from the surplus for the fiscal year ended March 31, 2023, as detailed below. This will result in the annual dividend, consisting of the interim and year-end dividends, of ¥40 per share for the fiscal year ended March 31, 2023, an increase of ¥1 from the previous fiscal year.

If this proposal is approved, the Company will achieve an increase in dividends for ten 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

¥21 per share of the Company's common stock

Total amount of dividends: ¥6,247,988,082

(3) Effective date of dividend payment

June 29, 2023

Proposal No. 2: 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 | Kenji Takihara | Renomination | Director and President, Division Executive (Corporate Planning Division) | 10/10 (100%) |
| 2 | Naoto Masujima | Renomination | Director, Senior Managing Executive Officer, Division Executive (General Administration Division) and Division Executive (Human Resources and Labor Relations Division) | 13/13 (100%) |
| 3 | Takao Yamada | Renomination | Director and Senior Managing Executive Officer | 13/13 (100%) |
| 4 | Koichi Iwasaki | Renomination | Director and Managing Executive Officer | 13/13 (100%) |
| 5 | Kazuhiko Fushiya | Renomination Outside Director Independent Director | Director | 13/13 (100%) |
| 6 | Motoo Nagai | Renomination Outside Director Independent Director | Director | 12/13 (92.3%) |
| 7 | Nobuhiro Endo | Renomination Outside Director Independent Director | Director | 10/10 (100%) |
| 8 | Yasuo Ito | New candidate | Managing Executive Officer and Division Executive (R&D and Quality Assurance Division) | — |
| 9 | Eiichi Suzuki | New candidate | Executive Officer and Division Executive (Finance and Accounting Division) | — |
| 10 | Takahiko Iwahashi | New candidate | Managing Executive Officer | — |

Note: Attendance information for Mr. Kenji Takihara and Mr. Nobuhiro Endo only includes meetings of the Board of Directors held since their appointments on June 28, 2022.

| 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 Kenji Takihara (February 3, 1966) | April 1988 Joined the Company June 2013 Director, Nisshin Flour Milling Inc. June 2016 Executive Officer June 2017 Director June 2019 Managing Executive Officer Managing Director, Nisshin Flour Milling Inc. June 2021 Senior Managing Director, Nisshin Flour Milling Inc. June 2022 Director and President Director and Chairman, Nisshin Flour Milling Inc. (to the present) April 2023 Director and President, Division Executive (Corporate Planning Division) (to the present) [Director and Chairman, Nisshin Flour Milling Inc.] | 42,160 shares |
| Reason for selecting the candidate for Director 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 and also has been leading the holding company's management as President of the Company, 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 |
|--|--|--|---|
| 2 | Renomination Naoto Masujima (September 11, 1960) | <p>April 1983 Joined the Company</p> <p>June 2014 Executive Officer, GS (Globalization) of Corporate Planning Division and General Manager (China Business Development Office of Corporate Planning Division)</p> <p>June 2015 Director, General Manager (Corporate Planning Department) and Division Executive (Overseas Business Division), Nisshin Flour Milling Inc.</p> <p>June 2016 Managing Director, General Manager (Corporate Planning Department) and Division Executive (Overseas Business Division), Nisshin Flour Milling Inc.</p> <p>June 2017 Director and Division Executive (General Administration Division)</p> <p>June 2019 Managing Executive Officer and Division Executive (General Administration Division)</p> <p>June 2021 Director, Managing Executive Officer and Division Executive (General Administration Division)</p> <p>June 2022 Director, Senior Managing Executive Officer and Division Executive (General Administration Division)</p> <p>June 2023 Director, Senior Managing Executive Officer, Division Executive (General Administration Division) and Division Executive (Human Resources and Labor Relations Division) (to the present)</p> | 33,981 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 |
|--|--|---|---|---|
| 3 | Renomination | April 1983 | Joined the Company | 41,796 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) | | |
| June 2022 | | Director and Managing Executive Officer | | |
| | | Director and Senior 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. | | | | |
| 4 | Renomination | April 1980 | Joined the Company | 67,800 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 2019 | | Executive Officer | | |
| June 2019 | | Director and Vice Chairman, Tokatsu Foods Co., Ltd. | | |
| July 2019 | | Director, Managing Executive Officer and Division Executive (Business Development Division) | | |
| July 2022 | | Director and Chairman, Tokatsu Foods Co., Ltd. (to the present) | | |
| | | Director and Managing Executive Officer (to the present) | | |
| | | Director and President, Nisshin Seifun Delica Frontier Inc. (to the present) | | |
| | | [Director and President (Representative Director), Nisshin Seifun Delica Frontier Inc.] | | |
| | | [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 |
|--|--|--|---|
| 5 | Renomination Outside Director Independent Director Kazuhiko Fushiya (January 26, 1944) | April 1967 Joined the Ministry of Finance July 1999 Commissioner, National Tax Agency July 2001 Deputy Governor, National Life Finance Corporation July 2002 Assistant Chief Cabinet Secretary January 2006 Commissioner, Board of Audit of Japan February 2008 Commissioner (President), Board of Audit of Japan January 2009 Retired June 2009 Audit & Supervisory Board Member June 2015 Director (to the present) [Chairman, The Institute of Internal Auditors - Japan] | 6,000 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. | | | |
| 6 | Renomination Outside Director Independent Director Motoo Nagai (March 4, 1954) | April 1977 Joined Industrial Bank of Japan, Limited April 2005 Executive Officer, Mizuho Corporate Bank, Ltd. April 2007 Managing Executive Officer, Mizuho Corporate Bank, Ltd. April 2011 Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd. June 2011 Deputy President (Representative Director) and Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd. April 2014 Commissioner, Mizuho Trust & Banking Co., Ltd. June 2014 Retired as Commissioner, Mizuho Trust & Banking Co., Ltd. June 2015 Audit & Supervisory Board Member June 2019 Director (to the present) [Outside Director, Nissan Motor Co., Ltd.] [Outside Director, Organo Corporation] | 1,400 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 |
|---|--|---|---|---|
| 7 | Renomination Outside Director Independent Director | April 1981 April 2006 | Joined NEC Corporation Senior Vice President and Executive General Manager (Mobile Network Operations Unit), NEC Corporation | 400 shares |
| | Nobuhiro Endo (November 8, 1953) | April 2009 June 2009 April 2010 April 2016 June 2019 June 2022 | Executive Vice President, NEC Corporation Executive Vice President and Member of the Board, NEC Corporation President (Representative Director), NEC Corporation Chairman of the Board (Representative Director), NEC Corporation Chairman of the Board, NEC Corporation Executive Advisor, NEC Corporation (to the present) Director (to the present) [Executive Advisor, NEC Corporation] [Outside Director, Japan Exchange Group, Inc.] [Outside Director, Sumitomo Pharma Co., Ltd.] [Outside Director, Tokio Marine Holdings, Inc.] [Vice Chair, KEIDANREN (Japan Business Federation)] | |
| 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 currently provides appropriate advice and supervision over the Company's business execution, based on his wealth of experience and broad-based insight as corporate executive, 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. | | | | |
| 8 | New candidate | April 1982 June 2010 | Joined the Company Director and General Manager (Quality Assurance Department), Nisshin Flour Milling Inc. | 52,710 shares |
| | Yasuo Ito (September 16, 1958) | April 2012 June 2012 June 2013 June 2016 June 2017 June 2020 | Executive Officer and Assistant Division Executive (R&D and Quality Assurance Division) Executive Officer and General Manager (Quality Assurance Department of R&D and Quality Assurance Division) Director, Nisshin Foods Inc. Executive Officer, Deputy Division Executive (R&D and Quality Assurance Division) and General Manager (Quality Assurance Department of R&D and Quality Assurance Division) Managing Director, Nisshin Foods Inc. Executive Officer, Deputy Division Executive (R&D and Quality Assurance Division) Managing Executive Officer, Division Executive (R&D and Quality Assurance Division) (to the present) | |
| Reason for selecting the candidate for Director | | | | |
| The Company selected Mr. Yasuo Ito as candidate for Director as he has a wealth of experience and excellent track record in the areas including research and development as well as quality assurance, 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 |
|--|--|---|--|---|
| 9 | New candidate | April 1987 | Joined the Company | 5,700 shares |
| | Eiichi Suzuki (March 3, 1964) | June 2013 | General Manager (Accounting Department of Finance and Accounting Division) | |
| | | June 2019 | Executive Officer and General Manager (Accounting Department of Finance and Accounting Division) | |
| | | June 2020 | Executive Officer and Division Executive (Finance and Accounting Division) (to the present) | |
| Reason for selecting the candidate for Director | | | | |
| The Company selected Mr. Eiichi Suzuki as candidate for Director as he has a wealth of experience and excellent track record in the areas including finance and accounting, 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. | | | | |
| 10 | New candidate | April 1987 | Joined the Company | 30,816 shares |
| | Takahiko Iwahashi (October 6, 1964) | June 2013 | Director and General Manager (R&D Division), Nisshin Foods Inc. | |
| April 2014 | | Director and General Manger (Processed Foods Division), Nisshin Foods Inc. | | |
| June 2015 | | Executive Officer | | |
| June 2018 | | Managing Director and General Manager (Processed Foods Division), Nisshin Foods Inc. | | |
| June 2019 | | Managing Executive Officer (to the present) | | |
| June 2020 | | Managing Director and General Manager (Product Management Division), Nisshin Foods Inc. | | |
| June 2021 | | Senior Managing Director and General Manager (Product Management Division), Nisshin Foods Inc. | | |
| January 2022 | | Senior Managing Director and General Manager (Product Management Division), Nisshin Seifun Welna Inc. | | |
| June 2022 | | Senior Managing Director, Nisshin Seifun Welna Inc. | | |
| April 2023 | | 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. Takahiko Iwahashi as candidate for Director as he has a wealth of experience and excellent track record 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. | | | | |

