

Fiscal 2022 Results Briefing Meeting

May 17, 2022

Nisshin Seifun Group Inc.



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

Thank you for taking time from your busy schedule to attend today’s results briefing for fiscal 2022, the year ended March 2022.

To walk you through today’s presentation on management strategy, I will firstly explain the first item in the table of contents “Fiscal 2022 Results,” then Takihara, to whom I am due to hand over the baton in late June, will pick up from the second item in the table of contents.

I. Fiscal 2022 Results

In fiscal 2022, we saw changes in consumers' lifestyles and sentiments as COVID-19 still repeated its pattern of expansion and decline. However, economic activities were gradually returning to normal.

On the other hand, market prices of grain and natural resources surged globally and the yen continued its downward trend in the foreign exchange market. Under such circumstances, we were busy dealing with cost increases in raw materials and others during the year.

Simultaneously, we worked to spur a recovery in sales and earnings capacity as quickly as possible, which was the target for fiscal 2022 set at the beginning of the year, and also steadily enacted the growth strategy in line with the long-term vision. I am certain that these efforts delivered a certain level of results.

1. Fiscal 2022 Results

Delivering Good Health and Reliability



- ▶ Net sales was **on a par with the previous fiscal year** mainly due to the application of an accounting standard regarding revenue recognition despite the enactment of wheat flour price revisions accompanying the wheat price revision in the domestic flour milling business, a rise in the wheat market prices and foreign currency translation effects in the overseas flour milling business, a recovery in facility construction completion and others.
- ▶ Operating profit **increased** mainly due to strong performance in the US flour milling business, a robust trend in bran prices in the domestic flour milling business, a smooth performance recovery in the prepared dishes and other processed foods business and a recovery in facility construction completion.
- ▶ Profit **decreased** by recording impairment loss, based on the performance deterioration resulting mainly from the loss of shipment to a customer in the New Zealand flour milling business and continued low-level shipments caused by measures against COVID-19 in the Oceania region.

* Figures rounded down to nearest million yen

(Millions of yen)	Fiscal 2022 Results	Forecasts		Fiscal 2021 Results	
			Change		Change
Net sales	679,736	670,000	+1.5%	679,495	+0.0%
Overseas sales ratio	27.3%	26.5%	—	22.9%	—
Operating profit	29,430	29,200	+0.8%	27,197	+8.2%
Ordinary profit	32,626	31,300	+4.2%	29,886	+9.2%
Profit attributable to owners of parent	17,509	19,300	(9.3)%	19,011	(7.9)%

*The effect on net sales of the application of an accounting standard regarding revenue recognition was a reduction of ¥58.4 billion. **Net sales actually increased by ¥58.6 billion (up 8.6%).**

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I start with page 3, Fiscal 2022 Results.

Net sales were on par with the previous fiscal year mainly due to the application of the accounting standard regarding revenue recognition despite enactment of the wheat flour price revision accompanying the wheat price revision in the domestic flour milling business, a surge in wheat market prices and foreign exchange conversion impacts in the overseas flour milling business, a recovery in facility construction completion and others.

Operating profit increased year on year due in large part to strong performance in the U.S. flour milling business, a robust trend in bran prices in the domestic flour milling business, a smooth performance recovery in the prepared dishes and other prepared foods business and a recovery in facility construction completion.

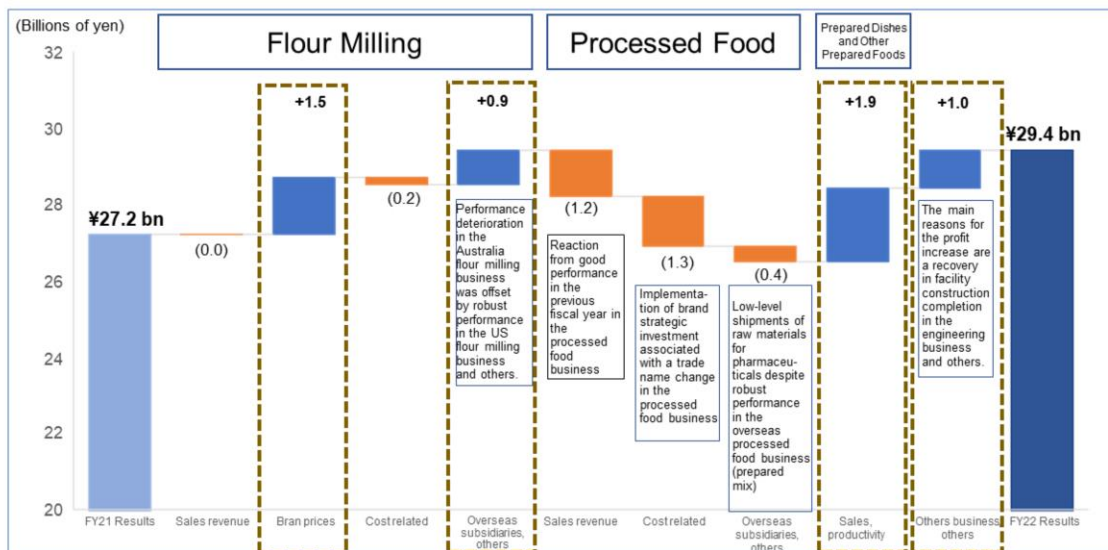
Nonetheless, profits decreased from the previous year due to recording an impairment loss based on deterioration of performance, resulting mainly from the loss of shipment to a customer in the New Zealand flour milling business and continued sluggish shipments primarily caused by measures against COVID-19 in the Oceania region.

2. Operating Profit —Year-on-Year Analysis

Delivering Good Health and Reliability



▶ Operating profit increased 2.2 billion yen year on year. The increase was due in large part to a strong trend in bran prices in the domestic flour milling business, robust performance in the U.S. flour milling business and a smooth performance recovery in the prepared dishes and other prepared foods business and a recovery in facility construction completion in the engineering business despite a profit decrease resulting from a performance deterioration in the Australia flour milling business, a reaction from good performance in the previous fiscal year and implementation of brand strategic investment associated with a trade name change in the processed food business.



