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(Securities Code: 2002)  
June 4, 2024

## To Those Shareholders with Voting Rights

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

## CONVOCATION NOTICE OF THE 180<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS

This is to notify you that the 180<sup>th</sup> Ordinary General Meeting of Shareholders of Nisshin Seifun Group Inc. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide information electronically that is the contents of the Reference Documents for the General Meeting of Shareholders, etc. (matters for electronic provision measures). This information is included in the “Convocation Notice of the 180<sup>th</sup> Ordinary General Meeting of Shareholders” and “Other Matters for Electronic Provision Measures of the 180<sup>th</sup> Ordinary General Meeting of Shareholders (Matters Excluded from Paper-based Documents Delivered to Shareholders),” which are provided on the Company’s website.

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

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

TSE’s website (Listed Company Search):

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

If you do not attend the meeting in person, you may exercise your voting rights by one of the following methods. Please review the “Reference Documents for the General Meeting of Shareholders,” and exercise your voting rights **no later than 5:30 p.m. (JST), Tuesday, June 25, 2024.**

### [Voting in Writing (by Postal Mail)]

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

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

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

- 1. Date and Time:** Wednesday, June 26, 2024 at 10:00 a.m. (Reception from 9:00 a.m.)
- 2. Place:** Tokyo Marriott Hotel, B1 The GOTENYAMA Ballroom  
4-7-36, Kitashinagawa, Shinagawa-ku, Tokyo

If there are any changes to the above times, place, or any other items, the information will be posted on the Company’s website.

### 3. Agenda of the Meeting:

#### Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 180<sup>th</sup> fiscal term (from April 1, 2023 to March 31, 2024) and results of audits on the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Committee
2. Non-consolidated Financial Statements for the 180<sup>th</sup> fiscal term (from April 1, 2023 to March 31, 2024)

#### Proposal to be resolved:

- Proposal No. 1:** Dividends from Surplus
- Proposal No. 2:** Election of Ten (10) Directors (Excluding Directors Who Are Members of the Audit & Supervisory Committee)
- Proposal No. 3:** Election of One (1) Director Who Is a Member of the Audit & Supervisory Committee
- Proposal No. 4:** Renewal of the Resolution to Approve Gratis Allotment of Subscription Rights to Shares for Securing and Improving Corporate Value of the Company and the Common Interests of the Shareholders

### 4. Matters Determined in the Convocation

- (1) Of matters for electronic provision measures, “Independent Auditor,” “Systems to Ensure Appropriate Business Execution and the Status of Operation of Systems Concerned,” and “Basic Policies Regarding Control of the Corporation” in the Business Report, the “Consolidated Statement of Changes in Net Assets,” the “Notes to the Consolidated Financial Statement,” the “Non-consolidated Statement of Changes in Net Assets,” and the “Notes to the Non-consolidated Financial Statements” are not included in the paper-based documents delivered to shareholders who have requested such documents, in accordance with laws and regulations and Article 15, Paragraph 2 of the Company’s Articles of Incorporation.

Accordingly, the paper-based documents delivered to shareholders who have requested such documents are part of the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements audited by the Audit & Supervisory Committee, and the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Independent Auditor in preparing the audit report.

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

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- Modifications, if any, to the matters for electronic provision measures will be posted on the Company’s website and the website of the TSE (Listed Company Search).
  - Please refer to the “Guide to the 180<sup>th</sup> Ordinary General Meeting of Shareholders” provided together with this Convocation Notice for the operation of the meeting.
  - If you are attending the meeting in person, please present the Voting Rights Exercise Form provided together with this Convocation Notice at the reception desk on arrival at the meeting. Please bring this Convocation Notice with you.
  - If a proxy is attending the meeting on your behalf, the proxy shall present written proof of his/her power of representation and the Voting Rights Exercise Form at the reception desk on arrival at the meeting. You may appoint only one proxy, who shall be a shareholder of the Company with voting rights.

## **Guide to Exercising Voting Rights**

### **To exercise voting rights in advance**

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

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

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

- Please indicate your vote for or against each of the proposals on the Voting Rights Exercise Form, then return the form so as to arrive no later than 5:30 p.m. (JST), Tuesday, June 25, 2024.
- In the event you do not indicate your vote for or against each of the proposals on the Voting Rights Exercise Form, it shall be deemed that you indicated a vote for.

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

- Please refer to the following “Guidance for the exercise of voting rights via the Internet, etc.” and exercise your voting rights no later than 5:30 p.m. (JST), Tuesday, June 25, 2024.
- If you exercise your voting rights via the Internet, etc., more than once, your final vote shall be deemed valid.
- If you exercise your voting rights by two different methods, that is, via the Internet, etc., as well as by mailing the Voting Rights Exercise Form, the vote via the Internet, etc., shall be deemed valid.

### **To attend the meeting**

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

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

Please note that if there are changes to the place, time, operating methods of the meeting, the information will be posted on the Company’s website (<https://www.nisshin.com/ir/stock/meeting/>).

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

Deadline for exercising voting rights: 5:30 p.m. (JST), Tuesday, June 25, 2024

### **■ To exercise voting rights from a smartphone**

#### **1 Access the website for exercising voting rights from a smartphone**

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

#### **2 Open the website for exercising voting rights**

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

There are two methods for exercising voting rights.

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

#### **3 To vote on each proposal individually**

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

#### **4 Complete the exercise**

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

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

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

### **■ To exercise voting rights from a computer**

#### **1 Access the website for exercising voting rights**

<https://www.web54.net>

Click “次へすすむ (Go to next).”

#### **2 Log in**

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

#### **3 Enter the password**

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

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

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

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

Inquiries about the system, etc.:

Stock Transfer Agency Web Support  
Sumitomo Mitsui Trust Bank, Limited

Dedicated dial-in: 0120-652-031

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

## Reference Documents for the General Meeting of Shareholders

### Proposal and References

#### **Proposal No. 1: Dividends from Surplus**

The Company proposes the year-end dividend from the surplus for the fiscal year ended March 31, 2024, as detailed below, taking into account its current and future earnings status and financial position. This will result in the annual dividend, consisting of the interim and year-end dividends, of ¥45 per share for the fiscal year ended March 31, 2024, an increase of ¥5 from the previous fiscal year.

(1) Type of dividend

Cash

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

¥24 per share of the Company's common stock

Total amount of dividends: ¥7,140,961,296

(3) Effective date of dividend payment

June 27, 2024

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

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

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

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

No.	Name		Current Position and Responsibility in the Company	Attendance at meetings of the Board of Directors (Times)
1	Kenji Takihara	Renomination	Director and President, Division Executive (Corporate Planning Division)	13/13 (100%)
2	Naoto Masujima	Renomination	Director, Senior Managing Executive Officer (In charge of General Administration Division and Human Resources and Labor Relations Division)	13/13 (100%)
3	Eiichi Suzuki	Renomination	Director, Managing Executive Officer, and Division Executive (Finance and Accounting Division)	10/10 (100%)
4	Takao Yamada	Renomination	Director and Senior Managing Executive Officer	13/13 (100%)
5	Takahiko Iwahashi	Renomination	Director and Managing Executive Officer	10/10 (100%)
6	Kazuhiko Fushiya	Renomination Outside Director Independent Director	Director	13/13 (100%)
7	Motoo Nagai	Renomination Outside Director Independent Director	Director	13/13 (100%)
8	Nobuhiro Endo	Renomination Outside Director Independent Director	Director	12/13 (92.3%)
9	Seiichiro Takahashi	New candidate	Executive Officer and Division Executive (Technology and Engineering Division)	—
10	Shinichi Ikeda	New candidate	—	—

Note: Attendance information for Mr. Eiichi Suzuki and Mr. Takahiko Iwahashi only includes meetings of the Board of Directors held since their appointments on June 28, 2023.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]		Number of the Company's Shares Held
1	Renomination	April 1988	Joined the Company	46,160 shares
	Kenji Takihara (February 3, 1966)	June 2013	Director, Nisshin Flour Milling Inc.	
June 2016		Executive Officer		
June 2017		Director		
June 2019		Managing Executive Officer Managing Director, Nisshin Flour Milling Inc.		
June 2021		Senior Managing Director, Nisshin Flour Milling Inc.		
June 2022		Director and President Director and Chairman, Nisshin Flour Milling Inc. (to the present)		
April 2023		Director and President, Division Executive (Corporate Planning Division) (to the present)		
		[Director and Chairman, Nisshin Flour Milling Inc.]		
Reason for selecting the candidate for Director				
The Company selected Mr. Kenji Takihara as candidate for Director as he has a wealth of experience and excellent track record in the flour milling business and also has been leading the holding company's management as President of the Company, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				
2	Renomination	April 1983	Joined the Company	36,281 shares
	Naoto Masujima (September 11, 1960)	June 2014	Executive Officer, GS (Globalization) of Corporate Planning Division and General Manager (China Business Development Office of Corporate Planning Division)	
		June 2015	Director, General Manager (Corporate Planning Department) and Division Executive (Overseas Business Division), Nisshin Flour Milling Inc.	
		June 2016	Managing Director, General Manager (Corporate Planning Department) and Division Executive (Overseas Business Division), Nisshin Flour Milling Inc.	
		June 2017	Director and Division Executive (General Administration Division)	
		June 2019	Managing Executive Officer and Division Executive (General Administration Division)	
		June 2021	Director, Managing Executive Officer and Division Executive (General Administration Division)	
		June 2022	Director, Senior Managing Executive Officer and Division Executive (General Administration Division)	
June 2023	Director, Senior Managing Executive Officer (In charge of General Administration Division and Human Resources and Labor Relations Division) (to the present)			
Reason for selecting the candidate for Director				
The Company selected Mr. Naoto Masujima as candidate for Director as he has a wealth of experience and excellent track record in overall management, including general administration, human resources, corporate planning and overseas business, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]		Number of the Company's Shares Held
3	Renomination	April 1987	Joined the Company	7,700 shares
	Eiichi Suzuki (March 3, 1964)	June 2013	General Manager (Accounting Department of Finance and Accounting Division)	
		June 2019	Executive Officer and General Manager (Accounting Department of Finance and Accounting Division)	
		June 2020	Executive Officer and Division Executive (Finance and Accounting Division)	
		June 2023	Director, Managing Executive Officer and Division Executive (Finance and Accounting Division) (to the present)	
Reason for selecting the candidate for Director				
The Company selected Mr. Eiichi Suzuki as candidate for Director as he has a wealth of experience and excellent track record in the areas including finance and accounting, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				
4	Renomination	April 1983	Joined the Company	44,396 shares
	Takao Yamada (September 27, 1960)	June 2011	Director and General Manager (Tokyo Sales Department), Nisshin Flour Milling Inc.	
		June 2012	Executive Officer	
		June 2013	Director	
			Managing Director and Division Executive (Sales Division), Nisshin Flour Milling Inc.	
		April 2015	Senior Managing Director and Division Executive (Sales Division), Nisshin Flour Milling Inc.	
		April 2017	Director and President, Nisshin Flour Milling Inc. (to the present)	
		June 2019	Director and Managing Executive Officer	
		June 2022	Director and Senior Managing Executive Officer (to the present)	
			[Director and President (Representative Director), Nisshin Flour Milling Inc.]	
Reason for selecting the candidate for Director				
The Company selected Mr. Takao Yamada as candidate for Director as he has a wealth of experience and excellent track record in management of the flour milling business, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				



No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]		Number of the Company's Shares Held
5	Renomination  Takahiko Iwahashi (October 6, 1964)	April 1987 June 2013  April 2014  June 2015 June 2018  June 2019 June 2020  June 2021  June 2022  April 2023  June 2023  [Director and President (Representative Director), Nisshin Seifun Welna Inc.]	Joined the Company Director and General Manager (R&D Division), Nisshin Foods Inc. Director and General Manger (Processed Foods Division), Nisshin Foods Inc. Executive Officer Managing Director and General Manager (Processed Foods Division), Nisshin Foods Inc. Managing Executive Officer Managing Director and General Manager (Product Management Division), Nisshin Foods Inc. Senior Managing Director and General Manager (Product Management Division), Nisshin Foods Inc. Senior Managing Director, Nisshin Seifun Welna Inc. Director and President, Nisshin Seifun Welna Inc. (to the present) Director and Managing Executive Officer (to the present)	35,416 shares
Reason for selecting the candidate for Director  The Company selected Mr. Takahiko Iwahashi as candidate for Director as he has a wealth of experience and excellent track record in management of the processed food business, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				
6	Renomination Outside Director Independent Director  Kazuhiko Fushiya (January 26, 1944)	April 1967 July 1999 July 2001  July 2002 January 2006 February 2008  January 2009 June 2009 June 2015 [Chairman, The Institute of Internal Auditors - Japan]	Joined the Ministry of Finance Commissioner, National Tax Agency Deputy Governor, National Life Finance Corporation Assistant Chief Cabinet Secretary Commissioner, Board of Audit of Japan Commissioner (President), Board of Audit of Japan Retired Audit & Supervisory Board Member Director (to the present)	8,300 shares
Reason for selecting the candidate for Outside Director and a summary of the expected role  The Company selected Mr. Kazuhiko Fushiya as candidate for Outside Director as he currently provides appropriate advice and supervision over the Company's business execution, based on a wealth of experience and high-level expertise gained through his career in the Ministry of Finance and other governmental organizations where he held important positions, and thus is hoped to continue to fulfill the aforementioned expected role, as the Company pursues sustainable growth and medium- to long-term enhancement of its corporate value. Although Mr. Fushiya has no experience in participating directly in corporate management, except by serving as Outside Director or Outside Audit & Supervisory Board Member, he is believed, for the aforementioned reasons, to be capable of adequately fulfilling the duties of Outside Director.				

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]	Number of the Company's Shares Held	
7	Renomination Outside Director Independent Director  Motoo Nagai (March 4, 1954)	April 1977 April 2005 April 2007 April 2011 June 2011 April 2014 June 2014 June 2015 June 2019 [Outside Director, Nissan Motor Co., Ltd.]	Joined Industrial Bank of Japan, Limited Executive Officer, Mizuho Corporate Bank, Ltd. Managing Executive Officer, Mizuho Corporate Bank, Ltd. Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd. Deputy President (Representative Director) and Deputy President - Executive Officer, Mizuho Trust & Banking Co., Ltd. Commissioner, Mizuho Trust & Banking Co., Ltd. Retired as Commissioner, Mizuho Trust & Banking Co., Ltd. Audit & Supervisory Board Member Director (to the present)	1,700 shares
Reason for selecting the candidate for Outside Director and a summary of the expected role				
The Company selected Mr. Motoo Nagai as candidate for Outside Director as he currently provides appropriate advice and supervision over the Company's business execution, based on his wealth of experience and broad-based insight gained through management of financial institutions, and thus is hoped to continue to fulfill the aforementioned expected role, as the Company pursues sustainable growth and medium- to long-term enhancement of its corporate value.				
8	Renomination Outside Director Independent Director  Nobuhiro Endo (November 8, 1953)	April 1981 April 2006  April 2009 June 2009 April 2010 April 2016 June 2019 June 2022 [Executive Advisor, NEC Corporation] [Outside Director, Japan Exchange Group, Inc.] [Outside Director, Sumitomo Pharma Co., Ltd.] [Outside Director, Tokio Marine Holdings, Inc.] [Vice Chair, KEIDANREN (Japan Business Federation)]	Joined NEC Corporation Senior Vice President and Executive General Manager (Mobile Network Operations Unit), NEC Corporation Executive Vice President, NEC Corporation Executive Vice President and Member of the Board, NEC Corporation President (Representative Director), NEC Corporation Chairman of the Board (Representative Director), NEC Corporation Chairman of the Board, NEC Corporation Executive Advisor, NEC Corporation (to the present) Director (to the present)	700 shares
Reason for selecting the candidate for Outside Director and a summary of the expected role				
The Company selected Mr. Nobuhiro Endo as candidate for Outside Director as he currently provides appropriate advice and supervision over the Company's business execution, based on his wealth of experience and broad-based insight as corporate executive, and thus is hoped to continue to fulfill the aforementioned expected role, as the Company pursues sustainable growth and medium- to long-term enhancement of its corporate value.				

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]		Number of the Company's Shares Held
9	New candidate	April 1990	Joined the Company	19,500 shares
	Seiichiro Takahashi (December 27, 1966)	February 2014	Manager (Fukuoka Plant), Nisshin Flour Milling Inc.	
June 2019		Director and Manager (Tsurumi Plant), Nisshin Flour Milling Inc.		
		June 2023	Executive Officer and Division Executive (Technology and Engineering Division) (to the present)	
Reason for selecting the candidate for Director				
The Company selected Mr. Seiichiro Takahashi as candidate for Director as he has a wealth of experience and excellent track record in the areas including production management and technology development, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				
10	New candidate	April 1989	Joined the Company	16,258 shares
	Shinichi Ikeda (November 21, 1965)	June 2017	Director and President, Thai Nisshin Technomic Co., Ltd.	
November 2020		Senior Managing Director (In charge of Sales Division), Tokatsu Foods Co., Ltd.		
June 2021	Director and President, Tokatsu Foods Co., Ltd. (to the present)			
		[Director and President (Representative Director), Tokatsu Foods Co., Ltd.]		
Reason for selecting the candidate for Director				
The Company selected Mr. Shinichi Ikeda as candidate for Director as he has a wealth of experience and excellent track record in management of the prepared dishes and other prepared foods business, and thus is considered to possess the requisite skills and qualities for the Company to pursue sustainable growth and medium- to long-term enhancement of corporate value.				

