

Fiscal 2024

Results Briefing Meeting

May 20, 2024
Nisshin Seifun Group Inc.



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I. Fiscal 2024 Results

1. Fiscal 2024 Results

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



* Figures rounded to the nearest 100 million yen.

(100 millions of yen)	Fiscal 2024 Results	Forecasts		Fiscal 2023 Results	
			Change		Change
Net sales	8,582	8,500	+1.0%	7,987	+7.5%
Overseas sales ratio	31.3%	31.4%	—	32.8%	—
Operating profit	478	460	+3.9%	328	+45.6%
Ordinary profit	500	470	+6.4%	331	+51.3%
Profit attributable to owners of the parent	317	300	+5.8%	(104)	—

2. Fiscal 2024 Operating Profit — Year-on-Year Analysis

■ Analysis of Change in Operating Profit (vs. FY2023)

 : Increase in profit  : Decrease in profit

FY2023 Results		 ¥32.8 billion	[Major factors behind the increase or decrease in profit]
Flour Milling Segment ¥+11.0 billion	Sales revenue	¥+1.2 billion	: The product mix improved due to the recovery of people's movements, etc.
	Bran prices	¥+1.4 billion	: Bran prices remained strong
	Cost related and others	¥+4.1 billion	: Effect of the new consolidation of Kumamoto Flour Milling Co., Ltd. appropriate price revisions that also accommodated cost increases from the previous fiscal year, etc.
	Overseas operating profit	¥+4.3 billion	: Decrease in depreciation and amortization expenses in Australia, etc.
Processed Food Segment ¥+2.3 billion	Sales revenue	¥+0.4 billion	: A decrease in shipping volume was more than offset chiefly by improvements in sales expansion expenses and the product mix.
	Cost related and others	¥+1.2 billion	: Implemented appropriate price revisions that also accommodated cost increases from the previous fiscal year
	Overseas operating profit	¥+0.7 billion	: Profit in the India yeast business declined, but overall profit increased chiefly due to higher shipments in the prepared mixes business and raw materials for pharmaceuticals.
Prepared Dishes and Other Prepared Foods Segment		¥+2.1 billion	: Implemented price revisions, improved person-hour productivity, etc.
Others Segment, etc.		¥(0.4) billion	: While profit increased in the mesh cloth business, it decreased in the engineering business
FY2024 Results		 ¥47.8 billion (¥+15.0 billion YoY)	

3. Review of Top Priority Measures for FY2024

(1) Stimulate the Group's Ability to Grow by Restructuring the Business Portfolio (remaining a theme in FY2025)

We acquired Kumamoto Flour Milling Co., Ltd. and we are constructing the Mizushima Plant in the Flour Milling Segment business. We increased production capacity at two plants in the US flour milling business. This measure remains a top priority this fiscal year.

(2) Addressing Food Inflation (achieved)

We lagged behind in cost pass-throughs in each business in FY2023. In FY2024, we revised prices, including those in each business that were not revised in FY2023, and managed to catch up with rising costs.

(3) Recovery in the Australia Flour Milling Business (remaining a theme in FY2025)

We aim to increase profit by around 4.0 billion yen during the five-year Medium-Term Management Plan period, but we are lagging behind the plan. This measure remains a top priority this fiscal year.

(4) Environmental Policy (achieved the initial target)

We have formulated a roadmap to reducing CO₂ emissions generated by Group-operated sites by 50% (compared with FY2014 levels) by 2030. We have implemented a system to systematically reduce CO₂ emissions in accordance with the roadmap.

(5) Digital Strategy (achieved the initial target)

Nisshin Flour Milling Inc. and Tokatsu Foods Co., Ltd. in the prepared dishes and other prepared foods businesses have been recognized as a DX-certified Business Operator by the Ministry of Economy, Trade and Industry. We have initiated efforts to address DX themes such as automation and streamlining, standardization, improved customer proposal capabilities, sales channel enhancements, and other activities.

II. Fiscal 2025 Forecasts and Towards the Achievement of the Medium-Term Management Plan

1. Fiscal 2025 Forecasts

- Net sales are expected to remain **flat from a year ago**. A decrease in sales chiefly due to the adverse impact of cuts in flour prices resulting from wheat price revisions in the domestic flour milling business and wheat market prices in the overseas flour milling business will be offset by an increase in sales in the processed food segment.
- Operating profit is expected to remain **flat from a year ago**. Profit will decline in the domestic flour milling business, but the decrease will be offset by increases in profit in the processed food segment and the prepared dishes and other prepared foods businesses, as well as rises in profit in the Australia flour milling business and India yeast business chiefly due to recovery initiatives.

* Figures rounded to the nearest 100 million yen.

(100 millions of yen)	Fiscal 2025 Forecasts	Fiscal 2024 Results	YoY difference	YoY change
Net sales	8,500	8,582	(82)	(1.0)%
Overseas sales ratio	31.2%	31.3%	—	—
Operating profit	480	478	+2	+0.4%
Ordinary profit	500	500	+0	+0.0%
Profit attributable to owners of the parent	330	317	+13	+4.0%

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

The operating profit and EPS forecasts for fiscal 2025 have met the targets for the final year of the Medium-Term Management Plan. **We aim to achieve steady profit growth from fiscal 2025 onwards.**

- Progress towards the Targets for the Final Year of the Medium-Term Management Plan

	Fiscal 2022 Results (MTP base year)	Fiscal 2024 Results	Fiscal 2025 Forecasts	Fiscal 2027 Targets (MTP final year)
Net sales	¥679.7 billion	¥858.2 billion	¥850.0 billion	¥900.0 billion
Operating profit	¥29.4 billion	¥47.8 billion	¥48.0 billion	¥48.0 billion
EPS	¥59	¥107	¥111	¥110
ROE	4.0%	6.9%	6.6%	7.0%

3. Reviewing Numerical Targets in the Medium-Term Management Plan (MTP)

We will consider whether to change the targets for the final year of the Medium-Term Management Plan and **announce our decision with financial results in the first half.**

■ During the first half of the fiscal year, we will discuss the following subjects.