- 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, Mr. Motoo Nagai, and Mr. Nobuhiro Endo 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. 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.

4. 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 eight 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 fourteen 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 four 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 eight years since his appointment as an Outside Audit & Supervisory Board Member.
- (4) Mr. Nobuhiro Endo is currently an Outside Director for the Company, whose term in office will be about one year at the time of the conclusion of this Ordinary General Meeting of Shareholders.
- (5) Mr. Motoo Nagai is scheduled to retire from the office of Outside Director of Organo Corporation at the conclusion of its ordinary general meeting of shareholders to be held in June 2023.
- (6) 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 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.
- (7) 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.
- (8) 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. 3: Election of Three (3) Directors Who Are Members of the Audit & Supervisory Committee

At the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of three (3) Directors who are members of the Audit & Supervisory Committee, Mr. Shoh Ohuchi, Mr. Satoshi Ito and Ms. Mieko Tomita, will expire.

Therefore, we propose that three (3) Directors who are members of the Audit & Supervisory Committee be elected. Furthermore, we have received consent from the Audit & Supervisory Committee concerning this proposal.

The candidates for 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 | Shoh Ohuchi | Renomination | Director (Full-time Audit & Supervisory Committee Member) | 13/13 (100%) |
| 2 | Mieko Tomita | Renomination Outside Director Independent Director | Director (Audit & Supervisory Committee Member) | 12/13 (92.3%) |
| 3 | Hiroto Kaneko | New candidate Outside Director Independent Director | — | — |

| 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 Shoh Ohuchi (February 13, 1961) | April 1983 June 2014 June 2015 June 2018 June 2019 | Joined the Company General Manager (Finance Department of Finance and Accounting Division) Executive Officer and General Manager (Finance Department of Finance and Accounting Division) Audit & Supervisory Board Member Director (Full-time Audit & Supervisory Committee Member) (to the present) | 19,740 shares |
| | Reason for selecting the candidate for Director who is a member of the Audit & Supervisory Committee The Company selected Mr. Shoh Ohuchi as candidate for Director who is a member of the Audit & Supervisory Committee, as he has been diligently performing auditing and supervising duties as a Director who is a member of the Audit & Supervisory Committee, drawing on his wealth of experience and excellent track record in accounting, finance, and auditing, and thus is considered to qualify for the office of Audit & Supervisory Committee Member in charge of auditing and supervising the Company's operational execution from an objective standpoint. | | | |
| 2 | Renomination Outside Director Independent Director Mieko Tomita (August 15, 1954) | April 1980 April 2001 April 2017 June 2019 [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] | Qualified as an attorney Joined Nishi and Iseki Law Office (Currently Nishi & Partners Attorneys and Counselors at Law) Civil Conciliation Commissioner, Tokyo District Court (to the present) Senior Partner, Nishi & Partners Attorneys and Counselors at Law (to the present) Director (Audit & Supervisory Committee Member) (to the present) | 0 shares |
| | Reason for selecting the candidate for Outside Director who is a member of the Audit & Supervisory Committee and a summary of the expected role The Company selected Ms. Mieko Tomita as candidate for Outside Director who is a member of the Audit & Supervisory Committee, as she has been diligently performing auditing and supervising duties as an Outside Director who is a member of the Audit & Supervisory Committee, mainly from the viewpoint of legal compliance, drawing on her high level of expertise as an attorney and her wealth of experience in corporate legal affairs, and thus is hoped to continue to fulfill the aforementioned expected role from an objective standpoint. Although Ms. Tomita has no experience in participating directly in corporate management, except by serving as Outside Director or Outside Audit & Supervisory Board Member, she 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. | | | |

| 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 | New candidate Outside Director Independent Director | <p>April 1980 Joined Arthur Andersen Accounting, Tokyo office</p> <p>March 1983 Qualified as a Certified Public Accountant</p> <p>June 1988 Transferred to Arthur Andersen Germany, Duesseldorf office</p> <p>September 1999 Partner, Arthur Andersen (currently KPMG)</p> <p>July 2000 Representative Partner, Asahi & Co. (currently KPMG AZSA LLC)</p> <p>June 2005 Deputy General Manager, IFRS Division, KPMG AZSA LLC</p> <p>July 2015 Managing Director, KPMG AZSA LLC</p> <p>July 2021 Proprietor, Hiroto Kaneko CPA Office (to the present)</p> <p>[Certified Public Accountant, Proprietor, Hiroto Kaneko CPA Office]</p> <p>[Outside Director, H.I.S. Co., Ltd.]</p> | 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. Hiroto Kaneko as candidate for Outside Director who is a member of the Audit & Supervisory Committee, as he has a wealth of auditing experience as a certified public accountant and high-level expertise in domestic and international finance and accounting, and is thus 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 expertise and experience, thus is hoped to fulfill the aforementioned expected role from an objective standpoint in order to strengthen the Company's governance and risk management. Although Mr. Kaneko 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:
- No actual conflict of interest exists between the Company and any of the above candidates.
 - Under the provision of Article 427, Paragraph 1 of the Companies Act, the Company has concluded liability limitation agreements with Mr. Shoh Ohuchi and Ms. Mieko Tomita 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 on their parts.
 - Under the provision of Article 427, Paragraph 1 of the Companies Act, the Company is planning to conclude a liability limitation agreement with Mr. Hiroto Kaneko 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.
 - 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 who is a member of the Audit & Supervisory Committee, 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.
 - Information on candidates for Outside Directors who are members of the Audit & Supervisory Committee
 - Ms. Mieko Tomita and Mr. Hiroto Kaneko 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)) and has provided the necessary notification thereto.
 - Ms. Mieko Tomita is currently an Outside Director who is a member of the Audit & Supervisory Committee for the Company, whose term in office will be about four years at the time of the conclusion of this Ordinary General Meeting of Shareholders.