- Notes:
- No actual conflict of interest exists between the Company and any of the above candidates.
  - Under the provision of Article 427, Paragraph 1 of the Companies Act, the Company has concluded liability limitation agreements with Mr. Kazuhiko Fushiya, Mr. Motoo Nagai, and Mr. Nobuhiro Endo which limit the amount of liability for damages set forth in Article 423, Paragraph 1 thereof, to the sum of the amount set forth in each item of Article 425, Paragraph 1 thereof, provided that their duties are performed in good faith and without gross negligence.
  - The Company has entered into a directors and officers liability insurance contract with an insurance company, as provided in Article 430-3, Paragraph 1 of the Companies Act, insuring Directors, Audit & Supervisory Board Members, Executive Officers, and important employees, etc. of the Company and its domestic subsidiaries, under which damages arising from insureds' liability borne from the performance of their duties, or from claims in pursuit of that liability, shall be compensated. If each candidate is elected and assumes office as a Director, each Director will be included as the insured under this insurance contract. In addition, the Company plans to renew this insurance contract under similar conditions, at the time of the next renewal.
  - Mr. Shinichi Ikeda is scheduled to assume office as Director and President (Representative Director), Nisshin Seifun Delica Frontier Inc. on June 26, 2024.
  - Information on candidates for Outside Directors
    - Mr. Kazuhiko Fushiya, Mr. Motoo Nagai, and Mr. Nobuhiro Endo are candidates for Outside Directors. The Company has selected them as Independent Directors due to their satisfying the "Independence Standards for Outside Directors," which are stipulated by the Company based on the criteria concerning independence set forth by the Tokyo Stock Exchange, Inc. (and posted on the Company's website ([https://www.nisshin.com/uploads/governance\\_is.pdf](https://www.nisshin.com/uploads/governance_is.pdf))) with the necessary notification provided thereto.
    - Mr. Kazuhiko Fushiya is currently an Outside Director for the Company, whose term in office will be about nine years at the time of the conclusion of this Ordinary General Meeting of Shareholders. Furthermore, he was an Outside Audit & Supervisory Board Member for the Company before his appointment as an Outside Director and so has been with the Company for about fifteen years since his appointment as an Outside Audit & Supervisory Board Member.
    - Mr. Motoo Nagai is currently an Outside Director for the Company, whose term in office will be about five years at the time of the conclusion of this Ordinary General Meeting of Shareholders. Furthermore, he was an Outside Audit & Supervisory Board Member for the Company before his appointment as an Outside Director and so has been with the Company for about nine years since his appointment as an Outside Audit & Supervisory Board Member.

- (4) Mr. Nobuhiro Endo is currently an Outside Director for the Company, whose term in office will be about two years at the time of the conclusion of this Ordinary General Meeting of Shareholders.
- (5) Mr. Nobuhiro Endo is scheduled to assume office as an outside director of Kikkoman Corporation on the day of its ordinary general meeting of shareholders to be held in June 2024.
- (6) Nissan Motor Co., Ltd. (“Nissan”), for which Mr. Motoo Nagai served as an outside audit & supervisory board member (full-time) until June 2019 and serves as an outside director from the same month, received a recommendation from the Japan Fair Trade Commission on March 7, 2024 related to the transactions with subcontractors since Nissan was found to have committed a violation of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (reduction of subcontract fees). Mr. Motoo Nagai had not been aware of this matter beforehand. However, he has regularly provided suggestions at meetings of the board of directors and other such meetings from the standpoint of compliance with laws and regulations, and after becoming aware of this matter, he has appropriately fulfilled his duties by providing instructions regarding thorough investigation and prevention of reoccurrence of such misconduct.
- (7) Japan Exchange Group, Inc., for which Mr. Nobuhiro Endo serves as an outside director, received a business improvement order from the Financial Services Agency on November 30, 2020, in response to a failure that occurred on October 1, 2020, in the stock trading system of its subsidiary, the Tokyo Stock Exchange, Inc. (hereinafter referred to as the “TSE”), and the resulting all-day trading halt on the TSE, citing deficiencies in the settings of the automatic switching function of the failed equipment and the TSE’s insufficient rules regarding the resumption of trading. Before the occurrence of the fact, Mr. Nobuhiro Endo had been providing suggestions at meetings of the company’s board of directors on how the market should be operated to ensure stability and reliability as appropriate. After the occurrence of the fact, he appropriately fulfilled his duties as a member of the Investigation Committee established by the company, evaluating and making recommendations regarding the true cause of the failure, the appropriateness of pre- and post-response measures, and measures to prevent recurrence, as well as reporting at meetings of the company’s board of directors on the status and results of the Committee’s investigation.
- (8) Tokio Marine & Nichido Fire Insurance Co., Ltd., a subsidiary of Tokio Marine Holdings, Inc., for which Mr. Nobuhiro Endo serves as an outside director, received a business improvement order on December 26, 2023 from the Financial Services Agency, which cited acts considered to be in conflict with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, inappropriate conduct in light of the intent of that act, and underlying issues in that company’s approach. Mr. Nobuhiro Endo had not been aware of this matter beforehand. However, he has regularly provided suggestions at meetings of the board of directors and other such meetings from the standpoint of strengthening internal controls and compliance with laws and regulations, and after becoming aware of these issues, he has appropriately fulfilled his duties by providing instructions regarding thorough investigation, analysis of the root cause and prevention of reoccurrence of such misconduct.

**Proposal No. 3: Election of One (1) Director Who Is a Member of the Audit & Supervisory Committee**

At the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of one (1) Director who is a member of the Audit & Supervisory Committee, Mr. Takaharu Ando, will expire.

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

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

Name		Current Position and Responsibility in the Company	Attendance at meetings of the Board of Directors (Times)
Takaharu Ando	Renomination Outside Director Independent Director	Director (Audit & Supervisory Committee Member)	12/13 (92.3%)

Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]	Number of the Company's Shares Held
Renomination Outside Director Independent Director  Takaharu Ando (August 31, 1949)	April 1972      Joined National Police Agency September 1994      Chief of Gunma Prefectural Police Headquarters August 1999      Director of Public Security Bureau of Tokyo Metropolitan Police Department August 2004      Director General of Commissioner General's Secretariat of National Police Agency August 2007      Deputy Commissioner General of National Police Agency June 2009      Commissioner General of National Police Agency October 2011      Retired from National Police Agency June 2022      Director (Audit & Supervisory Committee Member) (to the present) [Outside Director, AMUSE INC.] [Outside Director, ZENSHO HOLDINGS CO., LTD.] [Outside Director, TOBU RAILWAY CO., LTD.] [Outside Director, Rakuten Group, Inc.]	0 shares

Reason for selecting the candidate for Outside Director who is a member of the Audit & Supervisory Committee and a summary of the expected role

The Company selected Mr. Takaharu Ando as candidate for Outside Director who is a member of the Audit & Supervisory Committee as he has been diligently performing auditing and supervising duties as an Outside Director who is a member of the Audit & Supervisory Committee, based on his wealth of experience and broad-based insight gained through his career in the National Police Agency and other governmental organizations where he held important positions, and thus is hoped to continue to fulfill the aforementioned expected role from an objective standpoint. Although Mr. Ando has no experience in participating directly in corporate management, except by serving as Outside Director, he is believed, for the aforementioned reasons, to be capable of adequately fulfilling the duties of Outside Director who is a member of the Audit & Supervisory Committee.

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

- criteria concerning independence set forth by the Tokyo Stock Exchange, Inc. (and posted on the Company's website ([https://www.nisshin.com/uploads/governance\\_is.pdf](https://www.nisshin.com/uploads/governance_is.pdf))) and has provided the necessary notification thereto.
- (2) Mr. Takaharu Ando is currently an Outside Director who is a member of the Audit & Supervisory Committee for the Company, whose term in office will be about two years at the time of the conclusion of this Ordinary General Meeting of Shareholders.

Reference: Expertise, etc., of (prospective) Directors after this Ordinary General Meeting of Shareholders (skills matrix)

Name	Corporate management and management strategy	Global	Finance and accounting	Legal and risk management	Human resources management and human resource development	Environment and society	Sales and marketing (including E-commerce, etc.)	Procurement and production	Technology, digital, and R&D
Kenji Takihara	●	●		●		●		●	●
Naoto Masujima	●	●		●	●	●		●	
Eiichi Suzuki			●	●	●				
Seiichiro Takahashi				●		●		●	●
Takao Yamada	●				●		●	●	●
Takahiko Iwahashi	●				●		●	●	●
Shinichi Ikeda	●	●			●		●	●	●
Kazuhiko Fushiya		●	●	●		●			
Motoo Nagai	●	●	●				●		
Nobuhiro Endo	●	●			●		●	●	●
Shoh Ohuchi			●	●					
Mieko Tomita				●	●				
Takaharu Ando		●		●	●	●			
Hiroto Kaneko		●	●						

**Proposal No. 4: Renewal of the Resolution to Approve Gratis Allotment of Subscription Rights to Shares for Securing and Improving Corporate Value of the Company and the Common Interests of the Shareholders**

With the aim of securing and improving the corporate value of the Company and the common interests of the shareholders, the Company has introduced measures using a gratis allotment of subscription rights to shares in line with Article 45 of its Articles of Incorporation and the “Approval of Gratis Allotment of Subscription Rights to Shares for Securing and Improving the Corporate Value of the Company and the Common Interests of the Shareholders,” as approved by the 162<sup>nd</sup> Ordinary General Meeting of Shareholders, held on June 28, 2006. Thereafter, in accordance with the approval at the 177<sup>th</sup> Ordinary General Meeting of Shareholders, held on June 25, 2021 (hereinafter referred to as the “2021 Approval Resolution”), a resolution was passed for the renewal of said measures at the Company’s Board of Directors Meeting held on the same date. The period for which the 2021 Approval Resolution is in force is stipulated as terminating at the close of the first Board of Directors Meeting held following the conclusion of this Ordinary General Meeting of Shareholders. Thus, the Company plans to renew the 2021 Approval Resolution with some changes, and requests approval for the gratis allotment of subscription rights to shares as stipulated in <Contents of the Approval Resolution> Paragraph 1 with the supplementary conditions contained from Paragraph 2 (1) below, in accordance with Article 45 of the Articles of Incorporation. (Hereinafter, a resolution passed approving this proposal shall be referred to as the “Approval Resolution,” and measures employed by the Board of Directors utilizing the gratis allotment of subscription rights to shares in accordance with the contents of the Approval Resolution shall be referred to as the “Plan.” For further explanation of the Plan, please refer to the materials titled “Notice Concerning the Renewal of Proper Countermeasures to Secure and Improve Corporate Value and Common Interests of Shareholders (Takeover Response Policies),” which are attached at the end of this proposal.)

Any terms used in this proposal whose definition is dependent upon the provisions of the Financial Instruments and Exchange Act (Act No. 25, April 13, 1948; as amended) shall be interpreted as equivalent terms in accordance with the provisions of any subsequent revisions to the Financial Instruments and Exchange Act.

<Contents of the Approval Resolution>

1. In order to secure and improve the corporate value of the Company and the common interests of the shareholders, the Board of Directors may implement the gratis allotment of subscription rights to shares of which the exercise is restricted for a Specified Acquirer and Related Parties (see Note 1) (hereinafter referred to as “Subscription Rights to Shares”), in accordance with the supplementary conditions from Paragraph 2 (1) below. The Board of Directors may stipulate in advance matters pertaining to the gratis allotment of Subscription Rights to Shares in case a Specified Acquirer (see Note 2) appears, and may also stipulate any matters or measures required for the smooth implementation of the Plan, including details pertaining to the procedures contained in Paragraph 2 below.

A “Specified Acquisition” under Article 45, Paragraph 2 of the Articles of Incorporation shall mean any act prescribed by the Board of Directors that falls under either item [1] or [2] as follows (see \*1-1):

[1] An act of purchase, etc. (see \*1-3) of the Company’s share certificates, etc. (Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act), any other acquisition (see \*1-4) of the Company’s share certificates, etc., or composition of a relationship (see \*1-6) in which a third party falls under the category of a Joint Holder (see \*1-5) that would result in the holding ratio of share certificates, etc. (see \*1-2) by a Holder (a holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including one who is included in the holder pursuant to Paragraph 3 of the same article) reaching or exceeding 20% of the Company’s share certificates, etc.

[2] An act of commencing a tender offer on the Company’s share certificates, etc. (Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act) that would result in the ownership ratio of share certificates, etc. (Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act) reaching or exceeding 20% of the Company’s share certificates, etc., after the purchase, etc. However, this refers to the combined ownership ratio of the Company’s share certificates, etc. of its Specially Related Party (Article 27-2,



Paragraph 7 of the Financial Instruments and Exchange Act) to the Tender Offeror (Article 27-3, Paragraph 2 of the Financial Instruments and Exchange Act) after the purchase, etc. (see \*1-7).

- \*1-1: (x) The acquisition of the Company's share certificates, etc., through the issuance of share certificates, etc., or the disposition of its own share certificates, etc. (including those implemented in association with mergers, share-exchanges, share-transfers, company splits, and partial share exchanges conducted by the Company) is not included in the term "Specified Acquisition." (y) If the holding ratio of the Company's share certificates, etc., reaches or exceeds 20% solely due to the Company's acquisition or cancellation of its own share certificates, etc., or other acts prescribed by the Board of Directors, any subsequent increase in such holding ratio of share certificates, etc., by 1% or more by means other than such acts shall be included in the term "Specified Acquisition" as described in [1]. (z) In administering the Plan, the Company's confirmation or recognition of the "holding ratio of share certificates etc.," "Holder," "Joint Holder," "ownership ratio of share certificates etc.," "Specially Related Party," "Specified Acquirer and Related Parties," "substantial controller," and other necessary matters shall be made in reliance on information reasonably available to the Company at the time such confirmation or recognition is required.
- \*1-2: Calculation method prescribed by the Board of Directors based on Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act (see \*1-5 below).
- \*1-3: The term "purchase, etc." refers to a purchase, etc., as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act, including those conducted on the financial instruments exchange market.
- \*1-4: Including acts that fall under the category of holder as defined in Article 27-23, Paragraph 1 or Paragraph 3 of the Financial Instruments and Exchange Act.
- \*1-5: The term "Joint Holder" refers to a joint holder as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including one who shall be deemed to be a joint holder pursuant to Paragraph 6 of the same article. A Specially Related Party as defined in Article 27-2, Paragraph 7 of the same act shall be deemed to be the holder's Joint Holder within the meaning of a "Specified Acquisition" as described in [1] above (the same shall apply in the Plan, including the calculation of the holding ratio of share certificates, etc.).
- \*1-6: Including relationships that fall under the category of Specially Related Party (Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act).
- \*1-7: A "Specified Acquisition" shall be deemed to have been made when the business day following the day on which a public notice of the commencement of the tender offer is given has arrived. As a general rule, the "Ownership Ratio of Share Certificates, etc., after the purchase, etc." shall be determined in accordance with the description in the Tender Offer Statement of the relevant tender offer.

(Note 1) "Specified Acquirer and Related Parties" shall be the parties defined by the Board of Directors as a Specified Large-Scale Owner (see \*2-1), a Specified Tender Offeror (see \*2-2), and their Joint Holder and/or their Specially Related Party (including parties that shall be substantially the same as these).

- \*2-1: The term "Specified Large-Scale Owner" refers to a Holder of share certificates, etc., of the Company whose holding ratio of share certificates, etc., has reached or exceeded 20% as a result of a Specified Acquisition that has not obtained a Confirmation Resolution (as described in Paragraph 2 (2) below; the same applies hereinafter).
- \*2-2: The term "Specified Tender Offeror" refers to a party who has conducted a Specified Acquisition as set forth in [2] above and has not obtained a Confirmation Resolution by the time of such Specified Acquisition. Any party that subsequently becomes a "Specified Large-Scale Owner" shall be treated as a "Specified Large-Scale Owner."

(Note 2) The term "Specified Acquirer" refers to a Specified Large-Scale Owner and a Specified Tender Offeror (see \*2-3).

- \*2-3: However, the Company, the Company's subsidiaries, employee shareholding associations of the Company or any of the Company's subsidiaries, or any other party prescribed by the Board of Directors to be effectively the same as the above shall not fall under the category of the "Specified Large-Scale Owner," "Specified Tender Offeror," or "Specified Acquirer."

2. The supplementary conditions shall be stipulated as follows.

(1) The Board of Directors shall pass a resolution establishing a Corporate Value Committee. Members of the Corporate Value Committee shall be selected exclusively from the Independent Outside Directors of the Company, and resolutions of the Corporate Value Committee shall be passed through a majority of the votes of all members of the Corporate Value Committee.

(2) Parties intending to implement a Specified Acquisition must follow the procedures set forth in the Plan. The Board of Directors shall request that parties intending to implement a Specified Acquisition make an advance written submission of a proposal in relation to a Specified Acquisition to the Company (this proposal shall include any information reasonably requested by the Company, including matters related to an outline of the party intending to implement a Specified Acquisition (including group companies, substantial controllers, and other related parties), the holding status of the Company's shares, etc., the aims of said Acquisition, the Company's management policies and business plans after said Acquisition, evidence used to calculate prices, proof of acquisition funds, any possible impact on the Company's stakeholders, measures to ensure a high level of product safety, quality assurance, and a stable food supply, and information related to Paragraph (4) Items [1] to [5] below. Hereinafter, a proposal containing the necessary information shall be referred to as an "Acquisition Proposal" and a party making an Acquisition Proposal shall be referred to as the "Proposed Acquirer"), and seek a Confirmation Resolution. Parties intending to implement a Specified Acquisition shall make an advance submission of an Acquisition Proposal, and seek a Confirmation Resolution, and shall not implement a Specified Acquisition without a Confirmation Resolution. In order to implement prompt operation of the Plan, the Board of Directors may establish a reply period, and request the provision of additional information in respect to any parties making a proposal regarding a Specified Acquisition, to the Company. As a general rule, in this case, the reply period shall be set with an upper limit of 60 business days, starting from the day on which the provision of information was requested of the Proposed Acquirer by the Board of Directors, and the Corporate Value Committee shall commence its deliberation and discussion upon the expiry of such reply period.

