

First Six Months of Fiscal 2024 Results Briefing

October 31, 2023
Nisshin Seifun Group Inc.



Contents



- I. First Six Months of Fiscal 2024 and Fiscal 2024 Forecasts

- II. Top Priority Measures for FY2024 to Achieve the Medium-Term Management Plan

- III. ESG Initiatives

I. First Six Months of Fiscal 2024 and Fiscal 2024 Forecasts

1. First Six Months of Fiscal 2024 Results

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

* Figures rounded to the nearest 100 million yen.

(100 millions of yen)	First Six Months of Fiscal 2024 Results	Forecasts (May Release)		First Six Months of Fiscal 2023 Results	
			Change		Change
Net sales	4,269	4,100	+4.1%	3,887	+9.8%
Overseas sales ratio	31.0%	—	—	32.6%	—
Operating profit	255	190	+34.3%	159	+60.3%
Ordinary profit	265	192	+38.1%	172	+53.9%
Profit attributable to owners of the parent	184	125	+47.6%	(378)	—

2. First Six Months of Fiscal 2024 - Evaluation by Business

- First Six Months of FY2024: Evaluation by Business (Evaluation of Operating Profit by Difference vs. FY2023)

Up YoY

Flour Milling (domestic), Flour Milling (overseas), Processed Food, Prepared Dishes and Other Prepared Foods and Mesh Cloth

Down YoY

Yeast and Biotechnology, Healthcare Foods and Engineering

3. First Six Months of Fiscal 2024 Operating Profit - Analysis vs. Fiscal 2023

■ Analysis of Change in Operating Profit (vs. FY2023) ■ : Increase in profit ■ : Decrease in profit

First Six Months of Fiscal 2023 Results		¥15.9 billion		[Major factors behind the increase or decrease in profit]
Flour Milling Segment ¥7.6 billion	Sales revenue	¥+0.7 billion		: The product mix improved due to an increase in people's movements, the recovery of inbound demand and other factors
	Bran prices	¥+1.2 billion		: Bran prices remained strong
	Cost related and others	¥+1.6 billion		: The effect of the new consolidation of Kumamoto Flour Milling Co., Ltd. was the main factor behind the increase in profit. Appropriate price revisions that also accommodated cost increases from the previous fiscal year contributed to increased profit
	Overseas operating profit	¥+4.1 billion		: Decrease in depreciation and amortization expenses in Australia, etc.
Processed Food Segment ¥+0.6 billion	Sales revenue	¥0.0 billion		: Although shipping volume was lower than FY2023, it was offset by improvements to the product mix and other factors
	Cost related and others	¥+1.0 billion		: Implemented appropriate price revisions that also accommodated cost increases from the previous fiscal year
	Overseas operating profit	¥(0.4) billion		: Start-up expenses from the India yeast business, etc.
Prepared Dishes and Other Prepared Foods Segment		¥+1.8 billion		: Implemented price revisions, proposed high value-added products, improved productivity, etc.
Others Segment, etc.		¥(0.4) billion		: While profit increased in the mesh cloth business, it decreased in the engineering business
First Six Months of Fiscal 2024 Results	¥25.5 billion (¥+9.6 billion YoY)			

4. Fiscal 2024 Forecasts

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

* Figures rounded to the nearest 100 million yen.

(100 millions of yen)	Fiscal 2024 Forecasts	Forecasts (May Release)		First Six Months of Fiscal 2023 Results	
			Change		Change
Net sales	8,500	8,200	+3.7%	7,987	+6.4%
Overseas sales ratio	31.4%	28.9%	—	32.8%	—
Operating profit	460	390	+17.9%	328	+40.1%
Ordinary profit	470	395	+19.0%	331	+42.2%
Profit attributable to owners of the parent	300	260	+15.4%	(104)	—

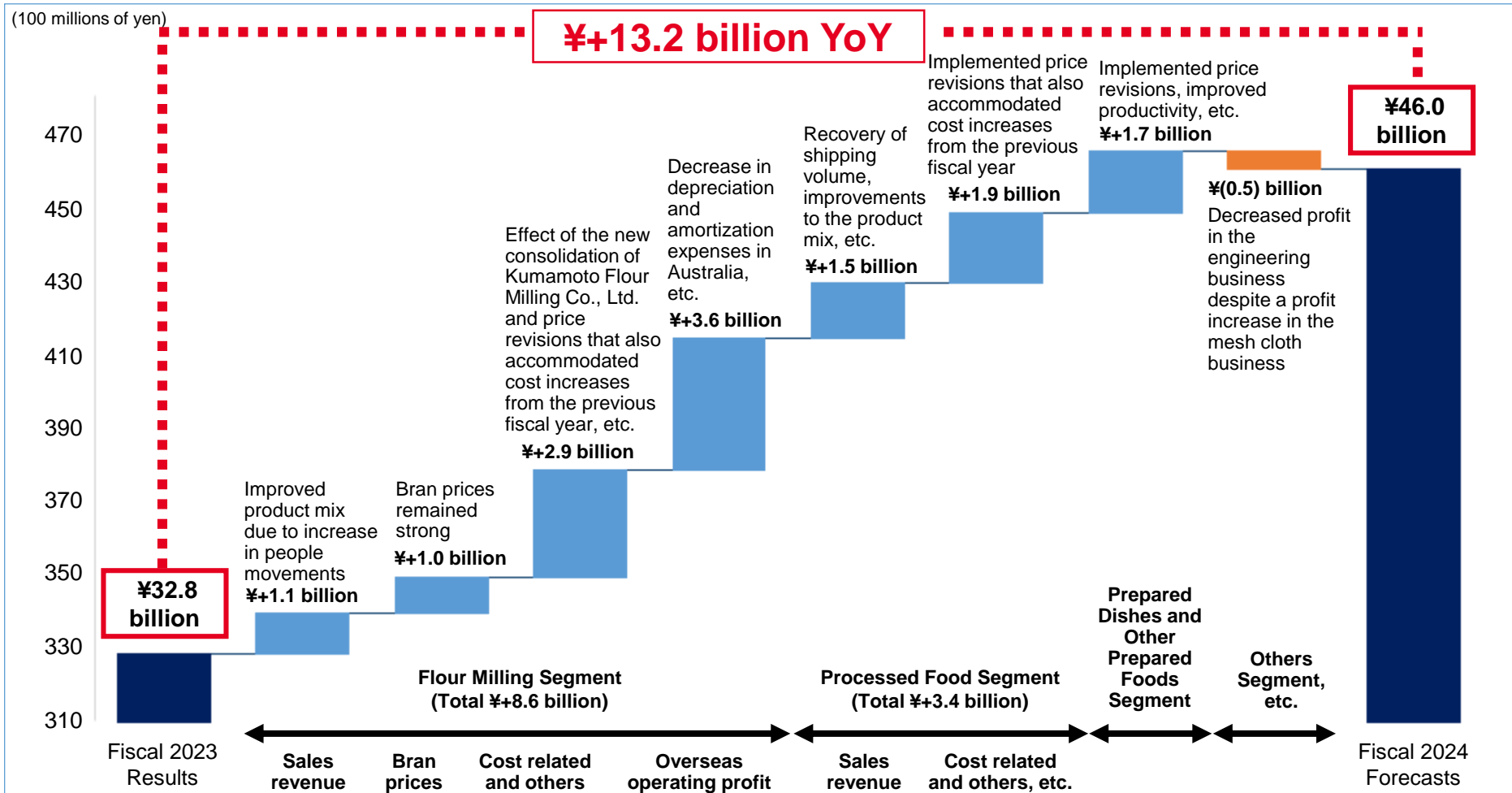
5. Fiscal 2024 Forecasts - Operating Profit