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 | ● | ● | | ● | | ● | | ● | ● |
| Naoto Masujima | | ● | | ● | ● | ● | | ● | |
| Yasuo Ito | | | | ● | ● | ● | | ● | ● |
| Eiichi Suzuki | | | ● | ● | ● | | | | |
| Takao Yamada | ● | | | | ● | | ● | ● | ● |
| Koichi Iwasaki | ● | | | | ● | | ● | ● | ● |
| Takahiko Iwahashi | ● | | | | ● | | ● | ● | ● |
| Kazuhiko Fushiya | | ● | ● | ● | | ● | | | |
| Motoo Nagai | ● | ● | ● | | | | ● | | |
| Nobuhiro Endo | ● | ● | | | ● | | ● | ● | ● |
| Shoh Ohuchi | | | ● | ● | | | | | |
| Mieko Tomita | | | | ● | ● | | | | |
| Takaharu Ando | | ● | | ● | ● | ● | | | |
| Hiroto Kaneko | | ● | ● | | | | | | |

Business Report

(From April 1, 2022 to March 31, 2023)

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, 2023, the Japanese economy achieved a gradual turnaround as measures to prevent infection and social and economic activities gained ground despite a resurgence in COVID-19 domestically. The future, however, remains shrouded in uncertainty, with the corporate goods price index in Japan climbing to historic highs due to a range of factors, among them, soaring prices for raw materials, rising energy prices, and the devaluation of the yen in currency markets.

Under these conditions, the Group strives to fulfill its corporate mission of ensuring a stable supply of foods involving wheat flour and the delivery of safe and reliable products in each business area. At the same time, the Group responded to food inflation and cost inflation, two of its highest priority issues, through actions targeting the development and sale of reasonably priced and value-added products, in parallel with a move to shift cost increases into more appropriate pricing.

In October 2022, the Group formulated the “Nisshin Seifun Group Medium-Term Management Plan 2026,” a plan for making social contributions through business and realizing sustained growth as a food-centered enterprise. Addressing environmental issues connected to social sustainability and utilizing digital technologies are crucial to the Group’s own sustainable growth, and are becoming even more important. Given these changes in the business environment, the Group is promoting management for realizing its vision driven by three basic policies—“Stimulate the Group’s ability to grow by restructuring the business portfolio,” “Enhance management by clarifying our business’ relationships toward our stakeholders,” and “Integrate ESG into management strategy, implement by adapting to social trends.”

As part of this effort, in January 2023, Nisshin Flour Milling Inc., the Group’s flour milling business subsidiary, acquired 85% of the issued shares of Kumamoto Flour Milling Co., Ltd., in a move aimed at strengthening the competitiveness of the domestic flour milling business.

Meanwhile, in March 2023, the decision was reached to expand the new production line at the Saginaw Plant of Miller Milling Company, LLC, a U.S.-based subsidiary in the flour milling business, in a move that will augment production capacity at the plant by roughly 40%.

Additionally, at Nisshin Seifun Welna Inc., a subsidiary in the processed food business, the Group unveiled advertising measures designed to boost brand recognition.

With respect to performance, consolidated net sales for the fiscal year ended March 31, 2023, increased 17.5% year on year to ¥798,681 million. Factors driving growth included enactment of price revisions for wheat flour in the flour milling business in Japan in step with wheat price revisions, coupled with increased wheat market prices and foreign currency translation effects in the overseas flour milling business. In terms of profits, operating profit increased 11.6% year on year to ¥32,831 million. In addition to lower shipments of processed foods and raw materials for pharmaceuticals in the processed food segment, performance was impacted by the inability to enact product price revisions that kept pace with higher-than-anticipated increases in costs for raw materials and ingredients, as well as expenses for the launch of a yeast business in India. These effects were countered, however, by firm sales prices for bran in the flour milling business in Japan, and favorable performance in the overseas flour milling business, as well as a decrease in the amortization of goodwill accompanying an impairment loss for the Australia flour milling business. Ordinary profit was up 1.3% to ¥33,051 million, lifted by growth in operating profit despite a decline in the share of profit of entities accounted for using equity method. In the second quarter, the Group recorded an impairment loss for non-current assets, including goodwill for the Australia flour milling business. This outcome resulted from the decision to depart from the initial business plan and develop a new one following serious reexamination of business plan feasibility in Australia in light of market changes and supply chain turmoil caused by measures to combat the COVID-19 pandemic, as well as the state of high prices in the markets for natural resources and grain triggered by the situation in Ukraine. As a result, for profit attributable to owners of parent, the Group posted a loss of ¥10,381 million, despite recording profit on the sale of shares held for cross-shareholding purposes in the third and fourth quarters.

With respect to dividends, despite the loss recorded due to an impairment loss for the Australia flour milling business, after consideration of its financial condition, coupled with a commitment to a greater return of profit to shareholders, the Company plans to pay a full-year dividend of ¥40 per share, up ¥1 from the previous fiscal year.

[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: 52.6%

Net sales: ¥419,782 million

In the flour milling business in Japan, shipments were lower year on year due mainly to effects from a decrease in demand due to product price revisions. This outcome came despite progress on initiatives to expand sales amid an ongoing recovery in restaurant dining demand due largely to increased foot traffic following the elimination of pandemic-related behavior restrictions. In June 2022, we implemented price revisions for commercial wheat flour in response to revised government prices for five classes of imported wheat enacted in April 2022. On average, the government's price for imported wheat rose 17.3%. Commercial wheat flour prices, meanwhile, were left unchanged since then, tracking the lack of movement in government prices due to emergency price countermeasures instituted by the Japanese government in October 2022.

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

As a result, net sales of the Flour Milling Segment increased 33.9% year on year to ¥419,782 million. Operating profit climbed 105.2% to ¥17,618 million despite lower shipments, rising energy prices, and higher distribution costs in the flour milling business in Japan. This outcome reflected benefits mainly from firm sales prices for bran, a byproduct from the flour milling business in Japan, and favorable year-on-year performance improvement in the overseas flour milling business, along with a decrease in amortization of goodwill from the reporting of an impairment loss for the flour milling business in Australia.

Processed Food Segment

Percentage of net sales: 23.5%

Net sales: ¥187,988 million

In the processed food business, sales were higher year on year. In tandem with product price revisions enacted for products in Japan from July 2022 in line with rising costs for raw materials, we developed and launched reasonably priced products and value-added products responsive to changing consumer needs. Growth also benefited from product price revisions and foreign currency translation effects overseas.

