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(Securities Code: 2002)  
June 6, 2023

**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 179<sup>th</sup> ORDINARY GENERAL MEETING  
OF SHAREHOLDERS**

This is to notify you that the 179<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), as the “Convocation Notice of the 179

**3. Agenda of the Meeting:  
Matters to be reported:**

## **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 27, 2023.
- 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 27, 2023.
- 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 0,v via, ys(e)0( Form600e6x)4.7(urn )JTf1586286 0 TD7(ard v4( )5.7((e)4.3(

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

## **Reference Documents for the General Meeting of Shareholders**



No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]	Number of the Company's Shares Held
	Renomination	April 1988      Joined the Company June 2013      Director, Nisshin Flour Milling Inc. June 2016      Executive Officer June 2017      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
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No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]	Number of the Company's
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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 Outside Director Independent Director	April 1967      Joined the Ministry of Finance July 1999      Commissioner, National Tax Agency July 2001      Deputy Governor, National Life Finance Corporation  July 2002      Assistant Chief Cabinet Secretary January 2006    Commissioner, Board of Audit of Japan February 2008   Commissioner (President), Board of Audit of Japan  January 2009    Retired June 2009      Audit & Supervisory Board Member June 2015      Director (to the present) [Chairman, The Institute of Internal Auditors - Japan]	6,000 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.		
	Renomination Outside Director Independent Director	April 1977      Joined Industrial Bank of Japan, Limited April 2005      Executive Officer, Mizuho Corporate Bank, Ltd.  April 2007      Managinaale0008 T79proi5ih(o)-4.2(4(r).1(at)-3.7(e ))TJ7.8286 -1.1486 TD.0	



No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]		Number of the Company's Shares Held
	New candidate	April 1987	Joined the Company	
		June 2013	General Manager (Accounting Department of Finance and Accounting Division)	
		June 2019	Executive Officer and General Manager (Accounting Department of Finance and	

#### 4. Information on candidates for Outside Directors

- (1) 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.
- (2) Mr. Kazuhiko Fushiya is currently an Outside Director for the Company, whose term in office will be about eight 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 fourteen years since his appointment as an Outside Audit & Supervisory Board Member.
- (3) Mr. Motoo Nagai is currently an Outside Director for the Company, whose term in office will be about four 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 eight 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 one year at the time of the conclusion of this Ordinary General Meeting of Shareholders.
- (5) Mr. Motoo Nagai is scheduled to retire from the office of Outside Director of Organo Corporation at the conclusion of its ordinary general meeting of shareholders to be held in June 2023.
- (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 process improvement directives on December 19, 2018 from the Ministry of Land, Infrastructure, Transport and Tourism related to the company’s non-conformities in the final inspection process at its vehicle manufacturing plants in Japan. In addition, Nissan received a surcharge payment order on February 27, 2020 from the Commissioner of the Financial Services Agency for making false disclosures regarding the director’s remuneration in annual securities reports submitted in past years, etc. Due to such false disclosures regarding the director’s remuneration, Nissan and two former directors of Nissan were also indicted on charges of violating the Financial Instruments and Exchange Act (Crime of Submission of False Annual Securities Report), and Nissan and one former director were convicted on March 3, 2022 (the judgment has been confirmed for Nissan). Furthermore, a former director of Nissan was indicted on charges for violating the Companies Act (Crime of an Aggravated Breach of Trust). Mr. Motoo Nagai had not been aware of these issues until the underlying causes for such matters became known. However, Mr. Motoo Nagai 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 these issues, he has appropriately fulfilled his duties by providing instructions regarding thorough investigation and prevention of reoccurrence of such misconduct.
- (7) Japan Post Insurance Co., Ltd., for which Mr. Nobuhiro Endo served as an outside director from June 2016 to June 2018, received business suspension orders and process improvement orders from the Financial Services Agency on December 27, 2019, due to improper sales for insurance, etc., by the company. Mr. Nobuhiro Endo had not been aware of the underlying causes for the orders while being in office. However, Mr. Nobuhiro Endo had been appropriately fulfilling his duties by providing suggestions from the standpoint of compliance with laws and regulations regularly and ensuring thorough awareness of compliance.
- (8) Japan Exchange Group, Inc., for which Mr. Nobuhiro Endo serves as an outside director, received a process improvement orders 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.

**Proposal No. 3: Election of Three (3) Directors Who Are Members of the Audit & Supervisory Committee**

At the conclusion of this Ordinary General Meeting of Shareholders, the terms of office of three (3) Directors who are members of the Audit & Supervisory Committee, Mr. Shoh Ohuchi, Mr. Satoshi Ito and Ms. Mieko Tomita, will expire.