Page 4 contains graphs showing year-on-year differences in operating profit by cause and by business.

Operating profit increased 2.2 billion yen from the previous fiscal year.

There were four main factors behind the profit increase, that is, a robust trend in bran prices in the domestic flour milling business, strong performance in the U.S. flour milling business, a smooth performance recovery in the prepared dishes and other prepared foods business and a recovery in facility construction completion in the engineering business although there was a profit decrease resulting mainly from a performance deterioration in the Australia flour milling business, a reaction from good performance in the previous fiscal year and implementation of brand strategic investment associated with a corporate name change in the processed food business.

3. Shareholder Returns

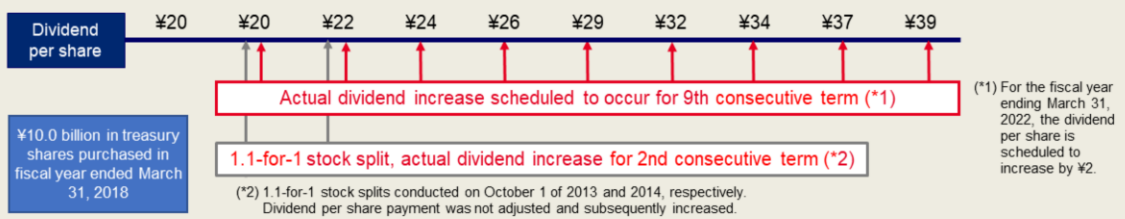
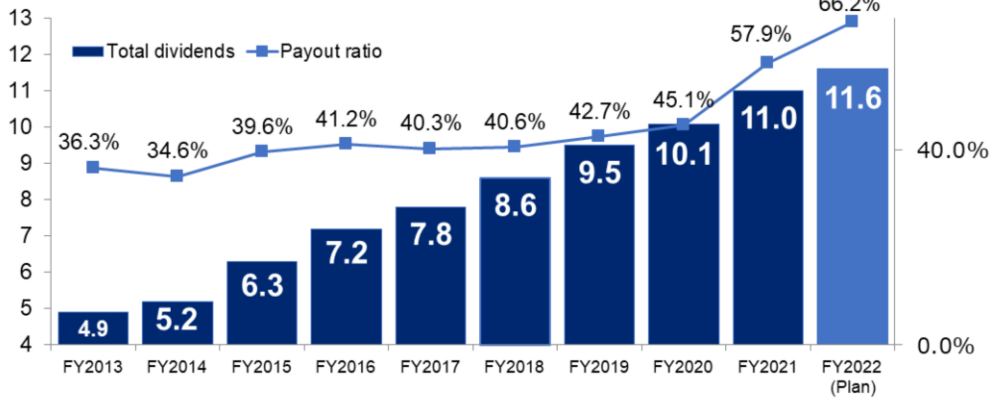
Delivering Good Health and Reliability



Trends in Total Dividends and Payout Ratio

• Set baseline payout ratio to **40% or more**

(Billions of yen)



Page 5 is information regarding shareholder returns.

Based on a commitment to strengthening the return of profits from a long-term stance, the Group returns profits to shareholders stably with a payout ratio of 40% or more on a consolidated basis as the standard.

From here, Takihara will take over from me and continue the presentation.

II. Thinking on Future Business Management

I am Kenji Takihara, serving as Senior Managing Director in the operating company, Nisshin Flour Milling Inc.

I am due to take over from Kemmoku and assume the position of President of Nisshin Seifun Group Inc. after the general meeting of shareholders scheduled for June 28, 2022. I appreciate your continued cooperation.

I joined the company in 1988 and worked in the IR office for nine years from 2000. I feel honored to be again given the opportunity to have dialogue with investors and analysts.

Since 2009, I have supervised profits and strategy, mainly optimization of sales and production, in Nisshin Flour Milling Inc.

Today, please let me explain our thinking on future business management and others.

Push forward with business management with the three matters below in mind toward realizing the Group's Vision.

(1) Further promotion of group growth capability by rebuilding the business portfolio

(2) Promotion of business management with clarified thinking of relationships with stakeholders

(3) Implementation in line with society's move with ESG incorporated in management policy

Firstly, I will discuss the vision that I envisage the Nisshin Seifun Group is aiming at, and the stance as President.

I have the three matters mentioned here in mind as the vision that the Group pursues.

Regarding (1) rebuilding the business portfolio, I will come back to this later.

I will introduce (2) on the next page.

In regard to (3) ESG, I will lead the effort as a duty of the person at the top. Particularly, I position the E, meaning the environment, as the top priority matter for management.

The Group has set a long-term target to reduce CO₂ emissions from facilities owned by the Group to net zero by 2050, and announced a target to reduce CO₂ emissions by 50% by fiscal 2030 compared to the fiscal 2013 level.

Having said that, while we can set a target, I consider it difficult to make it happen in practice if we treat it as an extension of our current corporate activities. I am thinking of obtaining cutting-edge information in the environmental field and making the company internalize it.

As a company, we cannot ignore the relationship with costs, and I intend to incorporate necessary costs in the annual plans in advance.

Thinking on relationships with stakeholders

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

I consider the raison d'être of a corporation is to deliver profits to each of the stakeholders, including the shareholders, customers, employees, business partners and society. I aim for a company that values all parties concerned and is trusted by society.

For shareholders, I regard it as a role of a corporation to realize an appropriate TSR through enhancing the long-term corporate value.

The raison d'être of Nisshin Seifun Group is a stable supply of food, including wheat and wheat flour, which are staple foods, and I think that the Group is capable of being able to continue supplying food to the Japanese people even in uncertain times like the present in the face of the COVID-19 pandemic and the Ukraine crisis among others.

I am determined to make efforts to keep the company group indispensable to the capital market. I also appreciate investors and analysts continuing two-way dialogue with us down the road.

III. Fiscal 2023 Forecasts

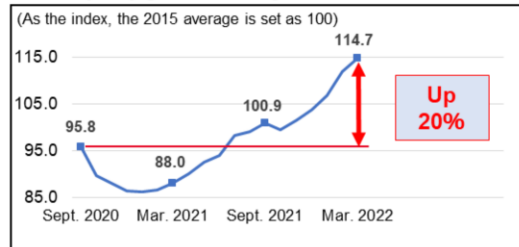
1. Battle against Food Inflation (1)

In this fiscal year, we will face a battle against food inflation including wheat and various cost increases (cost-push inflation).