1. Securing an earnings base that will drive high profitability in the domestic flour milling business as a core business

2. Growth scenarios

(1) Improvement in results in overseas operations

(Australia flour milling business and India yeast business)

(2) Growth of the US flour milling business

(Profit is expected to decline in FY2025, but we anticipate growth from FY2026 onwards, attributed to the expansion of the Saginaw Plant and other factors.)

(3) Improvement in profitability in the processed food business

(New products, the transformation of the business structure, improvement in productivity, etc.)

(4) Improvement in profitability in prepared dishes and other prepared foods businesses

(Development of high value-added products, improvement in productivity, etc.)

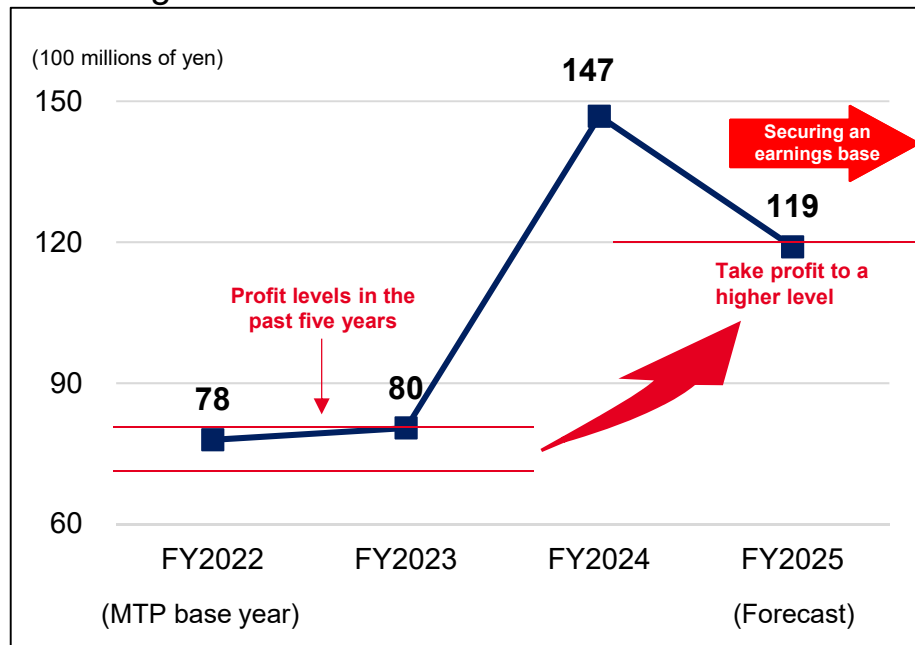
(5) Growth in the mesh cloth business

(Operations in the solar battery market and other growth markets)

3-1. Domestic Flour Milling Business

Operating profit is expected to decline in fiscal 2025 but will **still be higher than in fiscal 2022, the Medium-Term Management Plan base year**. We aim to secure an earnings base that will drive high profitability in this core business.

■ Change in operating profit in the domestic flour milling business



■ Major factors behind the expected decrease in profit in FY2025 (¥(2.8) billion)

- Taking a downturn after an increase in FY2024 (quality of raw materials, etc.)
- Increase in labor, power, and other costs in FY2025

■ Major factors behind increased profit in FY2024 (¥+6.7 billion)

- Addressing food inflation
 - Effects from the new consolidation of Kumamoto Flour Milling
 - Bran prices remained strong
 - Increased sales revenue due to an increase in people's movements
 - Quality of raw materials, etc.
- Multiple factors that contributed to the profit increase

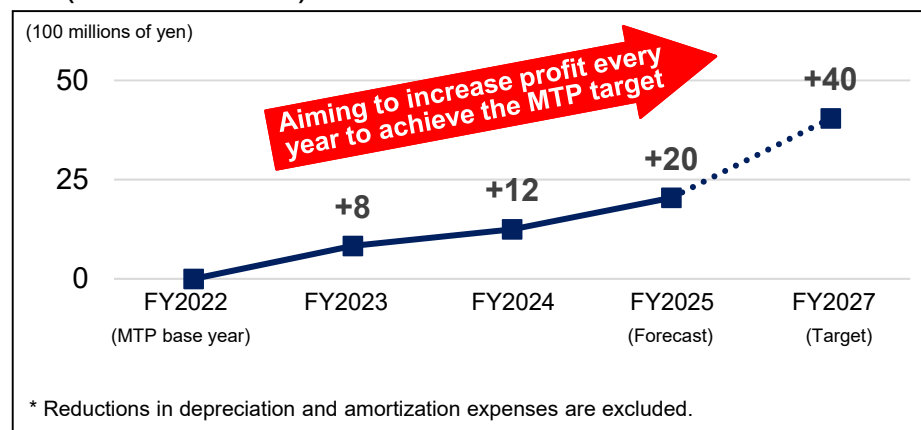
■ Initiatives to secure an earnings base

- [Sales]**
- Increasing market share
 - Improving sales efficiency using digital tools
 - Increasing sales of value-added products (such as high dietary fiber wheat flour)
- [Production]**
- Establishing the Mizushima Plant, closing two plants (in FY2026)
 - Constantly implementing initiatives to increase productivity (including automation)
- [Synergy]**
- Continue initiatives to create synergies with Kumamoto Flour Milling

3-2 (1). Improvement of the Performance of the Australia Flour Milling Business

We are falling short of achieving the increased profit target set in the Medium-Term Management Plan and need to implement additional initiatives. In fiscal 2025, we **aim to pave the way for meeting the increased profit target of the Medium-Term Management Plan.**

■ Operating profit: Growth trend over time (FY2022 base)



■ Analysis of increase in operating profit (excluding reductions in depreciation and amortization expenses)

	FY2024 Results (YoY Difference)	FY2025 Forecast (YoY Difference)	Comments on FY2025 Forecast:
(1) Sales	¥+0.1 billion	¥+1.1 billion	Increased revenue, etc.
(2) Cost reductions	¥+0.8 billion	¥+0.6 billion	Improved productivity, etc.
(3) SG&A expenses	¥(0.5) billion	¥(0.9) billion	Increase in labor and logistics costs, etc.
Total	¥+0.4 billion	¥+0.8 billion	

■ Major initiatives to achieve the Medium-Term Management Plan

[Achievements and challenges in FY2024]

(Achievements)

- **Achieved higher profits** by revising prices and enhancing productivity even in the face of low consumer spending.

