
My name is Nobuki Kemmoku, Representative Director and President of Nisshin Seifun Group Inc.

Thank you for taking time from your busy schedules to attend today's results briefing for fiscal 2021, the year ended March 31, 2021.

It's been more than a year since Japan first reported cases of infection from the novel coronavirus pandemic. Today, while the rollout of a vaccine has also begun, there is still no outlook for when the pandemic might come to end worldwide. In fact, from April this year Japan issued its third declaration of emergency with respect to the virus. As this and similar challenges suggest, the situation facing the Group's businesses remains one marked by an uncertain future. Nevertheless, we intend to position having an accurate grasp of our immediate business environment to spur a recovery in sales and earnings capacity as quickly as possible as our top priority.

While the current business term will also see emphasis on responding to the novel coronavirus, we hope to move in parallel to steadily enact growth strategies in line with our Long-term Vision.

Today, along with a discussion of results from last term and our view of results for the current term, I want to offer an overview of the NNI-120 II medium-term management plan, which we enacted through its final year fiscal 2021, as well as touch briefly on what the Group is doing amid all the changes happening around us.

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# I. Fiscal 2021 Results and Fiscal 2022 Forecasts

# 1. Fiscal 2021 Results

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- Net sales decreased due to several factors. These included a decline in sales in the flour milling business, largely reflecting lower wheat flour prices due to price revisions for wheat and decreased demand caused by the pandemic, coupled with a temporary decrease in facility construction completion and effects from the transfer of the pet food business. These factors outweighed beneficial effects from the new consolidation of Tokatsu Foods Co., Ltd. in the first quarter.
- Operating profit was lower for the year despite a recovery in performance in the U.S. flour milling business, robust shipments in Japan of household-use processed foods and raw materials for pharmaceuticals, along with a reduction in various expenses. This decline mainly reflected reduced profit in the flour milling business (Japan, Australia, etc.) from lower demand and other issues caused by the pandemic, coupled with a decline in sales in the prepared dishes and other prepared foods business, and a temporary decrease in facility construction completion.
- On the other hand, business forecasts were met thanks to improved production efficiency in the prepared dishes and other prepared foods business and beneficial effects from cost reductions across all businesses.

* Figures rounded down to nearest million yen

| (Millions of yen) | Fiscal 2021 Results | Forecasts | | Fiscal 2020 Results | |
|---|---|---|---|---|---|
| | | | Change | | Change |
| Net sales | 679,495 | 700,000 | (2.9)% | 712,180 | (4.6)% |
| Overseas sales ratio | 22.9% | 22.5% | – | 23.3% | – |
| Operating profit | 27,197 | 26,000 | +4.6% | 28,852 | (5.7)% |
| Ordinary profit | 29,886 | 27,000 | +10.7% | 31,434 | (4.9)% |
| Profit attributable to owners of parent | 19,011 | 17,000 | +11.8% | 22,407 | (15.2)% |

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Let's begin with results for the fiscal year ended March 31, 2021. Net sales decreased compared to the previous year, reflecting lower prices for wheat flour in line with price revisions for wheat, along with lower sales in the flour milling business due to decreased demand and other impacts caused by the novel coronavirus pandemic. Sales also declined from a temporary decrease in facility construction completion. These factors outweighed beneficial effects from the new consolidation of Tokatsu Foods in the first quarter.

Operating profit was lower year on year despite several positives, including a performance recovery in the U.S. flour milling business, firm shipments of household-use processed foods in Japan and raw materials for pharmaceuticals, and cuts made to various expenses across all businesses. These factors were offset by worsening earnings in the flour milling and prepared dishes and other prepared foods businesses due to the pandemic, coupled with a temporary decline in facility construction completion.

On the other hand, operating profit outperformed business forecasts, mainly thanks to improved production efficiency in the prepared dishes and other prepared foods business and effects stemming from cost reductions across all businesses.

## 2. Fiscal 2021 Performance in Review

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- **The fiscal year ended March 31, 2021 witnessed major disruption in people's lifestyle patterns, as repeated growth and contraction in the spread of the novel coronavirus pandemic throughout the year led to the declaration of two states of emergency in Japan, among other concerns. Amid these changes, the business environment impacted each of the Group's companies in positive and negative ways, culminating in lower sales and profits for the year.**

### Fiscal 2021 Review of Performance by Segment

#### ■ Flour Milling Segment (Japan)

- Demand for pasta, instant noodles and similar household-use products rose, lifted by a shift toward at-home dining demand; **demand for commercial-use products used in bread, sweets and other products for specialty stores and restaurants declined.**
- **The Company's commercial-use wheat flour shipments declined by 2.3%.** In contrast, **the overall market was widely expected to decline by around 3%.**
- **Operating profit declined year on year, mainly due to lower shipments and deterioration in the product mix.**

#### ■ Flour Milling Segment (Overseas)

- **In the U.S., business performance recovered.** Similarly, sales of wheat flour for household-use processed food manufacturers was firm.
- **In Australia, business performance worsened**, the result of a downturn in shipments of prepared mix and bakery-related ingredients, coupled with deterioration in productivity.
- **Operating profit was lower year on year, primarily due to worsening business performance in Australia, despite the recovery in U.S. performance.**

#### ■ Processed Food Segment (Japan)

- **In household-use processed foods, shipments were firm atop growth in at-home dining demand.** Shipment growth was significant particularly in the first quarter, when the first state of emergency was declared. **The Company launched high-value-added products tailored to changing consumer needs, and responded to growth in at-home dining demand.**
- **In commercial-use processed foods, shipments fell due to weak restaurant demand.**
- In the yeast and biotechnology business, sales declined mainly on lower shipments of breadmaking ingredients.
- In the healthcare foods business, shipments of consumer products were firm.
- **Operating profit for the segment rose year on year, reflecting robust shipments of household-use processed foods and control of sales expansion costs, coupled with reductions in various expenses, particularly travel and meeting-related costs.**

#### ■ Processed Food Segment (Overseas)

- **The prepared mix business in Southeast Asia and China was impacted by weak demand, especially in Southeast Asia**, due to the novel coronavirus pandemic.
- **For our yeast plant under construction in India, a date for the start of operations** remains **undetermined** due to the impact of the novel coronavirus pandemic.
- **Shipments of EPA-E, a raw material for pharmaceuticals, were strong.** However, 2020 sales for Amarin were below initial forecasts, as prescriptions for VASCEPA® struggled to grow due to fewer medical facility visits by U.S. patients in response to the novel coronavirus pandemic.
- **Operating profit was higher year on year atop robust shipments of EPA-E.**

#### ■ Prepared Dishes and Other Prepared Foods Segment

- Due to growth in the rate of people working from home and fewer opportunities for outings, **demand for prepared dishes declined in urban areas and tourist resorts.** Sales, however, were higher year on year due to effects in the first quarter from the new consolidation of Tokatsu Foods Co., Ltd., which became a subsidiary in July 2019.
- **Operating profit was lower year on year, as the impact of weak sales outweighed improved production efficiency and sales growth for seasonal New Year's dishes in step with expanded demand.**

#### ■ Others Segment

- **In the engineering business, sales were lower, as expected, due to a temporary decline in facility construction.**
- In the mesh cloth business, performance was hit by weak production in the automotive industry in the first half of the year.
- **In the pet food business**, the Company carried out production only as an outsourcer. **This production was terminated as of March 31, 2021.**
- **While operating profit was lower, primarily due to a temporary decrease in facility construction, the degree of decline in profit was far better than initially expected.**