[Trend in the weighted average of government's selling prices (prices after tax) of five classes of imported wheat]

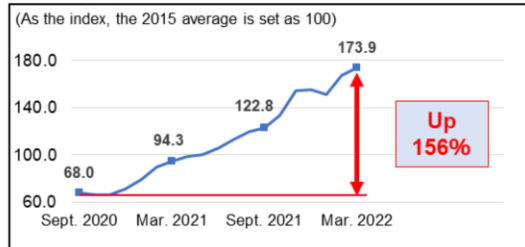


[Trend in domestic corporate goods price index in electricity, city gas and water]



* Source: "Corporate goods price index" by the Bank of Japan

[Trend in imported goods price index in oil, coal and natural gas]



* Source: "Corporate goods price index" by the Bank of Japan

In this slide, we use the term food to mean basic foodstuffs.

The supply of wheat has been destabilized in many countries, which is also affecting the popularity of their respective governments.

In my view, provisions are important and essential to nations and people.

With Japan procuring wheat from three countries, the U.S., Canada and Australia, I do not think that there is such concern. I myself have communicated with producer associations and governments in the three countries, and I am confident that these countries will continue a stable supply to Japan.

India announced this past weekend that they would stop exporting wheat. Immediately, I directly contacted and confirmed the situation with the president of U.S. Wheat Associates and asked for a stable supply to Japan in the future.

However, price increases are unavoidable. I think that we must win the battle against food inflation and cost-push inflation by all means amid the surfacing of cost increases in electricity and others, coupled with a weaker yen.

1. Battle against Food Inflation (2)

Delivering Good Health and Reliability



Although the Group had continued to address cost increases of raw materials and others in FY2021, we **assume a considerable cost increase of raw materials and others for this fiscal year** as well due to surges in grain and natural resources market prices, caused by the Ukraine crisis. We take response to this situation **as the top priority matter** and each business will implement countermeasures without fail.

[Thinking on price revision]

1) Pass a cost increase to selling prices

The domestic flour milling business will revise selling prices of wheat flour based on the revision of government selling prices of imported wheat. The domestic processed food business will reflect the cost increase of raw materials, etc. including wheat flour on its selling prices appropriately.

2) Sales of products giving an impression of selling value-for-money products

A series of large price hikes of products have elevated the price range of existing household-use processed food and others. Develop and sell new products that give an impression of a bargain to consumers who seek products in the previous price range.

3) Sales of value-added products

The domestic flour milling business will step up sales of Japanese-made wheat flour and whole wheat flour and others that accommodate growing health conscious consumers. The domestic processed food business will develop and sell products more focused on SDGs and Generation Z in addition to promoting value-added line-ups centering on easy-to-prepare and convenient, authentic and healthy concepts.

4) Risk of decline in demand

The domestic flour milling business and the domestic processed food business assume that a certain level of decline in demand will occur as a result of continued large price hikes of products.

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To this end, we will surely revise prices.

Firstly, as described in 1), we will definitely pass on cost increases to our selling prices. For the flour milling business and processed food business in particular, the cost increase considerably exceeds the profits that they make. We will push forward with price revisions while explaining the situation carefully so that the customers understand our situation.

In addition to merely revising selling prices, we strive to meet the expectations of our customers and eventually the consumers by 2) selling products that give an impression of selling value-for-money products, and 3) making the effort to sell value-added products. As a result of these efforts, we will be able to smoothly proceed with price revisions and also respond to the risk of a decline in demand.

Nonetheless, we are ready for the risk of demand contraction to occur to a certain degree. I think that we should put up with this drop in demand for a few years, and the demand is certain to come back.

1. Battle against Food Inflation (3)

Delivering Good Health and Reliability



[Analysis of FY2023 operating profit of the domestic flour milling business (Assumption)]

Item	Profit change (YoY difference)	Comments
Annual cost increase (wheat)	(36,000) million yen	Excluding a price revision of wheat in October
Annual cost increase (other than wheat)	(900) million yen	Energy costs, etc.
Price hike of wheat flour	+36,000 million yen	
Increase in shipments (effects of sales expansion, etc.)	+300 million yen	An about 1% year-on-year increase in shipments
Improvement in productivity, etc.	+700 million yen	
Risk of a demand decline	(400) million yen	
Total	(300) million yen	

[Analysis of FY2023 operating profit of domestic processed food business (Assumption)]

Item	Profit change (YoY difference)	Comments
Annual cost increase	(8,000) million yen	Excluding the portion of a price revision of wheat in October
Selling price increase of products	+8,000 million yen	
Improvement in product mix (higher value added products)	+400 million yen	
Cost reduction, etc.	+200 million yen	
Risk of a demand decline	(1,000) million yen	
Total	(400) million yen	

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We will make the efforts that I explained now, and the domestic flour milling business and domestic processed food business will work to respond to cost-push inflation.

The cost increase will be passed on to selling prices. We estimate 36 billion yen for the flour milling business and 8 billion yen for the processed food business. However, as we did not take the wheat price revision for October into account, we are ready for this battle to become more severe.

However, considering the risk of a decline in demand that I touched upon previously, we consider that the domestic flour milling business and the domestic processed food business will suffer a limited decrease in operating profit. I intend to minimize the decrease through cost reduction, efforts on the sales side, and other means.