The full-year operating profit forecast was **revised upward** from ¥39.0 billion to **¥46.0 billion** (an upward revision of ¥+7.0 billion).

Operating profit is projected to increase by **¥+13.2 billion** year on year.

■ Results Forecast - Operating Profit (vs. FY2023)

■ : Increase in profit ■ : Decrease in profit



6. Progress of Numerical Targets in the Medium-Term Management Plan (MTP)

In the fiscal 2024 results, steady progress will be made by implementing top priority measures.

Achievement of targets for the final year of the Medium-Term Management Plan is in sight.

■ Progress Toward the Medium-Term Management Plan in the Results Forecast for Fiscal 2024

	Fiscal 2022 Results (MTP base year)	Fiscal 2023 Results	Fiscal 2024 Forecasts	Fiscal 2027 Targets (MTP final year)
Net sales	¥679.7 billion	¥798.7 billion	¥850.0 billion	¥900.0 billion
Operating profit	¥29.4 billion	¥32.8 billion	¥46.0 billion	¥48.0 billion
EPS	¥59	¥(35)	¥101	¥110
ROE	4.0%	(2.4%)	6.9%	7.0%

II. Top Priority Measures for FY2024 to Achieve the Medium-Term Management Plan

1. Top Priority Measures for FY2024

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

(2) Addressing Food Inflation

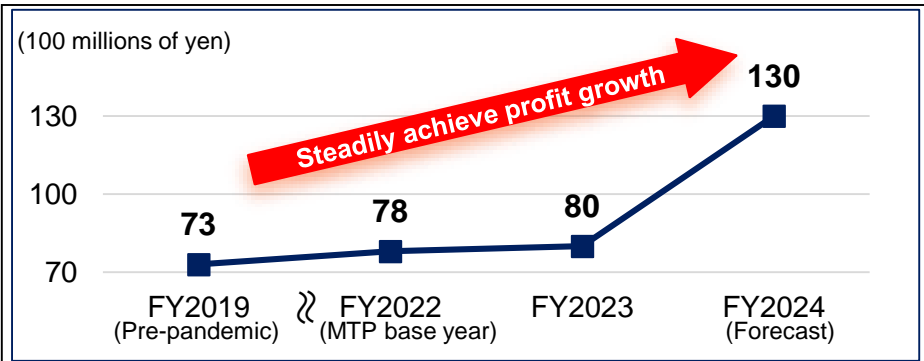
(3) Recovery in the Australia Flour Milling Business

(4) Environmental Policy

(5) Digital Strategy

Constantly work to improve productivity including the new establishment of the Mizushima Plant and steadily **achieve profit growth**. **Take profit to a higher level** in fiscal 2024, in part from the effects of the new consolidation of Kumamoto Flour Milling Co., Ltd..

Change in operating profit in the domestic flour milling business



Take profit to a higher level in fiscal 2024, mainly due to the implementation of top priority measures

- (1) Stimulate the Group's ability to grow by restructuring the business portfolio**
 - Effects from the new consolidation of Kumamoto Flour Milling
- (2) Addressing food inflation**
 - Implement appropriate price revisions that also accommodate cost increases from the previous fiscal year
- (3) Improve productivity**
 - Constantly implement initiatives including the new establishment of the Mizushima Plant
- (4) Strong bran prices**

Creation of synergy with Kumamoto Flour Milling

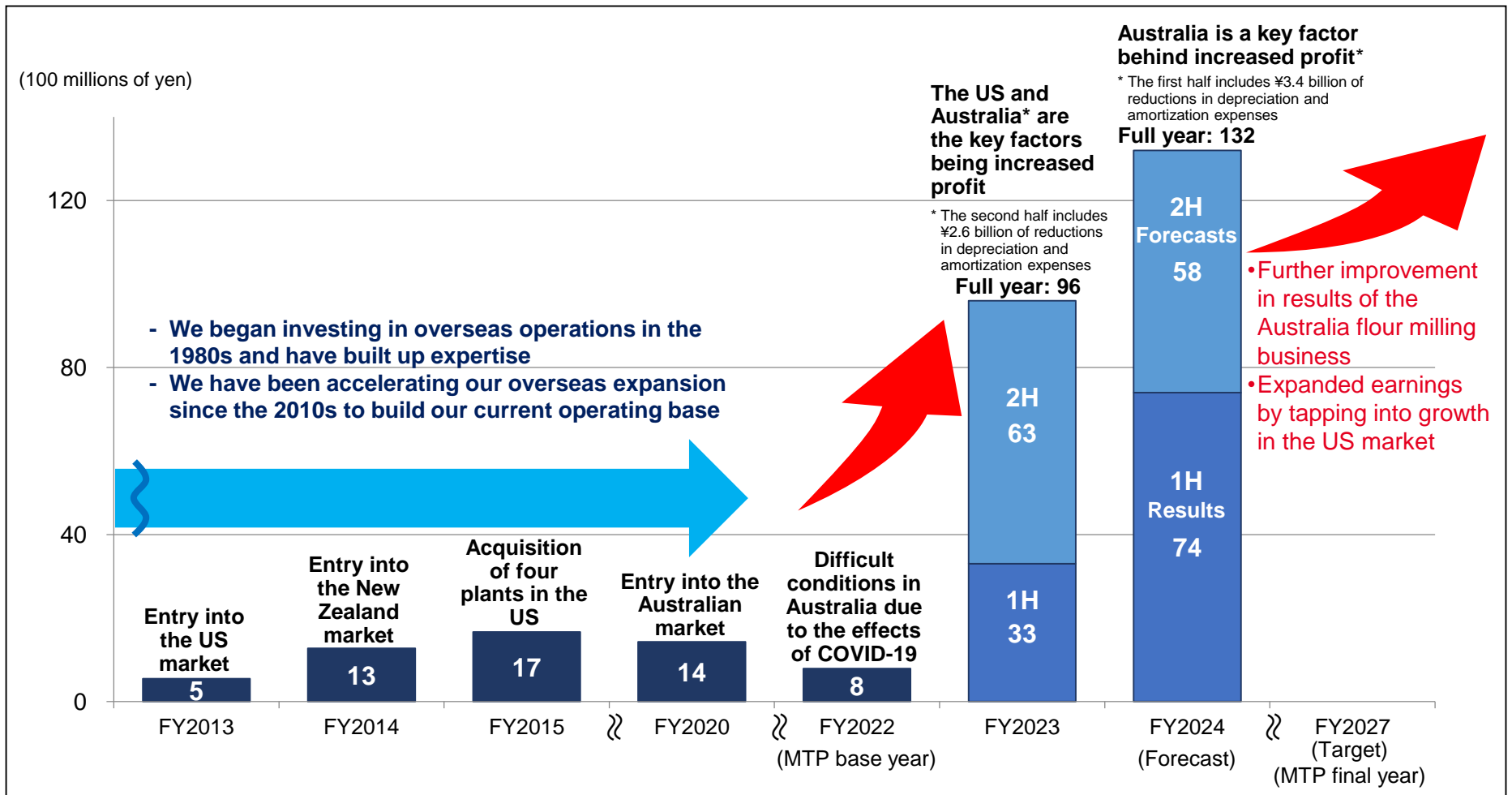
[Initiatives in Each Value Chain]