"Confirmation Resolution" refers to a Board of Directors resolution that does not implement the gratis allotment of Subscription Rights to Shares. A Confirmation Resolution of the Company's Board of Directors shall be made according to the Recommendation Resolution of the Corporate Value Committee as set forth in (3) below or the result of the Shareholders' Intentions Confirmation Meeting as set forth in (5).

(3) The Board of Directors shall promptly put any Acquisition Proposal received before the Corporate Value Committee. The Corporate Value Committee shall deliberate said Acquisition Proposal and discuss whether or not to pass a resolution recommending that the Board of Directors passes a Confirmation Resolution in regard to the Specified Acquisition related to said Acquisition Proposal (hereinafter referred to as a "Recommendation Resolution"). The results of the Corporate Value Committee's Recommendation Resolution shall be disclosed. The period for such deliberation and discussion by the Corporate Value Committee shall be 60 business days (or 90 business days for Acquisition Proposals other than those that specify only cash in Japanese currency as consideration and set no upper limit on the number of shares to be purchased) after the Acquisition Proposal is received by the Board of Directors. Only when reasonable grounds exist, the period for the deliberation and discussion may be extended by an upper limit of 30 business days. However, in this case, the grounds for the extension and the intended extension period will be disclosed.

(4) Deliberations and discussion regarding the Recommendation Resolution by the Corporate Value Committee shall be made by faithfully forming an accurate judgment as to whether the Acquisition Proposal secures and improves the Company's corporate value and the common interests of the shareholders. The Corporate Value Committee must issue a Recommendation Resolution for an Acquisition Proposal that meets all of the grounds falling under [1] to [5] below (hereinafter referred to as "Grounds for Consideration") and secures and improves the Company's corporate value and the common interests of the shareholders.

- [1] The acquisition does not fall under any of the following types of action:
- (i) Buyout of the Company's shares to demand that the Company or its related party purchase said shares at an inflated price;
  - (ii) Management that achieves an interest for the Proposed Acquirer (including its group company or other related party, hereinafter the same shall apply) to the detriment of the Company, such as temporary control of the Company's management for transfer of the Company's material assets;
  - (iii) Diversion of the Company's assets to secure or repay debts of the Proposed Acquirer; and
  - (iv) Action unjustly causing harm to an important foundation of the creation of the Company's medium- to long-term corporate value and the common interests of the shareholders, such as the action of taking temporary control of the Company's management to decrease the assets, funds, etc., that are required for the Company's business expansion, product development, etc., for years ahead, and the action of causing harm to the cooperative relations with the Company's shareholders, business partners, customers, employees, etc.
- [2] The scheme, content, etc., of the deal proposed by the Acquisition Proposal comply with relevant laws and regulations.
- [3] The scheme and content of the deal proposed by the Acquisition Proposal do not threaten to have the effect of compelling shareholders of the Company to sell their shares.
- [4] The true information necessary for deliberations on the Acquisition Proposal is provided in the appropriate timing, such as upon request of the Company.
- [5] The period for the Company to deliberate the Acquisition Proposal (reply period and the period of review and deliberation by the Corporate Value Committee set forth in the Plan) is secured.

In case the Corporate Value Committee issues the Recommendation Resolution, the Board of Directors must make the Confirmation Resolution promptly, unless there are particular reasons that are obviously against the directors' duty of care. The gratis allotment of Subscription Rights to Shares cannot be made against the Specified Acquisition for which the Confirmation Resolution is made.

- (5) If the Corporate Value Committee has not reached a Recommendation Resolution and the Acquisition Proposal falls under all of the Grounds for Consideration in [2], [4], and [5] above, the Board of Directors may hold a General Meeting of Shareholders to confirm the intentions of the shareholders prior to execution of the gratis allotment of Subscription Rights to Shares (meaning a general shareholders meeting at which advisory resolutions will be made, hereinafter referred to as the "Shareholders' Intentions Confirmation Meeting"), taking into consideration various circumstances, including the opinion of the Corporate Value Committee, the details of the Specified Acquisition, and the time required for holding the General Meeting of Shareholders. In such case, the Board of Directors shall disclose the details such as the record date for the exercise of voting rights, the scope of shareholders who may exercise their voting rights, and the date and time of the Shareholders' Intentions Confirmation Meeting, in accordance with applicable laws and regulations. A resolution of the Shareholders' Intentions Confirmation Meeting shall be passed by a majority of the voting rights of the shareholders present at the Shareholders' Intentions Confirmation Meeting who are entitled to exercise their voting rights. In the event that the Board of Directors holds a Shareholders' Intentions Confirmation Meeting and a resolution for approval of the gratis allotment of Subscription Rights to Shares is not obtained at the Shareholders' Intentions Confirmation Meeting, the Board of Directors shall pass a Confirmation Resolution and shall not implement the gratis allotment of Subscription Rights to Shares in response to the Specified Acquisition for which the Confirmation Resolution has been obtained.
- (6) If there is a situation where a Specified Acquisition is implemented for which a Confirmation Resolution has not been obtained, the Board of Directors shall implement the gratis allotment of Subscription Rights to Shares, after passing a resolution to designate a record date for the gratis allotment, an effective date for the gratis allotment, and other necessary matters in respect to the gratis allotment of Subscription Rights to Shares, and publicizing the items of the resolution. Also, if it is revealed that the holding ratio of the Company's

share certificates, etc., by the Specified Acquirer falls below 20% by a date that is to be specified elsewhere by the Board of Directors, which shall be earlier than the record date for the gratis allotment (including cases where the Board of Directors deems special circumstances to have arisen to this effect), the Board of Directors may choose not to effect a gratis allotment of Subscription Rights to Shares.

3. The valid period of the Approval Resolution (equivalent to the valid period stipulated under Article 45, Paragraph 1 of the Articles of Incorporation) shall terminate at the close of the first Board of Directors Meeting held after the conclusion of the Ordinary General Meeting of Shareholders held in respect to the last business year to end within three years of the Approval Resolution coming into effect. (However, in the case that parties intending to implement a Specified Acquisition or a Specified Acquirer have appeared at this time, the Approval Resolution shall remain effective as a countermeasure to said parties intending to implement a Specified Acquisition or Specified Acquirer and Related Parties.) The Approval Resolution shall also apply to all resolutions of the Board of Directors passed in relation to the gratis allotment of Subscription Rights to Shares implemented during the above valid period.

End

<Reference: Published Materials of the Company Dated May 15, 2024 (some parts of the attached materials have been omitted)>

### **Notice Concerning the Renewal of Proper Countermeasures to Secure and Improve Corporate Value and Common Interests of Shareholders (Takeover Response Policies)**

Approvals were given to the Company by a majority at the 162<sup>nd</sup> Ordinary General Meeting of Shareholders, held on June 28, 2006, for Article 45 of the Articles of Incorporation and, under said Article, the “Approval of Gratis Allotment of Subscription Rights to Shares for Securing and Improving the Corporate Value of the Company and the Common Interests of the Shareholders.” Accordingly, measures were introduced utilizing the gratis allotment of subscription rights to shares in respect of acquisitions, etc., of 20% or more of the Company’s shares. Thereafter, in accordance with the approval at the 177<sup>th</sup> Ordinary General Meeting of Shareholders, held on June 25, 2021 (hereinafter referred to as the “2021 Approval Resolution”), a resolution was passed for the renewal of said measures at the Company’s Board of Directors Meeting held on the same date (the measures implemented as of this date shall be hereinafter referred to as the “Existing Plan”).

The Company hereby gives notice that, in response to the fact that the valid period for the 2021 Approval Resolution terminates at the close of the first Board of Directors Meeting to be held after the 180<sup>th</sup> Ordinary General Meeting of Shareholders (hereinafter referred to as the “Ordinary General Meeting of Shareholders”), scheduled for June 26, 2024, a resolution was passed at the Company’s Board of Directors Meeting on May 15, 2024, to present a proposal (hereinafter referred to as the “Approval Resolution Proposal,” and the shareholders’ approval thereof shall be hereinafter referred to as the “Approval Resolution”) to the Ordinary General Meeting of Shareholders proposing the three-year renewal of the General Meeting of Shareholders’ Approval Resolution with some changes from the 2021 Approval Resolution, in accordance with Article 45 of the Articles of Incorporation from the viewpoint of securing and improving corporate value of the Company and the common interests of the shareholders. The contents of the Approval Resolution are composed of the basic content of measures (hereinafter referred to as the “Plan”) utilizing the gratis allotment of subscription rights to shares, as employed by the Board of Directors.

The Plan aims to ensure sufficient advance disclosure of information concerning a Specified Acquisition (see Note 1) and a reasonable period for deliberations and discussions, thereby securing and improving corporate value of the Company and the common interests of the shareholders. In order to allow the shareholders to reflect their views on this matter, the Company has decided to place the Approval Resolution Proposal before the Ordinary General Meeting of Shareholders, seeking prior approval for the Board of Directors to pass a resolution introducing the Plan. Should this be passed, the Board of Directors plans to pass a resolution regarding the gratis allotment of subscription rights to shares in accordance with the contents of the Approval Resolution and other matters related to the Plan, at the first Board of Directors Meeting held after the Ordinary General Meeting of Shareholders.

The main changes in the Approval Resolution Proposal are as follows:

- Rearranging and clarifying the definitions of the terms “Specified Acquisition,” “Specified Acquirer,” “Specified Acquirer and Related Parties,” etc.
- Prescribing measures related to a Shareholders’ Intentions Confirmation Meeting.
- Other revisions such as clarifying the details of an Acquisition Proposal and Grounds for Consideration of the Corporate Value Committee.

As of this date, the Company has not received any proposals for a Specified Acquisition.

(Note 1)

A “Specified Acquisition” refers to any act prescribed by the Board of Directors\* that falls under (i) or (ii) as follows<sup>1</sup>:

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<sup>1</sup> In calculating the holding ratio of share certificates, etc., or the ownership ratio of share certificates, etc., the Company may refer to the latest annual securities report, quarterly securities report, and report on repurchase, etc., with respect to the total number of voting rights (Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act) and total number of issued shares (Article 27-23, Paragraph 4 of the same act), etc.

- (i) An act of purchase, etc., of the Company's share certificates, etc., any other acquisition of the Company's share certificates, etc., or composition of a relationship in which a third party falls under the category of a Joint Holder, that would result in the holding ratio of share certificates, etc., by a Holder of the Company's share certificates, etc., reaching or exceeding 20% of the Company's share certificates, etc.;
- (ii) An act of commencing a tender offer on the Company's share certificates, etc., that would result in the ownership ratio of share certificates, etc., reaching or exceeding 20% of the Company's share certificates, etc., after the purchase, etc. However, this refers to the combined ownership ratio of the Company's share certificates, etc. of its Specially Related Party to the Tender Offeror after the purchase, etc.

\*If the Approval Resolution Proposal is adopted by the Ordinary General Meeting of Shareholders, the Company's Board of Directors intends to stipulate the following items [1] and [2] as "Specified Acquisitions" (hereinafter, item [1] being referred to as an "Act of Emerging Specified Large-Scale Owner" and item [2] as an "Act of Specified Tender Offer.")

[1] An act of purchase, etc.,<sup>2</sup> of the Company's share certificates, etc.,<sup>3</sup> any other acquisition<sup>4</sup> of the Company's share certificates, etc., or composition of a relationship<sup>5</sup> in which a third party falls under the category of a Joint Holder<sup>6</sup>, that would result in the holding ratio of share certificates, etc.,<sup>7</sup> by a Holder<sup>8</sup> of the Company's share certificates, etc., reaching or exceeding 20% of the Company's share certificates, etc.

However, (x) the acquisition of the Company's share certificates, etc., through the issuance of share certificates, etc., or the disposition of its own share certificates, etc. (including those implemented in association with mergers, share-exchanges, share-transfers, company splits, and partial share exchanges conducted by the Company) is not included in the term "Specified Acquisition." (y) If the holding ratio of the Company's share certificates, etc., reaches or exceeds 20% solely due to the Company's acquisition or cancellation of its own share certificates, etc., or other acts prescribed by the Board of Directors (acts of reducing the total number of issued shares or the total number of voting rights or compulsorily acquiring the Subscription Rights to Shares (defined in Paragraph II. 1. below) conducted by the Company, or act of exercising the Subscription Rights to Shares), any subsequent increase in such holding ratio of share certificates, etc., by 1% or more by means other than such acts shall be included in the "Act of Emerging Specified Large-Scale Owner."

[2] An act of commencing a tender offer on the Company's share certificates, etc.,<sup>9</sup> that would result in the ownership ratio of share certificates, etc.,<sup>10</sup> reaching or exceeding 20% of the Company's share certificates, etc., after the purchase, etc.

The term "Specified Acquisition" shall be deemed to have been made when the business day following the day on which a public notice of the commencement of the tender offer is given has arrived. As a general

<sup>2</sup> Refers to a purchase, etc., as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act, including those conducted on the financial instruments exchange market. The same shall apply hereinafter in the Plan.

<sup>3</sup> Defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply hereinafter in the Plan unless otherwise provided.

<sup>4</sup> Including acts that result in falling under the category of holder as defined in Article 27-23, Paragraph 1 or Paragraph 3 of the Financial Instruments and Exchange Act. The same shall apply hereinafter in the Plan.

<sup>5</sup> Including relationships that fall under the category of Specially Related Party (Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. The same shall apply hereinafter in the Plan).

<sup>6</sup> Refers to a joint holder as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including one who shall be deemed to be a joint holder pursuant to Paragraph 6 of the same article. A Specially Related Party as defined in Article 27-2, Paragraph 7 of the same act shall be deemed to be the holder's Joint Holder within the meaning of an Act of Emerging Specified Large-Scale Owner. The same shall apply in the Plan, including the calculation of the holding ratio of share certificates, etc.

<sup>7</sup> Defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter in the Plan.

<sup>8</sup> A holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including one who is included in the holder pursuant to Paragraph 3 of the same article. The same shall apply hereinafter in the Plan.

<sup>9</sup> Defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act.

<sup>10</sup> Defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. However, this refers to the combined ownership ratio of the Company's share certificates, etc., of its Specially Related Party to the Tender Offeror (Article 27-3, Paragraph 2 of the Financial Instruments and Exchange Act).

rule, the “Ownership Ratio of Share Certificates, etc., after the purchase, etc.” shall be determined in accordance with the description in the Tender Offer Statement of the relevant tender offer.

## **I. Necessity of the Response Policies**

### **1. Measures that contribute to securing and improving corporate value and the common interests of the shareholders**

Nisshin Seifun Group Inc. (the “Company”) and the Nisshin Seifun Group (the “Group”) have developed a variety of businesses in fields such as flour milling, processed foods, healthcare foods, yeast and biotechnology, prepared dishes and other prepared foods, engineering, and mesh cloths, with the Company acting as holding company.

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

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

The Group is advancing the three following Basic Policies of the “Nisshin Seifun Group Medium-Term Management Plan 2026” (five-year medium-term management plan from the fiscal year ended March 31, 2023 through the fiscal year ending March 31, 2027) toward realizing our Group vision: “Stimulate the Group’s ability to grow by restructuring the business portfolio,” “Enhance management by clarifying our business relationships toward our stakeholders,” and “Integrate ESG into management strategy, implement by adapting to social trends.” We are creating sustainable growth by tackling head-on changes in the business environment caused by social issues and technological innovation. At the same time, by creating a cycle of added value that benefits society as a whole, we are contributing to a more sustainable society.

Through these initiatives, the Group intends to solidify its business platform in line with the basic management policy of maximizing long-term corporate value and the common interests of the shareholders. Furthermore, as a corporate group involved in food, we are confident that it is the responsibility of the Group as a whole, and also a source and a foundation of corporate value and the common interests of the shareholders, to guarantee a high level of safety and quality in our products, and to consistently ensure the stable supply of food, including wheat flour and other staple foods for the people, thereby contributing to the Group’s sustainable growth, enhancing medium- to long-term corporate value, and securing and improving the common interests of the shareholders.

### **2. Aims of the introduction and renewal of the Plan**

In light of the legal system and corporate culture surrounding corporate takeovers in Japan and changes in the management environment, large-scale acquisitions with the aim of obtaining a controlling share in the Company or acquisition proposals that will have a serious impact on the Company’s basic management policies can be expected in the future.

As a listed company, we are aware that it is the shareholders who ought to make the final decision and judgment as to whether or not an acquisition of the Company’s shares should be accepted.

On the other hand, it is also well known that, depending on the conditions, some share acquisitions could cause damage to the Company’s corporate value and the common interests of the shareholders. Examples of acquisitions that could damage corporate value or the common interests of the shareholders include acquisitions that aim to achieve temporary control of the management in order to transfer the Company’s intellectual property,

know-how, confidential business information, and major clients or customers, all of which are necessary for the Company's long-term sustainable development, to the acquirer or its group companies, acquisitions which aim to use the Company's assets as repayment resources or loan collateral for the acquirer after control of the Company's management has been gained, acquisitions that unjustly damage an important foundation of the creation of the Company's medium- to long-term corporate value and the common interests of the shareholders, such as reserve assets and funds to be used in the Company's business expansion, product development, etc., for years ahead, and cooperative relations with the Company's shareholders, business partners, customers, employees, etc., and acquisitions that do not truly intend to participate in management of the Company but which aim to force the Company or related parties to purchase Company shares at high prices (so-called "greenmail"). Other acquisitions initially restrict the number of shares purchased to, for example, 51% and do not invite the acquisition of all shares, which effectively force the sale of shares by the shareholders by failing to disclose later acquisition terms or by setting unfavorable terms, and consequently damage the profits of any remaining minority shareholders.

