

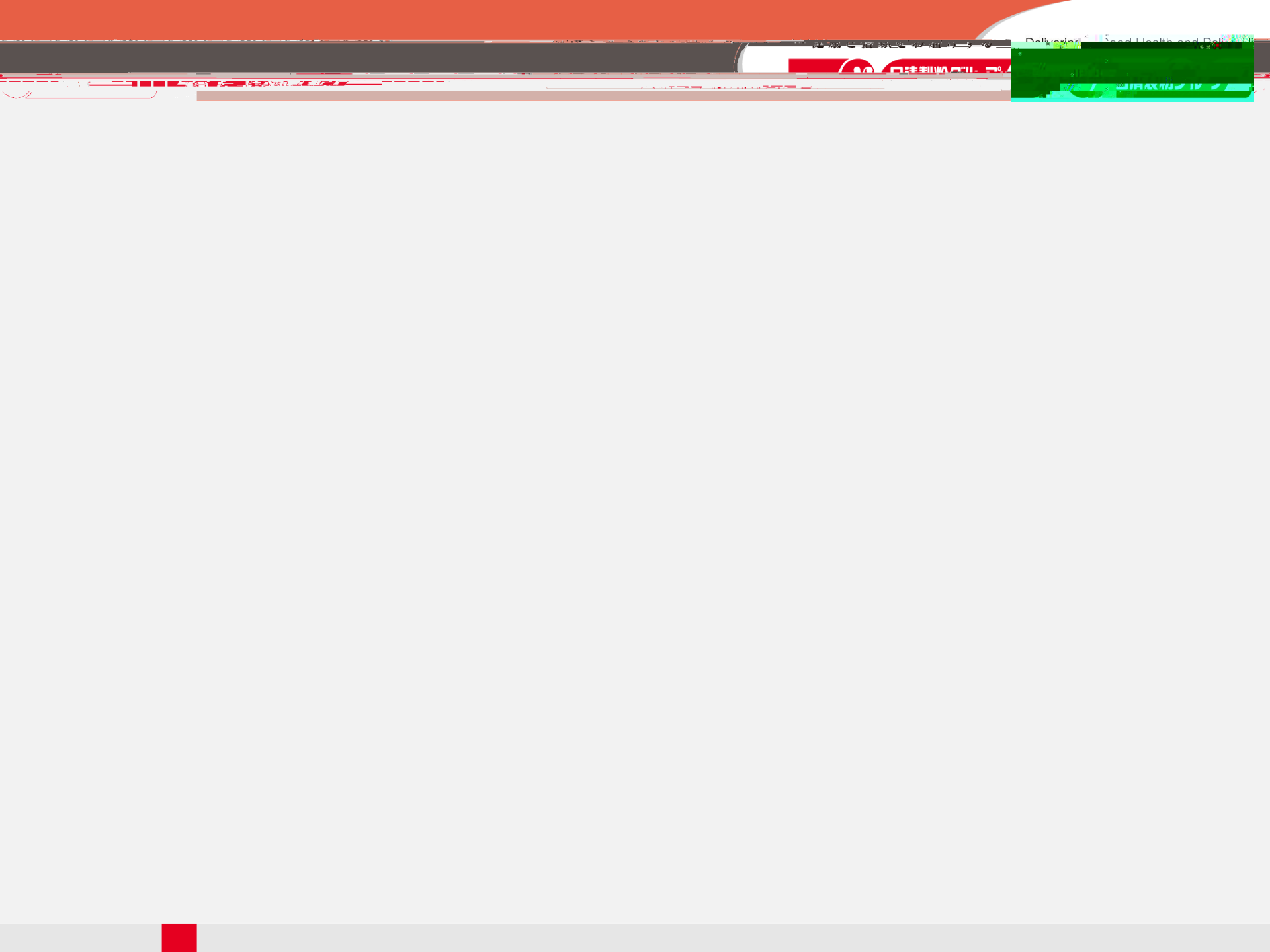


Fiscal 2021 Results Briefing Meeting

May 19, 2021

Nisshin Seifun Group Inc.





I. Fiscal 2021 Results and Fiscal 2022 Forecasts

1. Fiscal 2021 Results

Net sales decreased due to several factors. These included a decline in sales in the flour milling business, largely reflecting lower wheat flour prices due to price revisions for wheat and decreased demand caused by the pandemic, coupled with a temporary h a

	Fiscal 2021 Results	Forecasts		Fiscal 2020 Results	
			Change		Change
Net sales	679,495	700,000	(2.9)%	712,180	(4.6)%
Overseas sales ratio	22.9%	22.5%	–	23.3%	–
Operating profit	27,197	26,000	+4.6%	28,852	(5.7)%
Ordinary profit	29,886	27,000	+10.7%	31,434	(4.9)%
Profit attributable to owners of parent	19,011	17,000	+11.8%	22,407	(15.2)%

3. Assumptions for Fiscal 2022 Forecasts

- Temporary growth and contraction in the novel coronavirus pandemic are expected to remain present in the fiscal year ending March 31, 2022. Accordingly, **the business environment for all Group companies will continue to be impacted.**
- In each business, **the Company is aiming to achieve actual growth in sales and profits** through measures that place **highest priority on realizing a rebound in sales** and **swift return to a growth trajectory** by adapting to changes in the business environment.

Flour Milling Segment (Japan)

- The market environment remains extremely clouded in the current term due to the novel coronavirus pandemic. Nevertheless, **we will strengthen sales capabilities with an eye to spurring a year-on-year rebound in shipments of around 1%, while working toward a recovery in performance.** However, due to the impact of the novel coronavirus pandemic on the market environment, and in light of subsequent changes in the market environment, **we will pursue measures for achieving a full-scale recovery in performance over roughly 2 to 3 years, including the current term.**
⇒ See p. 14 for details

Processed Food Segment (Japan)

- Demand for at-home dining will remain fundamentally strong during the current term, as well. However, due to the absence of substantial growth in shipments reported in the first quarter of the previous year, **we project lower shipments of household-use processed foods compared to the previous year.** During the current term, **we also intend to develop and launch high-value-added products tailored to consumers' changing needs.**
⇒ See p. 19 for details
- In commercial-use processed foods, while a modicum of recovery is expected from initiatives taken to spur a recovery in shipments, levels for the current term are not projected to return to those reported in fiscal 2020 prior to the novel coronavirus pandemic.
- Operating profit is expected to decline, largely reflecting lower shipments for processed foods overall, coupled with an increase in sales expansion costs and other expenses successfully controlled in the previous year.