2. Trends in Grain Market and Foreign Exchange Market

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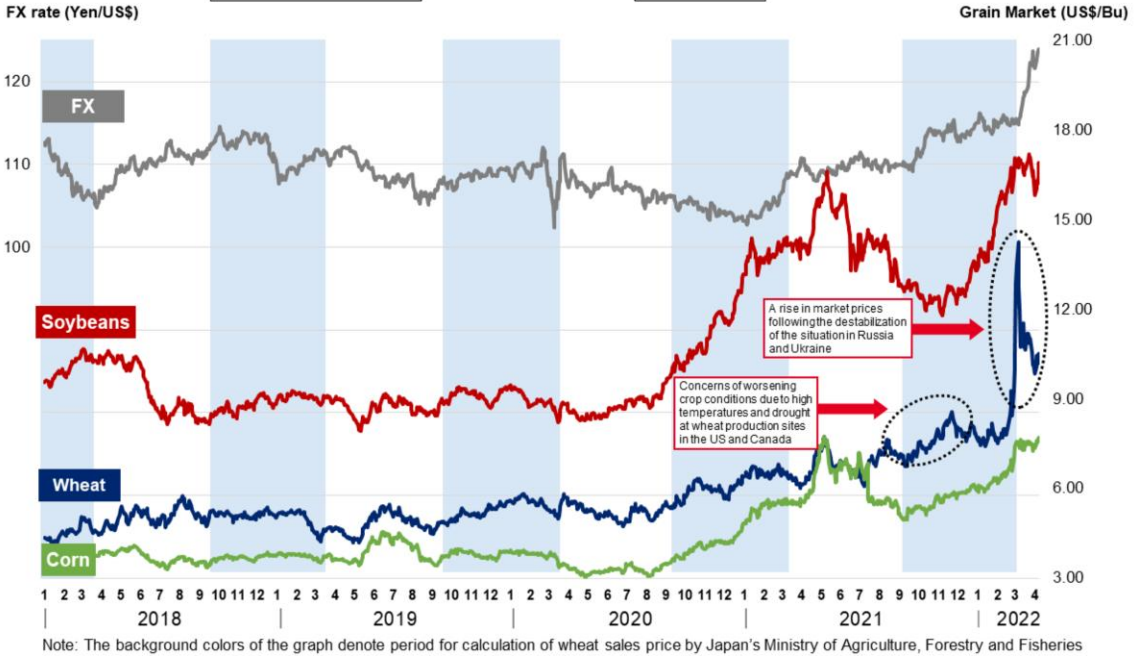


[Grain Market]

Chicago Futures Market
on the right axis

[FX Market]

Yen/US\$ on
the left axis



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These are charts of wheat market prices and foreign currency exchange rates.

There are white and blue stripes in the background of the graph. These indicate computation periods for determining wheat prices.

The blue portion on the far right side has been reflected in wheat prices since this April. The average value during the period was \$7.7/bu at the Chicago wheat market and the exchange rate was 1 dollar to 115 yen.

Currently, the value is \$12/bu at the wheat market and the exchange rate is 1 dollar to 129 yen. Therefore, there is a possibility of another wheat price hike toward October.

3. Fiscal 2023 Forecasts

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- ▶ Net sales will **increase** due to enactment of selling price revisions accompanying the cost increase of raw materials, etc. by each business, and a rise in wheat market prices, currency translation effects, etc. in the overseas flour milling business.
- ▶ Operating profit is expected to **be on a par with the previous fiscal year** due in large part to the uncertain outlook amid cost-push inflation and a profit decrease forecast by the engineering business despite the effort of each business to pass a cost increase to their selling prices.
- ▶ Under the new president's leadership, the business plans of the Australia flour milling business will be verified again by considering the impairment loss of the New Zealand flour milling business and accurately grasping a market change in the Oceania region in addition to addressing cost-push inflation.
- ▶ A new medium-term management plan will be formulated based on the new president's policy and by also taking into account response to cost-push inflation and the status of the Australia flour milling business. The new management plan will be announced in late October.

* Figures rounded down to nearest million yen

(Millions of yen)	Fiscal 2023 Forecasts	Fiscal 2022 Results	YoY difference	YoY change
Net sales	760,000	679,736	+80,263	+11.8%
Overseas sales ratio	29.9%	27.3%	—	—
Operating profit	30,000	29,430	+569	+1.9%
Ordinary profit	31,000	32,626	(1,626)	(5.0)%
Profit attributable to owners of parent	18,500	17,509	+990	+5.7%

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Fiscal 2023 forecasts are as per this table.

Net sales are expected to rise significantly due to price revisions, but operating profit is set at 30 billion yen, on a par with the previous year. As I explained up to this slide, we intend to enact price revisions without fail, but the outlook for the business environment is extremely uncertain. Therefore, considering the present status, we have decided to aim at the same level as the previous fiscal year.

For my part, once I take office as president at the end of June, I will spearhead the response to cost-push inflation and verify the business plan of the Australia flour milling business again, since the market in Oceania including New Zealand has changed significantly. As I will become Director in charge of the Australia business concurrently with assuming the position of President, I am going to talk with the local CEO and the director in charge of the Australia business of Nisshin Flour Milling directly to deepen the narrative.

Regarding the medium-term management plan, we have had discussions internally so far. This time around, based on a policy as the new president, we plan to finalize the plan by taking into account the response to cost-push inflation and the Australia issue, as I laid out now, and publicize it in late October.

IV. Main Initiatives for Realizing Long-Term Vision “NNI ‘Compass for the Future’”

1. Thinking on Business Portfolio (1-1)

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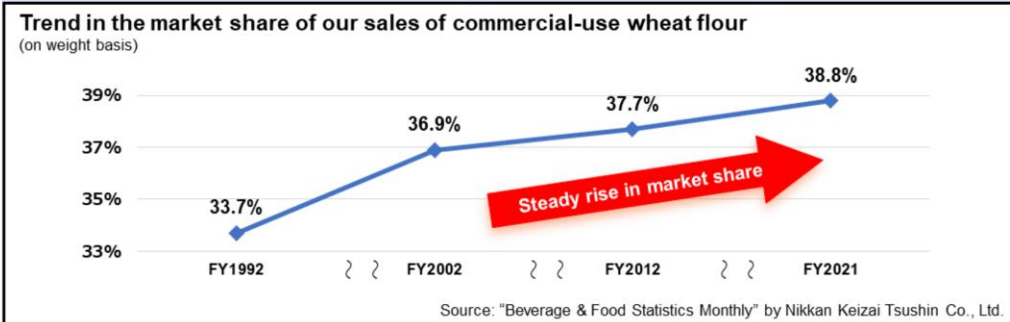


Advance selection and concentration based on the criteria of **whether a business is or can reach the top of a certain business domain** (in classifications of competitive significance).