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

In light of the above, the Company regards the renewal of the Plan to be required as a necessary and reasonable measure to secure and improve the corporate value of the Company and the common interests of the shareholders.

## **II. Outline of the Plan**

### **1. Renewal Procedures**

In the case that the "Renewal of the Resolution to Approve Gratis Allotment of Subscription Rights to Shares for Securing and Improving Corporate Value of the Company and the Common Interests of the Shareholders" is approved by the Ordinary General Meeting of Shareholders, the Board of Directors plans to pass a resolution (hereinafter referred to as the "Board of Directors Resolution") in relation to the Plan, including the gratis allotment (please refer to Appendix 1 for an outline) of subscription rights to shares, with restrictions on the exercise of such rights by Specified Acquirer and Related Parties (please refer to (Note 2)) (hereinafter referred



to as “Subscription Rights to Shares”). However, the gratis allotment of Subscription Rights to Shares shall only become effective upon the appearance of a Specified Acquirer (Note 3), meaning that Subscription Rights to Shares will not be issued at the time when the Board of Directors Resolution is passed. We believe that the advance disclosure of the details of any gratis allotment of Subscription Rights to Shares will benefit both shareholders and investors from the point of view of predictability, and as far as possible we intend to resolve on and disclose the contents of any gratis allotment of Subscription Rights to Shares.

(Note 2)

“Specified Acquirer and Related Parties” shall be the parties defined by the Board of Directors as a Specified Large-Scale Owner,<sup>11</sup> a Specified Tender Offeror<sup>12</sup>, and their Joint Holder and/or their Specially Related Party (including parties that shall be substantially the same as these)\*.

\*If the Approval Resolution Proposal is adopted by the Ordinary General Meeting of Shareholders, the Company’s Board of Directors intends, in accordance with the contents of the Approval Resolution, that “Specified Acquirer and Related Parties” are stipulated as follows:

- (i) A Specified Large-Scale Owner
- (ii) A Joint Holder of the Specified Large-Scale Owner (including a Specially Related Party of the Specified Large-Scale Owner)
- (iii) A Specified Tender Offeror
- (iv) A Specially Related Party of the Specified Tender Offeror
- (v) Parties that the Board of Directors reasonably deems to fall under any of the following items after consultation with the Corporate Value Committee;
  - (a) A person who has been transferred or succeeded the Subscription Rights to Shares from any party who falls under any of Items (i) through (iv) above, without obtaining the Company’s approval; and
  - (b) Related Parties<sup>13</sup> to a party who falls under any of Items (i) through (iv) and (v) (a) above.

(Note 3)

The term “Specified Acquirer” refers to a Specified Large-Scale Owner and a Specified Tender Offeror. However, the Company, the Company’s subsidiaries, employee shareholding associations of the Company or any of the Company’s subsidiaries, or any other party prescribed by the Board of Directors as equivalent thereto\* shall not fall under the category of the “Specified Large-Scale Owner,” “Specified Tender Offeror,” or “Specified Acquirer.”

\*If the Approval Resolution Proposal is adopted by the Ordinary General Meeting of Shareholders, the Company’s Board of Directors intends to stipulate “persons who hold the Company’s shares on behalf of employee shareholding associations of the Company or any of the Company’s subsidiaries” to be “any other party

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<sup>11</sup> The term “Specified Large-Scale Owner” refers to a Holder of share certificates, etc., of the Company whose holding ratio of share certificates, etc., has reached or exceeded 20% as a result of a Specified Acquisition that has not obtained a Confirmation Resolution (as described in Paragraph II.3. below.)

<sup>12</sup> The term “Specified Tender Offeror” refers to a party who has conducted an Act of Specified Tender Offer and has not obtained a Confirmation Resolution (as described in Paragraph II. 3. below) by the time of such Act of Specified Tender Offer. Any party that subsequently becomes a “Specified Large-Scale Owner” shall be treated as a “Specified Large-Scale Owner.”

<sup>13</sup> The term “Related Parties” refers to (x) persons who substantially control said person, are controlled by said person, are under common control therewith, or (y) persons who have entered into a special agreement with a person falling under (i) through (iv) and (v)(a) above on transfer of the Company’s share certificates, etc., which will be issued in the future caused by name lending or stock loans regarding the Company’s share certificates, etc., or by an exercise or acquisition of the subscription rights to shares, or on any other matters that produces the circumvention of restrictions imposed on a Specified Acquirer under the Plan. The Company shall not consider a person as a “Related Party” solely on the basis of the fact that he/she exercised his/her shareholder rights to participate in or supervise or correct management of the Company in sympathy with a Specified Acquirer. In judging whether or not a partnership or a fund is a Related Party, the substantial identity of the fund manager and/or any other circumstances will be taken into consideration.

prescribed by the Board of Directors as equivalent thereto,” the same as per the Existing Plan in accordance with the contents of the Approval Resolution.

## **2. Corporate Value Committee**

The Corporate Value Committee was established through a resolution of the Board of Directors. The Corporate Value Committee is composed of three or more members, who are selected exclusively from the Independent Outside Directors of the Company. It is planned that the Company’s candidates for Independent Outside Directors, Mr. Kazuhiko Fushiya, Mr. Motoo Nagai, and Mr. Nobuhiro Endo, and a candidate for Independent Outside Director (Audit & Supervisory Committee Member), Mr. Takaharu Ando, and Independent Outside Directors (Audit & Supervisory Committee Members), Ms. Mieko Tomita and Mr. Hiroto Kaneko, shall be appointed as members of the Corporate Value Committee. (The appointments, excluding for Ms. Mieko Tomita and Mr. Hiroto Kaneko, are dependent upon their selection as Directors during the Ordinary General Meeting of Shareholders.)

## **3. Procedure of the Plan**

The Plan aims to ensure the advanced disclosure of necessary and sufficient information to shareholders and investors of the Company regarding the impact of a Specified Acquisition on the Company’s corporate value and the common interests of the shareholders, as well as a reasonable period for investigations and discussions, thereby securing and improving the corporate value of the Company and the common interests of the shareholders. Parties intending to implement a Specified Acquisition must follow the procedures set forth in the Plan.

The Board of Directors shall request that parties intending to implement a Specified Acquisition make an advance written submission of a proposal in relation to a Specified Acquisition to the Company (this proposal shall include any information reasonably requested by the Company, including matters related to the party intending to implement a Specified Acquisition (including group companies and other related parties), the aims of said Acquisition, the Company’s management policies and business plans after said Acquisition, evidence used to calculate prices, proof of acquisition funds, any possible impact on the Company’s stakeholders, and information related to Items [1] to [5] below. If the Approval Resolution Proposal is adopted by the Ordinary General Meeting of Shareholders, the Board of Directors intends to set forth the items in Appendix 2 as items to be included in the proposal. Hereinafter, a proposal containing the necessary information shall be referred to as an “Acquisition Proposal” and a party making an Acquisition Proposal shall be referred to as the “Proposed Acquirer,” and seek a Confirmation Resolution. Parties intending to implement a Specified Acquisition shall make an advance submission of an Acquisition Proposal, seek a Confirmation Resolution, and shall not implement a Specified Acquisition without a Confirmation Resolution. Parties intending to implement a Specified Acquisition shall submit the relevant documents under the Plan such as an Acquisition Proposal in Japanese. The Board of Directors shall disclose the fact that it has received the Acquisition Proposal as required by laws and regulations, as well as the Regulations of the Financial Instruments Exchange.

The term “Confirmation Resolution” refers to a Board of Directors resolution that does not implement the gratis allotment of Subscription Rights to Shares.

In order to implement prompt operation of the Plan, the Board of Directors may establish a reply period and request the provision of additional information in respect to any parties making a proposal regarding a Specified Acquisition to the Company. In this case, the reply period shall be set with an upper limit of within 60 business days, starting from the day on which the provision of information was requested of the parties making a proposal regarding a Specified Acquisition by the Board of Directors, and the Corporate Value Committee shall commence its deliberation and discussion upon the expiry of such reply period.

The Board of Directors shall promptly put any Acquisition Proposal received before the Corporate Value Committee and disclose the fact that the deliberation and discussion have started as required by laws and regulations, as well as the Regulations of the Financial Instruments Exchange. The Corporate Value Committee shall deliberate said Acquisition Proposal and discuss whether or not to pass a resolution recommending that the Board of Directors passes a Confirmation Resolution in regard to the Specified Acquisition related to said Acquisition Proposal (hereinafter referred to as a “Recommendation Resolution”). The Recommendation

Resolution shall be passed by a majority of all members of the Corporate Value Committee, and the results of said Recommendation Resolution shall be disclosed.

The period for such deliberation and discussion by the Corporate Value Committee shall be 60 business days (or 90 business days for Acquisition Proposals other than those that specify only cash in Japanese currency as consideration and set no upper limit on the number of shares to be purchased) after the Acquisition Proposal is received by the Board of Directors. Only when reasonable grounds exist, the period for the deliberation and discussion may be extended by an upper limit of 30 business days. However, in this case, the grounds for the extension and the intended extension period will be disclosed.

For the following reasons\*, “business days” have been used in calculating the period of investigation into the impact of an Acquisition Proposal upon the corporate value of the Company and the common interests of the shareholders (including consideration of impacts on a high level of product safety and stable food supply) in light of the circumstances of the Company’s business, scale and content, the circumstances of the Company’s stakeholders, including the shareholders, and status of the legal system.

\* Food is not only indispensable for sustaining human life but also essential as the basis for a healthy and fulfilling life. In the food industry both inside and outside Japan, a stable supply of food is an important issue as worldwide inflation of food prices and costs continues, including the soaring prices of grain and energy. Under such circumstances, the wheat flour handled by the Group is a raw material used in a wide range of food products such as bread, noodles, and confectionery, and the Group is a leading company in the domestic wheat flour market with a 40% share, accomplishing its mission to supply wheat flour not only for home use but also to many food manufacturers.

In order to support Japanese food culture and maintain social functions, the Group has a responsibility to stably supply safe and high-quality wheat flour, and in this respect, the Company is in a unique situation. In addition, the Group has established a system to support the stable supply of food by expanding its overseas operations to North America, Asia, Oceania, and Europe, and pursuing a worldwide optimized production system for each product.

In a continually changing business environment, the Group has always taken on the challenge to be “in tune with the changing business climate” and has taken on the mission of providing a stable supply of products and services. The Group continues to achieve growth through change, including diversification into new business areas and the development of products embodying new concepts. On the other hand, even though the Group’s business environment may change and its business areas may expand, the Group will never change its commitment to reliability backed by safety, which will continue to be manifested in the development and maintenance of thorough quality assurance systems and our continual focus on research and development. This is a lifeline for the corporate value and the common interests of the shareholders of the Group, which handles food products.

In the case a party intending to implement a Specified Acquisition implements a Specified Acquisition, the Company not only examines the purpose of the Specified Acquisition and whether the management policy envisioned by the party after the party participates in the management of the Company is compatible with the Group’s business, but also needs to examine the impact of the management policy and business plan that the party will assume after participating in the management of the Company from a high-level product safety and stable food supply perspectives, and whether the value that could be brought to the Group in the future will be damaged by the change in the management policy and business plan. In this examination and consideration, the Corporate Value Committee also needs to exchange and discuss opinions with related parties, and then consider and formulate an opinion based on future prospects. In addition, given the long history of the Group and the fact that the Group’s business is not limited to flour milling but also includes a wide range of businesses for processed food, healthcare foods, yeast and biotechnology, prepared dishes and other prepared foods, engineering, and mesh cloths, and that the Group is expanding its business nationwide as well as overseas, the Corporate Value Committee needs to evaluate, examine, negotiate, and form opinions about a party intending to implement a Specified Acquisition and its Acquisition Proposal, taking into consideration various factors such as the impact of a Specified Acquisition on the corporate value of the Company and the

common interests of the shareholders, relationships with shareholders, business partners, customers, and other stakeholders, regulations under laws and regulations related to business, and employment.

Deliberations and discussion regarding the Recommendation Resolution by the Corporate Value Committee shall be made by faithfully forming an accurate judgment as to whether the Acquisition Proposal secures and improves the Company's corporate value and the common interests of the shareholders. The Corporate Value Committee must issue a Recommendation Resolution for an Acquisition Proposal that meets all of the grounds falling under [1] to [5] below (hereinafter referred to as "Grounds for Consideration") and secures and improves the Company's corporate value and the common interests of the shareholders.

[1] The acquisition does not fall under any of the following types of action:

- (a) Buyout of the Company's shares to demand that the Company or its related party purchase said shares at an inflated price;
- (b) Management that achieves an interest for the Proposed Acquirer (including its group company or other related party, hereinafter the same shall apply) to the detriment of the Company, such as temporary control of the Company's management for transfer of the Company's material assets;
- (c) Diversion of the Company's assets to secure or repay debts of the Proposed Acquirer; and
- (d) Action unjustly causing harm to an important foundation of the creation of the Company's medium- to long-term corporate value and the common interests of the shareholders, such as the action of taking temporary control of the Company's management to decrease the assets, funds, etc., that are required for the Company's business expansion, product development, etc., for years ahead, and the action of causing harm to the cooperative relations with the Company's shareholders, business partners, customers, employees, etc.

[2] The scheme, content, etc., of the deal proposed by the Acquisition Proposal comply with relevant laws and regulations.

[3] The scheme and content of the deal proposed by the Acquisition Proposal do not threaten to have the effect of compelling shareholders of the Company to sell their shares.

[4] The true information necessary for deliberations on the Acquisition Proposal is provided in the appropriate timing, such as upon request of the Company.

[5] The period for the Company to deliberate the Acquisition Proposal (reply period and the period of deliberation and discussion by the Corporate Value Committee set forth in the Plan) is secured.

A Confirmation Resolution of the Company's Board of Directors shall be made according to the Recommendation Resolution of the Corporate Value Committee or the result of the Shareholders' Intentions Confirmation Meeting as described below. If the Corporate Value Committee issues the Recommendation Resolution, the Board of Directors must make the Confirmation Resolution promptly, unless there are particular reasons that are obviously against the directors' duty of care. The gratis allotment of Subscription Rights to Shares cannot be made against the Specified Acquisition for which the Confirmation Resolution is made.

If the Corporate Value Committee has not reached a Recommendation Resolution and the Acquisition Proposal falls under all of the Grounds for Consideration in [2], [4], and [5] above, the Board of Directors may hold a General Meeting of Shareholders to confirm the intentions of the shareholders prior to execution of the gratis allotment of Subscription Rights to Shares (meaning a general shareholders meeting at which advisory resolutions will be made, hereinafter referred to as "Shareholders' Intentions Confirmation Meeting"), taking into consideration various circumstances, including the opinion of the Corporate Value Committee, the details of the Specified Acquisition, and the time required for holding the General Meeting of Shareholders.

In such case, the Board of Directors shall disclose the details such as the record date for the exercise of voting rights, the scope of shareholders who may exercise their voting rights, and the date and time of the Shareholders' Intentions Confirmation Meeting, in accordance with applicable laws and regulations. A resolution of the Shareholders' Intentions Confirmation Meeting shall be passed by a majority of the voting rights of the shareholders present at the Shareholders' Intentions Confirmation Meeting who are entitled to exercise their voting rights. A Shareholders' Intentions Confirmation Meeting may be held in conjunction with the annual general shareholders meeting or the extraordinary general shareholders meeting. In the event that the Board of

Directors holds a Shareholders' Intentions Confirmation Meeting and a resolution for approval of the gratis allotment of Subscription Rights to Shares is not obtained at the Shareholders' Intentions Confirmation Meeting, the Board of Directors shall pass a Confirmation Resolution and shall not implement the gratis allotment of Subscription Rights to Shares in response to the Specified Acquisition for which the Confirmation Resolution has been obtained.

#### **4. Action Taken Upon the Appearance of a Specified Acquirer**

If a Specified Acquirer appears (determining appearance shall be judged based on a Large-Scale Shareholding Report, a Tender Offer Statement, or by any other appropriate means), or if there is a situation where a Specified Acquisition is implemented for which a Confirmation Resolution has not been obtained, the Board of Directors shall, in addition to disclosing the fact that a Specified Acquirer has appeared, implement the gratis allotment of Subscription Rights to Shares, after passing a resolution to designate a record date for the gratis allotment, an effective date for the gratis allotment, and other necessary matters in respect to the gratis allotment of Subscription Rights to Shares, and publicizing the items of the resolution.

However, if it is revealed that the ratio of holdings of the Company's share certificates, etc., by the Specified Acquirer falls below 20% (including cases where the Board of Directors deems special circumstances to have arisen to this effect\*\*) by a date that is to be specified elsewhere by the Board of Directors, which shall be earlier than the record date for the gratis allotment\*, the Board of Directors may choose not to effect a gratis allotment of Subscription Rights to Shares.

\*If the Approval Resolution Proposal is adopted by the Ordinary General Meeting of Shareholders, in accordance with the contents of the Approval Resolution, the Company's Board of Directors intends to stipulate that "the Company cannot set a day on or later than three business days prior to the record date for a gratis allotment" with regard to "a date that is to be specified elsewhere by the Board of Directors, which shall be earlier than the record date for the gratis allotment," which is the same as per the Existing Plan.