Production	<ul style="list-style-type: none"> ➤ Build an optimum production system in the Kyushu area ➤ Improve productivity at Kumamoto Flour Milling → Introduce the expertise of Nisshin Flour Milling
Sales	<ul style="list-style-type: none"> ➤ Expand sales utilizing the sales channels of the Nisshin Seifun Group (rice flour, roasted flour, prepared mixes, etc.) ➤ Consider nationwide sale of rice flour and other goods through Nisshin Flour Milling
Development	<ul style="list-style-type: none"> ➤ Enhance development and proposal capabilities through the sharing of technical information and expertise, and the strengthening of coordination ➤ Launch products jointly developed by both companies on the market
Procurement	<ul style="list-style-type: none"> ➤ Reduce procurement costs through joint purchasing and coordination in logistics and other areas <p><small>* Nisshin Flour Milling will also incorporate some of the outstanding aspects of Kumamoto Flour Milling</small></p>

Create synergistic effects at both companies through integration
Aim to expand consolidated operating profit

The overseas flour milling business is a driver of profit growth at the Nisshin Seifun Group. In Australia, performance is recovering in line with targets set forth in the Medium-Term Management Plan. In the US and other countries we will work to maintain and strengthen high profitability.

Change in operating profit in the overseas flour milling business



For fiscal 2024 we revised our forecast upwards. We currently project market growth, and are in the process of expanding the Los Angeles Plant, which has a high utilization rate, as well as the Saginaw Plant, in an effort to maintain and strengthen high profitability.

Expansion to production capacity during the Medium-Term Management Plan

◆ Los Angeles Plant:	150 tons/day	(operational in December 2023)
◆ Saginaw Plant:	600 tons/day	(operational in winter 2024)
Total	750 tons/day	(14% increase in production capacity)

➤ We expect both plants to contribute to profit from their first year of operation, and will work to maintain and strengthen high profitability

Our approach to intensifying sales competition in the US market

- (1) No moves by other companies to expand capacity have been seen in the trading zone of US business
 - (2) California and Texas, where the plants currently undergoing expansion are located, are markets expected to experience future growth
 - (3) Nationwide, the US population is increasing, and demand is also on the rise
- There is little likelihood that the expansion of capacity in the US business will cause more intense competition**

The market environment in Texas and the effects of expanding the Saginaw Plant

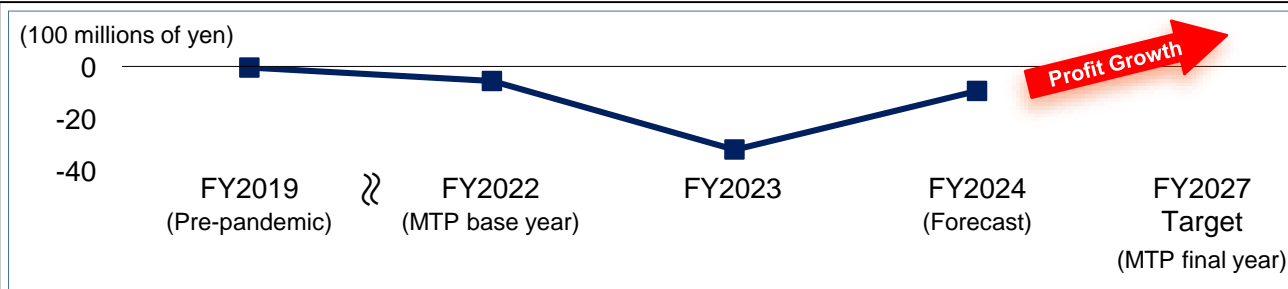
Market Growth Potential in Texas	<ul style="list-style-type: none"> ➤ The population is projected to grow at a rate of 2% a year up to 2050 (Source: Texas Demographic Center) ➤ Wheat flour production volume in the state has been growing at an annual rate of 2% since 2015 (source: USDA NASS)
Competitive Environment in Texas	<ul style="list-style-type: none"> ➤ Roughly 30% of demand for wheat flour by volume is supplied from outside Texas, making it difficult for excessive competition to develop due to the oversupply of wheat flour in Texas
Utilization Rate at the Saginaw Plant	<ul style="list-style-type: none"> ➤ Despite expanding production capacity (by 600 tons / day) in 2019, we are already operating at full utilization and have virtually no remaining production capacity

Effects of Expanding the Saginaw Plant in the US Flour Milling Business

- (1) Production and Sales** 11% increase in production capacity. Achievement of shipments that accommodate market growth.
- (2) Market Presence** Increase production capacity to the 4th in the US market (currently 5th)
- (3) Profit Growth** Depreciation and amortization expenses are in the order of several hundred million yen a year. From the first year of operation profit contribution is expected due to increased shipments