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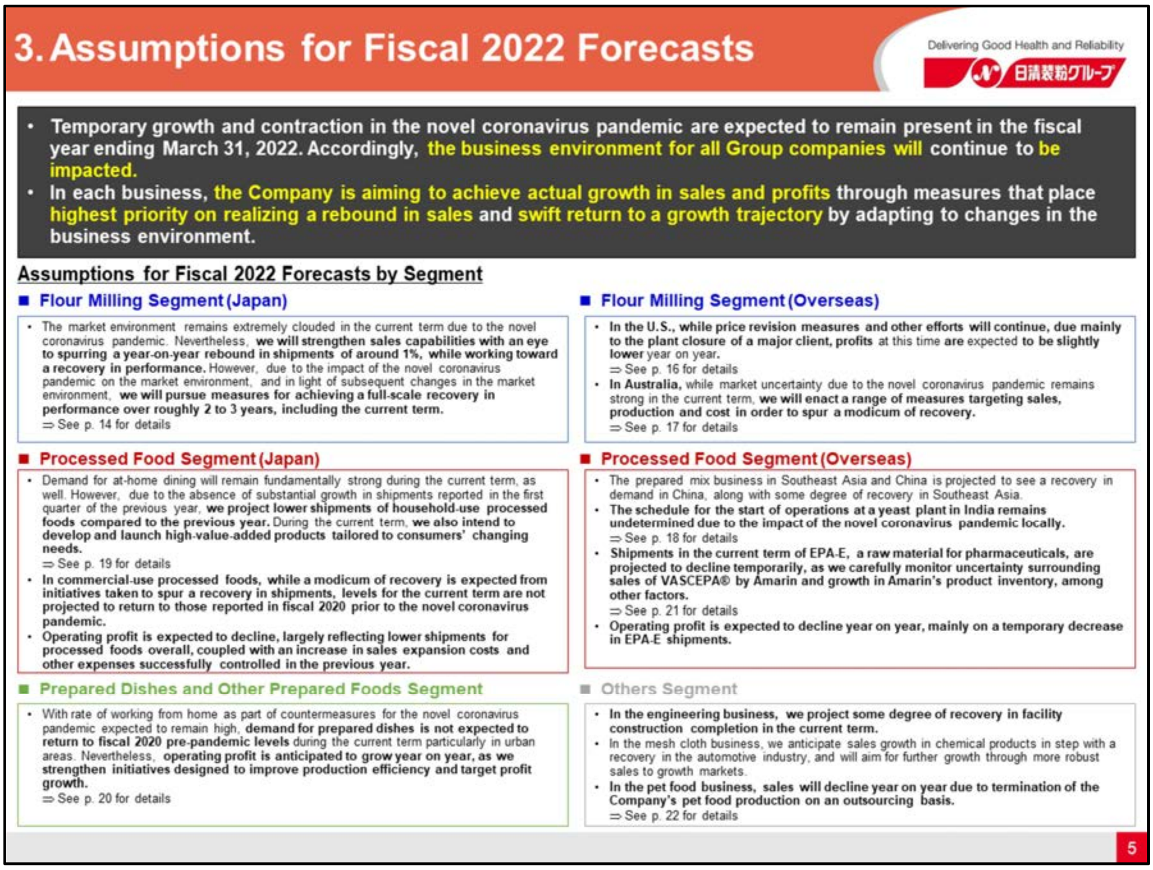
Page four is our review of results for each business for the fiscal year ended March 31, 2021.




Page five is initiatives and outlooks for each business, the basis of the assumptions used for business forecasts.

As in the previous term, the Group businesses are expected to face impacts from the pandemic in the current term. Nevertheless, we are treating a rebound in earnings and the rapid return to a growth trajectory, by adapting to changes in our business environment, as our highest priorities, as we take steps with the aim of realizing actual sales and earnings growth.

## 4. Fiscal 2022 Forecasts

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- Net sales are likely to be lower, the result of decreased shipments of household-use processed foods in Japan, the end of pet food production by the Group on an outsourced basis, and the significant impact of application of an accounting standard regarding revenue recognition. These factors overshadow a modicum of recovery in demand in the flour milling and prepared dishes and other prepared foods businesses, a recovery in facility construction completion, and higher prices for wheat flour following price revisions for wheat.
- Operating profit is projected to be higher, as a certain level of recovery in performance in the flour milling and prepared dishes and other prepared foods businesses offset a temporary reduction in shipments of raw materials for pharmaceuticals and the absence of cuts to various expenses enacted last year.

* Figures rounded down to nearest million yen

| (Millions of yen) | Fiscal 2022 Forecasts | Fiscal 2021 Results | YoY difference | YoY change |
|---|---|---|---|---|
| Net sales | 660,000 | 679,495 | (19,495) | (2.9)% |
| Overseas sales ratio | 25.0% | 22.9% | – | – |
| Operating profit | 28,200 | 27,197 | +1,002 | +3.7% |
| Ordinary profit | 30,000 | 29,886 | +113 | +0.4% |
| Profit attributable to owners of parent | 18,100 | 19,011 | (911) | (4.8)% |

* Application of the accounting standard regarding revenue recognition will have an impact on net sales of -¥60.0 billion. Actual net sales will rise ¥40.5 billion (up 6.0%).

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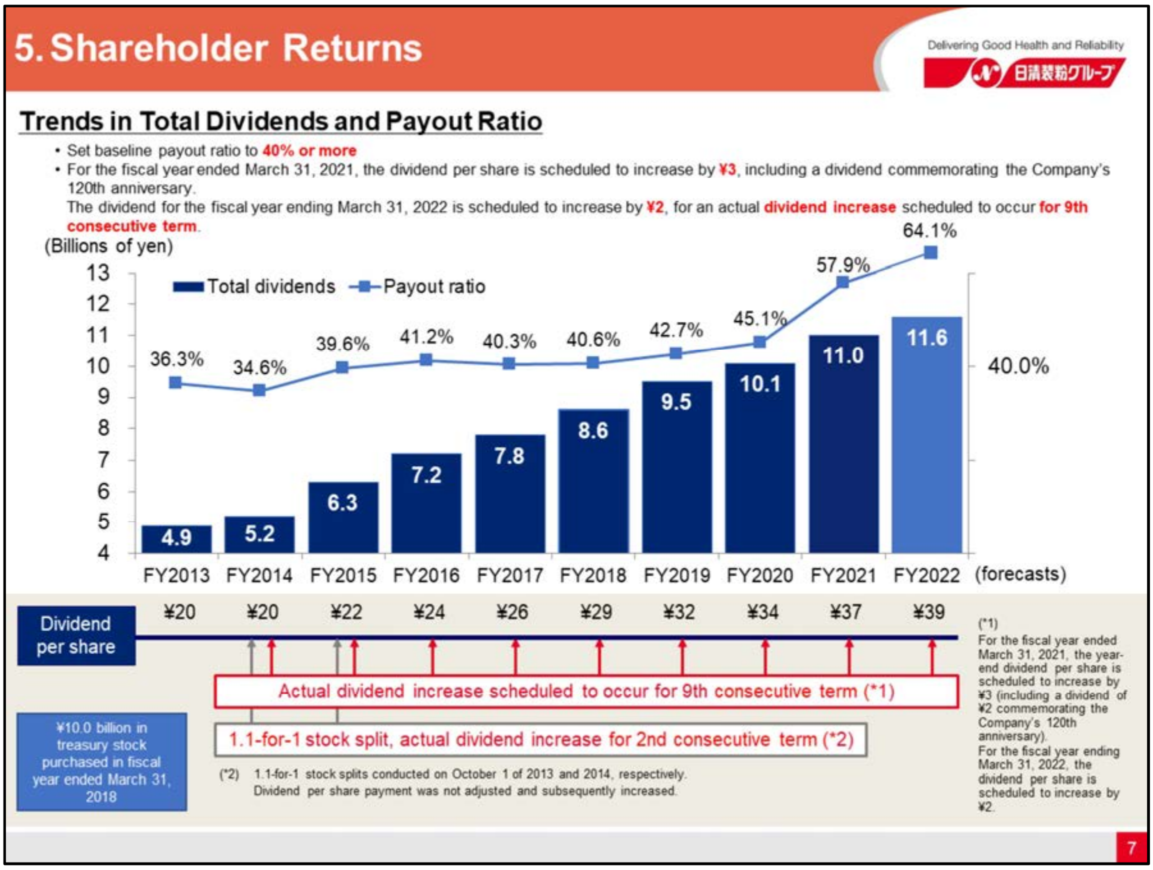
Let's turn now to business forecasts for the current term. Net sales are projected to fall year on year despite the likelihood of some recovery in demand in the flour milling and prepared dishes and other prepared foods businesses, a recovery in facility construction completion and higher prices for wheat flour due to price revisions for wheat. In addition to various issues, among them lower shipments of household-use processed foods and the termination of production as an outsourcer in the pet food business, net sales will likely be severely affected by the application of an accounting standard regarding revenue recognition, a factor that is expected to lower sales by ¥60.0 billion.

Correcting for lower sales due to application of the accounting standard regarding revenue recognition, net sales are forecast to increase by ¥40.5 billion year on year.