Prepared Dishes and Other Prepared Foods Segment

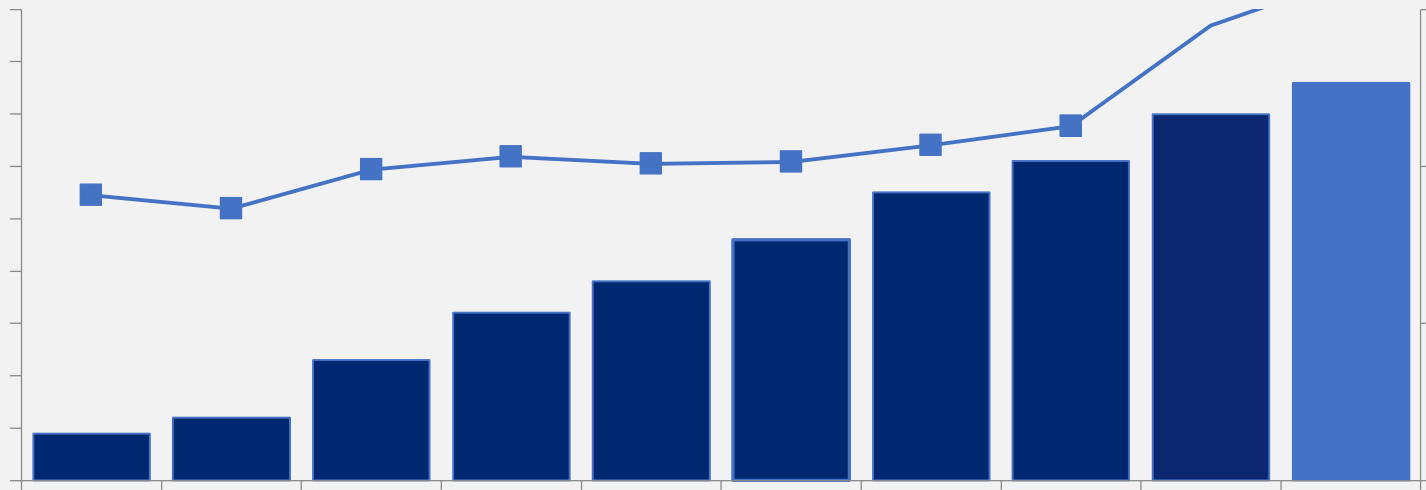
Flour Milling Segment (Overseas)

- In the U.S., while price revision measures and other efforts will continue, due mainly to the plant closure of a major client, profits

Processed Food Segment (Overseas)

- The prepared mix business in Southeast Asia and China is projected to see a recovery in demand in China, along with some degree of recovery in Southeast Asia.
- **The schedule for the start of operations at a yeast plant in India remains undetermined due to the impact of the novel coronavirus pandemic locally.**
⇒ See p. 18 for details
- **Shipments in the current term of EPA-E, a raw material for pharmaceuticals, are projected to decline temporarily, as we carefully monitor uncertainty surrounding sales of VASCEPA® by Amarin and growth in Amarin's product inventory, among other factors.**
⇒ See p. 21 for details
- **Operating profit is expected to decline year on year, mainly on a temporary decrease in EPA-E shipments.**

Others Segment



6. Future Growth Strategies

- The highest priority is to realize a recovery in earnings by adapting to changes in the business environment caused by the novel coronavirus pandemic. **There is no change in the direction of the Company's growth strategy in line with its Long**

II. Overview of the “NNI-120 II” Medium-term Management Plan

- Progress through fiscal 2020 saw steady growth in net sales, operating profit and EPS largely in line with the annual rate of growth targeted for the final year of the medium-term management plan.
- In fiscal 2021, the plan's final year, while the impact of the novel coronavirus pandemic sparked firm performance for the processed food business in Japan, the flour milling (Japan, Australia, etc.) and prepared dishes and other prepared foods businesses struggled. Furthermore, there was a temporary decline in facility construction completion, as well as the transfer of the pet food business. These and other factors culminated in missed targets for the year.
- Although the business environment for all Group companies was significantly a in (m)15.9 (o)21.5 (96 (as)95 (d)21.5 (i)13.6 (n)-4byt)4.4 (het)4

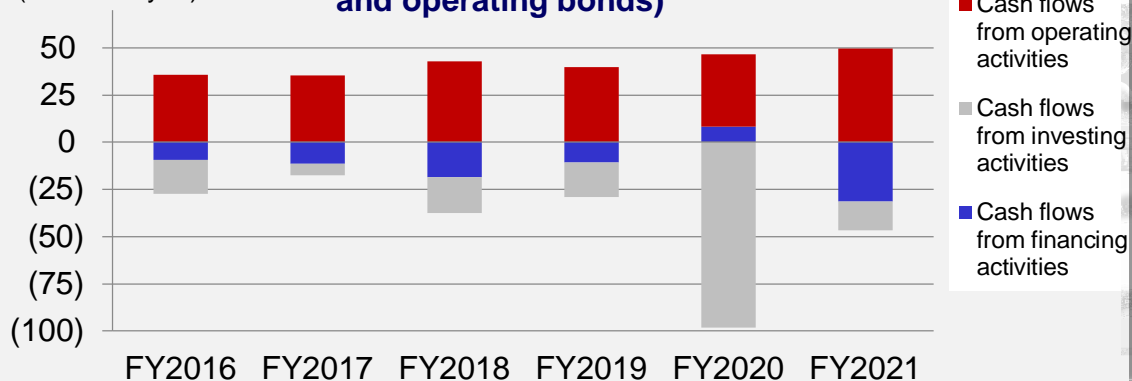
2. Overview of the “NNI-120 II” Medium-term Management Plan