In the yeast and biotechnology business, sales were up year on year, reflecting price revisions for yeast enacted in July and November 2022 in Japan, in response to soaring raw material prices and energy costs, coupled with the start of full-scale operations at the yeast business in India in August 2022 overseas.

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 increased 2.7% year on year to ¥187,988 million. Operating profit, however, declined 51.4% to ¥6,037 million. In addition to lower shipments of processed foods and raw materials for pharmaceuticals, performance was impacted by the inability to enact product price revisions in step with higher-than-anticipated increases in the cost of raw materials, as well as expenses incurred in the launch of the yeast business in India.

Prepared Dishes and Other Prepared Foods Segment

Percentage of net sales: 18.5%

Net sales: ¥147,487 million

In the prepared dishes and other prepared foods business, sales of value-added products were higher year on year, amid a recovery in demand particularly at convenience stores (a key business sector) as the flow of people has rebounded with the elimination of pandemic-related behavior restrictions.

As a result, net sales of the Prepared Dishes and Other Prepared Foods Segment increased 6.6% year on year to ¥147,487 million, and operating profit increased 4.5% to ¥3,284 million.

Meanwhile, Nisshin Seifun Delica Frontier Inc. was established as an intermediate holding company responsible for the Prepared Dishes and Other Prepared Foods Segment in July 2022, in a move designed to strengthen the organizational structure for shaping this growth field into a core business.

Others Segment

Percentage of net sales: 5.4%

Net sales: ¥43,423 million

In the engineering business, sales were lower year on year, reflecting a decline in 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.

As a result, net sales of the Others Segment decreased 3.2% year on year to ¥43,423 million, while operating profit increased 11.4% to ¥5,746 million. Profit growth came atop improved profitability from extensive construction cost management in the engineering business, coupled with effects from higher sales in the mesh cloths business.

On a side note, to better meet growing demand from the automotive industry, the decision to expand a forming filter plant at the Thailand-based subsidiary of the mesh cloths business was reached in December 2022.

(2) Issues to be Addressed

[1] Basic Management Policy

Since our establishment in 1900, the Group has contributed to society through business activities and continued to grow as an integral part of the food industry 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 develop and 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 will contribute to the realization of a sustainable society while aiming to develop as a corporate group blessed with ongoing active support from each of our various stakeholders including shareholders, customers, business partners, employees, and society. We will achieve this by pursuing sustainability management in a manner that develops a strong link between our business strategies and actions for the environment (E) and society (S) while enhancing governance (G), which serves as a discipline to improve corporate value.

[2] Medium- to Long-term Management Strategies and Target Indicators

The Group is working toward achieving its five-year medium-term management plan, “Nisshin Seifun Group Medium-Term Management Plan 2026” (from the fiscal year ended March 31, 2023 through the fiscal year ending March 31, 2027). The three basic policies of this management plan are: “Stimulate the Group’s ability to grow by restructuring the business portfolio,” “Enhance management by clarifying our business’ relationships toward our stakeholders,” and “Integrate ESG into management strategy, implement by adapting to social trends.” We will engage in active strategic investment, and for the fiscal year ending March 31, 2027, the final year of the plan, we aim to achieve net sales of ¥900,000 million, operating profit of ¥48,000 million, earnings per share (EPS) of ¥110 as numerical targets, and ongoing EPS growth, thereby providing shareholders with appropriate total shareholder returns (TSR).

■ Overview of the “Nisshin Seifun Group Medium-Term Management Plan 2026” (the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2027)

<Numerical Targets>

| | FY2027 Targets | 5-year CAGR* | (Base year) FY2022 Results |
|-------------------------|------------------|--------------|-------------------------------|
| Net sales | ¥900,000 million | 5.8% | ¥679,700 million |
| Operating profit | ¥48,000 million | 10.3% | ¥29,400 million |
| Operating profit margin | 5.3% | — | 4.3% |
| EPS | ¥110 | 13.3% | ¥59 |
| ROE | 7.0% | — | 4.0% |

* Compound annual growth rate

<Basic policy>

1. Stimulate the Group’s Ability to Grow by Restructuring the Business Portfolio

The Group will further restructure its business portfolio in business areas where it can leverage its strengths, such as the advanced technical capabilities and productivity developed through our over 120-year history and solid sales foundation, which is backed by the trust of its customers. We will enhance the Group’s

competitiveness as a whole and in each business based on the four strategies (strategy to enhance business competitiveness, R&D strategy, new business development and M&A strategy, and digital strategy).

1) Strategy to Enhance Business Competitiveness

We will carry out business portfolio selection and concentration based on the criteria of “businesses that are or can become the top in a certain business area (in terms of competitively significant areas).”

2) R&D Strategy

We will define “food ingredients with health functions,” “processing technology for prepared dishes and other prepared foods,” “food technology” and “automation” as the focused R&D areas to create circular growth that solves social issues through our business.

3) New Business Development and M&A Strategy

We will secure a competitive advantage in existing businesses, acquire and nurture businesses that will become core businesses following flour milling, processed foods, yeast, and prepared dishes and other prepared foods, and promote new business development through M&A and collaboration with startups, etc., anticipating future innovation in new areas such as food technology and functional ingredients.

4) Digital Strategy

We will proactively adopt digital technologies to dramatically improve productivity, change existing business models, and create new business models to enhance our competitiveness. In addition, we will continuously verify and review the system structure, strengthen resistance to cyberattacks, etc., and secure and develop digital human resources.

[Key Topics in Strategy to Enhance Business Competitiveness]

a) Continuation and Expansion of the Domestic Flour Milling, Processed Food, and Yeast Businesses as Core Businesses

We will leverage the strengths cultivated in each business, increase market share by providing new value, and maintain reasonable prices. Also, we will secure a high level of profit by implementing cost reductions of a different dimension, and play a central role in the Group going forward.

b) Growth Strategy for Overseas Business (“made and sold locally” model)

Led by a basic policy of proceeding with new investments after confirming that the Group’s strengths in Japan can be utilized, we will work on the following topics with the aim of driving profit growth.

| | |
|-----------------------------------|---|
| Overseas flour milling business: | Results improvement in the Australia flour milling business Initiatives to maintain and strengthen high profitability of the U.S. flour milling business and other businesses |
| Overseas processed food business: | Consider future investments (prepared mix products, pasta, pasta sauces, frozen foods) Promote local sales of processed foods for Japan that utilize overseas production sites |
| India yeast business: | Achieve profit growth through smooth launching and reaching full production capacity |

c) Growth Strategies for Prepared Dishes and Other Prepared Foods Business

We plan to secure the cost competitiveness that will enable us to outperform our competitors, centered on our intermediate holding company Nisshin Seifun Delica Frontier Inc., which we established to oversee our business. Furthermore, we will aim for the expansion of sales of the Group as a whole, backed by our food-related development capabilities, including our wheat flour, prepared mix products, and pasta, through collaboration between the flour milling and the processed foods businesses.

d) Business Direction of Healthcare Foods and Biotechnology Businesses

We aim to achieve growth in healthcare foods and biotechnology businesses through synergies between personal nutrition (proposals of health foods and other products for individual use), developed by the healthcare foods business, and biomarkers (AGEs, etc.), developed by the biotechnology business.

e) Business Direction of the Engineering and Mesh Cloths Businesses

Our engineering business (powder technologies and food plant construction technologies) and mesh cloths

business (mesh technology) possess high technical capabilities and knowledge on a global scale. These businesses will collaborate with external companies to achieve further business expansion and will also collaborate in the state-of-the-art electronic components market, the environmental market, and other markets where the technologies of the two businesses can be leveraged.

f) Taking on the Challenge of New Businesses

We will secure a competitive advantage in existing businesses, acquire and nurture new businesses that will become future core businesses, and promote new business development from a medium- to long-term perspective through M&A and collaboration with start-ups, etc., anticipating innovation in new areas such as food technology and functional ingredients.