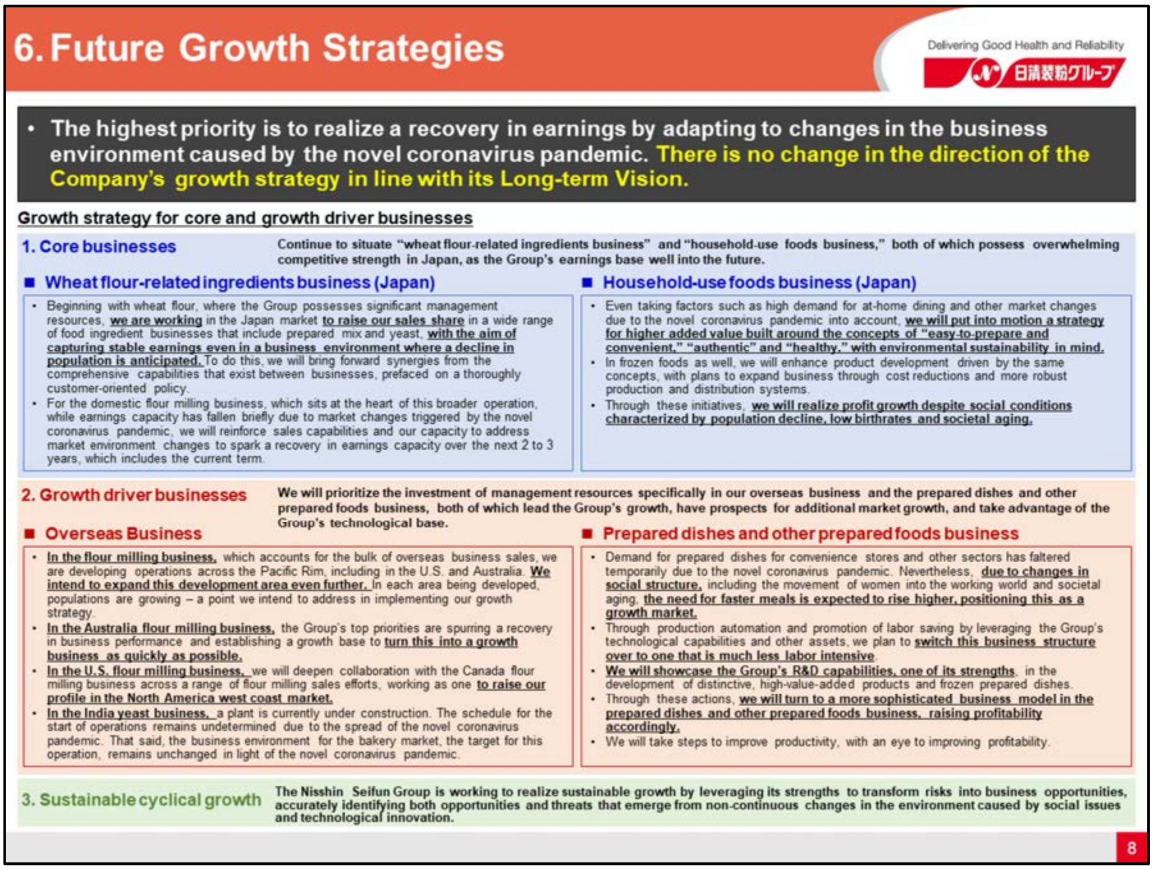
Operating profit, meanwhile, is projected to increase year on year. While a temporary decline in shipments of raw materials for pharmaceuticals and an increase in various expenses that had been controlled and reduced in the previous fiscal year are likely to affect profits, growth is expected atop some degree of recovery in performance in the flour milling and prepared dishes and other prepared foods businesses.




Page seven is information regarding shareholder returns.

Based on a commitment to strengthening the stable return of profits from a long-term stance, the Company is continuously increasing the amount of its dividends, with a dividend payout ratio of 40% or more on a consolidated basis as a basic policy.

While circumstances with respect to business performance in the previous term were challenging, we maintained our fundamental stance, offering a scheduled dividend payment of ¥37 per share. This represents an increase of ¥3 per share, and includes a dividend commemorating the Company's 120th anniversary. In the current term, too, we plan to raise the dividend payment by ¥2 from the previous fiscal year, which should result in dividend growth for a ninth consecutive term.




Page eight is future growth strategies.

While our highest priority is to achieve a recovery in earnings by adapting to changes in the business environment, there is no change in direction for growth strategies in line with our long-term vision going forward. As you can see here, together with enhancing the earnings foundations in our core businesses, specifically wheat flour-related ingredients and household-use foods businesses, we plan to concentrate the investment of management resources in growth driver businesses, namely the overseas business and the prepared dishes and other prepared foods business.

Furthermore, to usher in sustainable, cyclical growth, as well as society's sustainable development and improvement in the Group's long-term corporate value, we want to accelerate our efforts to address social issues.

# II. Overview of the "NNI-120 II" Medium-term Management Plan

## 1. Overview of the "NNI-120 II" Medium-term Management Plan

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- **The previous medium-term management plan, "NNI-120," expanded business foundations through new investment in Japan and overseas. From this base, "NNI-120 II" (FY2016-2021) targeted earnings base restructuring, profit growth and more robust shareholder returns.**

| | FY2015 Results<br>Starting point for "NNI-120 II" | FY2020 Results | | FY2021 Results | | Plan Targets (FY2021) | |
|---|---|---|---|---|---|---|---|
| | | | Growth rate (annual) | | Growth rate (annual) | | Growth rate (annual) |
| Net sales (Billions of yen) | 526.1 | 712.1 | 6.2% | 679.4 | 4.4% | 750.0 | 6% |
| Operating profit (Billions of yen) | 20.4 | 28.8 | 7.1% | 27.1 | 4.8% | 30.0 | 7% |
| EPS (Yen) | 53.3 | 75.4 | 7.2% | 64.0 | 3.1% | 80 | 8% |
| ROE | 4.6% | 5.6% | – | 4.6% | – | 6% or more | – |

- Progress through fiscal 2020 saw steady growth in net sales, operating profit and EPS largely in line with the annual rate of growth targeted for the final year of the medium-term management plan.
- In fiscal 2021, the plan's final year, while the impact of the novel coronavirus pandemic sparked firm performance for the processed food business in Japan, the flour milling (Japan, Australia, etc.) and prepared dishes and other prepared foods businesses struggled. Furthermore, there was a temporary decline in facility construction completion, as well as the transfer of the pet food business. These and other factors culminated in missed targets for the year.
- Although the business environment for all Group companies was significantly affected by the novel coronavirus pandemic, we reinforced our capacity to respond to changes in the market environment (a recognized issue from before the pandemic) and positioned a swift recovery in sales capabilities and earnings capacity as the highest priority issues to address.
- As we give precedence to gaining the clearest view of the current business environment, we have opted to delay formulation of a new medium-term management plan at this time.

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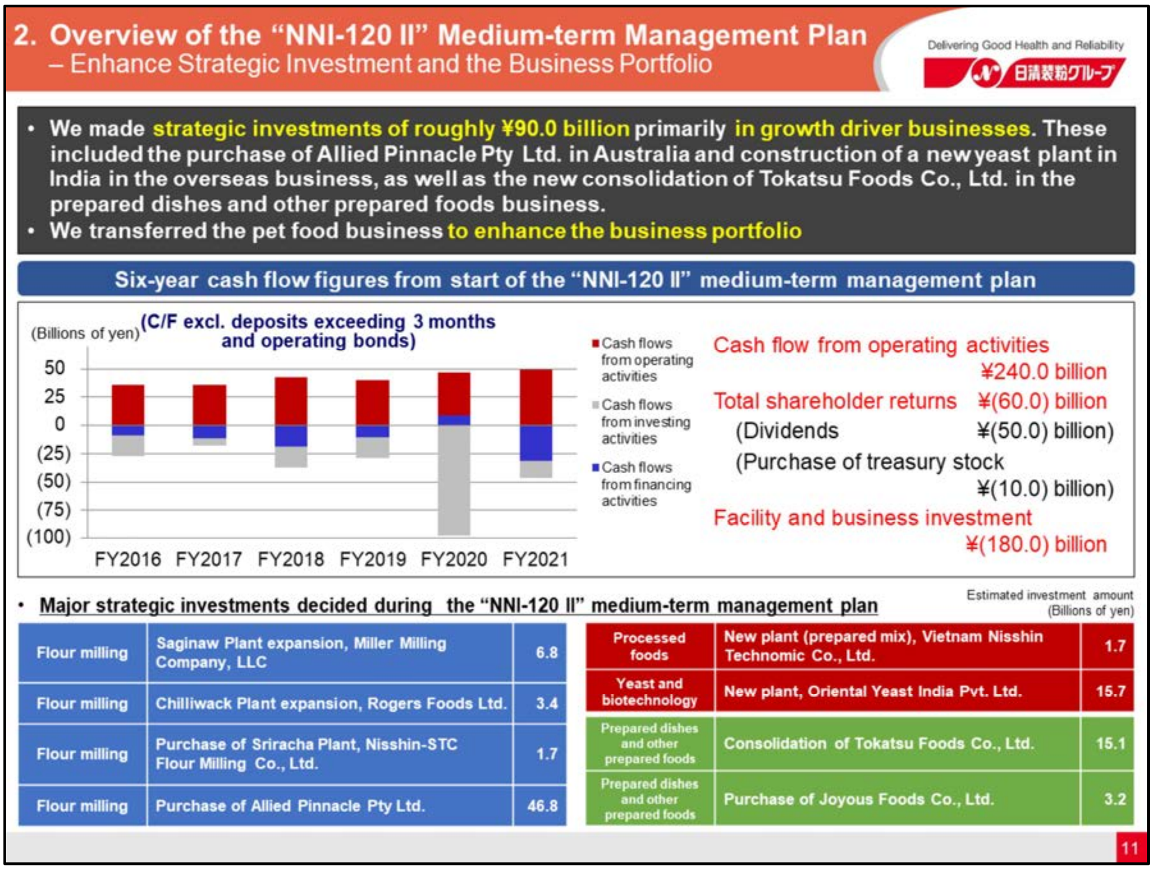
Pages 10 through 12 are an overview of the NNI-120 II medium-term management plan, which we launched in fiscal 2016 and enacted through its conclusion in fiscal 2021.

Under this plan, we targeted the restructuring of our earnings base, profit growth and enhancement of shareholder returns, taking steps to achieve net sales of ¥750.0 billion, operating profit of ¥30.0 billion and EPS of ¥80 by fiscal 2021, the plan's final year.