– Enhance Strategic Investment and the Business Portfolio

- We made **strategic investments of roughly ¥90.0 billion** primarily in **growth driver businesses**. These included the purchase of Allied Pinnacle Pty Ltd. in Australia and construction of a new yeast plant in India in the overseas business, as well as the new consolidation of Tokatsu Foods Co., Ltd. in the prepared dishes and other prepared foods business.
- We transferred the pet food business **to enhance the business portfolio**

Six-year cash flow figures from start of the “NNI-120 II” medium-term management plan

(Billions of yen) (C/F excl. deposits exceeding 3 months and operating bonds)



Cash flow from operating activities
¥240.0 billion

Total shareholder returns ¥(60.0) billion
(Dividends ¥(50.0) billion)
(Purchase of treasury stock ¥(10.0) billion)

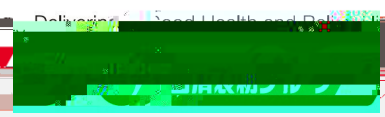
Facility and business investment
¥(180.0) billion

- **Major strategic investments decided during the “NNI-120 II” medium-term management plan**

Flour milling	Saginaw Plant expansion, Miller Milling Company, LLC	

3. Overview of the “NNI-120 II” Medium-term Management Plan

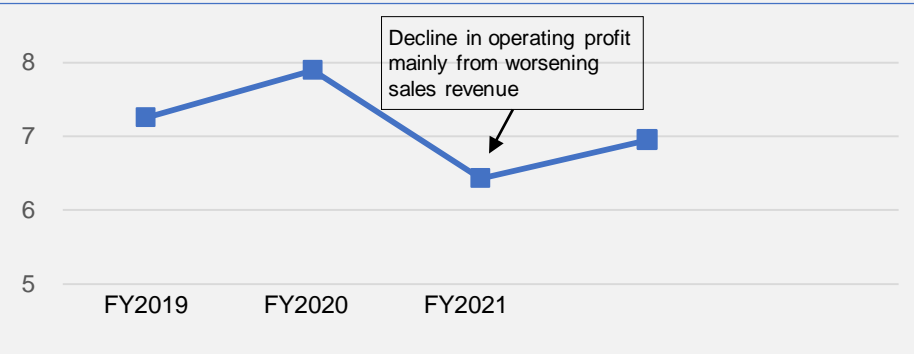
– Group Growth



III. Individual Group Business Responses to the Novel Coronavirus Pandemic and Long-term Vision “NNI ‘Compass for the Future’” Initiatives

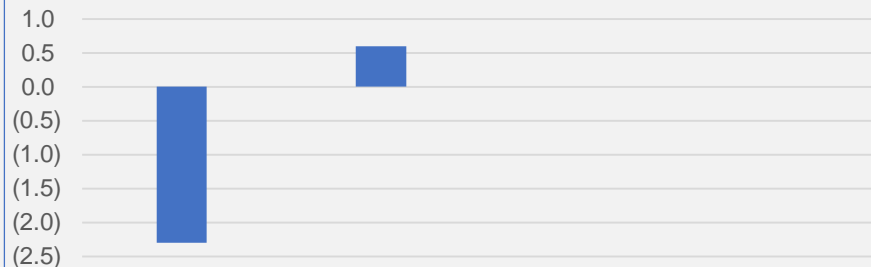
1. Outlook for the Domestic Flour Milling Business and Performance Recovery Initiatives

- The impact of the novel coronavirus pandemic caused the scale of Japan's wheat flour market to shrink in fiscal 2021. The Company also saw shipment volume **decline 2.3% year on year**. **Sales revenue also deteriorated**, causing performance to struggle.
- While the market environment remains shrouded in uncertainty in the current term due to the pandemic, we are taking steps **to boost** shipment volume **by around 1% year on year** and spur performance recovery. However, due to the impact of the pandemic on the market environment, and in light of subsequent changes in the market environment, we will pursue measures for achieving a full-scale recovery in performance **over roughly 2 to 3 years, including the current term**.



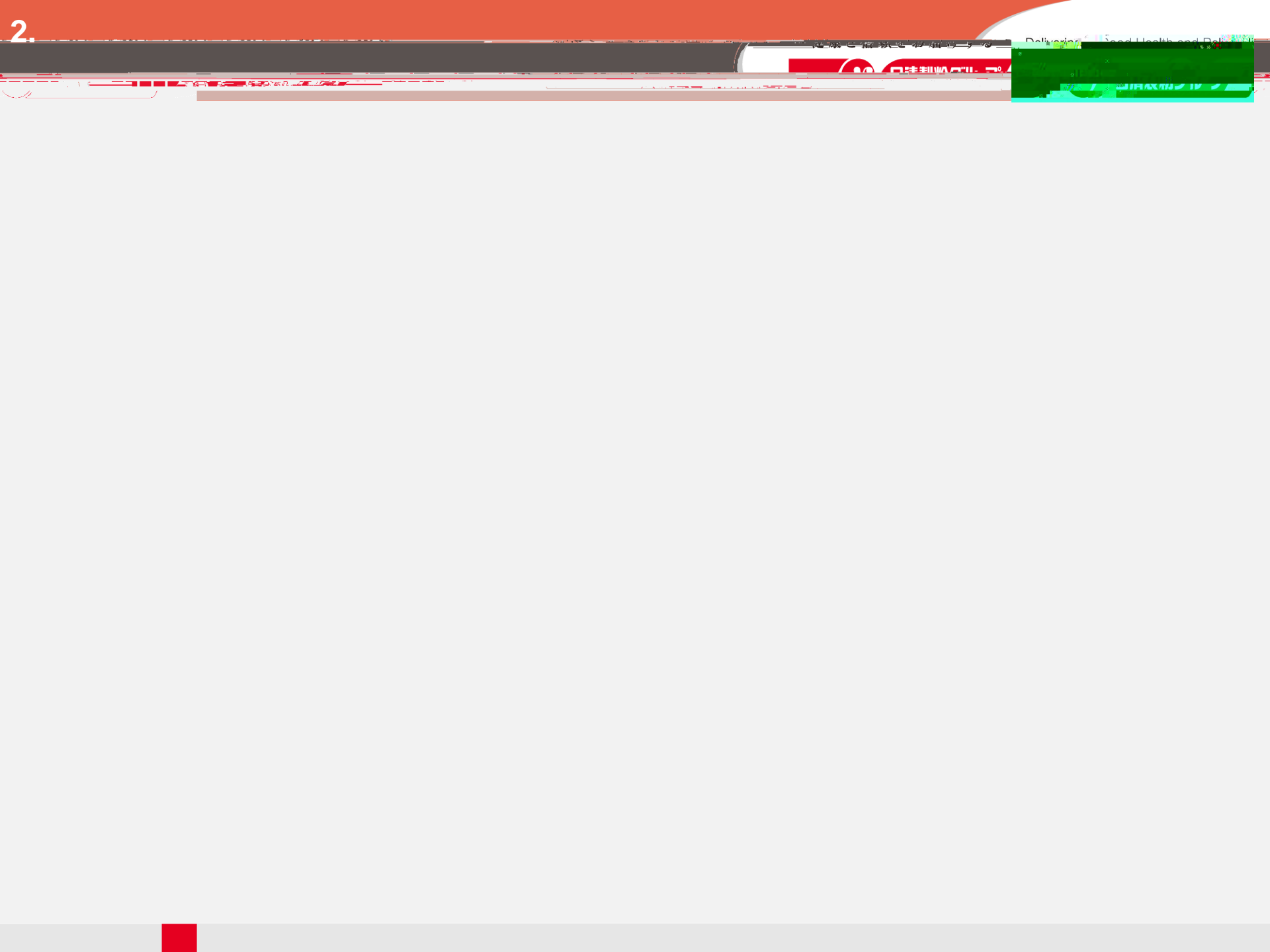
Outlook for sales revenue (shipment volume + sales expansion costs) (year-on-year change)