By continuing to implement product price revisions that correspond to cost increases, **price revisions have caught up to rising costs, leading to a recovery in results.** Going forward, we will work on sales expansion measures based on our growth strategy **to take profit to a higher level.**

Operating profit: Trend over time (FY2019 base)



- In fiscal 2024, **results have recovered** due to price revisions having caught up with rising costs
- We will drive implementation of growth strategies and **further raise profit levels**

Growth strategies for the processed food business

Transformation of the Business Structure

Maintain and strengthen the room temperature home use business, which is the earnings base, **while bolstering the commercial use business and frozen food business, among other activities**

Commercial use business

Roll out a range of products designed to **resolve or alleviate personnel shortages** in the restaurant industry and other businesses

Frozen food business

Improve the competitiveness of pasta products, strengthen products other than pasta

Overseas Businesses Operated Entirely Locally

As the Nisshin Seifun Welna brand

- **Strengthening of local sales businesses of overseas subsidiaries**
- **Strengthening of export businesses**

Local sales businesses of overseas subsidiaries

Currently B-to-B prepared mixes are the main offering, but we **also plan to expand this to B-to-C processed food**

Export business

Expand the export countries and products rolled out **with the aim of doubling net sales**

Development of New Products

Drive the creation of added value by developing new products along the four angles of "easy-to-prepare and convenient," "authenticity," "health" and "the environment"

Examples of new products for autumn 2023

[New products for commercial use designed to solve issues]

Frozen microwaveable pasta with included tray and fork



Efforts are underway to gain 20% market share in the Indian market by the end of fiscal 2024. However, raw material prices are rising and energy costs continue to be high. As a result, **profit contribution is expected to take longer than originally forecast.**

■ State of the Indian market

- India has a population of approximately 1.4 billion, the largest in the world. The bread market is expected to **grow at an annual rate of between 4 and 6 percent**

■ Strengths and issues in the India yeast business

(Strength) **Superior quality** compared with competing products

(Strength) Ability to cultivate new customers by implementing the detailed **proposal-oriented sales techniques** developed in Japan

(Issue) Costs of main raw materials have risen compared with the previous fiscal year, and energy costs continue to be high

(Issue) **It is difficult for us to raise prices in India** as a new entrant to the market

We have revised our forecast operating profit for the current fiscal year downward

(the revised full-year forecast is **on par with the previous fiscal year**, with **increased profit** projected for the second half)

■ Future response

- (1) Expand market share** ➔ **Gain market share of 20%** during fiscal 2024. **Aim for a 30% market share during the term of the Medium-Term Management Plan**
- (2) Price revisions corresponding to rising costs** ➔ A year has passed since entering the Indian market. Implement price revisions individually based on relationships with customers
- (3) Further improvements to productivity** ➔ Utilize the production technologies cultivated in Japan to work on further improvements to productivity

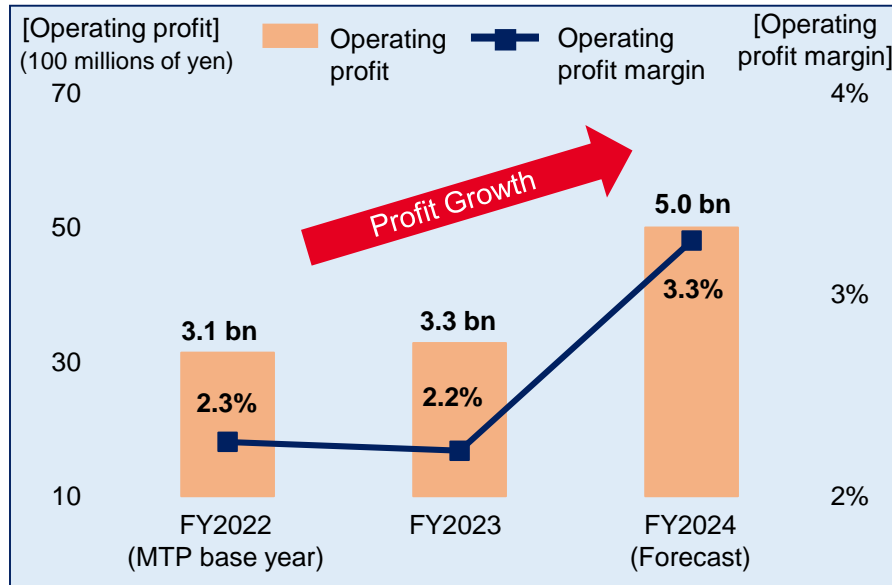
Aim to achieve the targets for the final year of the Medium-Term Management Plan
(**increased profit of about ¥+1 billion vs. FY2022**)

(1)-6 Prepared Dishes and Other Prepared Foods Business 1

Top Priority Measure (1)
Major business initiatives

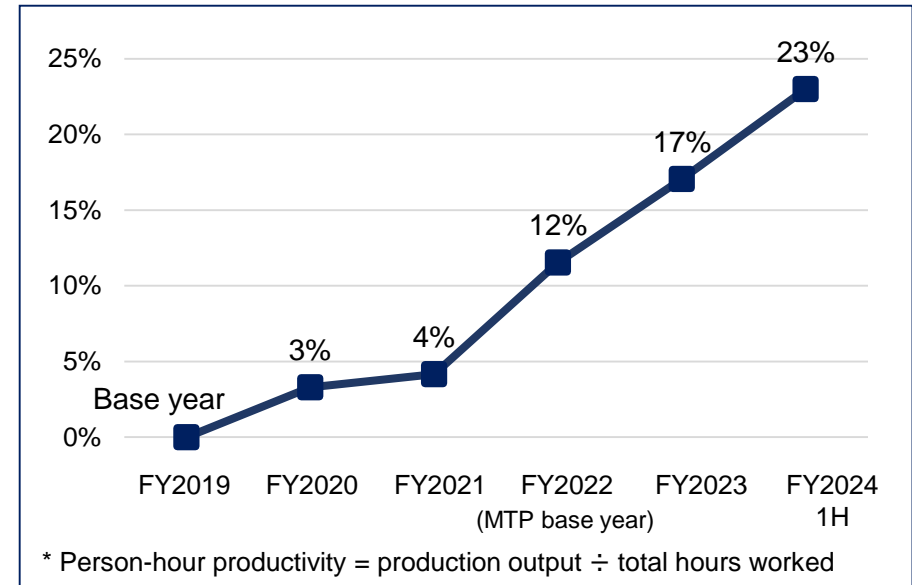
As a growth business of the Nisshin Seifun Group, we will enhance competitiveness and **continue to grow by strengthening R&D capabilities and implementing DX and automation focused on productivity improvements.**