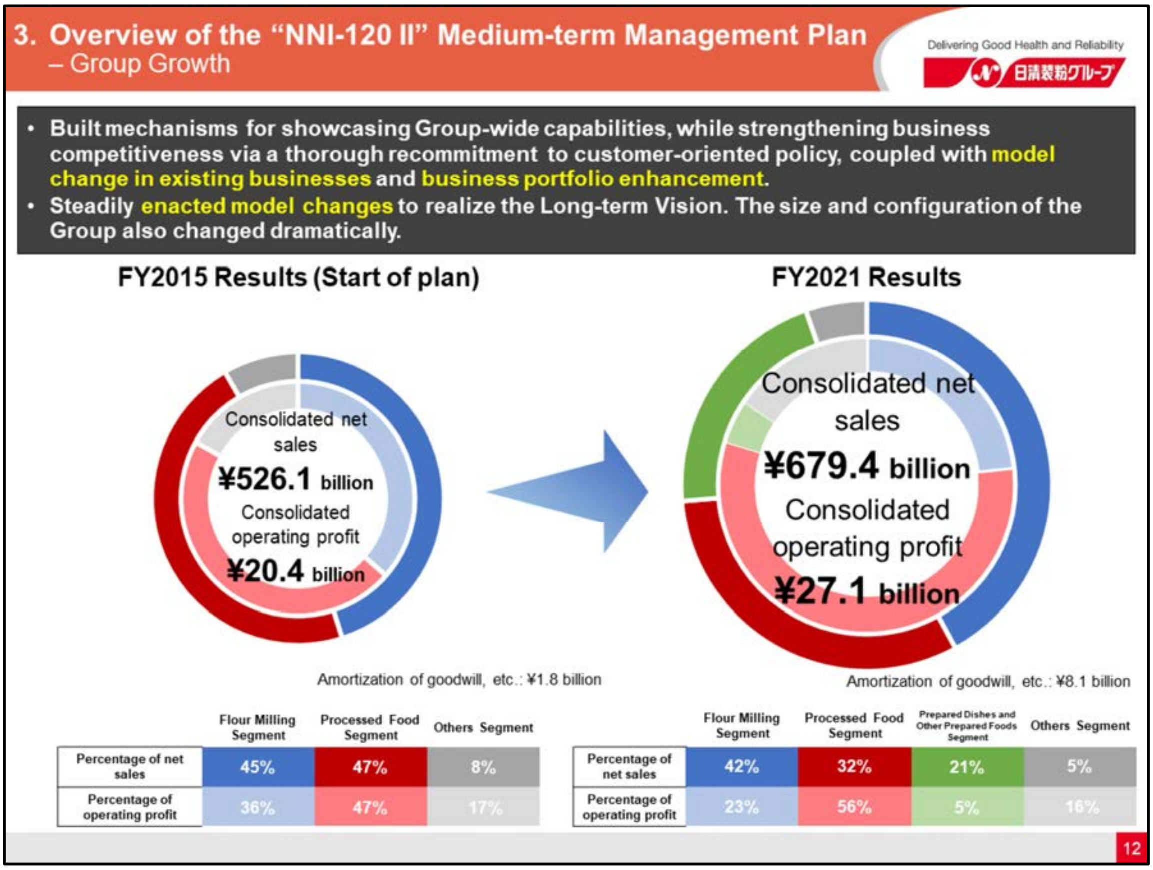
As seen on page 10, until fiscal 2020, we marked steady growth in net sales, operating profit and EPS, largely in step with the medium-term management plan. Unfortunately, due to the effects of the pandemic and other issues, we were unable to meet our targets for the plan's final year, fiscal 2021.

At present, we are bolstering our responsiveness to changes in the market environment, setting a recovery in sales and earnings capacity as quickly as possible as our top priority. We are also making it a priority to accurately read the business environment at hand and, as such, have opted to delay the formulation of a new medium-term management plan at this time.




Page 11 details key strategic investments we decided and enacted during the medium-term management plan.

We made roughly ¥90.0 billion in strategic investments centered on growth driver businesses. These investments included the purchase of Allied Pinnacle in Australia and the construction of a yeast plant in India in the overseas business, and the conversion of Tokatsu Foods into a consolidated subsidiary in the prepared dishes and other prepared foods business. We also instituted roughly ¥60.0 billion in shareholder returns. Together with these investments, we transferred the pet food business in a bid to strengthen our business portfolio.

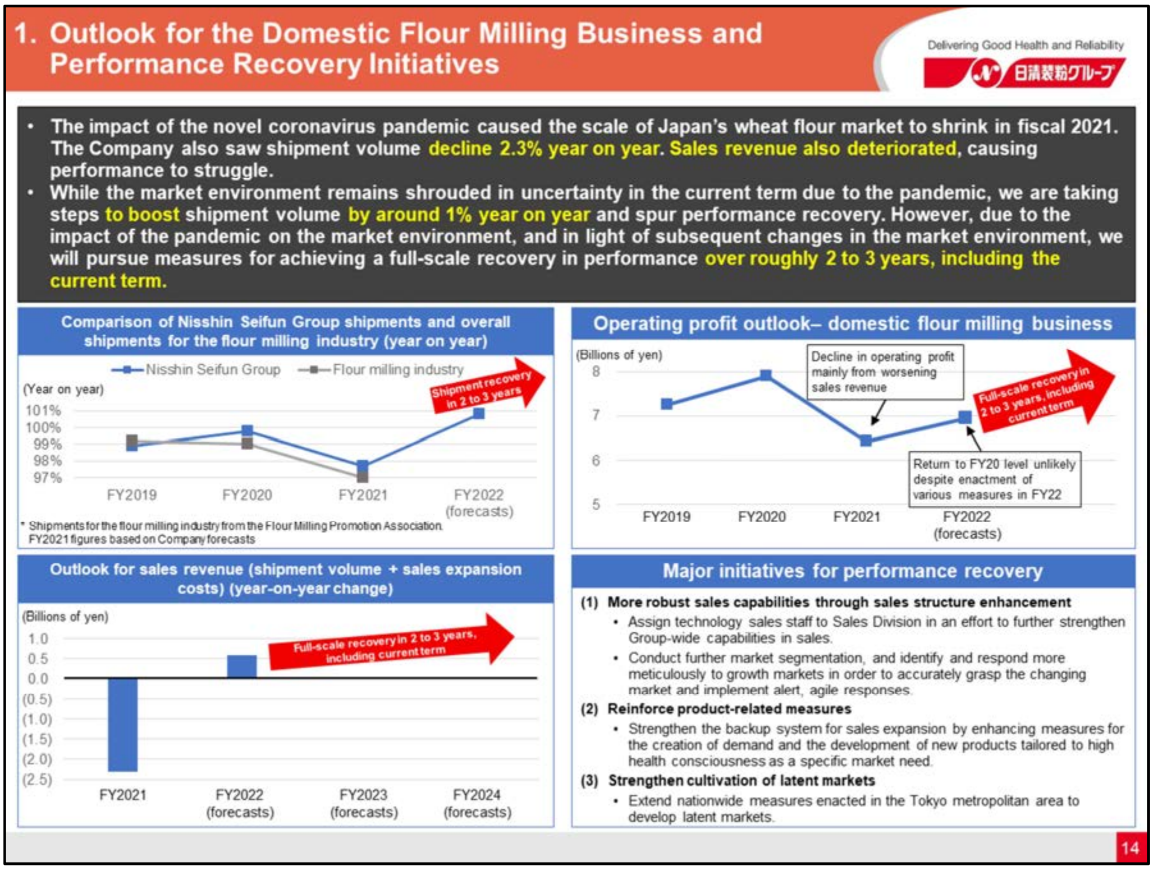



On page 12, you will find graphs comparing consolidated net sales and operating profit at the start and conclusion of the medium-term management plan.

Thanks mainly to aggressive strategic investment, net sales rose ¥153.3 billion during the medium-term plan, with operating profit rising ¥6.7 billion amid growth in amortization of goodwill, others of ¥6.3 billion for the same period. The Group's profile also changed dramatically.

As in previous years, our growth strategy of striving to bolster business competitiveness through two key elements of our Long-term Vision – " model change in existing businesses" and "business portfolio enhancement" – is unchanged, as we take steps to achieve sustainable growth and maximize medium- to long-term corporate value.