(Billions of yen)



Major initiatives for performance recovery

- (1) **More robust sales capabilities through sales structure enhancement**
 - Assign technology sales staff to Sales Division in an effort to further strengthen Group-wide capabilities in sales.
 - Conduct further market segmentation, and identify and respond more meticulously to growth markets in order to accurately grasp the changing



2. Overseas Flour Milling Business Growth Strategies (2)

– U.S. Flour Milling Business

Continued sales price revisions

- **Steadily implemented sales margin improvements** based on in-depth, cumulative sales activities and relationships of trust with clients

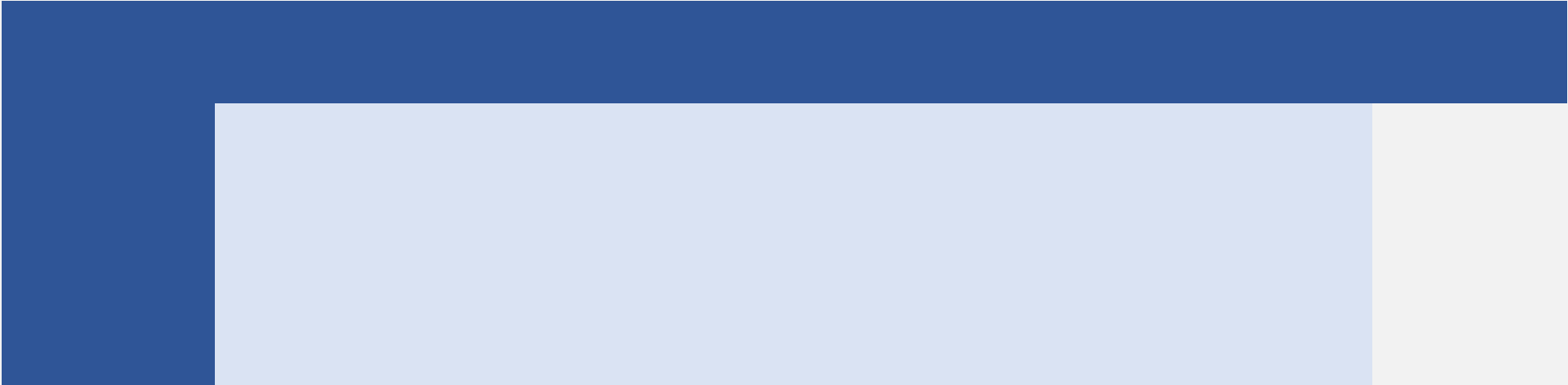
Production efficiency improvement

- New Prague Plant in Minnesota closed in December 2019, leading to **more efficient production structure**. Concentration of management resources in growth regions.
- Production engineers from Japan are sent to sites abroad to strengthen **sharing of Japanese production expertise**. This is raising the quality of manufacturing operations, leading to **improved productivity**

2. Overseas Flour Milling Business Growth Strategies (3)

– Performance Recovery Initiatives for the Australia Flour Milling

Business



3. Overseas Processed Food Business Growth Strategies

– India Yeast Business

- Aim for business expansion by **supplying high-quality products to the local market**
- While preparations for launch of the India yeast business are moving forward, **the scheduled start of operations at the new plant remains undetermined at this time** due to spread of the novel coronavirus pandemic locally.

Aim for

[Overview of new plant]

Location:

Maharashtra, India

Production capacity:

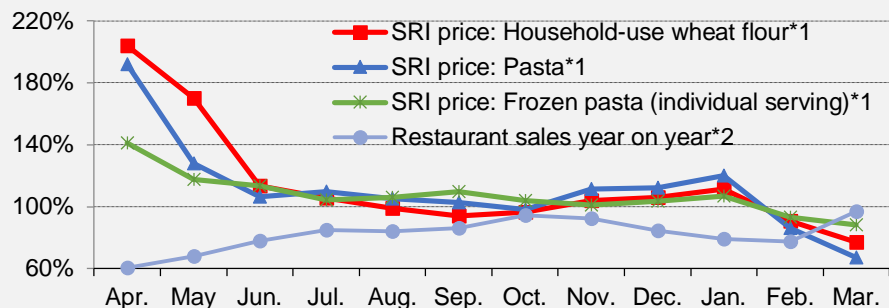
100 t/day (fresh yeast basis)

Investment:

Approx. ¥15.7 billion

4. Processed Food Business Growth Strategies

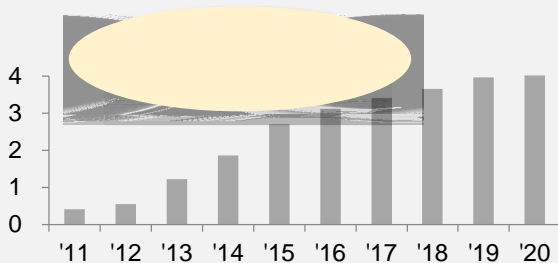
Taking market changes into account, promote a strategy for higher added value built around the concepts of “Easy-to-prepare and convenient,” “authentic” and “healthy” in household-use processed foods, with environmental sustainability in mind.