(Challenges)

- Ongoing increase in labor and logistics costs, etc.
- Uncertainty about consumption trends due to inflation

[Action plan for FY2025]

(1) Increasing the top line and sales margin

Expansion of market share by expanding sales channels for bakery raw materials and utilizing digital marketing

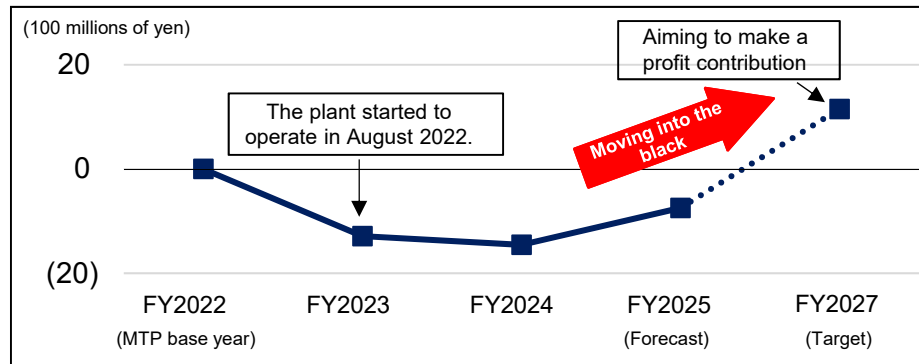
(2) Continuously increasing productivity and reducing costs

Improvement of productivity through a reduction in production losses, automation, and so on, streamlining of transportation, etc.

3-2 (1). Improvement of the Performance of the India Yeast Business

In August 2023, the plant had been in operation for one year, and the business had successfully eliminated any negative impact on profit. **The business aims to continue increasing its market share and generate profits before the end of the period of the Medium-Term Management Plan.**

■ Operating profit: Trend over time (FY2022 base)



■ Achievements and challenges in FY2024

(Achievements)

- Achieved a market share of **approximately 18% as of the end of March 2024.** (*) (* Based on Nissin Seifun Group research)

(Challenges)

- Increases in raw material costs due to rises in market prices for molasses
- Implementation of price revisions

■ Future initiatives

(1) Expand market share

- Aim for a 30% market share during the term of the Medium-Term Management Plan

(2) Price revisions corresponding to rising costs

- Implement price revisions individually based on relationships with customers

(3) Further improvements to productivity

- Utilize the production technologies cultivated in Japan to work on further improvements to productivity

Hold Baker's meets* to expand market share

* Seminars for bakeries

- Continue to hold seminars for bakeries (more than 1,000 people have participated in the seminars)
- The lecturer explains the features of KOBO® yeast and the benefits of substituting instant dry yeast with raw yeast.

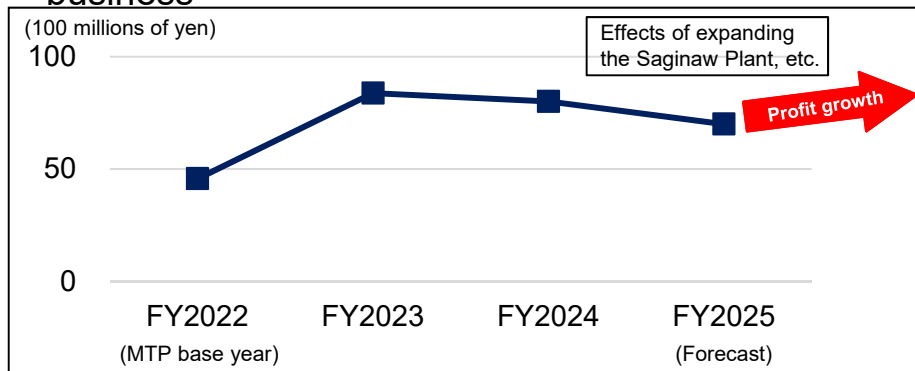


KOBO® sold in India

3-2 (2). Growth of the US Flour Milling Business

The expansion of the Los Angeles Plant in California was completed in November 2023. A new production line is being constructed at the Saginaw Plant in Texas. **Operations are scheduled to commence in early 2025. We are aiming for further business growth.**

Change in operating profit in the US flour milling business



Effects of expanding the Saginaw Plant

- (1) Production and Sales** 10% increase in production capacity. Achievement of shipments that accommodate market growth.
- (2) Market Presence** Increase production capacity to the 4th in the US market (currently 5th)
- (3) Profit Growth** Profit contribution is expected due to increased shipments

Initiatives to enhance the effects of the expansion of the Saginaw Plant (establishment of the Innovation & Technical Center (ITC))

Overview of the ITC

- The ITC is set to be completed in the latter half of 2024, around the same time as the expansion of the Saginaw Plant.
- The ITC will feature small mills capable of replicating the flour mill's production line and bakery equipment, which will significantly expand services to customers. It will allow us to perform tests and analysis across a wide range of areas from raw wheat to flour products.

An image of the completed ITC



We aim to increase the levels of proposals and services to customers and strengthen the presence of the US flour milling business.