# III. Individual Group Business Responses to the Novel Coronavirus Pandemic and Long-term Vision “NNI ‘Compass for the Future’” Initiatives

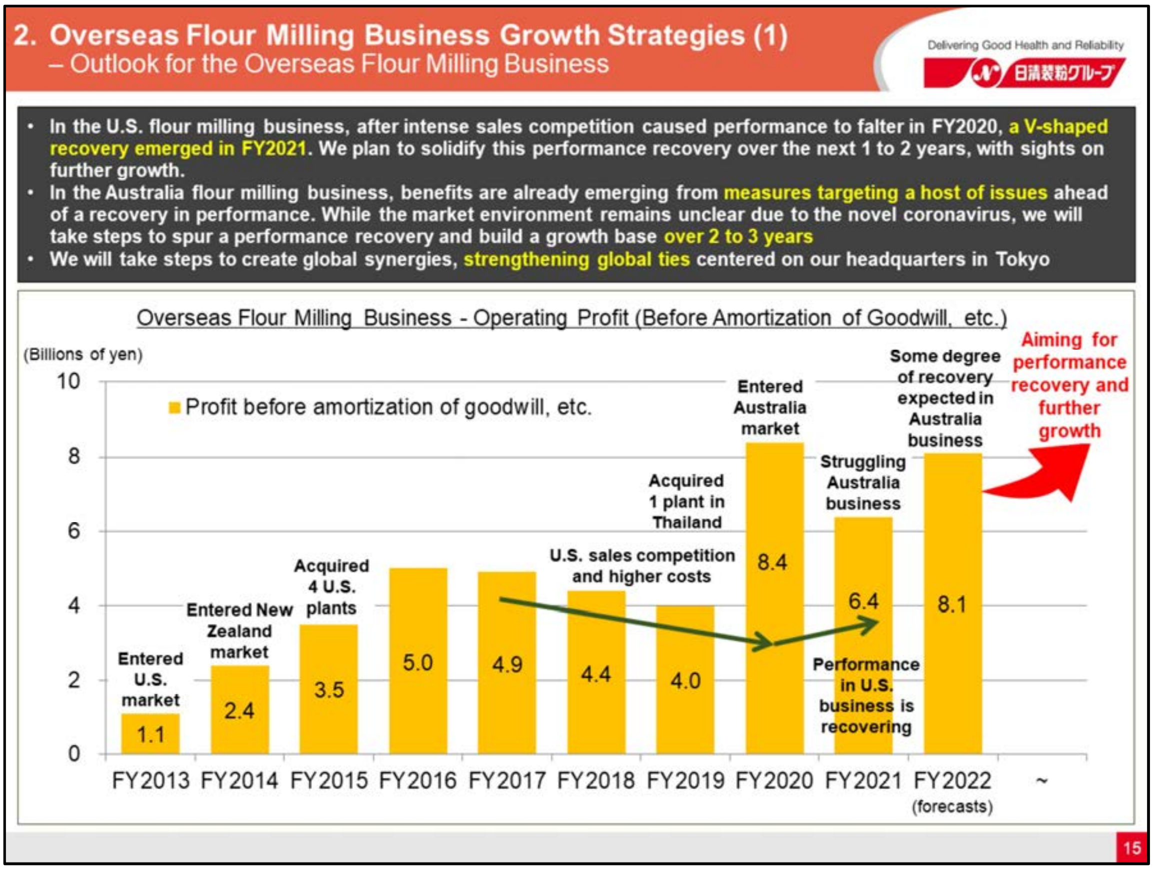



Page 14 explains our outlook and initiatives to stimulate performance recovery for the domestic flour milling business.

For the domestic flour milling business, while the overall market shrank by roughly 3% last fiscal year due to the impact of the pandemic, as the chart in the upper left shows, our shipment volume declined by 2.3%. Furthermore, as shown in the lower-left chart, the effect of people voluntarily refraining from outings and a subsequent halt in economic activity caused shipment composition to change, which caused deterioration in the product mix. This, in turn, caused sales revenue to worsen.

In the current term as well, the uncertainty in the market environment continues to build, as seen by the declaration of a state of emergency in the first week of April and the official announcement of priority steps to prevent the pandemic's spread. Furthermore, the path to a return to normal in the market environment is expected to be a modest one because of the pandemic. Nonetheless, as outlined in the lower right, by strengthening our sales capabilities, we are working on a recovery in business performance that will see shipment volume rebound by roughly 1% compared to the previous year.

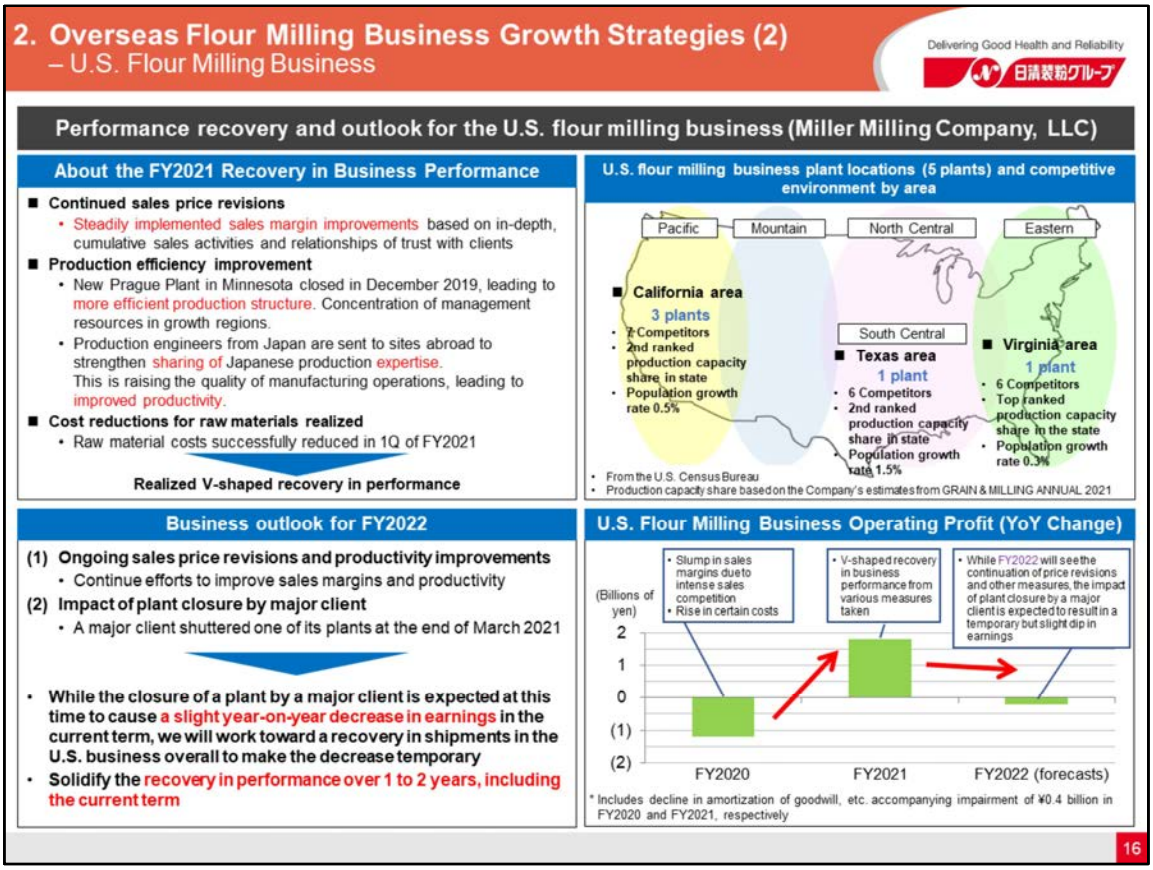
As of right now, in light of the impact of the pandemic on the market environment and the changes the pandemic has brought to the market environment itself, we intend to take decisive action to make a full-scale performance recovery happen over a span of 2 to 3 years, including the current term. This point is one we are absolutely committed to implementing.




Page 15 outlines the status of the overseas flour milling business.

Encompassing the Pacific region, this business had, until recently, marked dramatic growth. In fiscal 2020, earnings deterioration in the U.S. flour milling business became a major management concern. However, through steady enactment of a range of initiatives, this business saw a V-shaped recovery in performance in fiscal 2021.