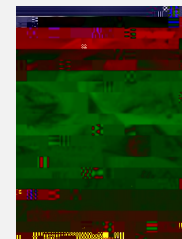
*1 Source: Intage SRI; SRI price is a year-on-year comparison of the overall market price each month/four weeks

*2 Source: Japan Food Service Association – JF Restaurant Industry Market Trend Research

- Fast-cooking Hayayude Spaghetti continues to consistently perform briskly
- Release of a new high-protein type product

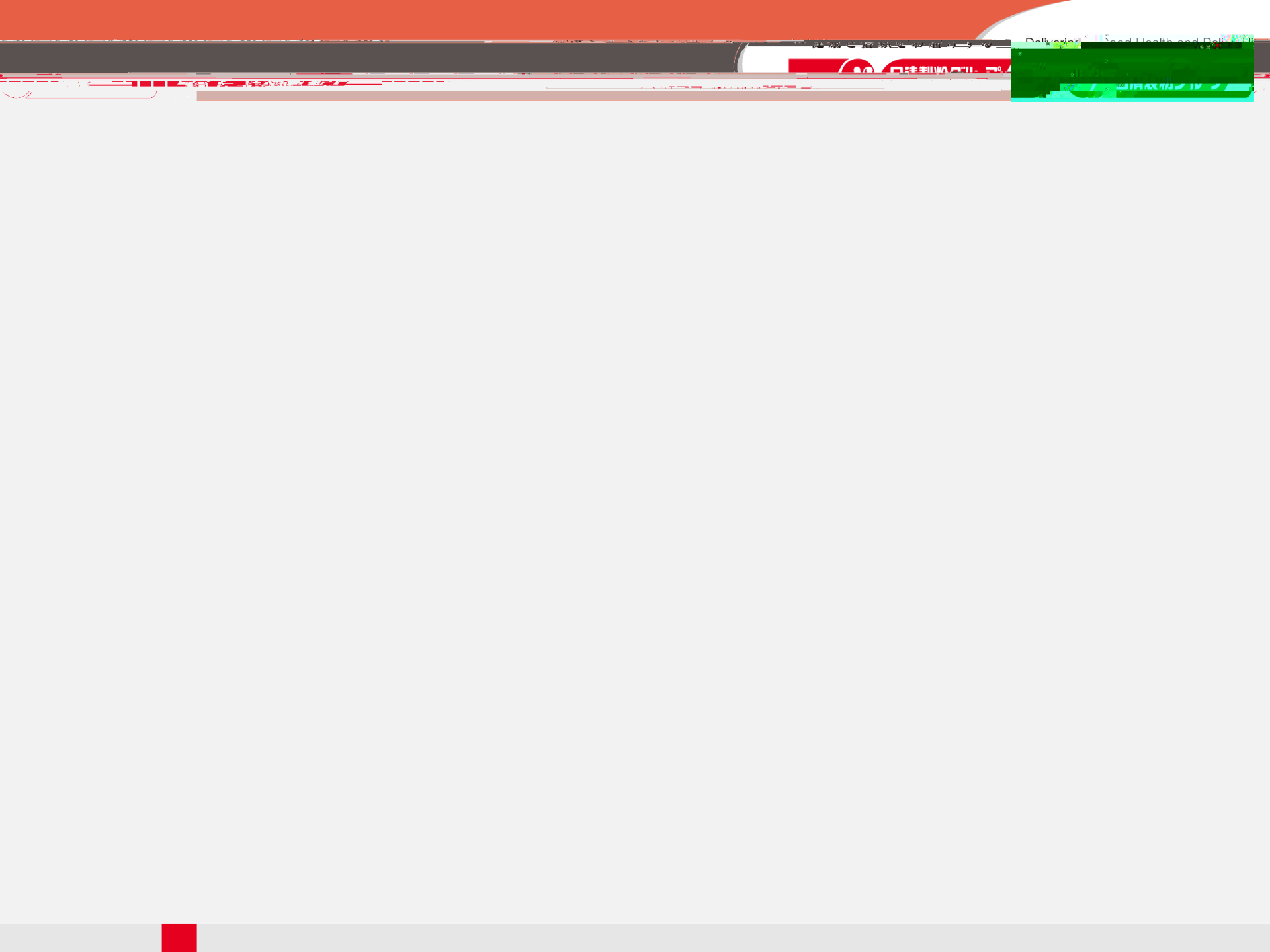


New products to meet rising at-home dining demand



Measures for frozen food business expansion

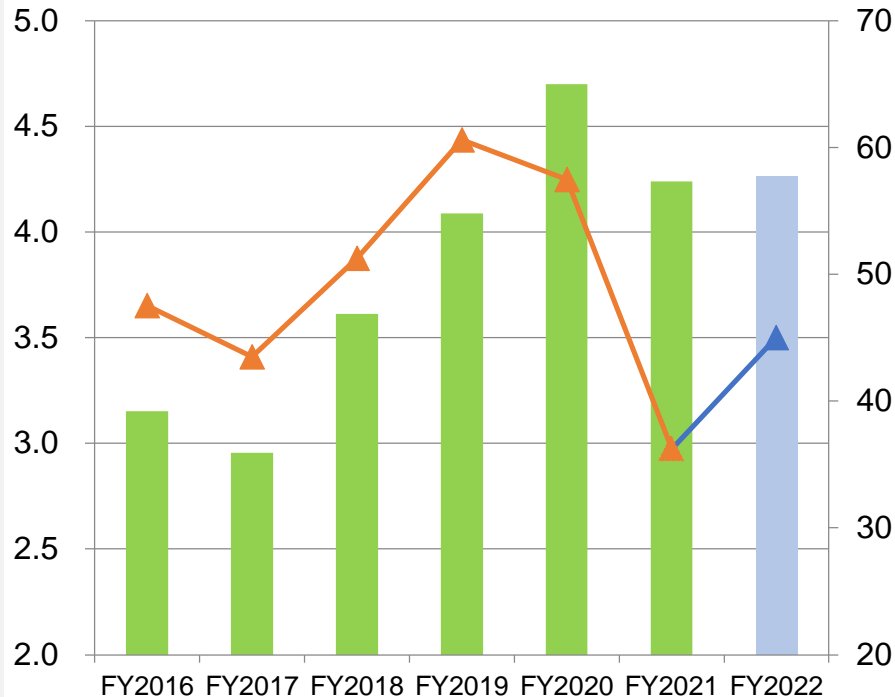
- While earnings fell by ¥0.5 billion year on year