[Core businesses]

The flour milling business, the processed food business and the yeast business in Japan have **established stable profitability** by realizing high market shares, top brand lineups and low costs.

Domestic flour milling business Top market shares in Japan



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At the top of this slide, it reads “Advance selection and concentration based on the criteria of whether a business is at or can reach the top of a certain business domain.” This sentence was sent out as the thinking of top management when I was at the IR office. I have brought it back this time.

Following this thinking, the Group has steadily proceeded with the rebuilding of the business portfolio so far. By keeping this up, I intend to further enhance business competitiveness.

I believe that the flour milling business, processed food business and yeast business, which are our core businesses, can generate stable earnings amid cost-push inflation by drawing on their high market share and racking up productivity improvements.

The market share of the domestic flour milling business was about a third of the market 30 years ago and is now close to 40% after having risen gradually.

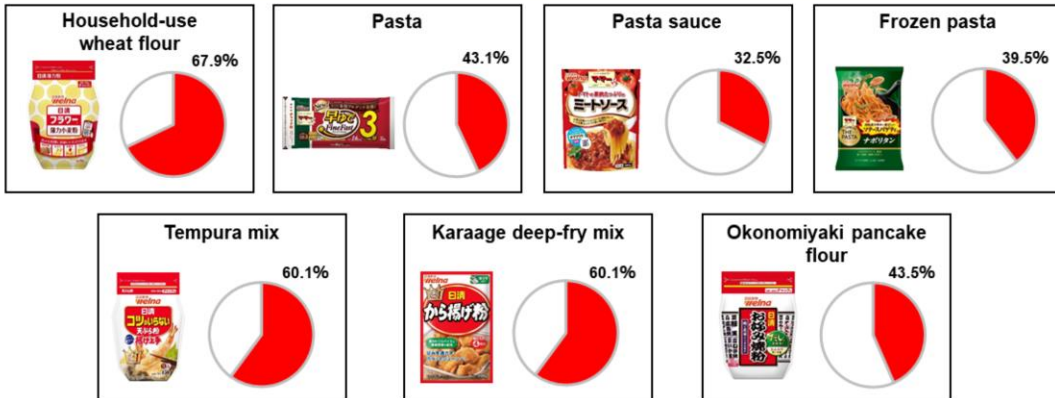
1. Thinking on Business Portfolio (1-2)

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Domestic Processed Food Business

Broad and deep lineups of top brands



Our market share

Source: Intage SRI + The above percentages are market shares in terms of monetary amount in each category. Fiscal 2022 (April to March)

Domestic yeast business

Dominant market share



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The domestic processed food business too has the No. 1 brand in a great number of categories.

I think that you can find these products on the shelves in lots of supermarkets and other stores. I am certain that retailers, wholesalers and consumers consider our products indispensable to them. As you expect, we will endeavor to further strengthen the brand power going forward.

The market share of the yeast of Oriental Yeast Co., Ltd. in Japan is about 50%.

That is higher than the market share of the flour milling business. For instance, even customers with whom Nisshin Flour Milling has a low sales share highly rate the yeast. Therefore, I consider there to be an opportunity to further increase market share through mutual collaboration between the flour milling business and the yeast business.

1. Thinking on Business Portfolio (2)

[Growth driver businesses]

- The overseas business will work to **strengthen the foundation of their respective business management** at existing bases of the flour milling, processed food and other businesses.
- The prepared dishes and other prepared foods business intends to **boost cost competitiveness** including utilization of labor-saving technology and **expand sales against the backdrop of development capability** by the group's comprehensive strength.

[Overseas Business]

Overseas net sales ratio and operating profit ratio

	Net sales ratio	Operating profit ratio
Consolidated total	27.3%	28.9%
Flour milling business	52.2%	50.6%

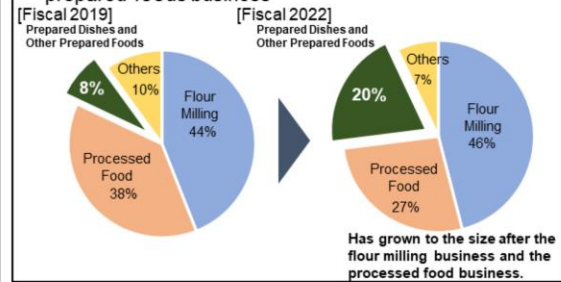
* Fiscal 2022 results

* Operating profit ratio is operating profit before amortization of goodwill, etc.

- The processed food business and the yeast and biotechnology business too will further cultivate overseas expansion.

[Prepared dishes and other prepared foods business]

Composition of sales in the prepared dishes and other prepared foods business



[Growth Investment]

We will make a decision to make investment after verifying whether we **can demonstrate the group's strengths** in Japan and overseas.

The flour milling business, processed food business and yeast business, which are all our core businesses, will continue making revenue in Japan. As growth fields, we will strive to expand these businesses overseas.

Additionally, in Japan, I would like to aim for growth in the prepared dishes and other prepared foods business that will enable us to compete with imported products by leveraging Japanese meals and the distribution of chilled food.

However, we will not invest in overseas business just for the sake of making investments, but will proceed with investments after verifying whether we will be able to take advantage of the strengths that our Group has developed so far. For instance, we will leverage our high technological capability, productivity, etc. in the overseas market also, and in the prepared dishes and other prepared foods business, I think that we can demonstrate the labor-saving technology that the Group has accumulated.

2. Domestic Flour Milling Business

Delivering Good Health and Reliability



Amid the domestic market expected to diminish in the medium-to long term mainly due to a decreasing population, efforts will be made to strengthen the sales foundation and cost competitiveness, thereby **maintaining and expanding a stable earnings foundation for the future.**

Regarding strengthening cost competitiveness and BCP measures (implementation of structural improvement)

- In the middle of concentrating production on large coastal plants and closing small inland plants.
- Construct a new plant at the Mizushima area, Kurashiki City, Okayama Prefecture in 2025, and close two existing plants in Okayama and Sakaide.
- Start of the new plant will raise the ratio of large coastal plants in domestic flour milling plants from 83% to 92%.