Therefore, we propose that three (3) Directors who are members of the Audit & Supervisory Committee be elected. Furthermore, we have received consent from the Audit & Supervisory Committee concerning this proposal.

The candidates for 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	Shoh Ohuchi	Renomination	Director (Full-time Audit & Supervisory Committee Member)	13/13 (100%)
2	Mieko Tomita	Renomination Outside Director Independent Director	Director (Audit & Supervisory Committee Member)	12/13 (92.3%)
3	Hiroto Kaneko	New candidate Outside Director Independent 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
1	Renomination  Shoh Ohuchi (February 13, 1961)	April 1983 June 2014  June 2015  June 2018 June 2019	Joined the Company General Manager (Finance Department of Finance and Accounting Division) Executive Officer and General Manager (Finance Department of Finance and Accounting Division) Audit & Supervisory Board Member Director (Full-time Audit & Supervisory Committee Member) (to the present)	19,740 shares
	Reason for selecting the candidate for Director who is a member of the Audit & Supervisory Committee  The Company selected Mr. Shoh Ohuchi as candidate for Director who is a member of the Audit & Supervisory Committee, as he has been diligently performing auditing and supervising duties as a Director who is a member of the Audit & Supervisory Committee, drawing on his wealth of experience and excellent track record in accounting, finance, and auditing, and thus is considered to qualify for the office of Audit & Supervisory Committee Member in charge of auditing and supervising the Company's operational execution from an objective standpoint.			
2	Renomination Outside Director Independent Director  Mieko Tomita (August 15, 1954)	April 1980   April 2001  April 2017  June 2019	Qualified as an attorney Joined Nishi and Iseki Law Office (Currently Nishi & Partners Attorneys and Counselors at Law) Civil Conciliation Commissioner, Tokyo District Court (to the present) Senior Partner, Nishi & Partners Attorneys and Counselors at Law (to the present) Director (Audit & Supervisory Committee Member) (to the present)	0 shares
	[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]			

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 Ms. Mieko Tomita as candidate for Outside Director who is a member of the Audit & Supervisory Committee, as she has been diligently performing auditing and supervising duties as an Outside Director who is a member of the Audit & Supervisory Committee, mainly from the viewpoint of legal compliance, drawing on her high level of expertise as an attorney and her wealth of experience in corporate legal affairs, and thus is hoped to continue to fulfill the aforementioned expected role from an

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No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company [Significant Positions Concurrently Held]	Number of the Company's Shares Held
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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
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Kenji Takihara



business foundations in overseas markets as well.



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).

1) Strategy to Enhance Business Competitiveness

We will carry out business portfolio selection and concentration based on the criteria of “businesses that are or can become the top in a certain business area (in terms of competitively significant areas).”

2) R&D Strategy

We will define “food ingredients with health functions,” “processing technology for prepared dishes and other prepared foods,” “food technology” and “automation” as the focused R&D areas to create circular growth that solves social issues through our business.

3) New Business Development and M&A Strategy

We will secure a competitive advantage in existing businesses, acquire and nurture businesses that will become core businesses following flour milling, processed foods, yeast, and prepared dishes and other prepared foods, and promote new business development through M&A and collaboration with startups, etc., anticipating future innovation in new areas such as food technology and functional ingredients.

4) Digital Strategy

We will proactively adopt digital technologies to dramatically improve productivity, change existing business models, and create new business models to enhance our competitiveness. In addition, we will continuously verify and review the system structure, strengthen resistance to cyberattacks, etc., and secure and develop digital human resources.

[Key Topics in Strategy to Enhance Business Competitiveness]

a) Continuation and Expansion of the Domestic Flour Milling, Processed Food, and Yeast Businesses as Core Businesses

We will leverage the strengths cultivated in each business, increase market share by providing new value, and maintain reasonable prices. Also, we will secure a high level of profit by implementing cost reductions of a different dimension, and play a central role in the Group going forward.

business (mesh technology) possess high technical capabilities and knowledge on a global scale. These

<Top Priorities for the fiscal

## CSR Priorities (materiality)

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

#### <Key Topics>

- Ensuring food safety

- Contribution to healthy diets

- 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 healthy flour-related ingredients (such as whole-wheat flour and flour bran), and 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

#### <Key Topics>

- Ensuring stable wheat procurement

- Sustainable raw material procurement

We are striving to ensure the stable and sustainable procurement of safe raw materials while taking into consideration environmental issues and human rights throughout our supply chain in all of our businesses.