2. Enhance Management by Clarifying our Business' Relationships toward our Stakeholders

We will recognize that the primary purpose of the Group's corporate existence is the stable supply of food, including flour and flour-related products, as a staple food, and aim to be a company that respects all stakeholders and is trusted around the world.

| | |
|--------------------|--|
| Shareholders: | Realize an appropriate total shareholder return (TSR) by enhancing our long-term corporate value. |
| Customers: | Offer value that exceeds customer expectations in all aspects of products and services. |
| Employees: | Ensure appropriate compensation and working environment for employees and support in acquiring necessary skills. |
| Business partners: | Engage with business partners in fair and impartial ways and with a sense of ethics and become equal partners. |
| Society: | Strive to work together with society and become an eco-friendly company. |

3. Integrate ESG into Management Strategy, Implement by Adapting to Social Trends

We will seek for maximizing corporate value and proactively work for ESG issues by adapting to social trends on the responsibilities of top management of individual businesses including the Company, the holding company. Particularly, we will position E (environment) as the most important management priority in relation to global sustainability.

<Capital Policy>

We will control our capital structure appropriately while maintaining a balance between capital efficiency improvement and financial stability, taking into deep consideration our social responsibility to provide a stable supply of staple foods including wheat flour. Regarding the operating cash flow and the cash generating from the sale of cross-shareholding stocks during the five years of the medium-term management plan, we will appropriately allocate these funds to future-oriented growth investment, sustainable investment, ordinary investment in maintenance and updating, etc., and shareholder returns, etc.

The Group will follow a basic policy of stable distribution of profits from a long-term perspective, and maintain a dividend ratio of 40% or more on a consolidated basis. Although dividend levels will be determined based on business results, we will always maintain an open mind with respect to increasing dividends.

Five-year cumulative cash-flow plan

| | |
|---|---|
| Operating cash flow Approx. ¥250 billion | Growth investment, maintenance and renewal investments More than ¥220 billion (of which growth investment is ¥110 billion or more) |
| Asset sales, utilization of interest-bearing debt, etc. | Shareholder returns |

[3] Management Environment and Issues to be Addressed

In the food industries in Japan and overseas, there is ongoing global food and cost inflation, as seen in the soaring prices of grains and energy, which has a major impact on the business environment. From a medium- and long-term perspective, the business environment is forecast to change significantly due to global warming, which is closely tied to global sustainability, and heightened awareness of social issues such as human rights, along with rapid advances in technological innovations of digital technologies, food technology, etc.

Under these circumstances, the Group will fulfil its social mission to secure the stable supply of foods involving wheat flour, in order to contribute to society through business activities and continue to grow as an integral part of the food industry. In the fiscal year ending March 31, 2024, we will place top priorities on the stimulation of the Group's ability to grow by restructuring the business portfolio, food inflation countermeasures, the recovery of the earnings by the Australia flour milling business, environmental policies, and digital strategies.

<Top Priorities for the fiscal year ending March 31, 2024>

1. Stimulate the Group's Ability to Grow by Restructuring the Business Portfolio

The Group will work on the key topics of our strategies to enhance business competitiveness: "Continuation and expansion of the domestic flour milling, processed food, and yeast businesses as core businesses," "Expanding profits in our prepared dishes and other prepared foods business and overseas business, which are our growing businesses," and "Growing our healthcare and biotechnology business, engineering business, mesh cloths business, and new business."

In our core businesses, we will invest as necessary to achieve profit growth. In our growth businesses, we will accelerate our investment in markets with growth potential and restructure our business portfolio.

2. Food Inflation Countermeasures

In the fiscal year ended March 31, 2023, the Group placed a top priority on food inflation countermeasures due to the situation in Ukraine. However, from April of this year, government's price for imported wheat, the primary ingredient used by the Group, will be raised. We will therefore continue to treat food inflation countermeasures as a priority and maintain a keen sense of purposefulness as we tackle this issue.

3. Recovery of Earnings by the Australia Flour Milling Business

With respect to the Australia flour milling business, the COVID-19 pandemic, the situation in Ukraine, and other factors have changed the market environment, resulting in our recording of an impairment loss for the second quarter of the fiscal year ended March 31, 2023. In order to restore earnings, we will solidify our core operational foundation based on our new business plan and implement four measures (continual cost reductions, sales growth in core products that leverage our strengths, selection of profitable markets, and branding), while producing effects by revising prices and improving productivity. We will work towards increasing earnings by 42 million Australian dollars (*) in the fiscal year ending March 31, 2027 compared with levels of the fiscal year ended March 31, 2022.

(*) Roughly ¥4,000 million (1 Australian dollar = ¥95). This does not include reductions in the amortization burden for non-current assets, including goodwill, in conjunction with recording of impairment losses.

4. Environmental policies

The Group has set a long-term target of achieving net zero toward carbon neutrality at facilities owned by the Group by the year 2050. As a milestone towards achieving that goal, we have set as a target the reduction of CO₂ emissions from facilities owned by the Group by 50% by the fiscal year ending March 31, 2031 (compared with the level of the fiscal year ended March 31, 2014). To achieve this target, we must go beyond past efforts to actively reduce CO₂ emissions. Based on our roadmap, we will install energy-saving equipment and renewable energy equipment to the maximum extent possible, and we will consider procuring energy through investment and funding in off-site (non-Group) facilities.

5. Digital strategies

The Group has positioned digital strategies, which can play a major role in the survival of the fittest among companies in the future, as key strategies to enhance business competitiveness. We will actively introduce digital technologies, dramatically improve productivity, make changes to our existing business models, and create new business models, therefore heightening our competitiveness. We will also continually verify and revise our system structure, enhance our resistance to cyberattacks, etc., and promote the hiring and development of digital personnel.

[4] Sustainability Approach and Measures

The Group has put 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 retain its status as a corporate entity that plays an essential role in society. It has also sought to put its corporate principle, "contributing to a healthy and fruitful life for all," into practice by creating social value through its business.

To continue to develop sustainably as a Group, we must promote sustainability management predicated on contributing to the environment and our society. From the perspectives of risks and opportunities, we identified five "CSR priorities (materiality)," the social issues that should be primarily prioritized. The Group has positioned them as one of its top management priorities, and is implementing sustainability initiatives on a Group-wide basis.

In addition, in order to address the increasingly important issue of business and human rights, the Group is promoting human rights due diligence, 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. We are working to identify issues in each of our businesses, consider and implement necessary countermeasures.

We will continue to strive to contribute to society through our business and to increase our corporate value.

CSR Priorities (materiality)

1. Provide Safe and Healthy Food and Responsible Consumer Communication

<Key Topics>

- Ensuring food safety
- Contribution to healthy diets
- Responsible consumer communication

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. We also actively collect relevant consumer administrative information, as well as consumer opinions and needs to enhance our response. Furthermore, we are sharing information with all related departments, from R&D to production and sales, and using it to create products with a customer-centric focus. We leverage the flour and flour processing technology knowledge accrued through the years to develop products made with healthy flour-related ingredients (such as whole-wheat flour and flour bran), and provide a broad range of products and services that are delicious and contribute to people's health. By doing so, we aim to supply safe and healthy food.