Our idea of activities using the ITC

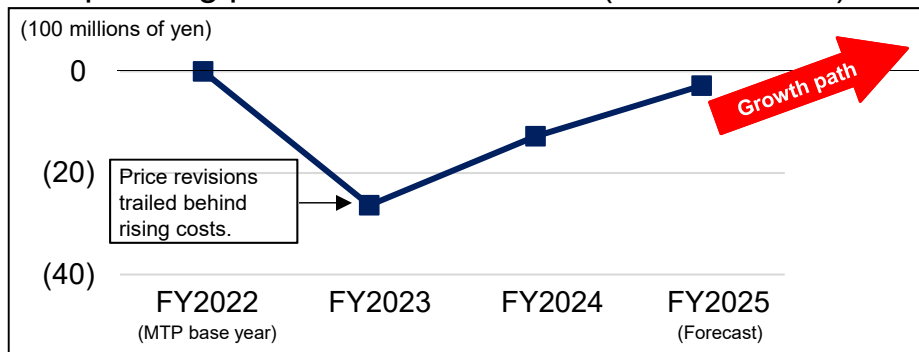
- ▶ Showing customers invited to the ITC both product testing and prototypes and allowing them to try food samples, providing specialist information on product development to customers of any size, and proposing improvements to baking methods
- ▶ Sharing data (on the quality of raw materials, etc.) with plants of the Company in a timely manner (*)

(*) The ITC will also be used by five plants of Miller Milling Company, LLC in the United States, and Rogers Foods Ltd. in Canada.

3-2 (3). Increasing Profitability in the Processed Food Business

During fiscal 2025, the processed food business will **increase its focus on developing new products** and **transform its business structure to put it on a growth path**.

■ Operating profit: Trend over time (FY2022 base)



■ Priorities in developing new products

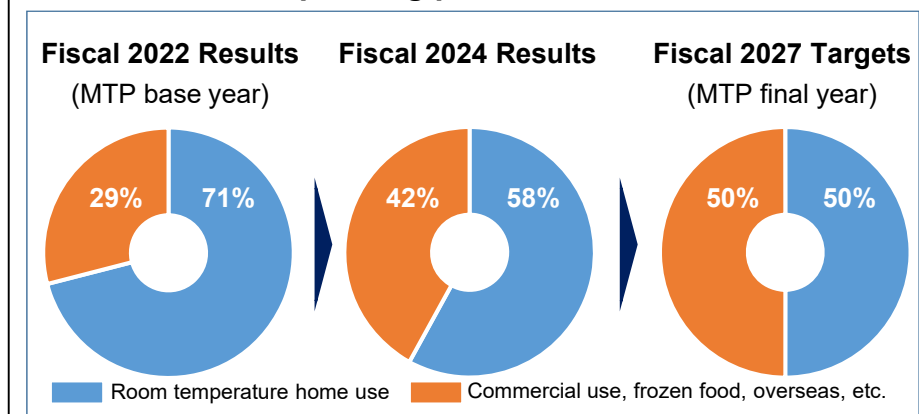
- Drive the creation of added value by developing new products along the four angles of "easy-to-prepare and convenient," "authenticity," "health" and "the environment"
- Enhance products to align with the polarization of consumption and changing consumption behavior

This fiscal year, we aim to record sales ¥6.0 billion from new products.

■ Transformation of the business structure

Maintain and strengthen the earnings base of the room temperature home use business, while **bolstering the commercial-use business, frozen food business, and overseas businesses operated entirely locally**

■ Breakdown of operating profit



■ Initiatives in the commercial use business (transforming the business structure)

Initiatives to bolster the commercial use business

(1) Strengthen cooperation among Group companies (Flour Milling Business, etc.)

(2) Enhance NB products

Enhance product capabilities to help alleviate personnel shortages in the restaurant industry

Record net sales in FY2027 that are **approximately 1.2 times** the FY2024 level.

(3) Broadcast commercials for the commercial-use business

(4) Use DX (enhance website for commercial-use business)

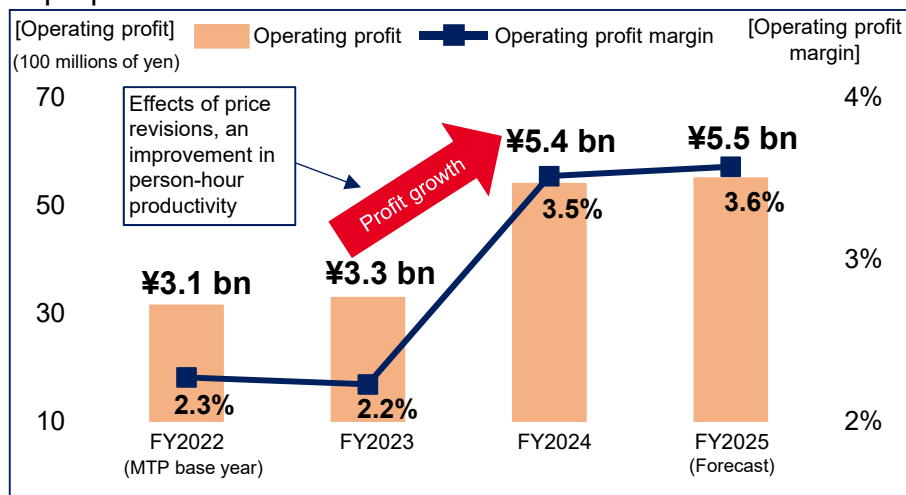
3-2 (4). Increasing Profitability in the Prepared Dishes and Other Prepared Foods Businesses

Delivering Good Health and Reliability



In addition to boosting person-hour productivity through digital transformation, we will **promote automation and labor-saving in production and enhance our R&D capabilities to develop products that will set us apart from our competitors** to sustain business growth.

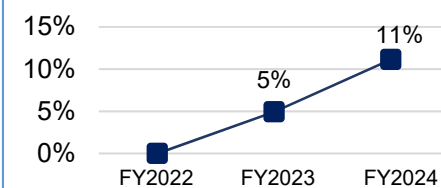
■ Trends in operating profit in the prepared dishes and other prepared foods businesses



■ Initiatives to enhance management capabilities in the prepared dishes and other prepared foods businesses

We will leverage Tokatsu Foods Co., Ltd.'s management expertise, utilizing a unique production management system and emphasizing data across the Group, to boost productivity.