\*\*If the Approval Resolution Proposal is adopted by the Ordinary General Meeting of Shareholders, the Company's Board of Directors intends to stipulate the following cases in accordance with the contents of the Approval Resolution, to be the case "where the ratio of holdings of the Company's share certificates, etc., by the Specified Acquirer falls below 20% (including cases where the Board of Directors deems special circumstances to have arisen to this effect)." These are:

- [1] If a Large-Scale Shareholding Report to the effect that the holding ratio of the Company's share certificates, etc., of a Specified Large-Scale Owner falls below 20% has been submitted by the Specified Large-Scale Owner (if there is more than one, all of them);
- [2] In the case where an Act of Specified Tender Offer was commenced, if said tender offer has been completed or withdrawn, thereby resulting in no appearance of a party whose holding ratio of share certificates, etc., and the ownership ratio of share certificates, etc., is 20% or more, not later than four business days prior to the record date for the gratis allotment; or
- [3] Aside from cases [1] and [2] above, if the Board of Directors reasonably confirms that any threat attributable to the Specified Acquisition has disappeared.

#### **5. Valid Period of the Approval Resolution and the Plan**

The valid period of the Approval Resolution shall terminate at the close of the first Board of Directors Meeting held after the ordinary General Meeting of Shareholders held in 2027. The valid period of the Plan introduced in response to the Approval Resolution shall terminate at the end of the first Board of Directors Meeting held after the ordinary General Meeting of Shareholders held the following year. However, in the case that a party intending to implement a Specified Acquisition or a Specified Acquirer has appeared at the time the valid period of the Approval Resolution or the Plan is due to terminate, said Approval Resolution or the Plan shall continue to be effective as a countermeasure to said party intending to implement a Specified Acquisition and Specified Acquirer and Related Parties.

The confirmation or recognition to be made by the Company on necessary matters—including the holding ratio of share certificates, etc., the Holder, the Joint Holder, the ownership ratio of share certificates, etc., the

Specially Related Party, the Specified Acquirer and Related Parties, the Related Parties, substantially hold, and substantially control—in operating the Plan shall be conducted by drawing on the information reasonably available to the Company at the time when such confirmation or recognition is required.

Any terms used in the Plan for which the definition is dependent on the provisions of the Financial Instruments and Exchange Act (Act No. 25, April 13, 1948; as amended) shall be interpreted as equivalent terms in accordance with the provisions of any subsequent revisions to the Financial Instruments and Exchange Act. In addition, the provisions of the laws and regulations that are referred to in the Plan are assumed to be those in effect as of May 15, 2024. Consequently, should the need arise to modify or revise any relevant articles and/or terms that are set forth in the above provisions due to the revision to or abolishment of laws and regulations on and after the aforementioned date, the Company's Board of Directors may interpret, as required, said articles and terms to the extent reasonably allowed, taking into consideration the intent of the revision or abolition.

## **6. Methods for Increasing the Rationality of the Plan (such as special measures to reflect the views of shareholders)**

The Plan is to be introduced and renewed in order to secure and improve the corporate value of the Company and the common interests of the shareholders, and the following special methods are to be implemented as a way of increasing its rationality.

### **(1) Respecting the intentions of the shareholders**

In order to reflect the views of the shareholders, the Company has put an Approval Resolution Proposal for the introduction and renewal of the Plan before the Ordinary General Meeting of Shareholders. The contents of the Ordinary General Meeting of Shareholders' Approval Resolution, including supplementary conditions, forms the key content of the Plan, and the Board of Directors will stipulate matters regarding the gratis allotment of Subscription Rights to Shares, and matters and measures required for the smooth implementation of the Plan, in accordance with the contents of the Approval Resolution.

In addition, as described in Paragraph II. 3. above, the Company has established measures related to the Shareholders' Intentions Confirmation Meeting to confirm the intentions of the shareholders.

### **(2) The Plan may be abolished through a resolution at a single General Meeting of Shareholders**

The term of office of the Company's Directors (excluding Directors who are members of the Audit & Supervisory Committee) is one year, and the timing of reelection is concurrent among all Directors. In addition, a resolution on dismissal of Directors may be passed by an ordinary resolution at a General Meeting of Shareholders. Therefore, the Plan can be abolished by a resolution of the Board of Directors through the election or dismissal of Directors, by an ordinary resolution at a single General Meeting of Shareholders, thereby reflecting the views of the shareholders.

### **(3) Binding recommendations from a Corporate Value Committee, composed of Independent Outside Directors**

To secure the neutrality of judgment relating to the Plan, the Corporate Value Committee, composed only of the Company's Independent Outside Directors, shall deliberate the Acquisition Proposal, under legal obligations as the Directors of the Company, to determine if the proposal secures and improves the Company's corporate value and the common interests of the shareholders.

It is also required that the Board of Directors make a Confirmation Resolution, upon receipt of a Recommendation Resolution to that effect from the Corporate Value Committee, unless there are particular reasons that are obviously against the directors' duty of care.

### **(4) Requirements enhancing objectivity**

To enhance the objectivity of judgment relating to the Plan, the Plan specifies the situation where the Corporate Value Committee must issue a Recommendation Resolution and measures related to the Shareholders' Intentions Confirmation Meeting, as stated in Paragraph II. 3. above.

### **(5) Yearly revision of the Plan**

Subject to Approval Resolution, the Plan can be revised every year by a resolution of the Board of Directors. This allows the Plan to adjust itself to the development of the related laws and regulations, and various other business circumstances surrounding the Company.

### **(6) Establishment of a valid period for the Approval Resolution**

As stated in Paragraph II. 5. above, the validity of an Approval Resolution is three years from the date of the Ordinary General Meeting of Shareholders. Upon the passage of three years, the Board of Directors will present a Plan that reflects any revisions, including reflection of its supplementary conditions, for approval by the shareholders. However, as stated in Paragraph II. 6. (2) above, notwithstanding the valid period, the Plan can be abolished by a resolution of the Board of Directors through the election or dismissal of Directors by an ordinary resolution of the General Meeting of Shareholders.

### **(7) The Plan satisfies all requirements for legality and rationality under government policies**

The Plan satisfies all of the requirements for legality (to avoid suspension of the issuance of subscription rights to shares, etc.) and rationality (to gain the understanding of shareholders, investors, and other stakeholders) specified in the “Securing and/or Improving Corporate Value and Common Interests of Shareholders: Takeover Defense Guidelines,” released on May 27, 2005, by the Ministry of Economy, Trade and Industry and the Ministry of Justice. Moreover, the Plan is in accordance with the recommendations of the June 30, 2008 report of the Ministry of Economy, Trade and Industry’s Corporate Value Study Group, titled “Takeover Defense Measures in Light of Recent Environmental Changes.” Furthermore, the Plan complies with the principles of corporate value and the shareholders’ common interests, the principle of shareholders’ intent, and the principle of transparency set forth in “Guidelines for Corporate Takeovers: Enhancing Corporate Value and Securing Shareholders’ Interests,” issued on August 31, 2023, by the Ministry of Economy, Trade and Industry, Fair Acquisition Study Group.

## **III. Impact on shareholders and investors**

### **1. Impact upon shareholders and investors**

As described in Paragraph I. above, the Plan aims to secure and improve the Company’s corporate value and the common interests of the shareholders, and the Company believes that the Plan will benefit shareholders and investors in the Company. Moreover, subscription rights to shares will not be issued at the time the Plan is introduced or renewed, meaning there will be no impact on the rights of shareholders and investors.

Even in the case that a Specified Acquirer appears, in other words, a Specified Acquisition is implemented without obtaining a Confirmation Resolution, as described in Paragraph II. 4. above, the gratis allotment of Subscription Rights to Shares shall result in the automatic allotment of Subscription Rights to Shares to all shareholders, meaning that no party will lose rights to the allotment of subscription rights to shares. Moreover, it shall be possible to enforce acquisition by the Company of all Subscription Rights to Shares and to issue shares in the Company in respect to any Subscription Rights to Shares that satisfy the exercise conditions. Furthermore, the Company does not plan to cancel any gratis allotment of Subscription Rights to Shares or make an acquisition of Subscription Rights to Shares without consideration on or later than three business days prior to the record date for a gratis allotment from the standpoint of avoiding circumstances where shareholders and/or investors, who have purchased or sold the Company’s shares on the premise of an expected dilution of the per share value of the Company’s shares, might suffer from unforeseen losses. Even before four business days prior to the record date for a gratis allotment, the Board of Directors shall not pass a resolution not to effect a gratis allotment of Subscription Rights to Shares except for the cases described in Paragraph II. 4. above.

As the gratis allotment of Subscription Rights to Shares will not be made to a Specified Acquisition that has obtained a Confirmation Resolution, the Specified Acquisition can be executed without being exposed to any impact from the gratis allotment of Subscription Rights to Shares.

## **2. Procedures required of shareholders and investors**

There are no procedures required of shareholders or investors when the Plan is introduced or renewed.

As described in Paragraph II. 4. above, in the case where a Specified Acquirer appears, the Board of Directors shall publicize this fact and pass a resolution for a record date for the gratis allotment of the Subscription Rights to Shares. Shareholders will automatically be allotted the Subscription Rights to Shares free of charge upon the record date for the gratis allotment, and the Company requests that in such a case the shareholders carry out the prescribed procedures in accordance with the guidance provided by the Company at the time of the above publication.

If a gratis allotment of Subscription Rights to Shares is implemented, shareholders shall be able to exercise their Subscription Rights to Shares by payment of one yen for each share acquired upon submission of the application to exercise the Subscription Rights to Shares and other documentation prescribed by the Company. However, as described in Paragraph III. 1. above, if an enforced acquisition of the Subscription Rights to Shares is implemented, shares in the Company shall automatically be allotted in exchange for the Subscription Rights to Shares that satisfy the exercise conditions, and in this case there will be no need for shareholders to carry out exercise procedures for the Subscription Rights to Shares. The Company plans to implement rational procedures to confirm that a shareholder's status is not Specified Acquirer and Related Parties.

## **IV. Other**

The approval of all attending Directors (including Directors who are members of the Audit & Supervisory Committee) was obtained at the Company's Board of Directors Meeting held on May 15, 2024 to place the Approval Resolution Proposal of the Plan before the Ordinary General Meeting of Shareholders.

End



## Outline of Gratis Allotment of Subscription Rights to Shares

### I. Main details concerning Subscription Rights to Shares

1. Type of shares for which Subscription Rights to Shares are to be allotted

Common stock of the Company

2. Number of shares underlying Subscription Rights to Shares

The number of shares to be issued per one Subscription Right to Shares will not exceed two and will be determined elsewhere by the Board of Directors.

3. Value of assets contributed to exercise the Subscription Rights to Shares

The exercise of the Subscription Rights to Shares is by means of investment of money consideration, and the value thereof shall be one yen, multiplied by the number of shares to be issued per one Subscription Right to Shares.

4. Period during which Subscription Rights to Shares may be exercised

A fixed period beginning on or after the day the gratis allotment of Subscription Rights to Shares becomes effective to be determined elsewhere by the Board of Directors. In case the last day of such exercise period falls on a holiday of the office for handling payments for the money paid in exercising the Subscription Rights to Shares, the preceding business day shall be the last day for payments.

5. Exercise conditions for the Subscription Rights to Shares

- (1) The Subscription Rights to Shares held by a Specified Acquirer and Related Parties (including Subscription Rights to Shares deemed to be held substantially by a Specified Acquirer and Related Parties) may not be exercised.
- (2) Rights holders may exercise the Subscription Rights to Shares only when documentation that includes a representations and warranties clause in respect to the satisfaction of the condition under 5. (1) above (including the satisfaction of the above condition by a third party in case of the exercise on behalf of the said third party), an indemnification clause and other matters specified by the Company; materials that satisfy the conditions required by the Company within a reasonable scope; and the documents required by the relevant laws and regulations are submitted to the Company.
- (3) When the execution of prescribed procedures or the satisfaction of prescribed conditions are required under applicable overseas laws governing securities and other laws in respect of the exercise of Subscription Rights to Shares by a party residing in the region over which said laws have jurisdiction, said party may exercise the Subscription Rights to Shares only when the Company deems said procedures or conditions to have been implemented or satisfied in full. Even in cases where the implementation or satisfaction of certain procedures or conditions by the Company would allow said party to exercise the Subscription Rights to Shares, the Company shall bear no responsibility for said implementation or satisfaction.
- (4) The confirmation of the satisfaction of the conditions specified in 5. (3) above shall be as stipulated by the Board of Directors pursuant to the procedure similar to that set forth in 5. (2) above.

6. Exercise procedures for the Subscription Rights to Shares

- (1) The Subscription Rights to Shares shall be exercised in the following manner: First, a person who wishes to exercise the Subscription Rights to Shares shall enter the necessary items including the number of the Subscription Rights to Shares to be exercised, the number of shares underlying the Subscription Rights to Shares, and his/her address and other items stipulated otherwise by a resolution of the Board of Directors onto the application to exercise the Subscription Rights to Shares. After signing and sealing the

application, the person shall then submit the application, together with other necessary documents, which are stipulated otherwise by a resolution of the Board of Directors, to the office for handling payments, which is stipulated otherwise by a resolution of the Board of Directors, and pay the full amount of the value stated in 3. above to said office for handling payments.

- (2) The application to exercise the Subscription Rights to Shares shall become effective when the application to exercise the Subscription Rights to Shares, together with the attached documents, arrives at the office for handling payments in accordance with 6. (1) above. The exercise of the Subscription Rights to Shares shall become effective when the application to exercise the Subscription Rights to Shares becomes effective, and an amount that corresponds to the full amount of the exercise price of the shares underlying the Subscription Rights to Shares is paid.

#### 7. Transfer approval

The acquisition of subscription rights to shares via transfer requires the approval of the Board of Directors (or an organization stipulated by the Board of Directors in accordance with the provisions of the proviso to Article 265, Paragraph 1 of the Companies Act).

#### 8. Acquisition clauses

- (1) On a day to be determined elsewhere by the Board of Directors, which shall be on or later than the day the gratis allotment of Subscription Rights to Shares becomes effective, the Company may acquire all exercisable Subscription Rights to Shares (this includes Subscription Rights to Shares held by parties mentioned under the provisions of 5. (3) above. This shall be referred to as Exercisable Subscription Rights to Shares in 8. (2) below) that satisfy the provisions of 5. (1) and (2) above (in other words, Subscription Rights to Shares held by a party other than “Specified Acquirer and Related Parties”) but which have yet to be exercised, in exchange for common shares of the Company of a number equal to the integral part of the number of said Subscription Rights to Shares multiplied by the number of shares to be issued per Subscription Right to Shares.
- (2) On a day to be determined elsewhere by the Board of Directors, which shall be on or later than the day the gratis allotment of Subscription Rights to Shares becomes effective, the Company may acquire all Subscription Rights to Shares other than Exercisable Subscription Rights to Shares which are unexercised in exchange for subscription rights to shares the exercise of which by a Specified Acquirer and Related Parties shall be restricted (and with the condition of transfer restriction and other stipulations of the Board of Directors) of a number equal to the number of said Subscription Rights to Shares. Cash will not be exchanged for said acquisition.
- (3) The confirmation of the satisfaction of the conditions with regard to the enforced acquisition of the Subscription Rights to Shares by the Company shall be as stipulated by the Board of Directors pursuant to the similar procedure set forth in 5. (2) above.

#### 9. Increase in stated capital and legal capital surplus

Matters regarding the stated capital and legal capital surplus that increase upon the exercise of the Subscription Rights to Shares and the acquisition thereof pursuant to the acquisition clauses shall be determined in accordance with the relevant laws and regulations.

#### 10. Fractional amounts

Should a fractional amount below one share exist among the shares to be issued to a party exercising Subscription Rights to Shares, this amount shall be rounded down. However, in cases when a party holding Subscription Rights to Shares exercises multiple Subscription Rights to Shares simultaneously, the Company may calculate fractional amounts by adding the total number of shares issued through each exercise of Subscription Rights to Shares.

#### 11. Issuance of share certificates for subscription rights to shares

The Company will not issue share certificates for Subscription Rights to Shares.

## **II. Main details concerning the Gratis Allotment of Subscription Rights to Shares**

### **1. Number of Subscription Rights to Shares allotted to each shareholder**

Subscription Rights to Shares shall be allotted at a ratio of one Subscription Right to Shares for every one share of the Company's common stock held (excluding common stock held by the Company). The total number of Subscription Rights to Shares to be allotted shall be equal to the final total number of issued shares of the Company on the record date for a gratis allotment (excluding the number of common stock held by the Company).

### **2. Shareholders to whom Gratis Allotment of Subscription Rights to Shares are made**

All common shareholders listed in the final shareholder register on the record date for a gratis allotment (excluding the Company).

### **3. Effective date for Gratis Allotment of Subscription Rights to Shares**

A date on and after the record date for the gratis allotment to be determined elsewhere by the Board of Directors.