2. Enable Secure and Sustainable Raw Material Procurement

<Key Topics>

- Ensuring stable wheat procurement
- Sustainable raw material procurement

We are striving to ensure the stable and sustainable procurement of safe raw materials while taking into consideration environmental issues and human rights throughout our supply chain in all of our businesses.

To accomplish this, based on our "Responsible Procurement Policy" and "Supplier Guidelines," we will work with our business partners to promote responsible procurement based on fair and ethical transactions. We are working to understand the origin of raw materials at home and abroad, striving to ensure food security through stable procurement of wheat and other raw materials.

3. Efficiently Handle Product and Packaging Waste

<Key Topics>

- Reducing food waste
- Reducing packaging waste

The Group is working to effectively use resources in order to establish a recycling-oriented society, and taking steps to reduce food loss throughout our supply chain and the amount of packaging materials used for our products. We are reducing our usage of fossil fuel-derived plastics and using biomass products, improving recyclability, and taking other steps to promote environmentally-conscious product creation.

We have set as targets for the fiscal year ending March 31, 2031, for the Group companies in Japan the reduction of food loss, from ingredient procurement to customer delivery, by 50% or more compared with the level of the fiscal year ended March 31, 2017 (compared with the fiscal year ended March 31, 2020 for Initio Foods Inc., Joyous Foods Co., Ltd., and Tokatsu Foods Co., Ltd.) and the reduction of fossil fuel-derived plastics used in packaging by 25% or more compared with the fiscal year ended March 31, 2020.

4. Address Climate Change and Water Resource Issues

<Key Topics>

- Climate change adaptation and mitigation
- Water resource conservation

In response to the impact of climate change, we are working toward our targets of achieving reduction of CO₂ emissions from facilities owned by the Group to net zero by 2050 and a 50% reduction of CO₂ emissions by the fiscal year ending March 31, 2031, compared with the level of the fiscal year ended March 31, 2014. To achieve these targets, we are taking active steps such as introducing energy-saving equipment, improving production efficiency, and increasing our use of solar power generation and other renewable energy.

In addition, we have prepared a CO₂ reduction roadmap for use of managing progress on and analyzing the factors behind reductions every fiscal year. We also examine the timing, scale, and effectiveness of investments across the Group, pursuing initiatives within our business strategy. Furthermore, we have introduced an internal carbon pricing (ICP) system to determine the effect of reducing CO₂ emissions in terms of their economic value as we implement reduction measures.

To address water resource issues, the Group is aiming to effectively use limited water resources through each stage of the supply chain, along with our business partners. We have set a target for the fiscal year ending March 31, 2041 of reducing 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.

[Information disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)]

In 2021, the Group endorsed the recommendations of the TCFD and participated in the TCFD Consortium. We have performed scenario analyses of the impact of climate change on the Group based on the TCFD Framework.

5. Provide Working Environments that are Healthy and Fulfilling

<Key Topics>

- Cultivation of human resources
- Employee working environments and health
- Respect for diversity

We aim to develop human resources who will lead new challenges and transformation in order to enhance our ability to execute our management strategies. To accomplish this, we conduct various training programs, including the “Business Manager Development Program,” “DX Core Human Resources Training,” and the “Global Business Skill Training.”

Furthermore, we are promoting health management with the President at the top, by strengthening measures to prevent occupational accidents among our employees, and also by focusing on mental healthcare and health promotion, in order to realize healthy and lively work. In the fiscal year ended March 31, 2023, we were certified for the third 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.

In addition, these changing times have increased the importance of management that respects diversity. As well as promoting diversity and inclusion, including women’s empowerment and revising our system to enable flexible work styles, we are carrying out various initiatives such as lectures and training to build a corporate culture in which all people respect each other.

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 | 176 th FY2020 | 177 th FY2021 | 178 th FY2022 | 179 th FY2023 (Current) |
|--|-----------------------------|-----------------------------|-----------------------------|--|
| Net sales | 712,180 | 679,495 | 679,736 | 798,681 |
| Ordinary profit | 31,434 | 29,886 | 32,626 | 33,051 |
| Profit (loss) attributable to owners of parent | 22,407 | 19,011 | 17,509 | (10,381) |
| Earnings (loss) per share (¥) | 75.40 | 63.95 | 58.88 | (34.91) |
| Total assets | 666,215 | 687,415 | 723,073 | 713,874 |
| Net assets | 409,042 | 444,774 | 460,643 | 438,499 |

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, 2023 decreased ¥26 million from the previous fiscal year to ¥18,657 million, based on actual expenditures.

The principal capital expenditures were made in the expansion of production capacity.

(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, 2023.

(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 |
| Kumamoto Flour Milling Co., Ltd. | 493 | 85.0 | Production and sales of wheat flour, buckwheat flour, rice flour, and other products |
| 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 |
| 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 | 69.4 | 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 |
| Nisshin Seifun Delica Frontier Inc. | 100 | 100.0 | Support and administration for business activities of subsidiaries involved in the prepared dishes and other prepared foods segment |
| 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. During the fiscal year ended March 31, 2023, Nisshin Seifun Delica Frontier Inc. was established through corporate separation.

2. During the fiscal year ended March 31, 2023, Nisshin Flour Milling Inc., a subsidiary of the Company, acquired 85% of the issued shares of Kumamoto Flour Milling Co., Ltd. to convert it into a subsidiary.

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

[2] Status of Significant Acquisition

In order to reinforce our organization and develop growing sectors into core operations, in July 2022, the Company established Nisshin Seifun Delica Frontier Inc., an intermediate holding company that oversees the prepared dishes and other prepared foods business, through corporate separation.

Nisshin Flour Milling Inc., a subsidiary of the Company, acquired 85% of the issued shares of Kumamoto Flour Milling Co., Ltd. in January 2023 and converted it into a subsidiary, with the aim of enhancing cost competitiveness through synergies and market adaptability and further strengthening business competitiveness.

(7) Principal Businesses of the Group (As of March 31, 2023)

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, 2023)

[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)
 Kumamoto Flour Milling Co., Ltd. Head Office (Kumamoto)
 Fukuoka Plant (Fukuoka), Kumamoto Plant (Kumamoto), Koshi Rice Flour Plant (Koshi)
 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)

[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

Nisshin Seifun Delica Frontier Inc. Head Office (Chiyoda-ku, Tokyo)
 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, 2023)

| Business Segment | Number of Employees | Year-on-Year Change |
|--|---------------------|---------------------|
| Flour Milling Segment | 2,958 | 413 |
| Processed Food Segment | 3,643 | 80 |
| Prepared Dishes and Other Prepared Foods Segment | 1,571 | 33 |
| Others Segment | 856 | 6 |
| Corporate (Across the Group divisions) | 392 | (30) |
| Total | 9,420 | 502 |

Note: The number of employees has increased by 502 compared to that of the end of the previous fiscal year. This is primarily due to the conversion of Kumamoto Flour Milling Co., Ltd. and its subsidiaries into consolidated subsidiaries.