Trends in person-hour productivity at Tokatsu Foods



Tokatsu Foods was recognized as a DX-certified Business Operator by the Ministry of Economy, Trade and Industry in October 2023.



(First such certification in the prepared dishes and other prepared foods industry)

■ Initiatives for automation and labor-saving (Tokatsu Foods)

Joint development of a high-precision dishing-up robot system with Connected Robotics Inc. (CR)

- The company and CR participated in an Innovative Robot R&D Infrastructure Development Project supported by the Ministry of Economy, Trade and Industry.
- The new dishing-up robot system is twice as precise as the existing equipment.
- The installation area is one-fifth that of the existing equipment. Two robot arms work in the space typically occupied by a human worker, leading to labor-saving benefits.

Implemented the system in the Ashikaga Plant in February 2023.

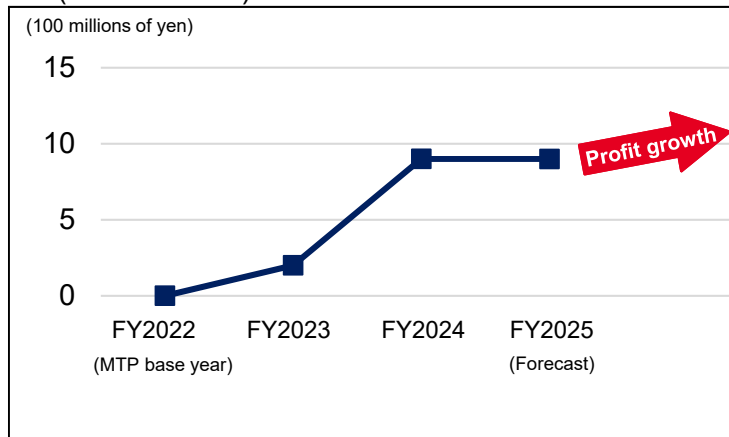


The dishing-up robot

3-2 (5). Growth of the Mesh Cloth Business

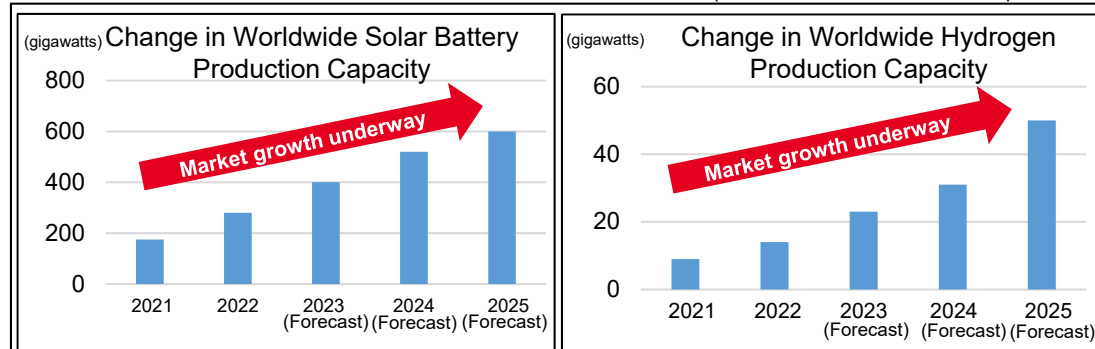
Sales of screen printing metal meshes for solar batteries were steady. We **aim to achieve further business growth** by capitalizing on market growth, particularly in environmental sectors such as water treatment and hydrogen businesses.

■ Operating profit: Growth trend over time (FY2022 base)



■ Change in solar battery and hydrogen production capacity

(Based on Nissin Seifun Group research)



Invest in facilities, human resources, and research and development to keep up with market growth

■ Growth strategies in the mesh cloth business

(1) Focusing on growth markets where growing demand is expected

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

(2) Creating synergies with the engineering business

- High-definition meshes
- Nanotechnology, surface treatment technologies
- Environment, hygiene and EV-related products and technologies

Collaboration on EVs and electronic components, food production lines, plant construction (deodorization equipment, etc.), and other areas

III. Top Priority Measures for FY2025

1. Top Priority Measures for FY2025

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

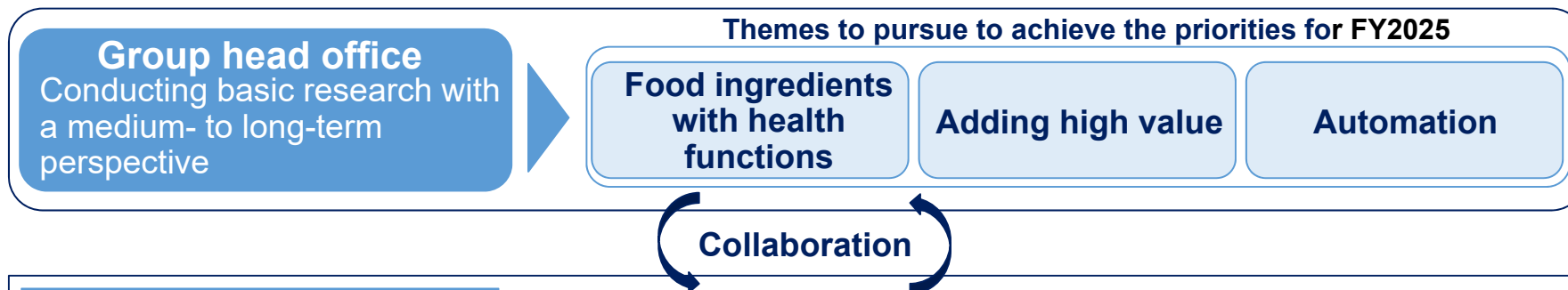
(2) Implement Initiatives to Achieve a Recovery in the Australia Flour Milling Business and India Yeast Business

(3) Produce Visible Results by Executing the R&D Strategy

(4) Attain the Benefits of Automation and Labor-saving

1-(3). Produce Visible Results by Implementing the R&D Strategy

Group head office and its operating companies will work together to **implement research findings into practical applications**. The operating companies will create new products that meet market needs **to gain a competitive edge in Japan and overseas**.