■ Growth of the prepared dishes and other prepared foods business (Net sales and operating profit/margin)



■ Improved person-hour productivity of the prepared dishes and other prepared foods business

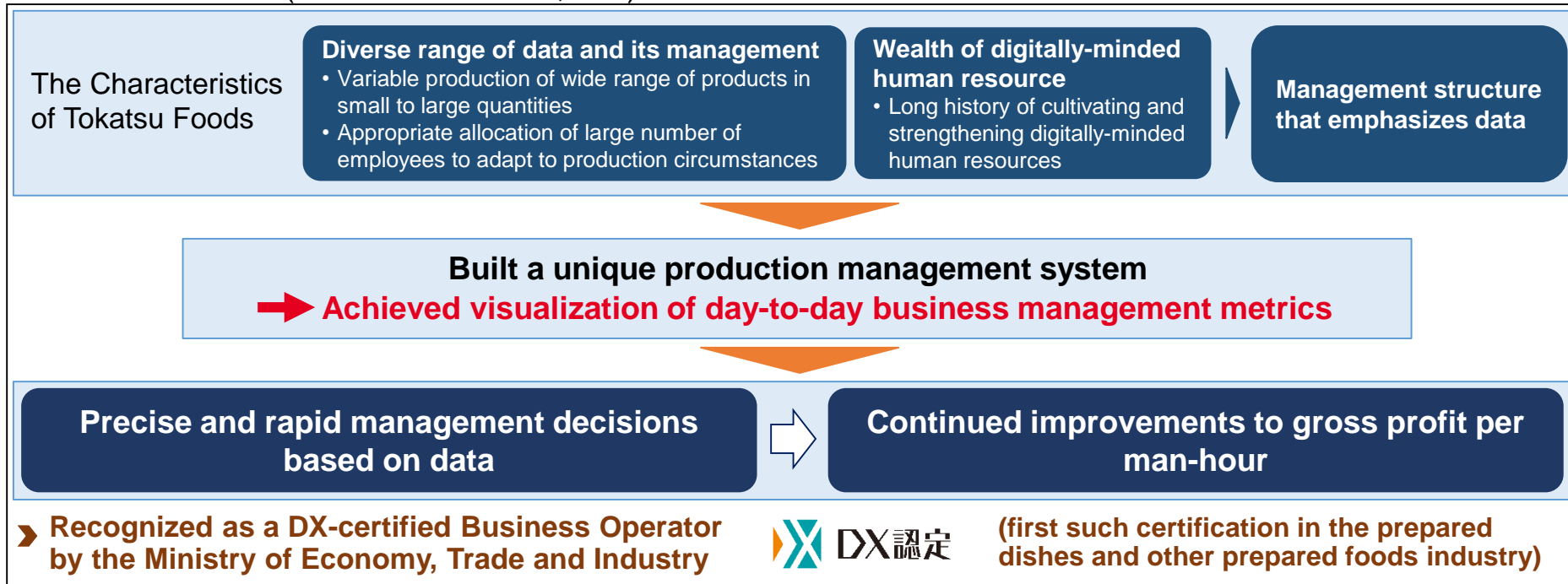
(Progress of Tokatsu Foods Co., Ltd. with fiscal 2019 as the base year)



Productivity improvements from promoting DX and automation have significantly contributed to profit growth



■ Promotion of DX (Tokatsu Foods Co., Ltd.)



■ Promotion of automation (we have promoted labor savings through process automation and in the future will start researching automation of the process to place the prepared dishes and foods in their containers)

- | | |
|---|--|
| (1) Automation of rice ball shaping and norimaki sushi rolling | ⇒ Reduction of approx. 2 people / line |
| (2) Introduction of filling machines for mayonnaise and other sauces | ⇒ Reduction of approx. 1 person / line |
| (3) Introduction of coleslaw / salad filling machines | ⇒ Reduction of approx. 2 people / line |
| (4) Introduction of ingredient labeling and used by date sticker image inspection equipment | ⇒ Reduction of approx. 1 person / line |



Seaweed wrapping unit for onigiri rice balls

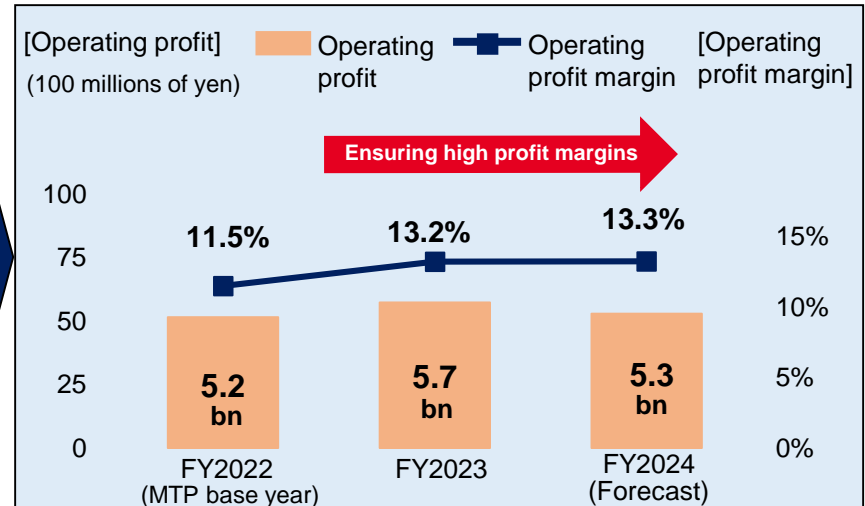
In both businesses we maintain advanced technological capabilities and knowledge by global standards. Along with achieving standalone growth, we have engaged in operational coordination to demonstrate synergistic effects in areas where the customers of both businesses overlap.