7. Others Segment Status

- The engineering business saw a decline in completion of projects in FY2021, reflecting a temporary decrease in facility construction. However, **facility construction completion is likely to rebound to some degree in the current term.**
- In the mesh cloth business, while sales of chemical products and others to automotive component manufacturers fell in FY2021 due to the effect of the novel coronavirus pandemic, we are aiming for further business growth **this term by bolstering sales to growth markets**
- For the pet food business, we transferred the business on March 31, 2020, continuing to produce pet food as an outsourcer since that time. However, **this outsourced production was terminated on March 31, 2021. This business is now completely concluded.**

Others Segment Net Sales, Operating Profit



Engineering business

- Receive orders for various production plants, including for food, cosmetics, metal and electronic materials, leveraging user-oriented plant design and world-class powder and granular material technology as strengths
- The effect of the novel coronavirus pandemic on plant demand over the medium term differs depending on the client industry. However, taken as a whole, the impact on the engineering business' target market is not expected to be significant.

Mesh cloth business

- Sales of chemical products and others for automotive component manufacturers are expected to recover in the current term
- Promote the development, production and sale of high-performance products for growth markets, specifically related to 5G communications,

8. Initiatives for Sustainability (1)

- The Nisshin Seifun Group **has identified five high-priority issues** to address in the effort to realize both **sustainable social development** and **long-term improvement in corporate value**.
- **The aim is to generate social value for cyclical growth** through business by viewing social issues as new business opportunities.

Process for identifying priority issues

The process below was used to select roughly 60 key issues, culminating in identification of five focus areas.



Five Priorities

Fields contributing to SDGs

Provide safe and healthy food and responsible consumer information

- Maintenance of food product safety
- Responsible communication with consumers
- Contribution to healthy diets



Enable secure and sustainable raw material procurement

- Promotion of responsible procurement policies, etc.



Efficiently handle product and packaging waste

- Reduction of food product waste
- Reduction in use of fossil fuel-derived plastics for product packaging, etc.



Prepare for climate change and water resource issues

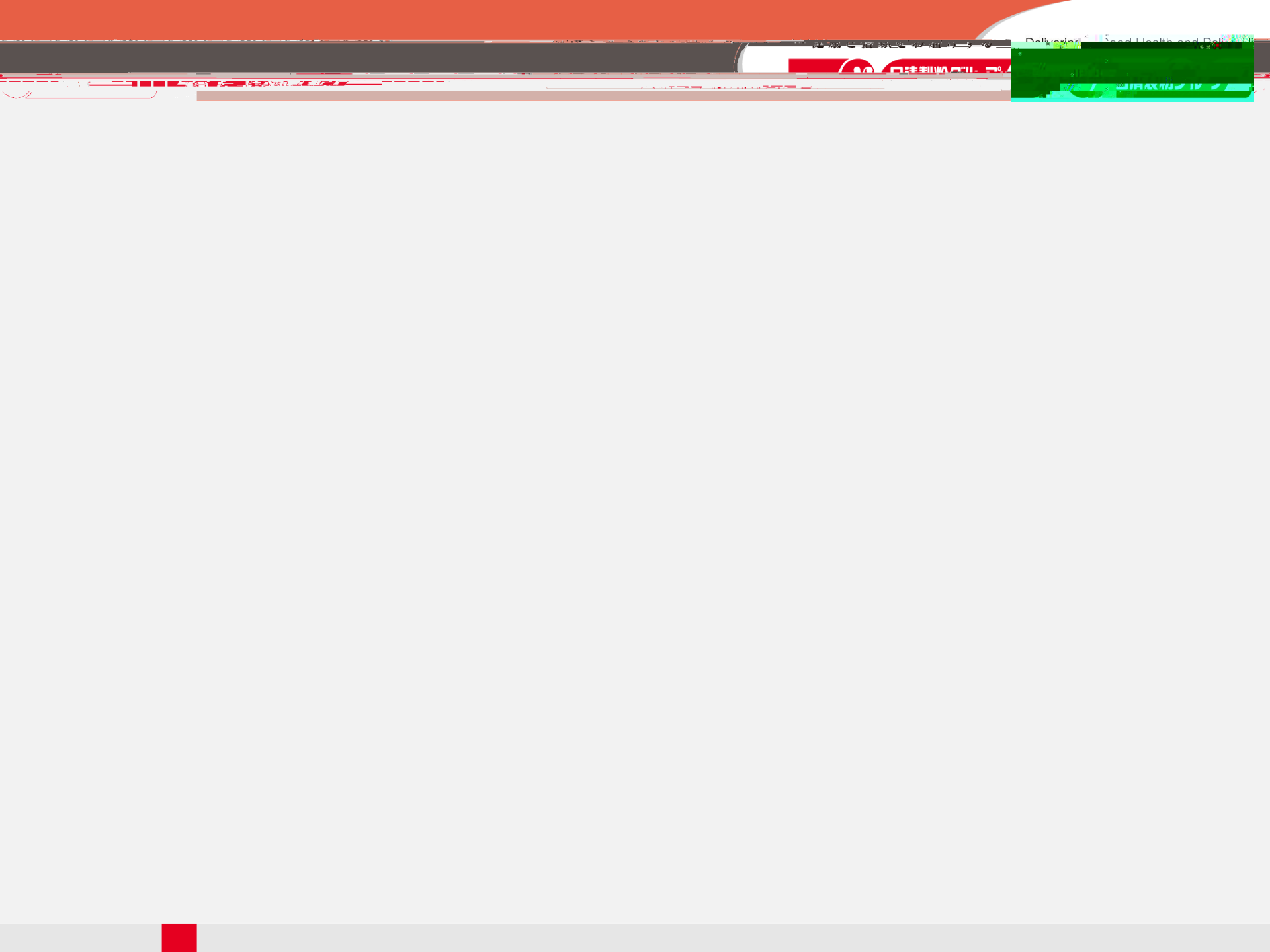
- Improvements in energy efficiency, reductions in CO2 emissions, development of energy-saving technologies, phased abolishment of HFC-based refrigerants
- Respond to water-related risks; reduction in water usage, etc.