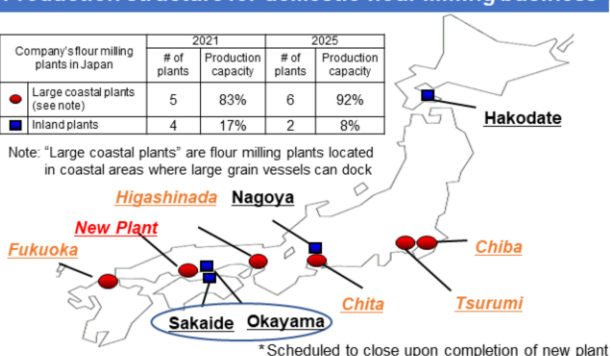
Overview of the New Plant

- ◆ Total cost: approx. ¥14.0 billion
- ◆ Production capacity: 550 tons/day (raw material basis)
- ◆ Start of construction: around Jan. 2023
- ◆ Scheduled start of operations: around May 2025
- ◆ This **eco-conscious "smart plant"** will be installed with solar panels and feature cutting-edge automation and digital technologies
- ◆ Site is directly linked to wheat silos accessible by large grain vessels, **enabling low-cost operations** with respect to raw material shipping; also **enhances BCP responsiveness**

Production structure for domestic flour milling business

Company's flour milling plants in Japan	2021		2025	
	# of plants	Production capacity	# of plants	Production capacity
● Large coastal plants (see note)	5	83%	6	92%
■ Inland plants	4	17%	2	8%

Note: "Large coastal plants" are flour milling plants located in coastal areas where large grain vessels can dock



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The relationship with systems is important to the domestic flour milling business, and I myself have engaged in international trade talks as the top priority theme for nearly ten years. TPP-11 and the U.S.-Japan trade agreement came into effect, but consistency in the border measures between products and raw materials has been ensured to some extent. Therefore, I am confident that the domestic flour milling business will continue stable business operations in Japan.

Based on this, we were able to make an investment decision concerning the new plant in Mizushima, as well. As explained here, I regard this as a project that will contribute to boosting cost competitiveness. The land for construction was purchased by our predecessors about 50 years ago. I have visited the place a number of times, envisaging a new plant being built there. Finally, our dream is coming true. I feel a flood of emotions building up.

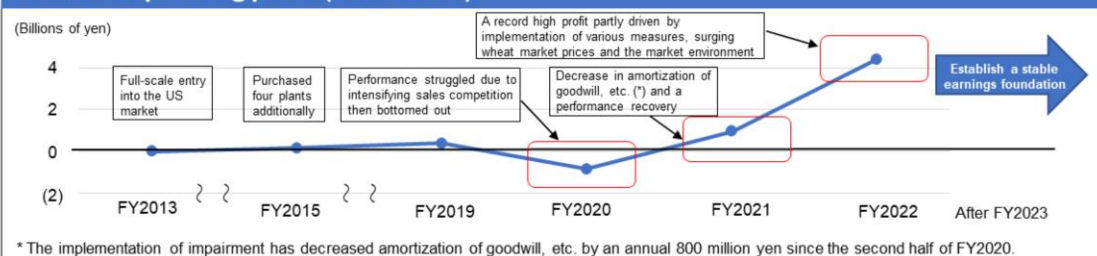
3. Overseas Flour Milling Business (U.S. Flour Milling Business)

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Ten years have passed since a full-scale entry into the US market. The business recovered from a temporary performance slump at an early stage and has grown steadily. The business strives to establish a stable earnings foundation.

Trend in operating profit (vs. FY2013)



Future U.S. Flour Milling Business Initiatives

- The business has established a solid position as a regionally top-class flour-milling company in California and Texas.
- An expansion will be carried out in the plant in Los Angeles whose operational rate reached a high level.
- The U.S. and Canada flour milling businesses will raise their presence in the North American market by deepening ties across manufacturing and sales areas, and through synergies enabled by leveraging the management resources of both companies.
- Continuation of search and investigation of candidates for M&A, etc. that have affinity with existing businesses and growth potential.

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The U.S. flour milling business, which had struggled to perform in fiscal 2020, managed to improve and enhance performance in fiscal 2021 and 2022, contributing to the performance of the entire Group.

To continue ensuring a stable earnings base in the future, we will invest in necessary plant expansions and seek new business areas. Just recently, we decided to expand the Los Angeles plant, whose operational rate has risen, and we are working on it.

3. Overseas Flour Milling Business (Australia Flour Milling Business)

Delivering Good Health and Reliability



Take in a demand recovery and aim at a performance recovery. However, verify the real status of business altered by the COVID-19 pandemic in a calm and collected manner to incorporate strategy and policy into a medium-term management plan.

FY2022 Operating profit (vs. FY2021)



Factors behind poor performance

External environment	Performance remains struggling due to lockdowns of big cities in the face of the pandemic (poor sales) and disruptions in the supply chain (increase in production and logistics costs, etc.).
Market change	Demand from in-store bakeries that are main customers remain low.
Others	Efforts for sales expansion have failed to deliver expected results due to a decrease in shipments by loss of orders and the impact of the pandemic.

Toward performance recovery

- Whereas the Australian market is expected to see demand recover to a certain extent, there are concerns about a market change by the pandemic and prolonged disruption in the supply chain.
- Aim at a performance recovery through restoring and expanding sales, enhancing productivity and reflecting the cost increase of raw materials, etc. to the selling prices of products appropriately.

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On the other hand, the Australia flour milling business suffered a large drop in profit due to lockdowns in major cities caused by COVID-19, resultant disruptions in the supply chain and a decline in demand for in-store bakeries.

Although the Australian market is projected to recover from the impact of COVID-19 to some extent, we see a possibility that the parts where the market and the supply chain changed will not return to what they used to be.

Under these circumstances, we intend to step up our efforts with customers in fiscal 2023 and improve our performance through recovering sales, improving productivity based on labor-saving investments, and passing on cost increase to selling prices appropriately.