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 Product and Packaging Waste

#### <Key Topics>

- Reducing food waste



[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.

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

<Key Topics>

Cultivation of human resources

Employee working environments and health

Respect for diversity

We aim to develop human resources who will lead new challenges and transformation in order to enhance our ability to execute our management strategies. To accomplish this, we conduct various training programs, including the “Business Manager Development Program,” “DX Core Human Resources Training,” and the “Global Business Skill Training.”

Furthermore, we are promoting health management with the President at the top, by strengthening measures to prevent occupational accidents among our employees, and also by focusing on mental healthcare and health promotion, in order to realize healthy and lively work. In the fiscal year ended March 31, 2023, we were certified for the third consecutive year as a Certified Health & Productivity Management Outstanding Organization (White 500), under the certification system established by the Ministry of Economy, Trade and Industry.

In addition, these changing times have increased the importance of management that respects diversity. As well

**(6) Major Subsidiaries and Acquisition**

[1] Major Subsidiaries and Affiliates

Company Name	Capital Stock	Share of
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[2] Status of Significant Acquisition

In order to reinforce our organization and develop growing sectors into core operations, in July 2022, the Company established Nisshin Seifun Delica Frontier Inc., an intermediate holding company that oversees the prepared dishes and other prepared foods business, through corporate separation.

Nisshin Flour Milling Inc., a subsidiary of the Company, acquired 85% of the issued shares of Kumamoto Flour Milling Co., Ltd. in January 2023 and converted it into a subsidiary, with the aim of enhancing cost competitiveness through synergies and market adaptability and further strengthening business competitiveness.

**(7) Principal Businesses of the Group** (As of March 31, 2023)

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, 2023)

[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)



## 2. Outline of the Company

### (1) Shares (As of March 31, 2023)

- |     |  |   |
|-----|--|---|
| [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<br>(Including 6,834,996 shares of treasury shares) |
| [3] | Number of shareholders                         | 39,797<br>(Increased 7,820 from the previous term-end)                |

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

Name	Number of
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**(2) Members of the Boards**

[1] Directors (As of March 31, 2023)

Title	Name	Position	Significant Positions Concurrently Held
*Representative Director and President	Kenji Takihara		Director and Chairman, Nisshin Flour Milling Inc.

Title	Name	Position	Significant Positions Concurrently Held
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
*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.

- Notes: 1. Three Directors (Kazuhiko Fushiya, Motoo Nagai, and Nobuhiro Endo) and three Directors (Audit & Supervisory Committee Members) (Satoshi Ito, Mieko Tomita, and Takaharu Ando) 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) Satoshi Ito, 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, 2023, are stated as follows.
- 1) Mr. Nobuki Kemmoku and Mr. Akio Mimura retired from their positions as Director due to expiration of their terms of office, and Mr. Tetsuo Kawawa resigned from his position as Director (Audit & Supervisory Committee Member) as of June 28, 2022. Directors and Director (Audit & Supervisory Committee Member) with an asterisk were newly elected at the 178th Ordinary General Meeting of Shareholders held on the same day and assumed office.
- 2) Mr. Kenji Takihara assumed the office of Director and President (Representative Director) and Mr. Naoto Masujima and Mr. Takao Yamada assumed the office of Senior Managing Executive Officer as of June 28, 2022.
7. The following is a list of changes in significant positions concurrently held in the fiscal year ended March 31, 2023.
- Director            Nobuhiro

Director (Audit & Supervisory Committee Member)	Takaharu Ando	Took office as an Outside Director, Rakuten Group, Inc. (March 30, 2023)
Director	Yuji Koike	Resigned as Director and President (Representative Director), Nisshin Seifun Welna Inc. (March 31, 2023)

8. The Company has adopted the executive officer system in order to expedite the execution of business operations. As of March 31, 2023, 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.