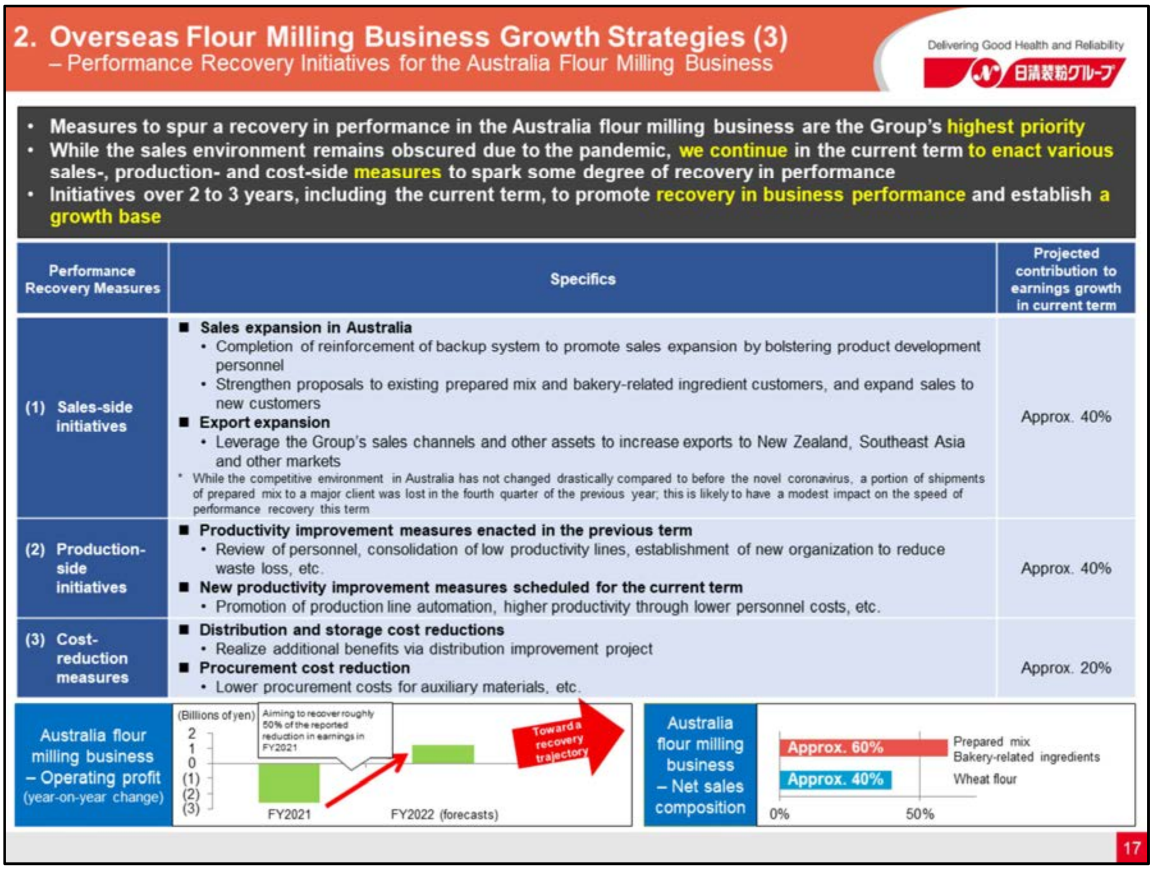
In contrast, in the first half of fiscal 2021, the Australia flour milling business saw demand decline due to the pandemic, just as issues became visible through PMI following purchase of the business. This amplified the impact of these issues, causing business performance to worsen. We have already moved since last year to resolve a variety of issues. And while the impact of the pandemic on the market environment remains unclear, in the current term, too, we are solidly focused on solving any issues in a bid to spur some degree of recovery in performance. We seek to achieve both a performance recovery and build a growth base over the next 2 to 3 years.




Page 16 covers initiatives for performance recovery in the U.S. flour milling business in fiscal 2021, and fiscal 2022 business forecasts.

To reiterate what was just mentioned, performance in the U.S. rebounded in fiscal 2021 thanks to a host of straightforward sales- and production-side initiatives. Similarly, while we are continuing to correct pricing and take other actions in the current term, earnings are projected to dip slightly at this time, mainly due to the effect of the closure of a plant operated by a major client in the U.S. business at the end of March.

We will strive to cover this shortfall via the U.S. business as a whole, making the decline in earnings either temporary or something we cover going forward. We hope to solidify this performance recovery over the next 1 to 2 years, including the current term, as we aim for additional growth.



## 2. Overseas Flour Milling Business Growth Strategies (3)
– Performance Recovery Initiatives for the Australia Flour Milling Business

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- Measures to spur a recovery in performance in the Australia flour milling business are the Group's **highest priority**
- While the sales environment remains obscured due to the pandemic, **we continue** in the current term **to enact various** sales-, production- and cost-side **measures** to spark some degree of recovery in performance
- Initiatives over 2 to 3 years, including the current term, to promote **recovery in business performance** and establish **a growth base**

| Performance Recovery Measures | Specifics | Projected contribution to earnings growth in current term |
|---|---|---|
| (1) Sales-side initiatives | ■ **Sales expansion in Australia**<br>• Completion of reinforcement of backup system to promote sales expansion by bolstering product development personnel<br>• Strengthen proposals to existing prepared mix and bakery-related ingredient customers, and expand sales to new customers<br>■ **Export expansion**<br>• Leverage the Group's sales channels and other assets to increase exports to New Zealand, Southeast Asia and other markets<br>* While the competitive environment in Australia has not changed drastically compared to before the novel coronavirus, a portion of shipments of prepared mix to a major client was lost in the fourth quarter of the previous year; this is likely to have a modest impact on the speed of performance recovery this term | Approx. 40% |
| (2) Production-side initiatives | ■ **Productivity improvement measures enacted in the previous term**<br>• Review of personnel, consolidation of low productivity lines, establishment of new organization to reduce waste loss, etc.<br>■ **New productivity improvement measures scheduled for the current term**<br>• Promotion of production line automation, higher productivity through lower personnel costs, etc. | Approx. 40% |
| (3) Cost-reduction measures | ■ **Distribution and storage cost reductions**<br>• Realize additional benefits via distribution improvement project<br>■ **Procurement cost reduction**<br>• Lower procurement costs for auxiliary materials, etc. | Approx. 20% |



On page 17 are initiatives to stimulate performance recovery in Australia.

The Group has positioned initiatives to stimulate a performance recovery in the Australia business as its highest priority. While the sales environment in the current term remains uncertain due to the novel coronavirus, by enacting the range of sales-, production- and cost-side initiatives listed here, we hope to jumpstart recovery by cutting the extent of the earnings decline reported last term roughly in half in the current term.

On the sales side, plans call for making more robust proposals to existing customers, expanding sales to new customers, and expanding exports by leveraging the Group's business sites in New Zealand and Southeast Asia. On the production side, among other actions last fiscal year, we conducted a staffing review and consolidated unproductive lines. This term, we will push ahead with production line automation in a bid to boost productivity. In terms of cost reductions, we hope to see additional benefits from the distribution improvement project and other efforts. As elsewhere, in Australia, too, we are taking steps to stimulate performance recovery and build foundations for growth over the next 2 to 3 years, including the current term, by steadily putting a variety of measures into practice.

The competitive environment surrounding the Australian market has not changed radically compared to prior to the pandemic. Nevertheless, we experienced the partial loss of shipments to a major prepared mix client in January 2021. Consequently, we have incorporated the modest impact this will likely have on the speed of business performance recovery this term into our business forecasts.


Page 18 details the growth strategy for our overseas processed food business.

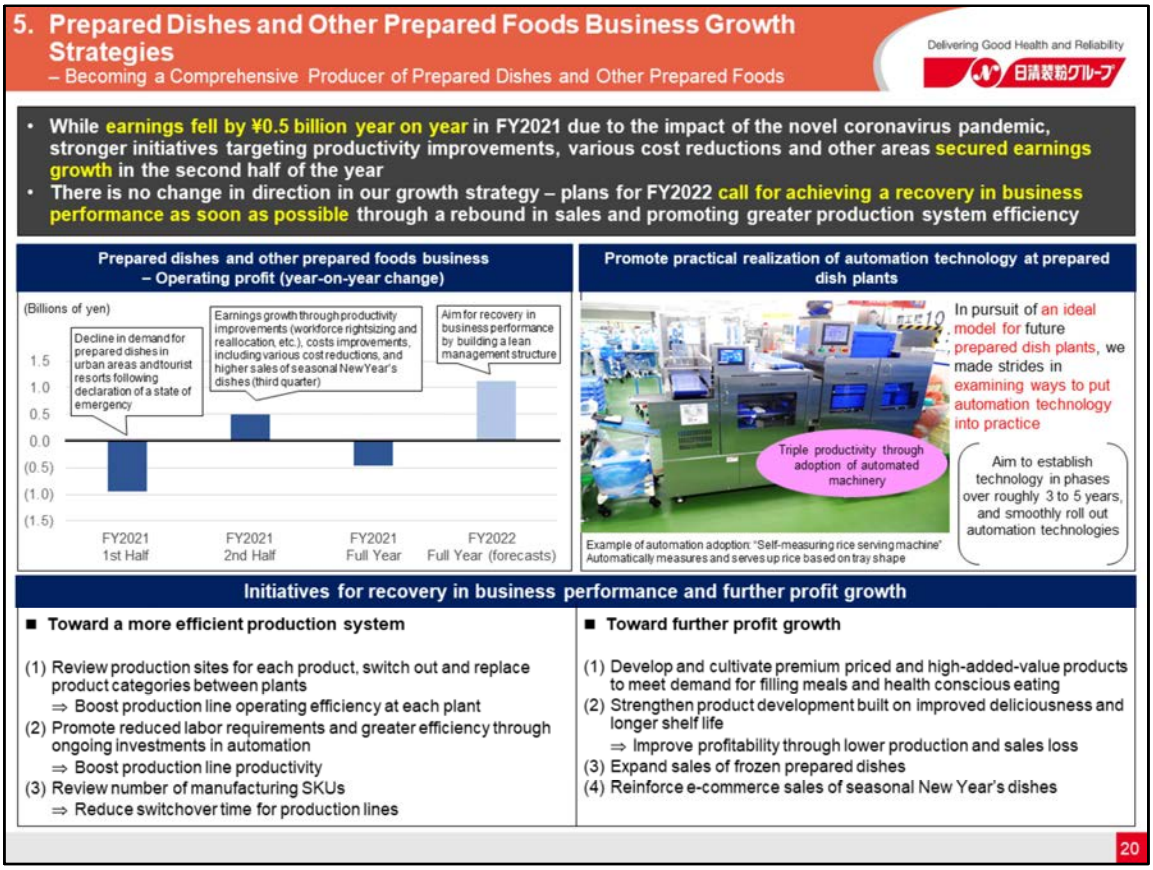
Turning to our new yeast plant in India, while construction of the plant building and delivery of the bulk of the machinery and equipment is complete, key construction personnel from Japan were forced to return home temporarily as part of countermeasures to fight the pandemic. As of right now, the schedule for the start of operations is undetermined, but things have progressed far enough that once staff from Japan are redeployed, operations should be able to start within six months. At present, the environment surrounding the bakery market we are targeting appears to be unchanged, irrespective of the novel coronavirus pandemic.