4. Overseas Processed Food Business – India Yeast Business

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Enter the yeast business in the India market, home to the world's second largest population with excellent prospects for bread market growth in step with economic development. Preparations are ongoing as planned **for operation start around this coming summer.**

Status of preparations for launch of the India yeast business

Status of plant construction

- Construction of a new plant was completed excluding part of equipment.

New yeast plant



Production, logistics and sales

- Pilot runs of production lines started.
- The check of logistics quality is ongoing in sequence.
- Samples of test products from production lines were shown to customers, and confirmation of quality has commenced.

Personnel-related

- Aim at the smooth launch of business through holding a variety of training.

Bread Market Situation in India

- Although the market size contracted in 2020 and 2021 due to a series of lockdowns, it is forecast that the market size in 2022 will exceed that of 2019 and that the market will grow at an annual rate of about 6% after 2023.
- The production volume of major bakeries that use raw yeast that the yeast business in India produces is expected to grow in the future.

Oriental Yeast India Pvt. Ltd. (subsidiary of Oriental Yeast Co., Ltd.)

India market growth potential

High growth anticipated for yeast business in India's enormous bread market

Outstanding technology from Japan

Supply cost-competitive, high-quality products

Prime location

Build plant in outskirts of Pune, a location rich in molasses (key ingredient) and water resources

Comprehensive environmental countermeasures

Zero Liquid Discharge System for plant



[Overview of new plant]

Location: Maharashtra, India
Production capacity: 100 t/day
(fresh yeast basis)
Investment: Approx. ¥15.7 billion

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An important initiative of the Group for fiscal 2023 is to launch a yeast business in India.

Although the construction of a plant was delayed by the impact of COVID-19, we are working to start business around this coming summer. Looking at the timing of completion of construction and the market trend, I would like to proceed with this initiative appropriately.

During the Golden Week holiday in May, Nakagawa, President of Oriental Yeast Co., Ltd. visited the site in person. I have heard that preparations are going smoothly as planned.

5. Processed Food Business

Delivering Good Health and Reliability



The trade name changed to “Nisshin Seifun Welna Inc.” By brand strategy investment, raise **exposure not only to establish and expand the recognition** but also to speed up the high value-added strategy and also dig deeper into overseas expansion.



Step up high value-added lineup strategy

(1) New products for spring in 2022

➢ Respond to SDGs/Generation Z in addition to promotion of value-added product lineups centering on easy-to-prepare and convenient, authentic and health concepts. Strengthen development of commercial NB products in addition to household-use.

Three basic policies	Themes
(1) Easy-to-prepare and convenient	SDGs
(2) Authentic	Generation Z
(3) Healthy	



(2) Ma-Ma Hayayude Spaghetti FineFast

➢ Fast-cooking Hayayude Spaghetti continues to consistently perform briskly.

➢ Evolved to more authentic al dente texture this spring. Ready to be cooked in a microwave oven.

Hayayude Series Sales

(Billions of yen) Source: Intage SRI+

Year	Sales (Billions of yen)
'17	~3.5
'18	~4.0
'19	~4.5
'20	~5.0
'21	~6.0

Sales strong and on an upward trend

Regarding the corporate name change to “Nisshin Seifun Welna Inc.,” we have been active in advertising and publicity so as to make everyone aware of this change. In parallel, we will push the brand so as to further enhance trust from customers and consumers, along with working on the product strategy.

6. Prepared Dishes and Other Prepared Foods Business

Delivering Good Health and Reliability



An intermediate holding company will be established in the prepared dishes and other prepared foods business. Strengthen a foundation for further growth through stepping up business total optimization, flexible strategy judgment and the management function.

New management system of the prepared dishes and other prepared foods business

The prepared dishes and other prepared foods business has been managed by the Business Development Division of the Company. However, a new intermediary holding company will be established in July 2022. Accelerate the shift to a highly commercialized business model by managing the prepared dishes and other prepared foods business through a corporate organization, thereby further reinforcing management.

[New management system of the prepared dishes and other prepared foods business]



[Trend in performance of the prepared dishes and other prepared foods business]



* Net sales have been treated by revenue recognition accounting standard since FY2022.

Effects of the establishment of Nissin Seifun Delica Frontier Inc.

- The new company and the three subsidiaries will be more united in business operations, thereby reinforcing management-decision, management speed and the sharing of know-how based on total optimization.
- Further utilization of the management resources of the prepared dishes and other prepared foods (people, things, and money) and strengthening risk management

Strengthen a foundation for further growth.

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The prepared dishes and other prepared foods business, a growth business, consists of three companies: Tokatsu Foods, Co., Ltd., Joyous Foods Co., Ltd., and Initio Foods Inc. To deepen coordination among them and achieve total optimization, an intermediate holding company that supervises the entire operations will be established in July.

The direction of the prepared dishes and other prepared foods business is to ensure cost competitiveness that can excel in competition with other companies and contribute to expanding sales for the entire Group on the strength of the development capability of foods including wheat flour, prepared mix and pasta through cooperation with the flour milling business and the processed food business.

I visited the Chiba-Kashiwa plant of Tokatsu Foods Co., Ltd. in person in May to have a discussion with management, and I strongly feel that we can realize this direction.

V. Group Sustainability Initiatives

This page and the following ones are about Group Sustainability Initiatives, laying out our CSR priorities and medium-and-long term targets for environmental issues. I hope that you take a look at the pages later.

With this, I conclude my explanation. Thank you for your attention.

1. The Group's Materiality (CSR Priority)

Delivering Good Health and Reliability



Facing society's change every day, strive to **contribute to solving social issues through business operations** and balance realization of a sustainable society and corporate growth.