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

	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 (Bonuses)	Non-monetary remuneration (Stock-based remuneration)	
Directors (excluding Directors who are members of the Audit & Supervisory Committee)	236	169	31	36	12
Directors (Audit & Supervisory Committee Members)	43	43	—	—	5
(Outside Directors included in the above)	(60)	(57)	(—)	(3)	(8)

Notes: 1. The above number of Directors (excluding Directors who are members of the Audit & Supervisory Committee) and Directors (Audit & Supervisory Committee Members) includes two Directors (excluding Directors who were members of the Audit & Supervisory Committee) and one Director





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

#### **(1) Basic Policies Regarding Control of the Corporation**

##### [1] Basic policies

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 also a contribution to the Group's sustainable growth, creating medium- to long-term corporate value. 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 food companies, etc., as well as to general consumers. 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. 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. These are the circumstances 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

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. Even 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

- 5) A Confirmation Resolution of the Company's Board of Directors shall be made according to the Recommendation Resolution of the Corporate Value Committee. 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 taken against the Acquisition Proposal for which the Confirmation Resolution is made.
- 6) If a Specified Acquirer which is defined as a party implementing a Specified Acquisition which has not obtained a Confirmation Resolution at the time when a Specified Acquisition was implemented appears, 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. "Subscription Rights to Shares" are defined as the subscription rights to shares with restrictions on the exercise of such rights by Specified Acquirer and its related parties, which are collectively defined as the Specified Acquirer and Related Parties.  
If it is revealed that the ratio of holdings 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 (the Board of Directors does not intend to stipulate a day on or later than 3 business days prior to the record date for the gratis allotment.), and in some other cases, the Board of Directors may choose not to effect a gratis allotment of Subscription Rights to Shares.
- 7) If a gratis allotment of Subscription Rights to Shares is effected, the Company shall allot Subscription Rights to Shares to all common shareholders, except the Company, as of the record date for the gratis allotment, at a ratio of one Subscription Right to Shares for every one share of the Company's common stock held, and the number of shares to be issued per one Subscription Right to Shares will not exceed two, and be determined elsewhere by the Board of Directors. The value of assets contributed to exercise one Subscription Right to Shares shall be one yen, multiplied by the number of shares to be issued per one Subscription Right to Shares.
- 8) The Subscription Rights to Shares will have an acquisition clause by which the unexercised Subscription Rights to Shares can be acquired by the Company. For the Subscription Rights to Shares held by shareholders other than the Specified Acquirer and Related Parties, this is accomplished 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. For other Subscription Rights to Shares, this is accomplished in exchange for subscription rights to shares with restriction on transfer (and with restriction on the exercise of the rights by the Specified Acquirer and Related Parties) of a number equal to the number of said Subscription Rights to Shares.

[4] Judgment of the Board of Directors, and its reasons

The Plan complies with the basic policies described above, and the following special methods are to be implemented as a way of increasing its rationality. Therefore, the Plan protects the corporate value of the Company and the common interests of the shareholders, and does not pursue the personal interests of the Company's management.

- 1) The Plan received prior approval of the shareholders at the 177<sup>th</sup> Ordinary General Meeting of Shareholders held on June 25, 2021, pursuant to the provision of Article 45 of the Company's Articles of Incorporation.
- 2) The term of office of the Company's Directors (excluding Directors who are members of the Audit & Supervisory Committee) is one (1) 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.
- 3) 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) To enhance the objectivity of judgment relating to the Plan, the Plan specifies when the Corporate Value Committee must issue a Recommendation Resolution, as stated in [3] above.



**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Balance Sheet**

(As of March 31, 2023)

(Millions of yen)

Item	Amount	Item	Amount
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**Consolidated Statement of Income**  
(For the Fiscal Year Ended March 31, 2023)

(Millions of yen)

Item	Amount	
<b>Net sales</b>		798,681
<b>Cost of sales</b>		638,062
<b>Gross profit</b>		<b>160,618</b>
<b>Selling, general and administrative expenses</b>		127,786
<b>Operating profit</b>		<b>32,831</b>
<b>Non-operating income</b>		
Interest income	260	
Dividend income	3,201	
Rent income	295	
Other	833	4,591
<b>Non-operating expenses</b>		
Interest expenses	3,546	
Share of loss of entities accounted for using equity method	346	
Other	479	4,371
<b>Ordinary profit</b>		<b>33,051</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	24,393	24,393
<b>Extraordinary losses</b>		



## Non-consolidated Statement of Income

(For the Fiscal Year Ended March 31, 2023)

(Millions of yen)

Item	Amount	
<b>Operating revenue</b>		26,891
<b>Operating expenses</b>		15,256
<b>Operating profit</b>		<b>11,634</b>
<b>Non-operating income</b>		
Interest income	1,165	
Dividend income	2,404	
Other	52	3,621
<b>Non-operating expenses</b>		
Interest expenses	154	
Other	12	167
<b>Ordinary profit</b>		<b>15,088</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	16,162	16,162
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	33	