■ Features and growth potential of both businesses

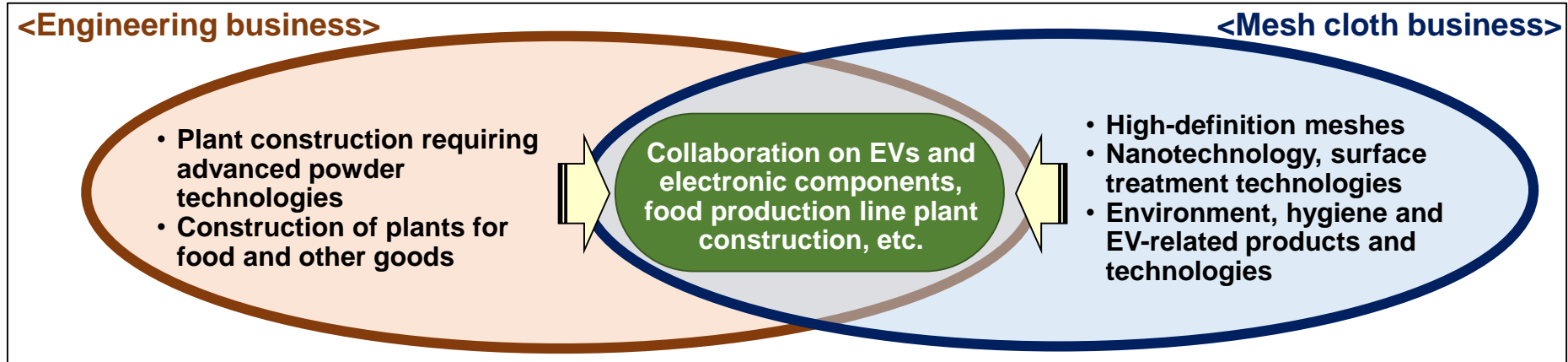
- Both businesses feature characteristically **high level profitability** against a backdrop of **advanced technological capabilities**
- The **credit and trust received from the market** due to being a member of the Nisshin Seifun Group also leads to a **competitive advantage**
- Both businesses have contributed to the realization of a decarbonized society with unique technologies, **and expanded results are expected in growth markets in the future**

An important position in the business portfolio of the Nisshin Seifun Group

■ Change in operating profit in the others business



■ Areas in which both businesses demonstrate synergy



The business **contributes to the realization of a sustainable society** through the sale of products developed using advanced technological capabilities. The business aims to achieve further business growth by linking solutions to environmental issues to expanding business opportunities.

■ Development and sale of products that help realize a sustainable society

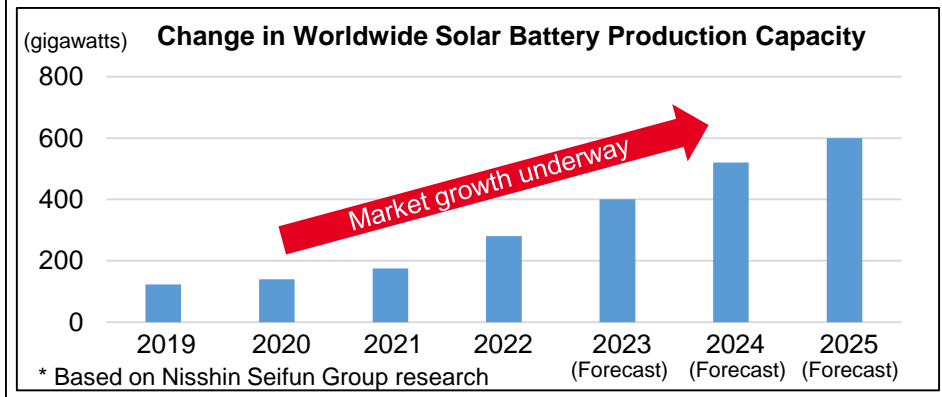
- High-definition metal meshes for solar batteries
- Meshes for hydrogen production equipment
- Molded filters for EVs and other vehicles
- Mesh products using biomass resins, etc.



Demand projected to expand in the future

Expanding business opportunities with products that facilitate solutions to environmental issues

■ Forecast size of the solar battery market



The mesh cloth business maintains approximately 40% of global market share in metal mesh products for solar batteries

We will realize profit growth and aim to achieve the targets of the Medium-Term Management Plan

Domestic core businesses that were trailing in passing on price increases in the previous fiscal year have implemented appropriate price revisions and **managed to catch up with rising costs in the first half, thereby securing an earnings base.**

■ Food inflation future outlook and response

- ◆ The price at which the government sells imported wheat, our main raw material, was **lowered by 11.1% in October** (for the first time in three years)
- ◆ While the Ukraine conflict remains unresolved, **food inflation has shown signs of peaking**

We view the second half of this year and beyond as an opportunity to reverse the environment that has developed to date (trailing behind on price revisions, declining demand, etc.)

■ Responding to rising costs in core businesses (flour milling, processed food and yeast)

- ◆ FY2023 Result: Price revisions trailed behind rising costs, with profit declining ¥2.9 billion year on year
- ◆ FY2024 Forecast: The total of "cost related and others" for the flour milling business and processed food business is projected to increase profit by ¥4.4 billion* year on year

*"Cost related and others" for the flour milling business includes the effects of the new consolidation of Kumamoto Flour Milling Co., Ltd.

The amount of reduced profit that occurred in fiscal 2023 due to delays in passing on cost increases to prices is expected to be entirely recouped in fiscal 2024

(3) Recovery in the Australia Flour Milling Business

Top Priority Measure (3)

Delivering Good Health and Reliability



Performance is recovering in line with targets set forth in the Medium-Term Management Plan. Forecast results will be achieved in the current fiscal year due to price revisions, productivity improvements and other developments.

- Fiscal 2024 1H operating profit results and full-year forecast (vs. previous year, excluding reduction in depreciation and amortization expenses)

	1H Results (YoY Difference)	Full-year Forecast (YoY Difference)	Comments
(1) Increase in gross margin	¥+0.2 bn	¥+0.6 bn	Impact of price revisions, etc.
(2) Higher SG&A expenses	¥(0.3) bn	¥(0.8) bn	Increase in logistics and labor costs, etc.
(3) Effects of cost-cutting measures	¥+0.3 bn	¥+1.0 billion	Improved productivity, logistics efficiency, etc.
Total	¥+0.2 bn	¥+0.8 billion	Projected to achieve initial forecast (¥+0.8 billion)

* Exchange rate of 93 JPY/AUD used for FY2024 (full-year forecast)

- Major initiatives to achieve the Medium-Term Management Plan

Expanded net sales

◆ Measures to expand sales made to in-store bakeries

- ▶ Implementation of price revisions reflective of rising costs
- ▶ Expansion of new sales (new products, etc.)
- ▶ Expanded shipments due to improved proposals aimed at revitalizing sales floors that have stagnated due to price increases
- ▶ Implementation of baker development and training programs to expand shipments by eliminating worker shortages



Improved earnings

◆ Ongoing cost reductions

Improved productivity through revision and elimination of production lines, reduction of production losses, automation, and so on, streamlining of transportation, etc.