Five Priorities

Fields contributing to SDGs

<ul style="list-style-type: none"> ■ Provide safe and healthy food and responsible consumer communication <ul style="list-style-type: none"> • Ensuring food safety • Responsible consumer communication • Contribution to healthy diets 	
<ul style="list-style-type: none"> ■ Enable secure and sustainable raw material procurement <ul style="list-style-type: none"> • Ensuring stable wheat procurement • Sustainable raw materials procurement 	
<ul style="list-style-type: none"> ■ Efficiently handle product and packaging waste <ul style="list-style-type: none"> • Reducing food waste • Reducing packaging waste 	
<ul style="list-style-type: none"> ■ Address climate change and water resource issues <ul style="list-style-type: none"> • Climate change adaptation and mitigation • Water resource conservation 	
<ul style="list-style-type: none"> ■ Provide working environments that are healthy and fulfilling <ul style="list-style-type: none"> • Respect for diversity • Cultivation of human resources • Employee working environments and health 	

Medium-and-long term targets for environmental issues were formulated in August 2021.

2. Medium-and-Long Term Targets for Environmental Issues

Delivering Good Health and Reliability



Formulate medium-and-long term targets for environmental issues and work to reduce environmental load to reach the targets, thereby **contributing to realization of a sustainable society.**

[Regarding medium-and-long term targets for environmental issues]

(1) Responding to climate change

2030 Targets

- Reduce CO₂ emissions from Group-owned facilities by **50%** compared with the fiscal 2014 level

2050 Targets

- Reduce CO₂ emissions from Group-owned facilities to net zero

- Reduce CO₂ emissions across our supply chains

(2) Responding to Water resource

2040 Targets

- Reduce the amount of water used in plants per unit of production by **30%** compared with the fiscal 2022 level

(3) Responding to Food Waste

2030 Targets

- Reduce food waste, from the procurement of raw materials to the delivery of products to customers, by **50%** or more compared with the fiscal 2017 level
- Work with our partners to reduce food waste at all supply chain stages

(4) Responding to packaging and container waste

2030 Targets

- Reduce the amount of fossil fuel-derived plastics used by at least **25%** compared with the fiscal 2020 level
- Promote plastic recycling, such as by using environmentally-friendly package designs
- Increase the use of sustainable packaging materials, such as biomass plastics, recycled plastics, recycled paper and FSC-certified paper

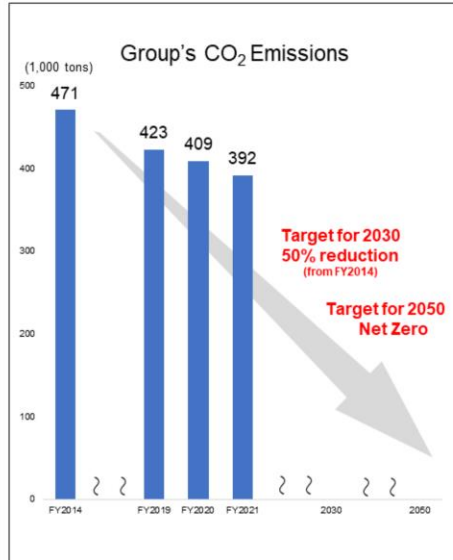
3. Initiatives to Reach Medium-and-Long Term Targets for Environmental Issues (1)

Delivering Good Health and Reliability



Responding to climate change

➤ Advance reduction of CO₂ emissions mainly through proactive adoption of cutting-edge energy-saving technology and utilization of renewable energies for mitigating the impact of climate change and minimizing business risks, thereby contributing to the establishment of a decarbonized society.



[Main initiatives for CO₂ reduction]

➤ Adoption of solar energy generation facility

(Already adopted)

- Domestic flour milling business: Higashinada Plant and Tsurumi Plant
- US flour milling business: Fresno Plant
- Processed food business: Tatebayashi Plant



(Newly put in operation)

- Yeast and biotechnology business: Nagahama Plant, Biwa Plant (Onsite PPA)
- Prepared dishes and other prepared foods business: Yamakita Plant (Onsite PPA)

➤ A 100% shift to electricity supplied from solar and biomass power generation

⇒ Kanda-Nishikicho Head Office Bldg., Koamicho Bldg.



➤ Advancement of CO₂ reduction in the supply chain

When Hayayude spaghetti from Nisshin Seifun Weina is cooked, the boiling time will be shortened. About 35% of CO₂ emissions can be cut (*) in the case of using gas for boiling.



(*) Comparison when cooking with gas "Ma-Ma Chakku-tsuki Kessoku Spaghetti 1.6mm 600g" and "Ma-Ma Hayayude Spaghetti FineFast 1.6mm Chakku-tsuki Kessoku Type 500g." CO₂ emissions were calculated from the gas volume necessary for cooking 100g of each type.

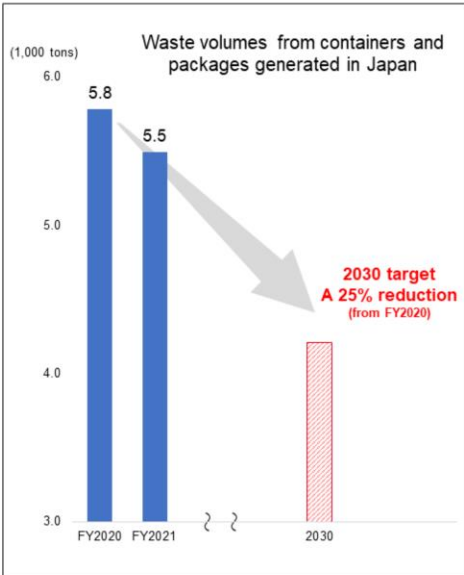
3. Initiatives to Reach Medium-and-Long Term Targets for Environmental Issues (2)

Delivering Good Health and Reliability



Responding to packaging and container waste

- Promote reduction in use of fossil fuel-derived plastic containers, contribute to encouraging plastic resourcification.



[Main initiatives for reduction of waste from containers and packages]

- Promotion of 3R (Reduce, Reuse and Recycle) + Renewables
- Product packages and container design enabling easy sorting material and chemical recycling, and others

“Nisshin Cooking Flour®” Series

- Bottles: Partly made of biomass materials + thinner plastic
- Lid: Partly made of biomass materials



An about 30% reduction of usage volume of petroleum-derived raw materials

* Based on the weight of the package for the product

“Nisshin Cooking Flour® For Refilling”

- Refill and use: Reduce plastic raw materials and waste.
- Package: Some of the ink used is biomass ink.



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.