<p>Flour Milling Business</p> <p>We will promote high dietary fiber wheat flour (Amuleia) to increase recognition among consumers and develop markets.</p>	
<p>Processed Food Business</p> <p>(1) Drive the creation of added value by developing new products along the four angles of "easy-to-prepare and convenient," "authenticity," "health" and "the environment"</p> <p>This fiscal year, we aim to record sales ¥6.0 billion from new products.</p> <p>(2) Expand exports and overseas sales of value-added products</p>	<p>[Reorganization to enhance new product development capabilities]</p> <p>To enhance our product development capabilities and marketing function, we will change the Product Management Division to the Product Development Division.</p>
<p>Prepared Dishes and Other Prepared Foods Businesses</p> <p>(1) Develop technology to bring out the flavor of ingredients and broths</p> <p>(2) Develop freezing technology to improve keeping quality and product quality</p> <p>Focus on the two themes above and on developing new products that will set us apart from our competitors</p>	
<p>Achieve "unique deliciousness" in all three temperature zones (chilled, frozen-chilled, frozen)</p>	

1-(4). Attain the Benefits of Automation and Labor-saving

We will **accelerate automation and labor-saving** by combining digital and automation technologies and the expertise that we have developed.

■ Main initiatives

■ Flour Milling Business

- Capital-intensive business
- Labor-saving is progressing, but we will work on further labor-saving.

■ Prepared Dishes and Other Prepared Foods Businesses

- Labor-intensive business
- The primary theme is labor-saving through automation.

Accelerate automation and labor-saving this fiscal year.

We are developing new technologies to introduce them at the Mizushima Plant, which will begin to operate in May 2025.
(We will introduce the world's most advanced technologies)

We will be **making preparations to apply** the new technology that we will develop for wheat flour plants in Japan and overseas.

(We have 10 domestic wheat flour plants and 18 overseas wheat flour plants.)

➤ We will accelerate the development of automation technology for prepared dishes and other prepared foods plants.

(We will use the automation technology that we will develop in production lines)

➤ We aim to develop inspection technology that uses AI.

➤ When we build new standard plants in the prepared dishes and other prepared foods businesses, we **will develop automation technology that will allow us to reduce personnel by 30%**.

(Common themes shared across the Group)

We will improve digital literacy across the Group and develop personnel that will take the lead in using digital technology to promote digitalization and automation.

IV. ESG Initiatives

1. Reducing Cross-Shareholdings

We have already achieved our cross-shareholdings reduction target for the five-year Medium-Term Management Plan. We aim to reduce cross-shareholdings worth 15.0 billion yen or more over the three-year period from FY2025 to FY2027.

- Cross-shareholdings reduction targets for the five-year Medium-Term Management Plan period

FY2023	FY2024	FY2025- FY2027	Total
¥29.4 billion	¥1.5 billion	¥15.0 billion or more ^(*)	¥46.0 billion or more

(*) We may further reduce cross-shareholdings depending on the situation.

- Ways to use the cash obtained from reducing cross-shareholdings

➤ We will actively invest in growth and other opportunities using the cash obtained from reducing cross-shareholdings.

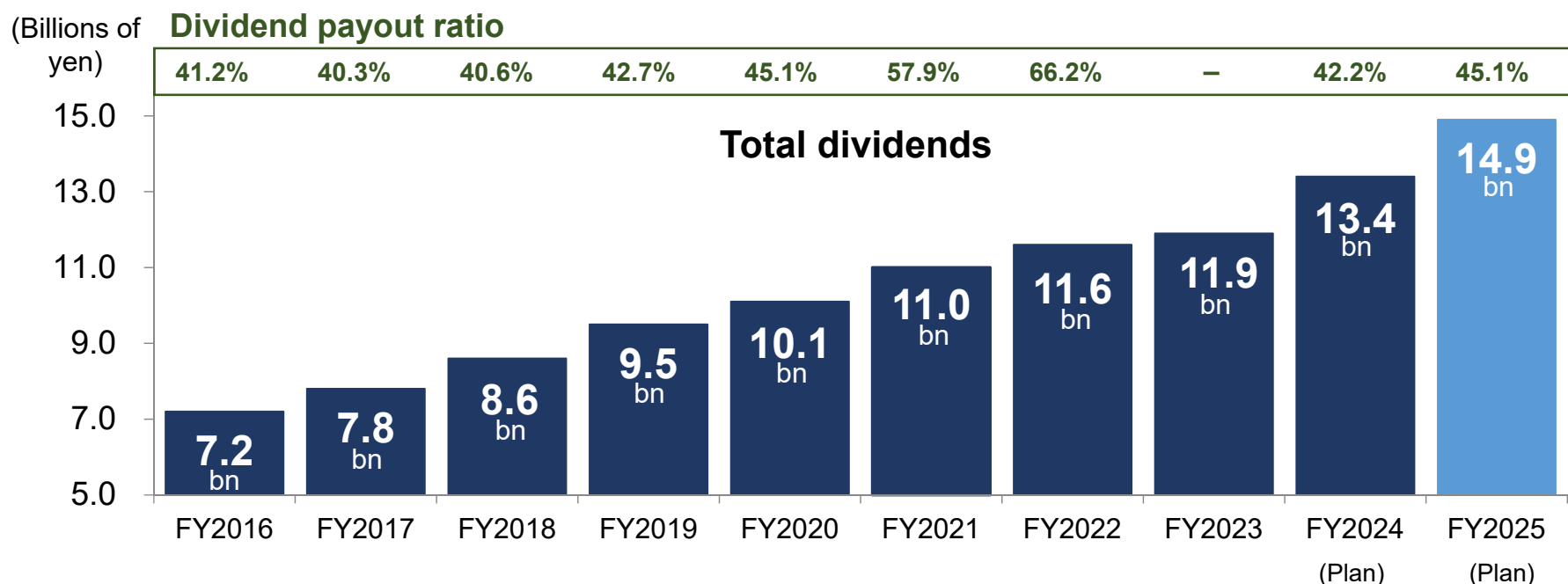
- Gains from the sale of cross-shareholdings are not included in the forecasted profit attributable to owners of the parent for fiscal 2025.