End

### Items to be included in an Acquisition Proposal

#### 1. Outline of Purchaser Group<sup>14</sup>

- (1) Name or company name, and address, or location
- (2) Career or corporate history
- (3) Amount of stated capital or funds and other capital structure and total number of issued shares
- (4) Title and name of the representative and officers (in the case of a partnership or other fund, partners and other members equivalent to officers), their professional experience, and the number of shares held by them
- (5) Purpose and business of the company, etc.
- (6) Financial position and operating results for the most recent two fiscal years and other financial information
- (7) Contact information in Japan
- (8) Governing law of incorporation
- (9) Overview of major shareholders or major investors (top 10 in terms of ownership of shares or investment ratio)
- (10) If there is a substantial controller of Purchasers, a summary of the substantial controller
- (11) Information on the relationship with antisocial forces and terrorism-related organizations, and the policy on dealing with such forces and organizations
- (12) Whether there have been any violations of laws and regulations or any guidance from supervisory authorities regarding compliance with laws and regulations within the past 10 years (and if so, a summary of such violation)
- (13) Information on the applicability of being a “foreign investor” as defined in Article 26, Paragraph 1 of the Foreign Exchange and Foreign Trade Act (hereinafter referred to as the “Foreign Exchange Act”) and its basis
- (14) Details of the investment and financing activities within the past 10 years, including the name of the investee, the percentage of investment to the investee, and details of the investment policy
- (15) Specific details of internal control systems (including group internal control systems), the effectiveness of such systems, and their status
- (16) Overview of relationships between the Purchasers and the Joint Holder, etc. (including capital relationship, business relationship, concurrent appointment of officers and employees and other personal relationship, contractual relationship, and the history of such relationship)

#### 2. Information on shares, etc.

- (1) Number of shares, etc., of the Company currently held by each entity in the Purchaser Group and the holding ratio of share certificates, etc. (if there is a holder who falls under the category of Specially Related Party, the portion held by such holder shall be included)
- (2) Trading status of the Company’s shares, etc., during the 60 days prior to the submission of the Acquisition Proposal
- (3) If there are any loan agreements, collateral agreements, buy-back agreements, options, or other significant contracts or arrangements related to the Company’s share certificates, etc., already held by the Purchaser Group, specific details of such agreements including the type of agreement, counterparty to the agreement, and the quantity of share certificates, etc., subject to the agreement.

#### 3. A covenant to comply with the procedures set forth in the Plan to implement a Specified Acquisition

#### 4. Overview of the Specified Acquisition intended by the Purchaser

- (1) Type and number of the Company’s share certificates, etc., to be acquired through the Specified Acquisition
- (2) Identification of the party who will conduct the Specified Acquisition and the party whose holding ratio of share certificates, etc., or ownership ratio of share certificates, etc., reaches or exceeds 20% (if there is more than one party, all of them shall be identified)
- (3) Basis for calculating the consideration for the Specified Acquisition (including underlying facts and conditions for the calculation, the amount of expected synergies, and the basis for such calculation)
- (4) Matters relating to the funding support for the Specified Acquisition (including the funding method, the structure of related transactions, the name and capital structure of the fund providers (including substantial providers))
- (5) Legality of the method of the Specified Acquisition
- (6) Feasibility of the Specified Acquisition
- (7) If the method of the Specified Acquisition is not a purchase, etc., the details of such methods

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<sup>14</sup> Including group companies, Joint Holder, Specially Related Party, substantial controllers, and Related Parties (hereinafter collectively referred to as “Joint Holder, etc.”) of Purchasers (the term “Purchasers” refers to the Parties intending to implement a Specified Acquisition, the same shall apply hereinafter in the Plan)

- (8) Purpose of the Specified Acquisition (if there is any purpose such as acquisition of control or participation in management, net investment or investment for specific policy purpose, transfer of the Company's shares, etc., to a third party after the Specified Acquisition or any other purpose such as an act of making a material proposal (Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act), a statement to that effect and details thereof)
5. Intended management policy and business plans of the Company and the Group after the Specified Acquisition (such as financial plan, investment plan, capital policy, dividend policy, use of assets)
6. Measures intended to secure and improve the medium- to long-term corporate value and the common interests of shareholders of the Company and the Group after the Specified Acquisition, and the basis on which such measures will secure and improve the medium- to long-term corporate value and the common interests of shareholders of the Company and the Group
7. Whether there exists any communication of intention with a third party in connection with the Specified Acquisition (if there exists such communication, the purpose, specific content thereof as well as an outline of such third party involved), and if there are plans for the Purchaser involved in the Specified Acquisition to enter into collateral agreements or other agreements with third party regarding the Company's share certificates, etc. acquired or planned to be acquired, the specific details of such agreements, including the type of agreement, the counterparty to the agreement, and the quantity of the Company's share certificates, etc., subject to the agreement
8. Policies for dealing with the Group's employees, business partners, customers, local communities, and other stakeholders of the Group
9. Regulatory matters under Japanese and foreign laws and regulations that may be applicable to the Specified Acquisition, and the probability of obtaining approvals or permits, etc., under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Foreign Exchange Act, or other laws and regulations to be obtained from Japanese or foreign governments or third parties
10. Specific measures to avoid conflicts of interest with other shareholders of the Company
11. Specific measures to ensure a high level of safety and quality of products and a stable supply of food
12. Any other information reasonably requested by the Company that is relevant to the Grounds for Consideration

End

## **Business Report**

(From April 1, 2023 to March 31, 2024)

### **1. Overview of the Corporate Group**

#### **(1) Business Progress and Results**

##### [1] Business Environment and Performance of the Group

During the fiscal year ended March 31, 2024, the Japanese economy continued to mount a gradual recovery. This reflected the resumption of economic activity largely atop an increase in foot traffic and a recovery in demand for inbound travel to Japan since the reclassification of COVID-19 to Class 5 infectious diseases in May 2023. Meanwhile, bright spots are gradually returning to the business environment surrounding the Nisshin Seifun Group as prices for wheat and other grains, which had risen sharply primarily due to the situation in Ukraine, once again subsided.

Under these conditions, the Group strives to fulfill its corporate mission of ensuring a stable supply of foods involving wheat flour and the delivery of safe and reliable products in each business area. At the same time, in a push to achieve goals set out in the “Nisshin Seifun Group Medium-Term Management Plan 2026,” the Group gave highest priority in the fiscal year ended March 31, 2024 to efforts to stimulate its ability to grow by restructuring the business portfolio, respond to food inflation, mount a recovery in the Australia flour milling business, pursue environmental policies and implement its digital strategy.

As part of these efforts, in May 2023, we began construction at the Mizushima Plant of flour milling subsidiary Nisshin Flour Milling Inc. ahead of an operational start around May 2025 in a push to stimulate the Group’s ability to grow by restructuring the business portfolio. This move will be accompanied by the scheduled closure of the Okayama and Sakaide plants. Meanwhile, at U.S.-based subsidiary Miller Milling Company, LLC, along with completion in November 2023 of expansion of its Los Angeles Plant, similar expansion work began at the Saginaw Plant, with an operational start set for early 2025. The Group will continue to aggressively invest for future growth going forward.

Elsewhere, in October 2023, we established the “Sustainability Committee” to promote initiatives for addressing the Group’s sustainability priorities (materiality) and further enhance structures for reflecting environmental (E), social (S) and governance (G) measures in business strategy. In environmental policies, ahead of efforts to reduce CO<sub>2</sub> emissions at the Group’s own sites in the fiscal year ending March 31, 2031 by 50% (versus the fiscal year ended March 31, 2014), Nisshin Flour Milling Inc. entered an Offsite Corporate Power Purchase Agreement (PPA) that saw all power consumed at the Tsurumi Plant, one of Japan’s largest flour milling plant by scale, effectively switched over to renewable energy from November 2023. This move will lead to a reduction in CO<sub>2</sub> of roughly 27,000 tons annually.

With respect to performance, consolidated net sales for the fiscal year ended March 31, 2024, increased 7.5% year on year to ¥858,248 million. Factors driving growth included enactment of price revisions for wheat flour in the flour milling business, beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd., and the enactment of product price revisions in the processed food and prepared dishes and other prepared foods businesses. On the profit side, operating profit increased 45.6% year on year to ¥47,791 million, ordinary profit rose 51.3% to ¥49,992 million and profit attributable to owners of parent came to ¥31,743 million, compared to a loss of ¥10,381 million a year earlier. Together with the enactment of price revisions in each business area that also compensated for delays in shifting higher costs to prices in the previous term, profits rose atop firm sales prices for bran, a byproduct from the flour milling business in Japan, and beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd. in the flour milling business in Japan, a decrease in the amortization of goodwill accompanying an impairment loss reported in the previous year for the Australia flour milling business, and both a performance recovery in the processed food business and robust performance from the prepared dishes and other prepared foods business.

With respect to dividends, in line with a basic policy that sets a consolidated payout ratio of 40% or higher as standard, the Company plans to pay a full-year dividend of ¥45 per share, ¥5 higher than the previous year.

##### [2] Review of Operations of the Group

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

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

Moreover, in order to deliver high-quality, safe and reliable products, the Group strove for further improvement and enhancement of its quality control systems.

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

## **Flour Milling Segment**

**Percentage of net sales: 53.4%**

**Net sales: ¥458,226 million**

In the flour milling business in Japan, shipments were higher year on year, mainly reflecting increased foot traffic and a recovery in demand for inbound travel to Japan.

In June 2023 and again in January 2024, we implemented price revisions for commercial wheat flour in response to revised government prices for five classes of imported wheat enacted in April and October 2023. On average, the government's price for imported wheat rose 5.8% in April, but was lowered 11.1% in October 2023.

In the overseas flour milling business, net sales were higher year on year mainly due to product price revisions in Australia and foreign currency translation effects from a U.S.-based subsidiary.

As a result, net sales of the Flour Milling Segment increased 9.2% year on year to ¥458,226 million, driven by price revisions for commercial wheat flour in Japan and beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd. in January 2023. Operating profit climbed 62.2% to ¥28,570 million, reflecting benefits mainly from firm sales prices for bran, a byproduct from the flour milling business in Japan, beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd. and a decrease in amortization of goodwill from the reporting of an impairment loss for the flour milling business in Australia in the previous year.

## **Processed Food Segment**

**Percentage of net sales: 23.4%**

**Net sales: ¥201,073 million**

In the processed food business, net sales were higher year on year, reflecting implementation of product price revisions in response to rising costs for raw materials in Japan.

In the yeast and biotechnology business, net sales were up year on year, mainly reflecting price revisions for yeast enacted in Japan in response to soaring raw material prices and energy costs, coupled with increased sales volume from the yeast business in India.

In the healthcare foods business, net sales were higher year on year, lifted mainly by growth in shipments of raw materials for pharmaceuticals. October 2023 also saw the new launch of a personal nutrition business (service name: YOURFIT) providing supplements personalized to fit the lifestyle and health status of individual customers.

As a result, net sales of the Processed Food Segment increased 7.0% year on year to ¥201,073 million. Operating profit rose 38.4% to ¥8,356 million, lifted by a recovery in performance.

## **Prepared Dishes and Other Prepared Foods Segment**

**Percentage of net sales: 17.9%**

**Net sales: ¥153,573 million**

In the prepared dishes and other prepared foods business, net sales rose 4.1% year on year to ¥153,573 million, atop firm sales mainly from increased foot traffic and a recovery in demand for inbound travel to Japan, coupled primarily with product price revisions enacted in response to soaring raw material prices. Operating profit increased 64.3% to ¥5,396 million, largely atop product price revisions and improved productivity.

## **Others Segment**

**Percentage of net sales: 5.3%**

**Net sales: ¥45,375 million**

In the engineering business, net sales were lower year on year.

In the mesh cloths business, net sales rose year on year mainly atop increased shipments of screen printing materials for solar panels.

As a result, net sales of the Others Segment increased 4.5% year on year to ¥45,375 million, with operating profit down 5.9% to ¥5,409 million. The decline in profit came mainly from a decrease in large-scale projects in the engineering business.

## (2) Issues to be Addressed

### [1] Basic Management Policy

Since our establishment in 1900, the Group has contributed to society through business activities and continued to grow as an integral part of the food industry under the corporate principle of “contributing to a healthy and fruitful life for all” which is founded on the guiding philosophies of “the basis of business is built on trust” and to be “in tune with the changing business climate.” Each of our Group companies endeavors to always develop and provide health-conscious products and services, and is committed to earning customer trust under the corporate slogan of “delivering good health and reliability.”

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

Furthermore, we will contribute to the realization of a sustainable society while aiming to develop as a corporate group blessed with ongoing active support from each of our various stakeholders including shareholders, customers, business partners, employees, and society. We will achieve this by pursuing sustainability management in a manner that develops a strong link between our business strategies and actions for the environment (E) and society (S) while enhancing governance (G), which serves as a discipline to improve corporate value.

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

The Group is working toward achieving its five-year medium-term management plan, “Nisshin Seifun Group Medium-Term Management Plan 2026” (from the fiscal year ended March 31, 2023 through the fiscal year ending March 31, 2027). The three basic policies of this management plan are: “Stimulate the Group’s ability to grow by restructuring the business portfolio,” “Enhance management by clarifying our business’ relationships toward our stakeholders,” and “Integrate ESG into management strategy, implement by adapting to social trends.” For the fiscal year ending March 31, 2027, the final year of the plan, we aim to achieve net sales of ¥900,000 million, operating profit of ¥48,000 million, and earnings per share (EPS) of ¥110 as numerical targets. We will consider whether or not to revise these numerical targets based on factors such as the progress of our business performance in the next fiscal year, announcing the results of our consideration at the time of our second quarter financial results in the fiscal year ending March 31, 2025. We will aim to maintain ongoing EPS growth, thereby providing shareholders with appropriate total shareholder returns (TSR).

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

### <Basic Policy>

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

The Group will further restructure its business portfolio in business areas where it can leverage its strengths, such as the advanced technical capabilities and productivity developed through our over 120-year history and solid sales foundation, which is backed by the trust of its customers. We will enhance the Group’s competitiveness as a whole and in each business based on the four strategies (strategy to enhance business competitiveness, R&D strategy, new business development and M&A strategy, and digital strategy).

#### 2. Enhance Management by Clarifying our Business’ Relationships toward our Stakeholders

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

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

We will seek to maximize corporate value and proactively work on ESG issues by adapting to social trends. This is a responsibility of the top management of the Company as a holding company and each of its businesses. Particularly, we will position E (environment) as the most important management priority in relation to global sustainability.

### <Environmental Policies>

The Group has set a long-term target of achieving net zero toward carbon neutrality at facilities owned by the Group by the year 2050. As a milestone towards achieving that goal, we have set as a target the reduction of CO<sub>2</sub> emissions from facilities owned by the Group by 50% by the fiscal year ending March 31, 2031 (compared with the level of the fiscal year ended March 31, 2014). To achieve this target, we must go beyond past efforts to actively reduce CO<sub>2</sub> emissions. Based on our roadmap, we will install energy-saving equipment and renewable energy equipment to the maximum extent possible, and we will consider procuring energy through investment and funding in off-site (non-Group) facilities. In addition, we have set medium- to long-term targets for reducing food waste, packaging waste, and water consumption, which will contribute to establishing a recycling-oriented



society. We will advance measures as planned toward achieving these targets.

#### <Capital Policy>

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

#### [3] Management Environment and Issues to be Addressed

In the food industries in Japan and overseas, although food and cost inflation is easing, personnel and logistics costs are expected to continue to rise. Given the uncertain outlook in financial and currency markets, the inflationary environment is expected to continue. From a medium- and long-term perspective, the business environment is forecast to change significantly due to global warming, which is closely tied to global sustainability, and heightened awareness of social issues such as human rights, along with rapid advances in technological innovations of digital technologies, food technology, etc.

Under these circumstances, the Group will fulfill its social mission to secure the stable supply of foods involving wheat flour in order to contribute to society through business activities and continue to grow as an integral part of the food industry. In the fiscal year ending March 31, 2025, we will place top priorities on the stimulation of the Group's ability to grow by restructuring the business portfolio, promoting measures to recover earnings in the Australia flour milling business and India yeast business, realizing tangible results in our R&D strategy, and demonstrating the effects of automation and labor-saving measures.

#### <Top Priorities for the fiscal year ending March 31, 2025>

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

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

In our core businesses, we will invest as necessary to achieve profit growth. In the domestic processed food business, we will rebuild our product development system and focus on expanding sales in markets with growth potential. In our growth businesses, we will accelerate our investment in markets with growth potential and restructure our business portfolio.

##### 2. Promote Measures to Recover Earnings in the Australia Flour Milling Business and India Yeast Business

In the Australia flour milling business, sluggish demand in the inflationary environment is one cause for concern. However, we will work to ensure profits by implementing four measures (continual cost reductions, sales growth in core products that leverage our strengths, selection of profitable markets, and branding), and make efforts toward our target of increasing earnings by 42 million Australian dollars (\*) in the fiscal year ending March 31, 2027 compared with the levels of the fiscal year ended March 31, 2022, as set out in the medium-term management plan. In the India yeast business, there are concerns about rising costs for raw materials. However, by expanding our sales share in the fiscal year ending March 31, 2025 and improving plant utilization rates while appropriately revising our prices, we aim to enable this business to contribute to the Group's earnings during the target medium-term management plan period.

(\*) Roughly ¥4,000 million (1 Australian dollar = ¥95). This does not include reductions in the amortization burden for non-current assets, including goodwill, in conjunction with recording of impairment losses in the second quarter of the fiscal year ended March 31, 2023.

##### 3. Realize Tangible Results in Our R&D Strategy

The Group has positioned its R&D strategy as a key initiative for stimulating the Group's ability to grow by restructuring the business portfolio. The Company and its operating companies have been collaborating to refine our R&D capabilities. In the fiscal year ending March 31, 2025, we will work to secure our competitive advantage in Japan and overseas by moving ahead with preparations for the practical application of research results and, in areas such as the flour milling business and processed food business, by working to create new products that meet market needs.

##### 4. Demonstrate the Effects of Automation and Labor-saving Measures

The Group has been using digital technology and robot technology to enable automation and labor saving. During the fiscal year ending March 31, 2025, in each business we will merge the technical capabilities that the Group has built up over many years with cutting-edge technologies, and use them to further accelerate our efforts toward automation and labor saving.