Page 19 outlines initiatives for the processed food business.

As the graph in the upper left indicates, the market for household-use processed foods, where the Company is highly engaged, was brisk last fiscal year, with demand for at-home dining increasing in April and May when the first state of emergency was declared, and again in December and January, following the second declaration.

Demand for at-home dining is expected to remain firm in the current term, as well. With that said, the Company's household-use processed foods will likely see shipments somewhat lower year on year, reflecting the absence of the extremely favorable shipments reported last year.

As seen in the upper right, with trends in at-home cooking expected to remain strong, in addition to the concepts of "easy-to-prepare and convenient," "authentic" and "healthy" touted to date, from February through March, we launched new products under the theme of "Smart Dining at Home" for making cooking fun. "Restaurant dining at home" and "Parent and child homemade cooking" are additional concepts anchoring these products. Our differentiation strategy is also gaining ground. As you can see in the lower left, our fast-cooking Hayayude Spaghetti continues to perform well. And as seen in the lower right, we are also currently bolstering initiatives designed to expand the frozen food business.

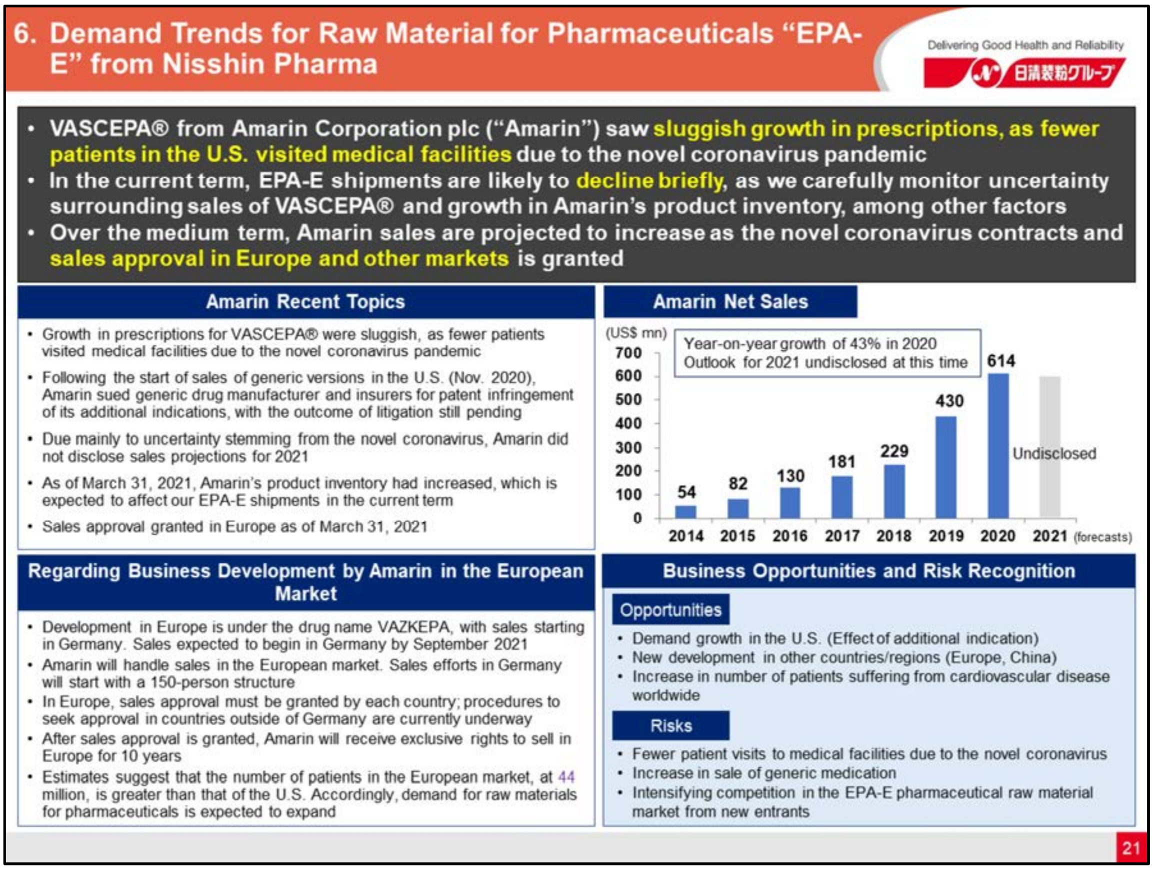



Page 20 outlines the prepared dishes and other prepared foods business.

Due to the impact of the pandemic, earnings fell dramatically in the first half of the previous term as demand for prepared dishes declined in urban areas and at tourist resorts. However, thanks to a push to reinforce productivity improvements, cost reductions and other measures in the second half, earnings growth was maintained even as sales fell lower compared to the previous year.

In the current term, we anticipate some degree of recovery in demand. By continuing to pursue production efficiency improvements and enacting initiatives for profit growth, we are looking to grow earnings beyond the size of the decline in earnings reported last term.

There is no change in direction in our growth strategy for the prepared dishes and other prepared foods business, and we intend to push ahead firmly with initiatives to support production line automation and other innovations.

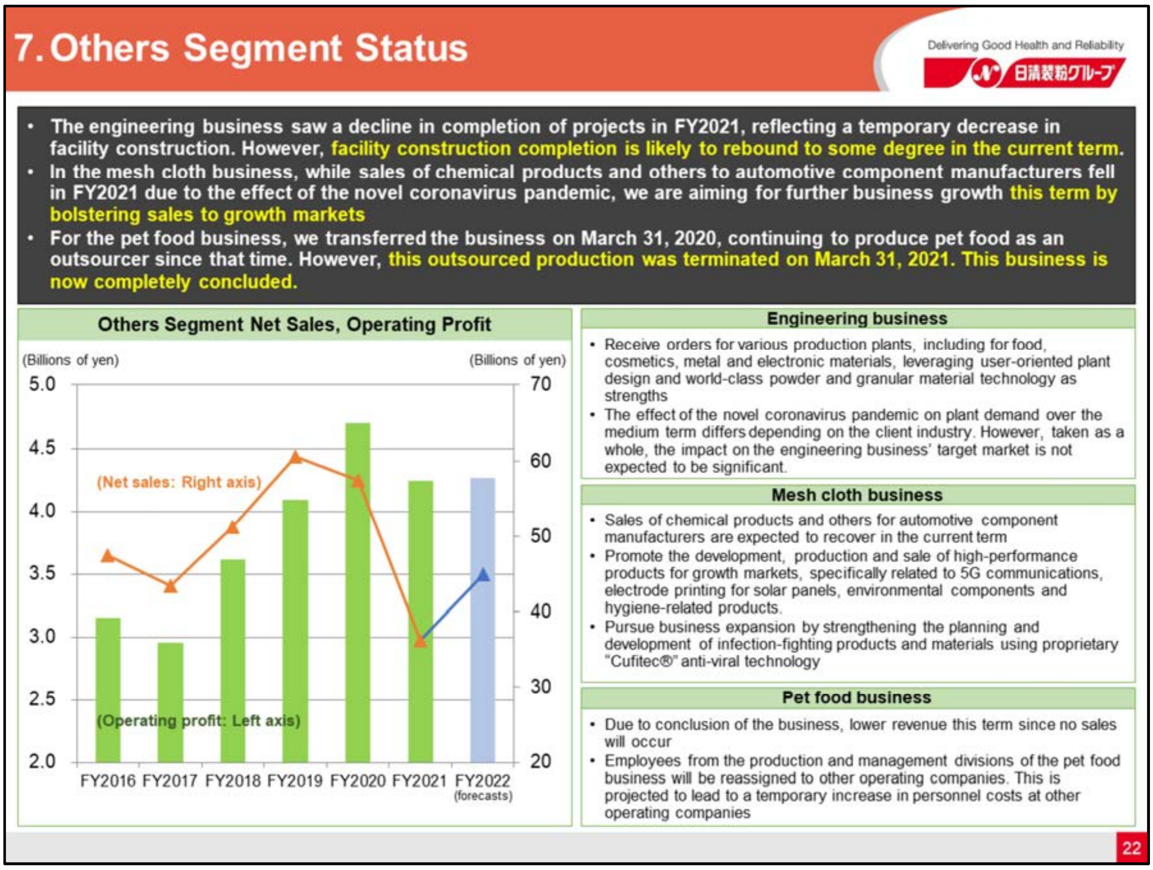



Page 21 discusses raw materials for pharmaceuticals from Nisshin Pharma.