2. Strengthening Shareholder Returns

■ Shareholder return policy

- ▶ For the fiscal year ended March 31, 2024, we will pay a dividend of **¥45 per share, an increase of ¥5** from the previous fiscal year. For the fiscal year ending March 31, 2025, we will pay a dividend of **¥50 per share, a rise of ¥5** from the year-earlier level.
- ▶ During the period of the Medium-Term Management Plan from the fiscal year ending March 31, 2025, we will actively reduce cross-shareholdings. We will thus **exclude non-recurring profits or losses** when calculating the payout ratio and aim for a consolidated payout ratio of 40% or more.
- ▶ We will actively consider dividend increases with a view to the right timing. For the fiscal year ending March 31, 2025, we plan an **increased dividend for a twelfth consecutive year** in effect.

■ Total dividends and dividend payout ratio



Dividend per share

¥24 ¥26 ¥29 ¥32 ¥34 ¥37 ¥39 ¥40 ¥45 ¥50

↖ ↗
(¥+5) (¥+5)

3. Future Investments (1)

We will actively invest in achieving sustainable growth.

- Major growth investments that were determined and made during the Medium-Term Management Plan period

[Domestic Flour Milling Business]

- | | |
|---|---------------|
| • Construction of the new Mizushima Plant (scheduled to operate from around May 2025) | ¥18.0 billion |
| • Acquisition of Kumamoto Flour Milling (shares acquired in January 2023) | ¥13.9 billion |
| • Addition of a silo for wheat raw materials at the Tsurumi Plant (construction work will begin around May 2025, and buildings will be completed in 2028) | ¥10.0 billion |

[US Flour Milling Business]

- | | |
|---|--------------|
| • Expansion of the Los Angeles Plant (completed in November 2023) | ¥1.4 billion |
| • Expansion of the Saginaw Plant (scheduled to operate from early 2025) | ¥6.2 billion |

[Across the Group]

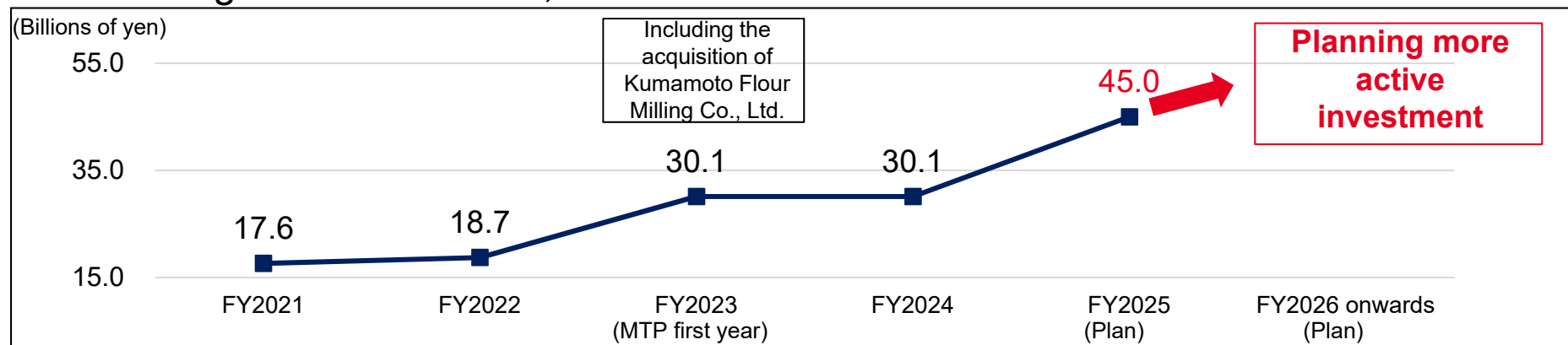
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|--|
| • Restructuring offices in the area close to the head office (expected to be completed in fiscal 2027) |
|--|

We plan to make investments more actively from fiscal 2025.

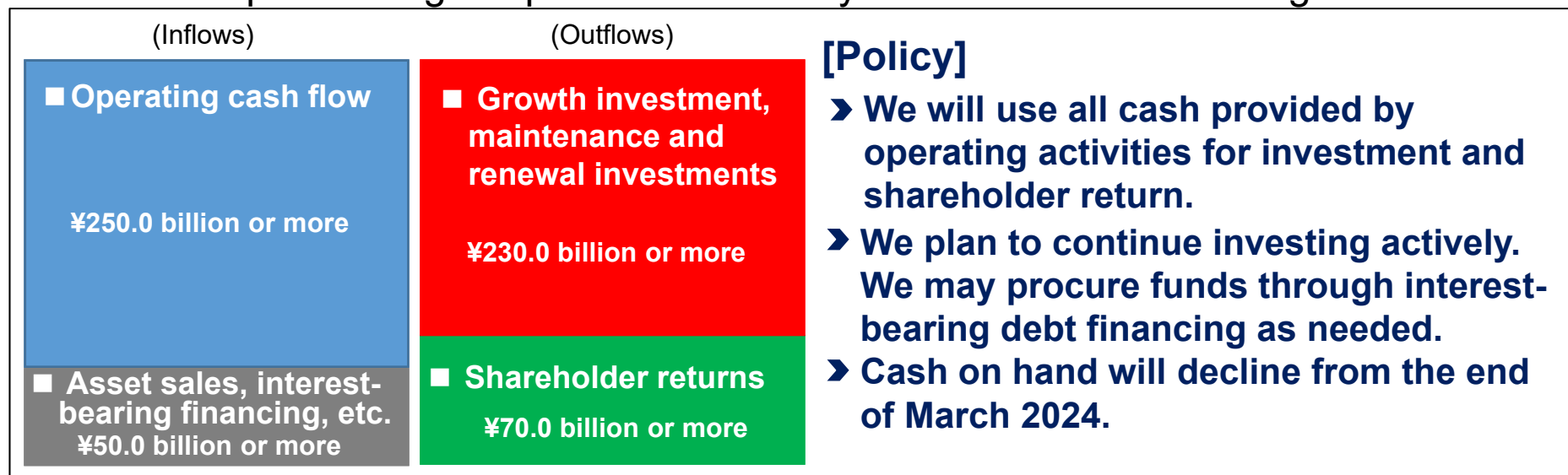
- ◆ **Investment for sustainable growth** (domestic and overseas businesses)
- ◆ **Investment in maintenance and renewal, which is necessary for business continuity**
- ◆ **We may purchase leased assets in the Australia flour milling business.**
 - In the Australia flour milling business, we lease land, buildings, and production facilities.
 - We have begun to consider purchasing leased assets, considering flexibility in our business operations.