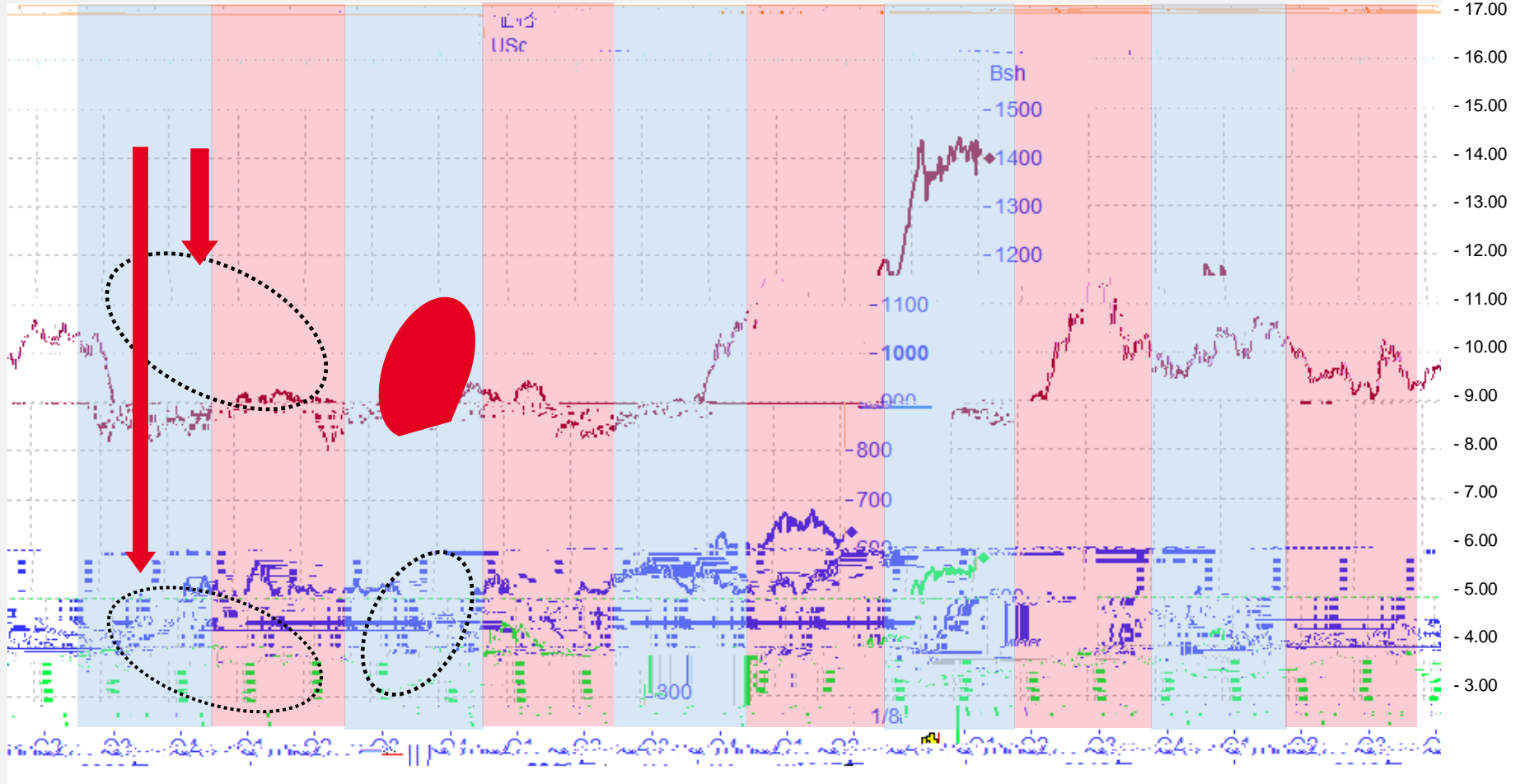


Provide work environments that are healthy and fulfilling

- Promotion of working style reforms
- Diversity promotion, appropriate worktime management, prohibition of harassment
- Prevention of corruption and bribery, etc.