#### [4] Sustainability Approach and Measures

The Group has put its “Nisshin Seifun Group Corporate Code of Conduct and Employee Action Guidelines” and “Nisshin Seifun Group Sustainability Principles” into practice to contribute to the realization of a sustainable society and retain its status as a corporate entity that plays an essential role in society. It has also sought to put its corporate principle, “contributing to a healthy and fruitful life for all,” into practice by creating social value through its business.

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

In addition, in order to address the increasingly important issue of business and human rights, the Group is promoting human rights due diligence based on the “Nisshin Seifun Group Human Rights Policy.” We are working to identify issues in each of our businesses, consider and implement necessary countermeasures.

During the fiscal year ended March 31, 2024, we reviewed our action structure to strengthen the Group’s sustainability efforts. We established the “Sustainability Committee,” which is chaired by the President and whose members include the presidents of Group companies. The Sustainability Committee oversees and facilitates the activities of the Environment Committee, the Human Rights Promotion Committee, and the Work Style Reform Committee, which are subordinate organizations.

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

## Sustainability Priorities (materiality)

### 1. Provide Safe and Healthy Food and Responsible Consumer Communication

In order to ensure the delivery of safe and reliable products to customers, we have established a quality assurance system that places the highest priority on quality assurance from the consumer's perspective, and we are working to continuously improve and strengthen our product safety system by obtaining and maintaining international management system certification. We also actively collect relevant consumer administrative information, as well as consumer opinions and needs to enhance our response. Furthermore, we are sharing information with all related departments, from R&D to production and sales, and using it to create products with a customer-centric focus. We leverage the flour and flour processing technology knowledge accrued through the years to develop products made with high-fiber wheat flour "Amuleia" and healthy flour-related ingredients (such as whole-wheat flour, and flour bran). We provide a broad range of products and services that are delicious and contribute to people's health. By doing so, we aim to supply safe and healthy food.

### 2. Enable Secure and Sustainable Raw Material Procurement

Throughout the supply chain in each of our businesses, we are striving to ensure the stable and sustainable procurement of safe raw materials while taking environmental issues and human rights into consideration.

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

### 3. Efficiently Handle Food and Packaging Waste

The Group is working to effectively use resources in order to establish a recycling-oriented society, and taking steps to reduce food waste throughout our supply chain and the amount of packaging materials used for our products.

Regarding food waste, we have set as targets for the fiscal year ending March 31, 2031, for Group companies in Japan the reduction of food waste, from ingredient procurement to customer delivery, by 50% or more compared with the level of the fiscal year ended March 31, 2017 (compared with the fiscal year ended March 31, 2020 for Tokatsu Foods Co., Ltd., Joyous Foods Co., Ltd., and Initio Foods Inc.). To this end, we are working to reduce the occurrence at the production stage through measures such as improving production efficiency, and to recycle by feed conversion and fertilizer conversion.

Regarding packaging waste, we also have set as targets for Group companies in Japan the reduction of the usage of fossil fuel-derived plastics in packaging by 25% or more compared with the fiscal year ended March 31, 2020. To this end, we are promoting environmentally conscious product manufacturing, including using thinner packaging plastics and converting to paper, as well as using other technologies such as biomass materials and inks.

### 4. Address Climate Change and Water Resource Issues

In response to the impact of climate change, we are working toward achieving net zero CO<sub>2</sub> emissions from facilities owned by the Group by 2050 and a 50% reduction of CO<sub>2</sub> emissions by the fiscal year ending March 31, 2031, compared with the level of the fiscal year ended March 31, 2014. To achieve these targets, we are taking active steps such as implementing energy-saving operations, improving production efficiency, and increasing our use of renewable energy. As part of these efforts, during the fiscal year ended March 31, 2024, Nisshin Flour Milling Inc. entered an Offsite Corporate Power Purchase Agreement (PPA) that saw all power consumed at the Tsurumi Plant, one of Japan's largest flour milling plant by scale, effectively switched over to renewable energy.

To ensure that large-scale capital investments are carried out based on a long-term perspective, we have prepared a CO<sub>2</sub> reduction roadmap. We examine the timing and scale of investments across the Group and check their effectiveness as we pursue initiatives within our business strategy. In addition, we have introduced an internal carbon pricing (ICP) system, and reflect this into investment decisions to further promote investment in the introduction of energy-saving equipment, etc. Furthermore, we are working to reduce CO<sub>2</sub> emissions in the supply chain. For example, we are developing products that help reduce energy consumption at the stage of cooking food at home.

To promote the reduction of CO<sub>2</sub> emissions, we have decided that evaluations according to the status of achieving the target of the CO<sub>2</sub> reduction roadmap will be reflected in bonuses of Inside Directors (excluding Directors who are members of the Audit & Supervisory Committee).

To address water resource issues, the Group is aiming to effectively use limited water resources through each stage of the supply chain, along with our business partners. We have set a target for the fiscal year ending March 31, 2041 of reducing the amount of water used in plants per unit of production by 30% compared with the level of the fiscal year ended March 31, 2022. To achieve this, we are moving ahead with efforts at each Group plant to reduce water usage and promote water reuse.

[Information disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures

(TCFD)]

In 2021, the Group endorsed the recommendations of the TCFD and participated in the TCFD Consortium. We have performed scenario analyses of the impact of climate change on the Group based on the TCFD Framework. In the fiscal year ended March 31, 2024, we evaluated the financial impact on our major domestic businesses, continuing to strengthen our analysis and enhance the content.

#### 5. Provide Working Environments that are Healthy and Fulfilling

We aim to develop human resources who will lead new challenges and transformations in order to enhance our ability to execute our management strategies. To accomplish this, we conduct various human resources development initiatives. These include the “Business Manager Development Program,” for developing management personnel who will be responsible for steering the next generation; and “Global Business Skill Training,” for developing human resources who can help grow profits in our overseas operation, which we have positioned as a growth driver.

Furthermore, we strive to create a healthy, lively, and safe workplace by strengthening measures to prevent occupational accidents among our employees through extraction of problems from annual disaster analysis and implementation of countermeasures, and promoting health management through a system headed by the President, resulting in being certified again as a Certified Health & Productivity Management Outstanding Organization (White 500) for the fiscal year ended March 31, 2024.

In addition, to ensure in these changing times that we conduct businesses that respect diversity, we are promoting diversity and inclusion including women’s empowerment, revising our system to enable flexible work styles, and carrying out various initiatives such as lectures and training to build a corporate culture in which all people respect each other.

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

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

(Millions of yen unless otherwise noted)

Fiscal Term Fiscal Years ended March 31	177 <sup>th</sup> FY2021	178 <sup>th</sup> FY2022	179 <sup>th</sup> FY2023	180 <sup>th</sup> FY2024 (Current)
Net sales	679,495	679,736	798,681	858,248
Ordinary profit	29,886	32,626	33,051	49,992
Profit (loss) attributable to owners of parent	19,011	17,509	(10,381)	31,743
Earnings (loss) per share (¥)	63.95	58.88	(34.91)	106.74
Total assets	687,415	723,073	713,874	826,702
Net assets	444,774	460,643	438,499	516,381

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

#### (4) Capital Expenditures of the Group

The capital expenditures for the fiscal year ended March 31, 2024 increased ¥10,534 million from the previous fiscal year to ¥29,191 million, based on actual expenditures.

The principal capital expenditures were made in the expansion work of the new production line at the Saginaw Plant of Miller Milling Company, LLC and the construction of the Mizushima Plant of Nisshin Flour Milling Inc.

#### (5) Financing of the Group

The Group did not raise major additional funds in terms of capital increases or bond issues during the fiscal year ended March 31, 2024.

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

Company Name	Capital Stock	Share of Voting Rights	Main Businesses
(Subsidiaries)	¥ million	%	
Nisshin Flour Milling Inc.	14,917	100.0	Production and sales of wheat flour
Kumamoto Flour Milling Co., Ltd.	493	85.0	Production and sales of wheat flour, buckwheat flour, rice flour, and other products
Miller Milling Company, LLC	86	100.0	Production and sales of wheat flour
Allied Pinnacle Pty Ltd.	9,689	100.0	Production and sales of wheat flour, prepared mix products, bakery-related ingredients, and other products
Nisshin Seifun Welna Inc.	5,006	100.0	Sales of pasta, wheat flour for household use, frozen foods, and other products; production and sales of prepared mix products
Nisshin Seifun Premix Inc.	400	100.0	Production and sales of prepared mix products
Ma•Ma-Macaroni Co., Ltd.	350	69.9	Production and sales of pasta and frozen foods
Oriental Yeast Co., Ltd.	2,617	100.0	Production and sales of food ingredients for bread, etc., biochemical products and other products; drug discovery research support business
Nisshin Pharma Inc.	2,689	100.0	Production and sales of healthcare foods, raw materials for pharmaceuticals, and other products
Nisshin Seifun Delica Frontier Inc.	100	100.0	Support and administration for business activities of subsidiaries involved in the prepared dishes and other prepared foods segment
Tokatsu Foods Co., Ltd.	100	100.0	Production and sales of cooked foods such as bento lunch boxes and other prepared foods
Joyous Foods Co., Ltd.	50	85.1	Production and sales of prepared noodle, and other products
Initio Foods Inc.	487	100.0	Production and sales of prepared foods and frozen foods; direct operation of concessions in department stores
Nisshin Engineering Inc.	107	100.0	Design, contracted construction and supervision of food production facilities, etc.; sales of machinery for powder grinding
NBC Meshtec Inc.	1,992	100.0	Production and sales of mesh cloths and forming filters
(Affiliates)			
Marubeni Nisshin Feed Co., Ltd.	5,500	40.0	Production and sales of compound feed

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

**[2] Status of Significant Acquisition**

There are no applicable matters to be reported.

**(7) Principal Businesses of the Group** (As of March 31, 2024)

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

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

**(8) Principal Offices of the Group** (As of March 31, 2024)

## [1] The Company

The Company Head Office (Chiyoda-ku, Tokyo)

Institutes and Laboratories (Fujimino)

Research Center for Production and Technology

Research Center for Basic Science Research and Development

QE Center

## [2] Flour Milling Segment

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

Cereal Science Research Center of Tsukuba (Tsukuba)

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

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

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

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

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

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

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

Kumamoto Flour Milling Co., Ltd. Head Office (Kumamoto)

Fukuoka Plant (Fukuoka), Kumamoto Plant (Kumamoto), Koshi Rice Flour Plant (Koshi)

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

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

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

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

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

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

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

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

North Fremantle Plant (Western Australia, Australia)

## [3] Processed Food Segment

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

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

Metropolitan Sales Department (Chuo-ku, Tokyo)

Wide Area Sales Department (Chuo-ku, Tokyo)

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

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

Tatebayashi Plant (Tatebayashi)

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

Nagoya Plant (Nagoya)

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

Utsunomiya Plant (Utsunomiya), Kobe Plant (Kobe)

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

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

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

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

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

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

**(9) Employees of the Group (As of March 31, 2024)**

Business Segment	Number of Employees	Year-on-Year Change
Flour Milling Segment	3,061	103
Processed Food Segment	3,680	37
Prepared Dishes and Other Prepared Foods Segment	1,572	1
Others Segment	876	20
Corporate (Across the Group divisions)	385	(7)
Total	9,574	154

**(10) Major Creditors and Loans Payable of the Group (As of March 31, 2024)**

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

## 2. Outline of the Company

### (1) Shares (As of March 31, 2024)

- [1] Total number of shares authorized to be issued 932,856,000 shares
- [2] Total number of shares issued and outstanding 304,357,891 shares  
(Including 6,818,184 shares of treasury shares)
- [3] Number of shareholders 37,474  
(Decreased 2,323 from the previous term-end)

#### [4] Major shareholders (Top 10)

Name	Number of Shares Held	Shareholding Ratio
	(thousands)	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	44,727	15.0
Nippon Life Insurance Company	19,387	6.5
Yamazaki Baking Co., Ltd.	16,988	5.7
Custody Bank of Japan, Ltd. (Trust Account)	16,572	5.5
Mizuho Bank, Ltd.	10,447	3.5
The Norinchukin Bank	6,932	2.3
Marubeni Corporation	6,284	2.1
National Mutual Insurance Federation of Agricultural Cooperatives	5,795	1.9
Nisshin Seifun Group Employee Shareholding Association	3,954	1.3
GOVERNMENT OF NORWAY	3,660	1.2

Note: The Company is excluded from the major shareholders listed above although it holds 6,818,184 treasury shares. Treasury shares are not included in shareholding ratio calculation.

#### [5] Status of shares granted as remuneration for performance of duty to Directors of the Company during the fiscal year ended March 31, 2024

Segment	Number of shares	Number of persons to be granted
Directors (excluding Directors who are members of the Audit & Supervisory Committee and Outside Directors)	9,900 shares of common stock	7
Outside Directors (excluding Directors who are members of the Audit & Supervisory Committee)	900 shares of common stock	3

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



## (2) Members of the Boards

[1] Directors (As of March 31, 2024)

Title	Name	Position	Significant Positions Concurrently Held
Representative Director and President	Kenji Takihara	Division Executive, Corporate Planning Division	Director and Chairman, Nisshin Flour Milling Inc.
Representative Director and Senior Managing Executive Officer	Naoto Masujima	In charge of General Administration Division and Human Resources and Labor Relations Division	
Director and Senior Managing Executive Officer	Takao Yamada		Director and President (Representative Director), Nisshin Flour Milling Inc.
*Director and Managing Executive Officer	Yasuo Ito	Division Executive, R&D and Quality Assurance Division	
*Director and Managing Executive Officer	Eiichi Suzuki	Division Executive, Finance and Accounting Division	
Director and Managing Executive Officer	Koichi Iwasaki		Director and President (Representative Director), Nisshin Seifun Delica Frontier Inc. Director and Chairman (Representative Director), Tokatsu Foods Co., Ltd.
*Director and Managing Executive Officer	Takahiko Iwahashi		Director and President (Representative Director), Nisshin Seifun Welna Inc.
Director	Kazuhiko Fushiya		Chairman, The Institute of Internal Auditors – Japan
Director	Motoo Nagai		Outside Director, Nissan Motor Co., Ltd.
Director	Nobuhiro Endo		Executive Advisor, NEC Corporation Outside Director, Japan Exchange Group, Inc. Outside Director, Sumitomo Pharma Co., Ltd. Outside Director, Tokio Marine Holdings, Inc. Vice Chair, KEIDANREN (Japan Business Federation)
Director (Full-time Audit & Supervisory Committee Member)	Shoh Ohuchi		
Director (Audit & Supervisory Committee Member)	Mieko Tomita		Attorney; Senior Partner, Nishi & Partners Attorneys and Counselors at Law Outside Director (Audit & Supervisory Committee Member), FANUC CORPORATION Outside Director, TEKKEN CORPORATION Outside Auditor, TEPCO Power Grid, Incorporated

Title	Name	Position	Significant Positions Concurrently Held
Director (Audit & Supervisory Committee Member)	Takaharu Ando		Outside Director, AMUSE INC. Outside Director, ZENSHO HOLDINGS CO., LTD. Outside Director, TOBU RAILWAY CO., LTD. Outside Director, Rakuten Group, Inc.
*Director (Audit & Supervisory Committee Member)	Hiroto Kaneko		Certified Public Accountant, Proprietor, Hiroto Kaneko CPA Office Outside Director (Audit & Supervisory Committee Member), H.I.S. Co., Ltd. Outside Director (Audit & Supervisory Committee Member), PayPay Corporation

Notes: 1. Three Directors (Kazuhiko Fushiya, Motoo Nagai, and Nobuhiro Endo) and three Directors (Audit & Supervisory Committee Members) (Mieko Tomita, Takaharu Ando, and Hiroto Kaneko) are Outside Directors.

2. The Company selects all of the Outside Directors as Independent Directors in accordance with its “Independence Standards for Outside Directors” (posted on the Company’s website ([https://www.nisshin.com/uploads/governance\\_is.pdf](https://www.nisshin.com/uploads/governance_is.pdf))) formulated pursuant to criteria concerning independence as defined by the Tokyo Stock Exchange, Inc., providing the necessary notification thereto.

3. Director (Full-time Audit & Supervisory Committee Member) Shoh Ohuchi has work experience in finance and accounting at the Company and substantial knowledge of finance and accounting.

4. Director (Audit & Supervisory Committee Member) Hiroto Kaneko, who has the qualification as a Certified Public Accountant, has substantial knowledge of finance and accounting.

5. The Company has elected a full-time Audit & Supervisory Committee Member to enhance the effectiveness of audits.

6. Changes in Directors (including Audit & Supervisory Committee Members) of the Company and the positions thereof, during the fiscal year ended March 31, 2024, are stated as follows.

1) Mr. Akira Mori, Mr. Satoshi Odaka, and Mr. Yuji Koike retired from their positions as Director, and Mr. Satoshi Ito retired from his position as Director (Audit & Supervisory Committee Member) due to expiration of their terms of office as of June 28, 2023. Directors and Director (Audit & Supervisory Committee Member) with an asterisk were newly elected at the 179th Ordinary General Meeting of Shareholders held on the same day and assumed office.

2) Mr. Naoto Masujima assumed the office of Representative Director and Mr. Eiichi Suzuki assumed the office of Managing Executive Officer as of June 28, 2023.

7. The following is a list of changes in significant positions concurrently held in the fiscal year ended March 31, 2024.

Director	Takahiko Iwahashi	Took office as Director and President (Representative Director), Nisshin Seifun Welna Inc. (April 1, 2023)
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Director	Nobuhiro Endo	Retired as Vice Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (April 27, 2023)
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Director (Audit & Supervisory Committee Member)	Hiroto Kaneko	Took office as an Outside Director (Audit & Supervisory Committee Member), PayPay Corporation (June 23, 2023) Retired as an Outside Director, H.I.S. Co., Ltd. Took office as an Outside Director (Audit & Supervisory Committee Member), H.I.S. Co., Ltd. (January 25, 2024)
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Director	Motoo Nagai	Retired as an Outside Director, Organo Corporation (June 29, 2023)
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8. The Company has adopted the executive officer system in order to expedite the execution of business operations. As of March 31, 2024, there were fifteen (15) Executive Officers excluding those serving concurrently as Directors.