(10) Major Creditors and Loans Payable of the Group (As of March 31, 2023)

| Creditor | Outstanding balance of loans payable |
|-------------------------------|--------------------------------------|
| Nippon Life Insurance Company | ¥10,000 million |
| Mizuho Bank, Ltd. | ¥7,356 million |

2. Outline of the Company

(1) Shares (As of March 31, 2023)

- [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 6,834,996 shares of treasury shares)
- [3] Number of shareholders 39,797
(Increased 7,820 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) | 44,554 | 14.9 |
| Nippon Life Insurance Company | 19,387 | 6.5 |
| Yamazaki Baking Co., Ltd. | 16,988 | 5.7 |
| Custody Bank of Japan, Ltd. (Trust Account) | 16,290 | 5.4 |
| Mizuho Bank, Ltd. | 10,447 | 3.5 |
| The Norinchukin Bank | 6,932 | 2.3 |
| Marubeni Corporation | 6,284 | 2.1 |
| National Mutual Insurance Federation of Agricultural Cooperatives | 4,455 | 1.4 |
| Nisshin Seifun Group Employee Shareholding Association | 4,009 | 1.3 |
| Sumitomo Mitsui Banking Corporation | 3,909 | 1.3 |

Note: The Company is excluded from the major shareholders listed above although it holds 6,834,996 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, 2023

| Segment | Number of shares | Number of persons to be granted |
|---|-------------------------------|---------------------------------|
| Directors (excluding Directors who are members of the Audit & Supervisory Committee and Outside Directors) | 14,000 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) Members of the Boards

[1] Directors (As of March 31, 2023)

| Title | Name | Position | Significant Positions Concurrently Held |
|---|------------------|--|--|
| *Representative Director and President | Kenji Takihara | | 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 Senior Managing Executive Officer | Naoto Masujima | Division Executive, General Administration Division | |
| Director and Senior Managing Executive Officer | Takao Yamada | | Director and President (Representative Director), Nisshin Flour Milling Inc. |
| Director and Managing Executive Officer | Satoshi Odaka | Division Executive, Technology and Engineering Division | |
| Director and Managing Executive Officer | Yuji Koike | | Director and President (Representative Director), Nisshin Seifun Welna Inc. |
| Director and Managing Executive Officer | Koichi Iwasaki | | Director and President (Representative Director), Nisshin Seifun Delica Frontier Inc. Director and Chairman (Representative Director), Tokatsu Foods Co., 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 | Nobuhiro Endo | | Executive Advisor, NEC Corporation Outside Director, Japan Exchange Group, Inc. Outside Director, Sumitomo Pharma Co., Ltd. Outside Director, Tokio Marine Holdings, Inc. Vice Chair, KEIDANREN (Japan Business Federation) Vice Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives) |
| Director (Full-time Audit & Supervisory Committee Member) | Shoh Ohuchi | | |
| 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 |
| *Director (Audit & Supervisory Committee Member) | Takaharu Ando | | Outside Director, AMUSE INC. Outside Director, ZENSHO HOLDINGS CO., LTD. Outside Director, TOBU RAILWAY CO., LTD. Outside Director, Rakuten Group, Inc. |

Notes: 1. Three Directors (Kazuhiko Fushiya, Motoo Nagai, and Nobuhiro Endo) and three Directors (Audit & Supervisory Committee Members) (Satoshi Ito, Mieko Tomita, and Takaharu Ando) 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, Inc., 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 (including Audit & Supervisory Committee Members) of the Company and the positions thereof, during the fiscal year ended March 31, 2023, are stated as follows.

1) Mr. Nobuki Kemmoku and Mr. Akio Mimura retired from their positions as Director due to expiration of their terms of office, and Mr. Tetsuo Kawawa resigned from his position as Director (Audit & Supervisory Committee Member) as of June 28, 2022. Directors and Director (Audit & Supervisory Committee Member) with an asterisk were newly elected at the 178th Ordinary General Meeting of Shareholders held on the same day and assumed office.

2) Mr. Kenji Takihara assumed the office of Director and President (Representative Director) and Mr. Naoto Masujima and Mr. Takao Yamada assumed the office of Senior Managing Executive Officer as of June 28, 2022.

7. The following is a list of changes in significant positions concurrently held in the fiscal year ended March 31, 2023.

| | | |
|----------|----------------|---|
| Director | Nobuhiro Endo | Took office as Vice Chair, KEIDANREN (Japan Business Federation) (June 1, 2022) Retired as Chairman of the Board, NEC Corporation Took office as Executive Advisor, NEC Corporation (June 22, 2022) |
| Director | Kenji Takihara | Retired as Senior Managing Director, Nisshin Flour Milling Inc. Took office as Director and Chairman, Nisshin Flour Milling Inc. (June 28, 2022) |
| Director | Koichi Iwasaki | Took office as Director and President (Representative Director), Nisshin Seifun Delica Frontier Inc. (July 1, 2022) |

| | | |
|---|------------------|--|
| Director (Audit & Supervisory Committee Member) | Takaharu Ando | Took office as an Outside Director, Rakuten Group, Inc. (March 30, 2023) |
| Director | Yuji Koike | Resigned as Director and President (Representative Director), Nisshin Seifun Welna Inc. (March 31, 2023) |

8. The Company has adopted the executive officer system in order to expedite the execution of business operations. As of March 31, 2023, 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 Nomination and Remuneration Advisory Committee, 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. As a basic policy, the initial ratios of these three components should be roughly 70:15:15, and the amounts and ratios of 2) and 3) may be changed according to performance.
- Remuneration for Outside Directors consists primarily of basic remuneration and stock-based remuneration is granted up to the designated upper limit.
- 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) | 236 | 169 | 31 | 36 | 12 |
| Directors (Audit & Supervisory Committee Members) | 43 | 43 | — | — | 5 |
| (Outside Directors included in the above) | (60) | (57) | (—) | (3) | (8) |

Notes: 1. The above number of Directors (excluding Directors who are members of the Audit & Supervisory Committee) and Directors (Audit & Supervisory Committee Members) includes two Directors (excluding Directors who were members of the Audit & Supervisory Committee) and one Director (Audit & Supervisory Committee Member) who retired from office during the fiscal year ended March 31, 2023.

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, 2023, refer to "(3) Consolidated Business Results and Summary of Assets of the Group" 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, 2023 is stated.

4. Determination regarding 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 delegated by the Board of Directors to the Director and President, 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. The amount of remuneration for the period between April and June 2022 was determined by Nobuki Kemmoku, the Director and President. In addition, due to a personnel change in Director and President during the fiscal year ended March 31, 2023, the amount of remuneration for the period from July 2022 to March 2023 was determined by Kenji Takihara, the Director and President. 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, 2023 are consistent with the policy for the method of determination 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, 2023

- 1) Director Kazuhiko Fushiya

Mr. Fushiya attended all meetings of the Board of Directors held in the fiscal year ended March 31, 2023. 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.

- 2) Director Motoo Nagai

Mr. Nagai attended 12 out of 13 meetings of the Board of Directors held in the fiscal year ended March 31, 2023. 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.

- 3) Director Nobuhiro Endo

Mr. Endo attended all meetings of the Board of Directors held since he assumed office of a Director. 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.

- 4) Director (Audit & Supervisory Committee Member) Satoshi Ito

Mr. Ito attended all meetings of the Board of Directors and the Audit & Supervisory Committee held in the fiscal year ended March 31, 2023. 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.

- 5) 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, 2023. 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.

6) Director (Audit & Supervisory Committee Member) Takaharu Ando

Mr. Ando attended all meetings of the Board of Directors and the Audit & Supervisory Committee held since he assumed office of a Director (Audit & Supervisory Committee Member). 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 wealth of experience and broad-based insight gained through his career in the National Police Agency and other governmental organizations where he held important positions.