In examining the sales of key client Amarin Corporation, growth in the number of prescriptions was somewhat sluggish as patient visits to medical facilities in the U.S. declined due to the novel coronavirus pandemic. Furthermore, given that sales by manufacturers of generics also launched last year, Amarin has not disclosed business forecasts for the current term. In addition to all of this, Amarin's product inventories are increasing. As we closely monitor these issues, we are projecting a temporary decline in our EPA-E shipments for the current term.

However, as of March 31 of this year, approval was granted for sales in the EU. The current outlook is for sales to start from Germany sometime around September of this year. What's more, the number of patients in the EU market is estimated to exceed that of the U.S., suggesting that sales from Amarin Corporation are likely to increase over the medium term.

As written in the lower right of the materials, for the Company, our approach is to enact measures after calmly assessing both business opportunities and risks.




Page 22 details the status of the Others Segment.

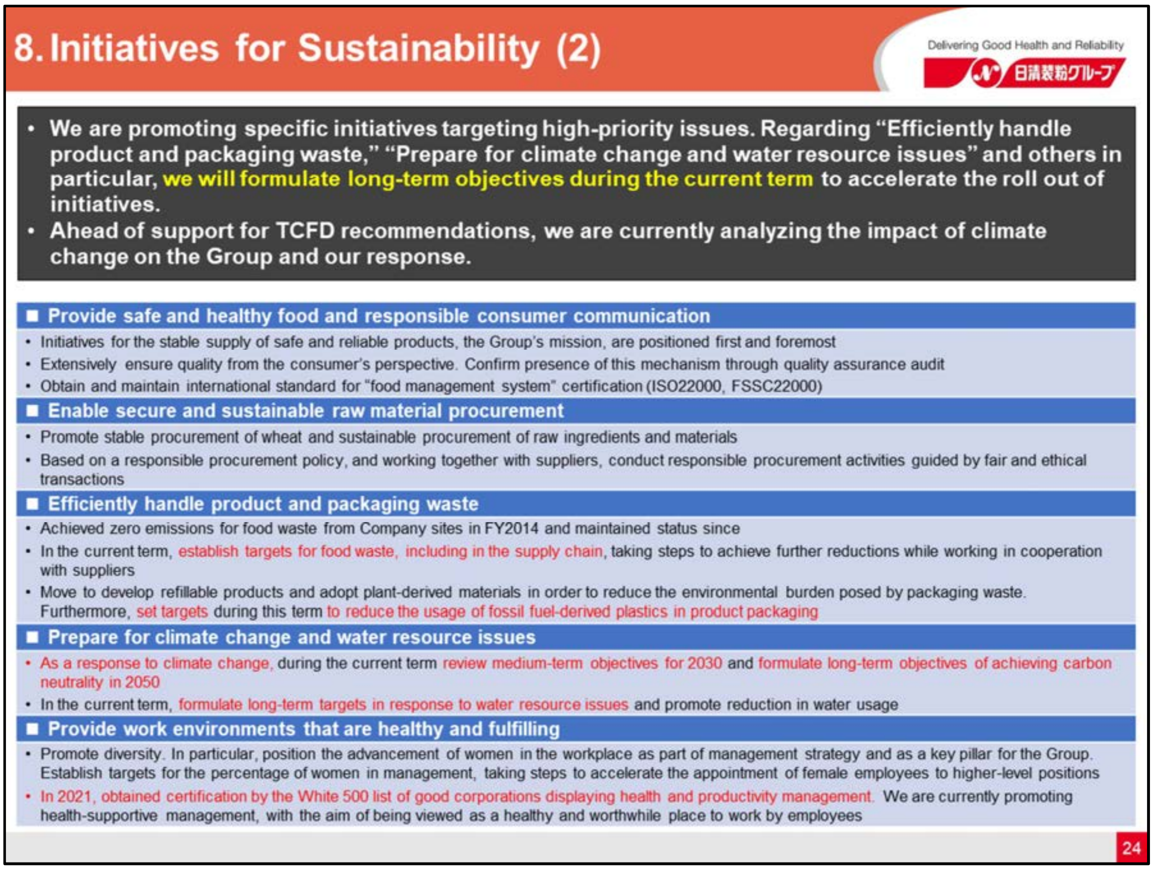
The Others Segment ended with lower sales and earnings last fiscal year, largely reflecting a temporary decline in facility construction, as well as production on an outsourcing basis following transfer of the pet food business. The extent of the decline in earnings, however, was significantly better than initial estimates thanks to extensive attention to construction composition and management in the engineering business, coupled with reductions in various expenses across the Others Segment, among other measures.

For the current term, we are anticipating sales and earnings growth atop a recovery in facility construction in the engineering business. Meanwhile, we terminated our outsourced production on behalf of the transferred pet food business as of March 31st of this year. In conjunction with this, we reassigned production and management division staff to other business divisions, which we expect will cause a temporary jump in personnel costs for those divisions. This has been accounted for in business forecasts for the current term.


Finally, pages 23 and 24 outline Group measures regarding sustainability.

In 2019, the Group specified five high-priority issues to support society's sustainable development and realize improvement in the Group's own long-term corporate value, and we have positioned these as one of our key management concerns.

More specifically, the five priorities we are moving to address are "Provide safe and healthy food and responsible consumer information," "Enable secure and sustainable raw material procurement," "Efficiently handle product and packaging waste," "Prepare for climate change and water resource issues" and "Provide work environments that are healthy and fulfilling."




With particular respect to "Efficiently handle product and packaging waste" and "Prepare for climate change and water resource issues," we will formulate long-term objectives during the current term to accelerate the roll out of initiatives in these areas. Additionally, ahead of support for TCFD recommendations, we are also currently analyzing the likely impact of climate change on the Group.

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# (Ref.) The Wheat Market

# The Wheat Market (1)

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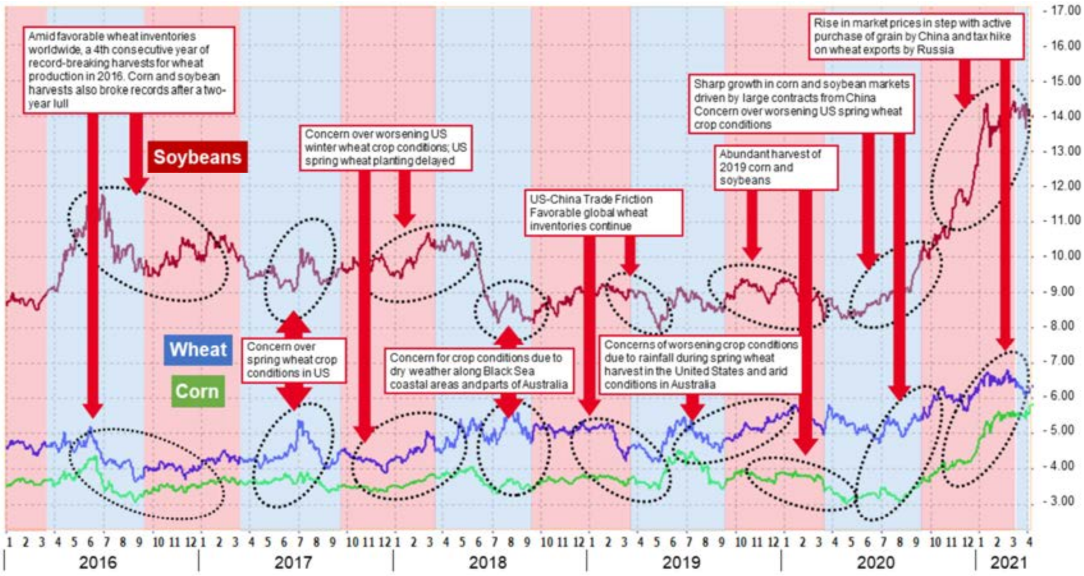
## [Grain Market Trends]

Chicago Futures Market (US$/Bu)




Note: The background colors of the graph denote period for calculation of wheat sales price by Japan's Ministry of Agriculture, Forestry and Fisheries

# The Wheat Market (2)

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**[Apr. 2021: Wheat price revisions]**

(Period for price revision calculation: 2nd week of Sept. 2020 to 1st week of March 2021)

Market prices for wheat (Chicago) rose on several factors. Most prominent among these was the enormous purchase by China of wheat from the U.S. and Canada, two major wheat producers, and a tax hike on wheat exports by Russia, coupled with concerns over the impact on wheat growth of a cold snap that struck the central United States in mid-February. While the currency market saw a somewhat higher yen, the import price of wheat rose primarily atop higher maritime freight costs.

**April 1, 2021** – **Japanese government's price for five classes of imported wheat rose by an average of 5.5%**

**June 19, 2021** – **Nisshin Flour Milling Inc. to raise prices for commercial-use wheat flour**

**[Factors Driving Future Wheat Market Changes]**

**Price-increasing Factors**

- Enormous purchase of North American wheat and other grains, reflecting growth in grain demand from China
- Concerns of worsening harvest conditions for 2021 North America spring wheat in line with trending drier conditions

**Price-decreasing Factors**

- Favorable harvest outlook for 2021 North America winter wheat
- Possible abolishment of export tax hike and other export control mechanisms by Russia

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## Caution Regarding Results Briefing Content

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