◆ Withdrawal from unprofitable products and improved profitability

◆ Improvements to high value-added products

Entered into an exclusive sales agreement for high dietary fiber wheat flour in Australia

Towards reducing CO₂ emissions generated by Group-operated sites by 50% (compared with fiscal 2014 levels) by 2030, **we have also decided to introduce large-scale offsite PPAs**. Going forward we will continue to **systematically implement environmental investments** according to our roadmap.

■ FY2024 initiatives

(1) From November this year, the Tsurumi Plant, which is the largest wheat flour plant in Japan, will switch to 100% essentially renewable energy for the electricity it uses by signing an offsite PPA agreement and utilizing non-fossil fuel certificates

- Renewable energy-derived electricity will be supplied from 8MW-class generating facilities (final expected output, phased introduction from November this year)
- CO₂ reduction effects: Over 27,000 tons annually (conversion from FY2014 levels: over 32,000 tons annually)

(2) Promote the introduction of renewable energy such as solar power generation at Group-operated plants

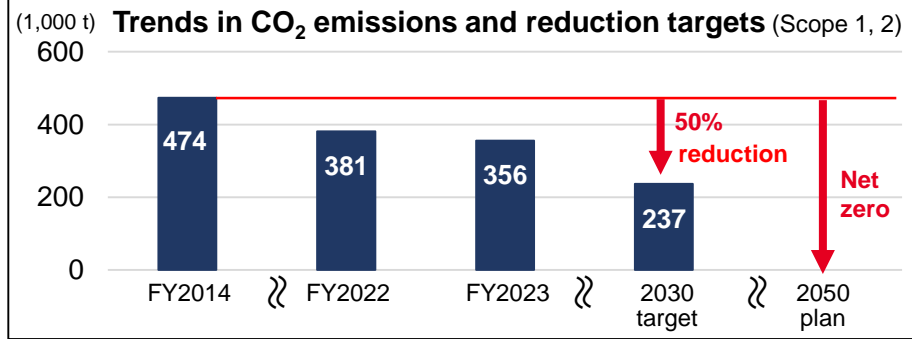
- Introduction of solar power generating equipment ⇒ Already introduced at 14 business sites at domestic and overseas sites (as of March 31, 2023)
- Use of renewable energy-derived electricity ⇒ Already introduced at 3 business sites (as of March 31, 2023)

Input



- Budget for environmental investments in the Medium-Term Management Plan
 ¥15.0 billion (First time to be set by the Group in its Medium-Term Management Plan)
 - Fiscal 2024 environmental investment plan
 ¥2.2 billion (¥+1.0 billion vs. previous year)
- We will systematically implement environmental investments according to the roadmap**

Output



(5) Digital Strategy

Set and execute DX themes based on automation and streamlining, standardization, improved customer proposal capabilities, sales channel enhancements, and other activities. **Concrete results have started to be seen in each value chain.**

Major action themes in each value chain and examples of achievements

Infrastructure (Utilization of Digital Tools / Strengthened Security / Human Resource Development, etc.)

Back Office Functions (Accounting, Finance, HR, General Affairs, etc.)



More Advanced Management

- Visualization of management data and the PDCA cycle

Specific Examples of Achievements

Groupwide

Introduction and utilization of corporate version of ChatGPT

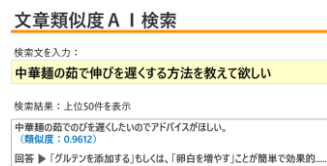
- ✓ With the aim of business streamlining, an enterprise version of ChatGPT was introduced in a dedicated closed environment for the Nissin Seifun Group to ensure safe usage
- ✓ Phased implementation will start with basic applications such as text summarization and the drafting of internal documents
- ✓ We will continue to increase employee proficiency and expand its utilization by introducing examples of its use, and tips for AI prompts (how to word orders and instructions)

Flour Milling Business

Digitalization of knowledge and improved customer proposals

- ✓ After developing our technological knowledge, sales expertise and other related knowledge into a database, we will build a fast and highly-accurate information search program utilizing AI
- ✓ This will make it possible to quickly access the necessary information from the data that has been accumulated internally, improving the service provided to customers

Screenshot



Flour Milling Business **Prepared Dishes and Other Prepared Foods Businesses**

Visualization of management data and the PDCA cycle

[Flour Milling Business]

- ✓ We will utilize BI tools and other technologies to promote the visualization of management-related data such as production, inventory and sales

[Prepared Dishes and Other Prepared Foods Businesses]

- ✓ We will build a unique production management system enabling swift and accurate management decisions based on business management metrics and data (Refer to page 18)

III. ESG Initiatives

1. Promoting Capital-Efficient Management

From fiscal 2024, we have started to utilize ROIC in combination with ROE as indicators of capital efficiency. Periodically checking ROIC for each business promotes recognition of issues and leads to improvements.

■ The approach of promoting capital-efficient management

- **Achieve profit growth** by stimulating the Group's ability to grow with the restructuring of the business portfolio
- **Undertake investments that produce returns exceeding the cost of capital** of each business (= Increase ROIC by investing with a positive NPV)
- Disposal of idle, underutilized, unprofitable and non-operating assets
- Consolidation of unprofitable and low-margin businesses, etc.

■ Initiatives to improve capital efficiency in the current fiscal year

(1) Improved profitability

- Addressing food inflation
- Recovery in the Australia flour milling business (price revisions, productivity improvements, etc.), etc.

(2) Growth investment

- Creation of synergistic efforts at Kumamoto Flour Milling Co., Ltd. (acquired in January this year), etc.