3. Systems and Policies of the Company

(1) 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.”

(2) 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 ¥40 per share, representing an increase of ¥1 from the previous fiscal year, in consideration of its financial position, etc., despite loss attributable to owners of parent due to the posting of an impairment loss for the Australia flour milling business.

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 ¥21 per share. As a result, dividends paid will have increased for ten 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, 2023)

(Millions of yen)

| Item | Amount | Item | Amount |
|--|----------------|--|-----------------|
| (ASSETS) | | (LIABILITIES) | |
| Current assets | 330,069 | Current liabilities | 150,262 |
| Cash and deposits | 82,971 | Notes and accounts payable – trade | 74,565 |
| Notes and accounts receivable – trade, and contract assets | 107,887 | Short-term loans payable | 14,356 |
| Inventories | 128,786 | Income taxes payable | 8,941 |
| Other | 11,065 | Accrued expenses | 23,247 |
| Allowance for doubtful accounts | (641) | Other | 29,150 |
| Non-current assets | 383,805 | Non-current liabilities | 125,112 |
| Property, plant and equipment | 217,494 | Bonds | 20,000 |
| Buildings and structures, net | 71,134 | Long-term loans payable | 13,378 |
| Machinery, equipment and vehicles, net | 60,212 | Lease obligations | 37,311 |
| Land | 52,618 | Deferred tax liabilities | 22,097 |
| Construction in progress | 10,842 | Provision for repairs | 1,562 |
| Right-of-use assets | 17,060 | Net defined benefit liability | 23,422 |
| Other, net | 5,625 | Long-term deposits received | 5,646 |
| | | Other | 1,694 |
| Intangible assets | 23,677 | Total liabilities | 275,375 |
| Goodwill | 7,496 | (NET ASSETS) | |
| Other | 16,180 | Shareholders' equity | 344,037 |
| | | Capital stock | 17,117 |
| Investments and other assets | 142,633 | Capital surplus | 12,728 |
| Investment securities | 124,653 | Retained earnings | 325,181 |
| Net defined benefit asset | 340 | Treasury shares | (10,989) |
| Deferred tax assets | 11,964 | | |
| Other | 5,875 | Accumulated other comprehensive income | 79,795 |
| Allowance for doubtful accounts | (200) | Valuation difference on available-for-sale securities | 52,044 |
| | | Deferred gains or losses on hedges | (13) |
| | | Foreign currency translation adjustment | 28,352 |
| | | Remeasurements of defined benefit plans | (588) |
| | | Subscription rights to shares | 44 |
| | | Non-controlling interests | 14,621 |
| | | Total net assets | 438,499 |
| Total assets | 713,874 | Total liabilities and net assets | 713,874 |

Consolidated Statement of Income
(For the Fiscal Year Ended March 31, 2023)

(Millions of yen)

| Item | Amount | |
|---|----------------|-----------------|
| Net sales | | 798,681 |
| Cost of sales | | 638,062 |
| Gross profit | | 160,618 |
| Selling, general and administrative expenses | | 127,786 |
| Operating profit | | 32,831 |
| Non-operating income | | |
| Interest income | 260 | |
| Dividend income | 3,201 | |
| Rent income | 295 | |
| Other | 833 | 4,591 |
| Non-operating expenses | | |
| Interest expenses | 3,546 | |
| Share of loss of entities accounted for using equity method | 346 | |
| Other | 479 | 4,371 |
| Ordinary profit | | 33,051 |
| Extraordinary income | | |
| Gain on sales of investment securities | 24,393 | 24,393 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 609 | |
| Impairment loss | 55,704 | |
| Expenses related to change of the company name | 251 | 56,565 |
| Profit before income taxes | | 879 |
| Income taxes – current | 18,748 | |
| Income taxes – deferred | (8,404) | 10,343 |
| Loss | | (9,463) |
| Profit attributable to non-controlling interests | | 917 |
| Loss attributable to owners of parent | | (10,381) |

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

| Item | Amount | Item | Amount |
|---|----------------|---|-----------------|
| (ASSETS) | | (LIABILITIES) | |
| Current assets | 39,427 | Current liabilities | 23,726 |
| Cash and deposits | 37,896 | Lease obligations | 155 |
| Accounts receivable – trade | 330 | Accounts payable – other | 272 |
| Prepaid expenses | 269 | Accrued expenses | 2,132 |
| Other | 931 | Income taxes payable | 1,815 |
| Non-current assets | 341,920 | Deposits received | 19,280 |
| Property, plant and equipment | 22,923 | Provision for directors’ bonuses | 30 |
| Buildings, net | 4,850 | Other | 41 |
| Structures, net | 319 | Non-current liabilities | 51,296 |
| Machinery and equipment, net | 812 | Bonds | 20,000 |
| Vehicles, net | 14 | Long-term loans payable | 10,000 |
| Tools, furniture and fixtures, net | 517 | Lease obligations | 74 |
| Land | 16,156 | Deferred tax liabilities | 17,889 |
| Leased assets, net | 236 | Provision for retirement benefits | 3,013 |
| Construction in progress | 16 | Other | 318 |
| Intangible assets | 481 | Total liabilities | 75,022 |
| Leasehold right | 18 | (NET ASSETS) | |
| Software | 398 | Shareholders’ equity | 265,217 |
| Leased assets | 63 | Capital stock | 17,117 |
| Other | 0 | Capital surplus | 9,685 |
| Investments and other assets | 318,515 | Legal capital surplus | 9,500 |
| Investment securities | 74,251 | Other capital surplus | 184 |
| Shares of subsidiaries and associates | 153,049 | Retained earnings | 249,395 |
| Investments in capital | 354 | Legal retained earnings | 4,379 |
| Investments in capital of subsidiaries and associates | 1,268 | Other retained earnings | 245,016 |
| Long-term loans receivable from subsidiaries and associates | 88,954 | Reserve for dividends | 2,000 |
| Other | 663 | Reserve for tax purpose reduction entry of non-current assets | 2,484 |
| Allowance for doubtful accounts | (25) | General reserve | 170,770 |
| | | Retained earnings brought forward | 69,761 |
| | | Treasury shares | (10,981) |
| | | Valuation and translation adjustments | 41,063 |
| | | Valuation difference on available-for-sale securities | 41,063 |
| | | Subscription rights to shares | 44 |
| | | Total net assets | 306,325 |
| Total assets | 381,348 | Total liabilities and net assets | 381,348 |

Non-consolidated Statement of Income

(For the Fiscal Year Ended March 31, 2023)

(Millions of yen)

| Item | Amount | |
|--|--------------|---------------|
| Operating revenue | | 26,891 |
| Operating expenses | | 15,256 |
| Operating profit | | 11,634 |
| Non-operating income | | |
| Interest income | 1,165 | |
| Dividend income | 2,404 | |
| Other | 52 | 3,621 |
| Non-operating expenses | | |
| Interest expenses | 154 | |
| Other | 12 | 167 |
| Ordinary profit | | 15,088 |
| Extraordinary income | | |
| Gain on sales of investment securities | 16,162 | 16,162 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 33 | |
| Loss on valuation of shares of subsidiaries and associates | 10,999 | 11,032 |
| Profit before income taxes | | 20,218 |
| Income taxes – current | 4,994 | |
| Income taxes – deferred | (229) | 4,765 |
| Profit | | 15,453 |