3. Future Investments (2)

■ Trend in growth investment, maintenance and renewal investments



■ Cash flow plan during the period of the five-year Medium-Term Management Plan



4. Restructuring the Offices in Areas Close to the Head Office

(G) Capital Policy
(S) Human Resources
and (E) Environment

Delivering Good Health and Reliability



We will restructure our office buildings in areas close to the head office and create advanced, environmentally friendly office buildings. Our goal is to produce results by redeveloping the Group's bases for development and create employee-friendly office environments.

Two bases now

Kanda head office building Nihonbashi-Koamicho Building

Expected effects

(1) Producing results by creating a base for development (Yoga office)

We will place development facilities of Nisshin Flour Milling Inc., Nisshin Seifun Welna Inc., and Nisshin Seifun Premix Inc. on the same floor to create synergies within the Group.

(2) Creating employee-friendly office environments

Enhance business competitiveness

Three bases

They are scheduled to be completed in fiscal 2027.

(The images of the new office and the Yoga office may be changed.)

Kanda head office building



The office floors will be remodeled.

New office



A new office building will be built on a site owned by the company that is close to the Kanda head office building.

Yoga office

(an advanced, environmentally friendly office building)

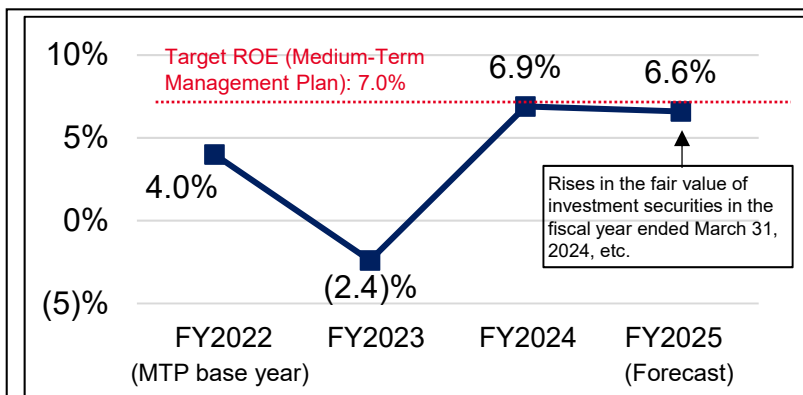


A new office building (a new development base) will be built on a site owned by the company in Yoga, Setagaya-ku.

5. Promoting Capital-Efficient Management

In fiscal 2024, ROE was close to the target (7%) for the final year of the Medium-Term Management Plan. We will continue to strive to improve capital efficiency.

■ Trends in ROE



[Initiatives to improve ROE in fiscal 2024]

(1) Improved profitability

- Addressing food inflation, a recovery in the Australia flour milling business, etc.

(2) Growth investment

- The effect of the new consolidation of Kumamoto Flour Milling Co., Ltd.

(3) Consolidation of plants with low utilization rates

- Closure of Saitama Plant in the yeast and biotechnology business

■ Future initiatives

Improve profitability

- Stimulate the Group's ability to grow by restructuring the business portfolio
- Produce visible results under the R&D Strategy
- Actively invest in growth (including M&A)

Improve efficiency

- Monitor ROIC by business regularly
- Sell non-business assets, including cross-shareholdings

6. Human Resource Strategy (1)



We will implement initiatives to hire, develop, and retain human resources with a medium- to long-term perspective under our human resources strategy.

■ Human resources strategy

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

6. Human Resource Strategy (2)

■ Primary initiatives and themes



Enhance our ability to execute our management strategies with a medium- to long-term perspective

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

(E)
Environment

Delivering Good Health and Reliability



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

Action Theme	Targets	Upper figures: FY2023 Results Lower figures: FY2024 Estimates (vs. the base year)
Action on climate change	Reduce the CO ₂ emissions generated by Group-operated sites by 50% by 2030 (compared with fiscal 2014 levels)	24% reduction 29% reduction (Data for new businesses are not included)
	Reduce the CO ₂ emissions generated by Group-operated sites to effectively zero to achieve carbon neutrality by 2050	
	Reduce CO ₂ emissions in the supply chain	
Addressing food waste	Reduce food waste by at least 50% (compared with fiscal 2017 levels; compared with fiscal 2020 levels for the three prepared foods companies) from raw material procurement to delivery to customers by 2030 * Applies to domestic Group companies	41% reduction 62% reduction
Addressing container and packaging waste	Reduce the usage of fossil fuel-derived plastics by at least 25% (compared with fiscal 2020 levels) by 2030 * Applies to domestic Group companies	17% reduction 10% reduction
Addressing water resources	Reduce water usage at plants as a unit of production by 30% by 2040 (compared with fiscal 2022 levels)	0.3% increase 3% reduction

• The figures above do not include the effects of the new consolidation of Kumamoto Flour Milling Co., Ltd.

Caution Regarding Results Briefing Content

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