[2] Outline of liability limitation agreement

The Company has concluded an agreement with each Director (excluding Executive Directors, etc.) which

limits the amount of liability for damages set forth in Article 423, Paragraph 1 of the Companies Act to the sum of the amount set forth in each item of Article 425, Paragraph 1 thereof, provided that the duties of each are performed in good faith and without gross negligence on the part thereof.

[3] Outline of directors and officers liability insurance contract

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

[4] Remuneration of Directors

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

At the Board of Directors meeting, the Company established a policy for the method of determining remuneration for individual Directors (excluding Directors who are members of the Audit & Supervisory Committee; hereinafter in 1., the same shall apply), after discussions by the Nomination and Remuneration Advisory Committee, a body comprised of Independent Outside Directors. During the fiscal year ended March 31, 2024, the Board of Directors meeting held on March 27, 2024 resolved to partially revise this policy for determination. The main revisions are as follows.

- The basic policy had been that the initial ratios of basic remuneration, bonus, and stock-based remuneration should be roughly 70:15:15, and the amounts and ratios of bonus and stock-based remuneration may be changed according to business performance. However, with the aims of growing over the medium to long term and further increasing corporate value, we have decided to increase the ratios of bonus and stock-based remuneration to make them more closely linked to business performance, transitioning to ratios of 60:20:20 for basic remuneration, bonus, and stock-based remuneration.
- Regarding evaluation indicators for bonus, to promote the reduction of CO<sub>2</sub> emissions as a response to the impact of climate change, we have decided that evaluations according to the status of achieving the targets of the CO<sub>2</sub> reduction roadmap will also be reflected in bonus.

An overview of the content of the revised policy for determination is as follows.

- The remuneration of the Company's Directors was established with reference to three key factors, functioning to 1) retain talented human resources, 2) offer remuneration at levels appropriate to the Company's size and business domains, and 3) to provide a healthy incentive to improve the Company's medium- to long-term corporate value. A certain proportion of remuneration consists of variable remuneration reflecting business performance, thus taking into consideration both level of contribution to the Group and level of contribution to medium- to long-term basic Group strategies.
- In order to ensure that remuneration for the Company's Inside Directors functions as a healthy incentive for sustainable growth, it is the Company's policy that such remuneration should comprise a combination of the following components: 1) fixed remuneration paid monthly based on role or position (basic remuneration); 2) variable remuneration reflecting contribution to past business performance (bonus), which is, in principal, paid annually with a fixed timing; and, 3) stock-based remuneration reflecting future business performance, with the objective of promoting management that focuses on shareholder value, which is paid annually with a fixed timing. As a basic policy, the initial ratios of these three components will be adjusted from roughly 70:15:15 to 60:20:20, increasing the ratio of variable remuneration.
- Remuneration for Outside Directors consists primarily of basic remuneration and stock-based remuneration is granted up to the designated upper limit.
- To ensure objectivity and propriety in the amount of remuneration, the remuneration standards for each management class are determined by taking into account factors such as the responsibilities that are specific to the management class and the significance of its impact on Group management, after referencing the results of surveys by external institutions.

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

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

By a resolution at the 175<sup>th</sup> Ordinary General Meeting of Shareholders held on June 26, 2019, the Company set the maximum annual amount of remuneration for Directors (excluding Directors who are

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

### 3. Amounts of remuneration for Directors

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

Segment	Total amounts of remuneration (millions of yen)	Total amounts by segment of remuneration (millions of yen)			Number of eligible executives
		Basic remuneration	Performance-based remuneration (Bonus)	Non-monetary remuneration (Stock-based remuneration)	
Directors (excluding Directors who are members of the Audit & Supervisory Committee)	238	162	47	28	13
Directors (Audit & Supervisory Committee Members)	43	43	—	—	5
(Outside Directors included in the above)	(60)	(57)	(—)	(3)	(7)

Notes: 1. The above number of Directors (excluding Directors who are members of the Audit & Supervisory Committee) and Directors (Audit & Supervisory Committee Members) includes three Directors (excluding Directors who were members of the Audit & Supervisory Committee) and one Director (Audit & Supervisory Committee Member) who retired from office during the fiscal year ended March 31, 2024.

- For performance-based remuneration (bonus), consolidated ordinary profit, which reflects the result of the Group's overall business performance, and the status of achieving the targets of the CO<sub>2</sub> reduction roadmap to promote the reduction of CO<sub>2</sub> emissions as a response to the impact of climate change, are used as key indicators. For the amount paid, the net increase or decrease from the previous year is basically determined by the year-on-year percent change in consolidated ordinary profit, etc. Evaluations of how the targets of the CO<sub>2</sub> reduction roadmap have been achieved are also reflected into the determination. For consolidated ordinary profit, including that of the fiscal year ended March 31, 2024, refer to "(3) Consolidated Business Results and Summary of Assets of the Group" in "1. Overview of the Corporate Group." In addition, we expect that the CO<sub>2</sub> reduction roadmap targets in the fiscal year ended March 31, 2024 will generally have been achieved.
- For non-monetary remuneration (stock-based remuneration), the number of Company shares calculated based on a set formula according to position, as well as cash (corresponding to tax

payment) are delivered and paid to Directors (excluding Directors who are members of the Audit & Supervisory Committee). A fixed transfer restriction period is established for the delivered shares. In addition, the total amount of expenses for the fiscal year ended March 31, 2024 is stated.

4. The amount of remuneration for individual Directors (excluding Directors who are members of the Audit & Supervisory Committee; hereinafter in Note 4, the same shall apply.) is determined by Kenji Takihara, the Director and President, who has been delegated by the Board of Directors, as it is considered to be appropriate for the person who oversees the execution of duties across the Group to evaluate individual Directors, based on factors such as the responsibilities specific to the management class, and the significance of their impact on Group management. However, such decisions are based on the policy for the method of determining remuneration for individual Directors as stipulated in 1. above, and are also based on a set formula according to position, etc. for basic remuneration and non-monetary remuneration (stock-based remuneration), and on the year-on-year percent change in consolidated ordinary profit, etc. and on status of achieving the targets of the CO<sub>2</sub> reduction roadmap for performance-based remuneration (bonus) as described above (Note 2), in order to ensure the appropriateness and objectivity of the remuneration decision-making process. The Board of Directors of the Company has confirmed that the contents of the remuneration of individual Directors for the fiscal year ended March 31, 2024 are consistent with the policy for the method of determination approved by the Board of Directors, and judged that they are in line with such policy.

[5] Outside Directors

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

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

2. Principal activities in the fiscal year ended March 31, 2024

- 1) Director Kazuhiko Fushiya

Mr. Fushiya attended all meetings of the Board of Directors held in the fiscal year ended March 31, 2024. By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors, he has appropriately fulfilled the role expected of him, by providing appropriate advice and supervision over the Company's business execution, based on a wealth of experience and high-level expertise gained through his career in the Ministry of Finance and other governmental organizations where he held important positions.

- 2) Director Motoo Nagai

Mr. Nagai attended all meetings of the Board of Directors held in the fiscal year ended March 31, 2024. By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors, he has appropriately fulfilled the role expected of him, by providing appropriate advice and supervision over the Company's business execution, based on his wealth of experience and broad-based insight gained through management of financial institutions.

- 3) Director Nobuhiro Endo

Mr. Endo attended 12 out of 13 meetings of the Board of Directors held in the fiscal year ended March 31, 2024. By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors, he has appropriately fulfilled the role expected of him, by providing appropriate advice and supervision over the Company's business execution, based on his wealth of experience and broad-based insight as a corporate executive.

- 4) Director (Audit & Supervisory Committee Member) Mieko Tomita

Ms. Tomita attended 12 out of 13 meetings of the Board of Directors and 11 out of 12 meetings of the Audit & Supervisory Committee held in the fiscal year ended March 31, 2024. By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors and the Audit & Supervisory Committee, she has appropriately fulfilled the role expected of her, by appropriately auditing and supervising the Company as an Outside Director who is a member of the Audit & Supervisory Committee, mainly from the viewpoint of legal compliance, based on her high level of expertise as an attorney and her wealth of experience in corporate legal affairs.

- 5) Director (Audit & Supervisory Committee Member) Takaharu Ando

Mr. Ando attended 12 out of 13 meetings of the Board of Directors and all meetings of the Audit & Supervisory Committee held in the fiscal year ended March 31, 2024. By making remarks, asking

questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors and the Audit & Supervisory Committee, he has appropriately fulfilled the role expected of him, by appropriately auditing and supervising the Company as an Outside Director who is a member of the Audit & Supervisory Committee, based on his wealth of experience and broad-based insight gained through his career in the National Police Agency and other governmental organizations where he held important positions.

6) Director (Audit & Supervisory Committee Member) Hiroto Kaneko

Mr. Kaneko attended 9 out of 10 meetings of the Board of Directors and all meetings of the Audit & Supervisory Committee held since he assumed office of a Director (Audit & Supervisory Committee Member). By making remarks, asking questions, and contributing opinions regarding the purposes and contents of matters resolved and reported as appropriate at the meetings of the Board of Directors and the Audit & Supervisory Committee, he has appropriately fulfilled the role expected of him, by appropriately auditing and supervising the Company as an Outside Director who is a member of the Audit & Supervisory Committee, based on his extensive auditing experience as a certified public accountant, and his high-level expertise in domestic and international finance and accounting.

### **3. Systems and Policies of the Company**

#### **Policy on Dividends from Surplus**

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

As a further return of profits to shareholders, the Company intends to pay a full-year dividend of ¥45 per share, representing an increase of ¥5 from the previous fiscal year. Accordingly, the Company will submit a proposal to the Ordinary General Meeting of Shareholders to distribute its surplus to pay a year-end dividend of ¥24 per share. As a result, dividends paid will have increased for 11 consecutive terms since the fiscal year ended March 31, 2014, the fiscal year in which total dividends paid were increased by stock split without adjustment to the dividend per share.

Based on the policies in the “Medium-Term Management Plan 2026,” the Company will appropriately allocate operating cash flow during the five years of the medium-term management plan to future-oriented growth investments, shareholder returns, etc. We will actively consider dividend increases, looking ahead at the timing. In the event of surplus investment funds, etc., we will consider further shareholder returns.

End

## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Item	Amount	Item	Amount
<b>(ASSETS)</b>		<b>(LIABILITIES)</b>	
<b>Current assets</b>	<b>365,072</b>	<b>Current liabilities</b>	<b>163,571</b>
Cash and deposits	109,470	Notes and accounts payable – trade	76,198
Notes and accounts receivable – trade, and contract assets	114,536	Short-term loans payable	15,101
Inventories	124,878	Income taxes payable	7,890
Other	16,729	Accrued expenses	27,036
Allowance for doubtful accounts	(541)	Other	37,344
<b>Non-current assets</b>	<b>461,629</b>	<b>Non-current liabilities</b>	<b>146,749</b>
<b>Property, plant and equipment</b>	<b>235,815</b>	Bonds	20,000
Buildings and structures, net	72,092	Long-term loans payable	12,014
Machinery, equipment and vehicles, net	66,504	Lease obligations	39,929
Land	53,393	Deferred tax liabilities	42,671
Construction in progress	20,158	Provision for repairs	1,278
Right-of-use assets	18,471	Net defined benefit liability	23,532
Other, net	5,196	Long-term deposits received	5,642
		Other	1,680
<b>Intangible assets</b>	<b>21,563</b>	<b>Total liabilities</b>	<b>310,321</b>
Goodwill	6,212	<b>(NET ASSETS)</b>	
Other	15,350	<b>Shareholders' equity</b>	<b>363,383</b>
		<b>Capital stock</b>	<b>17,117</b>
<b>Investments and other assets</b>	<b>204,250</b>	<b>Capital surplus</b>	<b>12,752</b>
Investment securities	185,445	<b>Retained earnings</b>	<b>344,428</b>
Net defined benefit asset	307	<b>Treasury shares</b>	<b>(10,914)</b>
Deferred tax assets	12,539		
Other	6,167	<b>Accumulated other comprehensive income</b>	<b>136,918</b>
Allowance for doubtful accounts	(208)	<b>Valuation difference on available-for-sale securities</b>	<b>93,519</b>
		<b>Deferred gains or losses on hedges</b>	<b>164</b>
		<b>Foreign currency translation adjustment</b>	<b>43,632</b>
		<b>Remeasurements of defined benefit plans</b>	<b>(398)</b>
		<b>Non-controlling interests</b>	<b>16,078</b>
		<b>Total net assets</b>	<b>516,381</b>
<b>Total assets</b>	<b>826,702</b>	<b>Total liabilities and net assets</b>	<b>826,702</b>



**Consolidated Statement of Income**  
(For the Fiscal Year Ended March 31, 2024)

(Millions of yen)

Item	Amount	
<b>Net sales</b>		858,248
<b>Cost of sales</b>		674,115
<b>Gross profit</b>		<b>184,132</b>
<b>Selling, general and administrative expenses</b>		136,341
<b>Operating profit</b>		<b>47,791</b>
<b>Non-operating income</b>		
Interest income	563	
Dividend income	2,711	
Share of profit of entities accounted for using equity method	1,774	
Rent income	294	
Foreign exchange gains	730	
Other	1,034	7,109
<b>Non-operating expenses</b>		
Interest expenses	3,770	
Other	1,137	4,907
<b>Ordinary profit</b>		<b>49,992</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	281	
Gain on sales of investment securities	436	718
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	605	
Impairment losses	1,254	1,860
<b>Profit before income taxes</b>		<b>48,850</b>
<b>Income taxes – current</b>	<b>13,697</b>	
<b>Income taxes – deferred</b>	<b>2,285</b>	<b>15,982</b>
<b>Profit</b>		<b>32,868</b>
<b>Profit attributable to non-controlling interests</b>		<b>1,125</b>
<b>Profit attributable to owners of parent</b>		<b>31,743</b>

**NON-CONSOLIDATED FINANCIAL STATEMENTS**

**Non-consolidated Balance Sheet**

(As of March 31, 2024)

(Millions of yen)

Item	Amount	Item	Amount
<b>(ASSETS)</b>		<b>(LIABILITIES)</b>	
<b>Current assets</b>	<b>56,360</b>	<b>Current liabilities</b>	<b>34,780</b>
Cash and deposits	50,594	Lease obligations	46
Accounts receivable – trade	350	Accounts payable – other	466
Prepaid expenses	266	Accrued expenses	2,626
Income taxes receivable	3,771	Deposits received	31,571
Other	1,376	Provision for directors’ bonuses	47
		Other	21
<b>Non-current assets</b>	<b>386,823</b>		
<b>Property, plant and equipment</b>	<b>22,613</b>	<b>Non-current liabilities</b>	<b>66,350</b>
Buildings, net	4,706	Bonds	20,000
Structures, net	288	Long-term loans payable	10,000
Machinery and equipment, net	808	Lease obligations	60
Vehicles, net	12	Deferred tax liabilities	32,971
Tools, furniture and fixtures, net	489	Provision for retirement benefits	2,909
Land	16,141	Other	408
Leased assets, net	126		
Construction in progress	40	<b>Total liabilities</b>	<b>101,130</b>
		<b>(NET ASSETS)</b>	
<b>Intangible assets</b>	<b>457</b>	<b>Shareholders’ equity</b>	<b>265,940</b>
Leasehold right	18	<b>Capital stock</b>	<b>17,117</b>
Software	431	<b>Capital surplus</b>	<b>9,691</b>
Leased assets	7	Legal capital surplus	9,500
Other	0	Other capital surplus	191
		<b>Retained earnings</b>	<b>250,037</b>
<b>Investments and other assets</b>	<b>363,752</b>	Legal retained earnings	4,379
Investment securities	123,719	Other retained earnings	245,657
Shares of subsidiaries and associates	152,337	Reserve for dividends	2,000
Investments in capital	354	Reserve for tax purpose reduction entry of non-current assets	2,450
Investments in capital of subsidiaries and associates	1,268	General reserve	170,770
Long-term loans receivable from subsidiaries and associates	85,282	Retained earnings brought forward	70,437
Other	813	<b>Treasury shares</b>	<b>(10,906)</b>
Allowance for doubtful accounts	(25)	<b>Valuation and translation adjustments</b>	<b>76,112</b>
		<b>Valuation difference on available- for-sale securities</b>	<b>76,112</b>
		<b>Total net assets</b>	<b>342,053</b>
<b>Total assets</b>	<b>443,183</b>	<b>Total liabilities and net assets</b>	<b>443,183</b>

**Non-consolidated Statement of Income**  
(For the Fiscal Year Ended March 31, 2024)

(Millions of yen)

Item	Amount	
<b>Operating revenue</b>		25,355
<b>Operating expenses</b>		16,352
<b>Operating profit</b>		<b>9,002</b>
<b>Non-operating income</b>		
Interest income	1,390	
Dividend income	1,998	
Other	121	3,510
<b>Non-operating expenses</b>		
Interest expenses	155	
Other	13	168
<b>Ordinary profit</b>		<b>12,344</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	281	
Gain on sales of investment securities	338	620
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	37	37
<b>Profit before income taxes</b>		<b>12,927</b>
<b>Income taxes – current</b>	<b>60</b>	
<b>Income taxes – deferred</b>	<b>(270)</b>	<b>(210)</b>
<b>Profit</b>		<b>13,137</b>