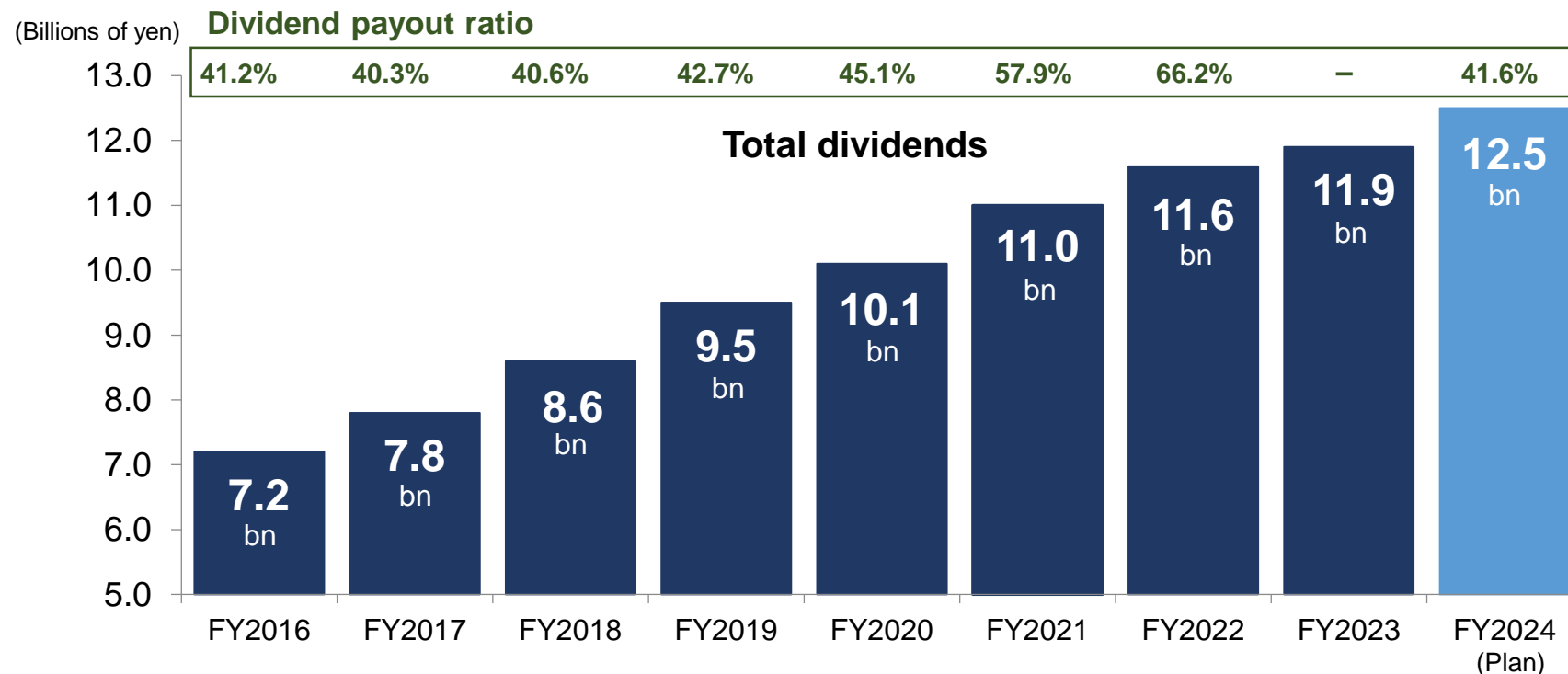
(3) Consolidation of plants with low utilization rates

- Close the aging Saitama Plant in the yeast and biotechnology business due to its low utilization rate (The Saitama Plant will be closed in December this year, with production consolidated at the Biwa Plant)

Fiscal 2024 ROE forecast of 6.9%

■ Total dividends and dividend payout ratio

- Continue to actively consider dividend increases with a view to the right timing, using a dividend payout ratio of at least 40% as a basis
- A divided increase of ¥2 per share from the previous fiscal year is planned as the annual dividend for the fiscal year ending March 31, 2024 (an increase of ¥1 per share from the initial forecast)
⇒ In effect an increased dividend for an eleventh consecutive year is planned



Dividend per share

¥24 ¥26 ¥29 ¥32 ¥34 ¥37 ¥39 ¥40 ¥42

3. Human Resource Strategy

In June 2023 the Human Resources and Labor Relations Division was newly established. **This is intended to speed up and strengthen our human resource strategy.**

■ Human resources strategy

Corporate Motto and Corporate Philosophy	"The basis of business is built on trust" "Contributing to a healthy and fruitful life for all"		"Be in tune with the changing business climate"		
Basic Human Resources Philosophy	Respect for People, Mutual Trust - a company and its employees are partners who share growth and development -				
Human Resource Strategy	Improve personnel capabilities Securing and cultivation of human resources able to adapt to the changing times and lead new challenges and transformations	Improve organizational capabilities Development of an environment in which a diverse range of human resources are motivated to demonstrate their abilities to the fullest			
	Promote diversity Demonstrating the collective strength of the Group by fostering a corporate culture that accepts diversity and practices mutual respect				
Values Emphasized in the Human Resource Strategy (The kind of personnel we are looking for)	Autonomy: Learn and think for yourself, and face the consequences Challenges: Continue to take on the challenge of new things ahead of the times without fear of failure Trust: Be trusted from inside and outside the company, and have the ability to trust those around you and entrust tasks to them Cooperation: Cooperate with a diverse range of others to create new value				
Direction of Measures to Achieve the Human Resource Strategy	Strengthen recruitment	Improve Group coordination in recruitment activities	Diversify recruitment systems	Strengthen recruitment PR strategy	Introduce referrals and other new recruitment methods
	Strengthen development capabilities	Systematically cultivate and assign business managers and other personnel	Strengthen measures to support self-directed learning	Strengthen the development of digital and global human resources	Enhance the visualization of human resource information
	Strengthen HR utilization capabilities	Promote exchanges between Group human resources	Engage in in-Group recruitment	Clarify requirements for key positions	Revise the utilization of senior human resources
	Work style reforms Reforms to corporate culture	Reduce total working hours rooted in productivity improvements	Take measures to foster a sense of Group unity	Strengthen initiatives that facilitate diverse work styles	Improve psychological safety
	Review personnel wage systems	Implement a qualification system that eliminates seniority and emphasizes aptitude and motivation	Implement an evaluation system that continues to produce the human resources we desire	Implement straightforward wage systems that appropriately reflect evaluations	Implement employment systems that cater to a diversity of values
	Handling of human capital disclosure requirements (fixed point observation as a KPI)		Promotion of human rights initiatives		

4. Progress on Medium-to-long-term Targets for Environmental Issues

■ Medium-to-long-term targets for environmental issues and our progress

Action Theme	Target	FY2023 Results (vs. the base year)
Action on climate change	Reduce the CO ₂ emissions generated by Group-operated sites by 50% by 2030 (compared with fiscal 2014 levels)	25% reduction
	Reduce the CO ₂ emissions generated by Group-operated sites to effectively zero to achieve carbon neutrality by 2050	
	Reduce CO ₂ emissions in the supply chain	
Addressing food waste	Reduce food waste by at least 50% (compared with fiscal 2017 levels; compared with fiscal 2020 levels for the three prepared foods companies) from raw material procurement to delivery to customers by 2030 * Applies to domestic Group companies	41% reduction
Addressing container and packaging waste	Reduce the usage of fossil fuel-derived plastics by at least 25% (compared with fiscal 2020 levels) by 2030 * Applies to domestic Group companies	10% reduction
Addressing water resources	Reduce water usage at plants as a unit of production by 30% by 2040 (compared with fiscal 2022 levels)	4% reduction

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.