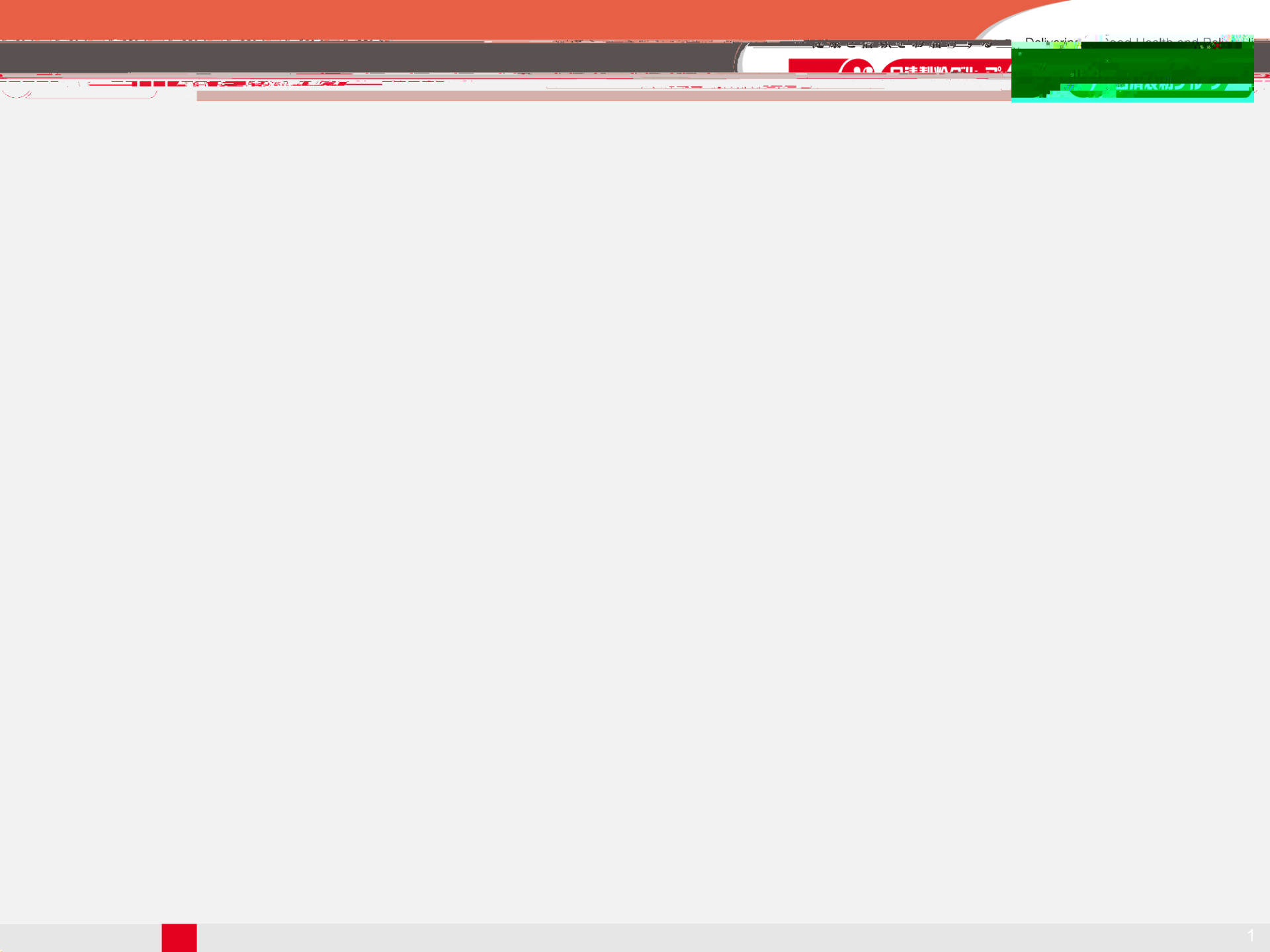


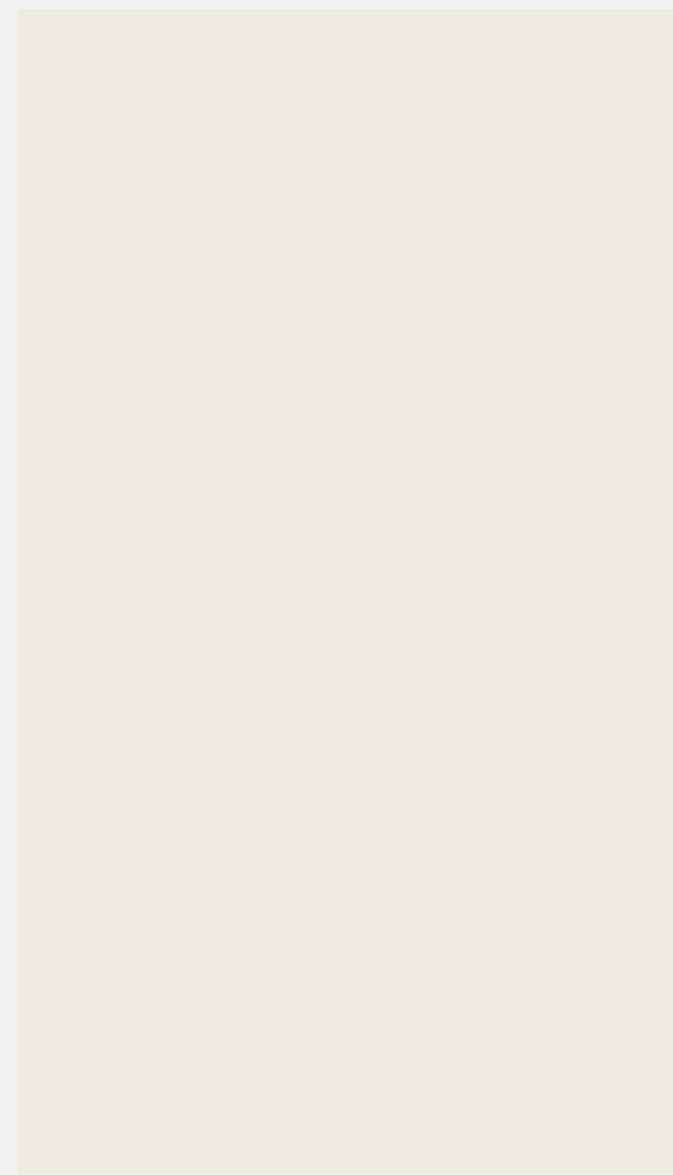
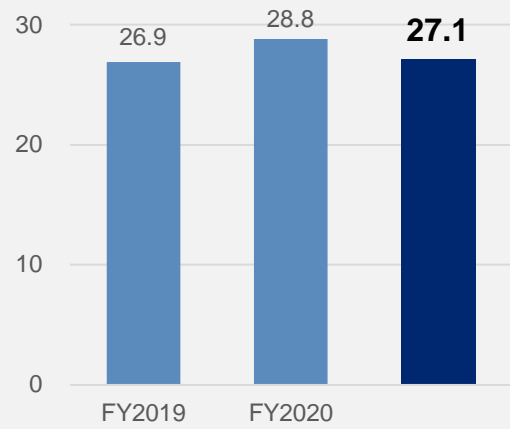
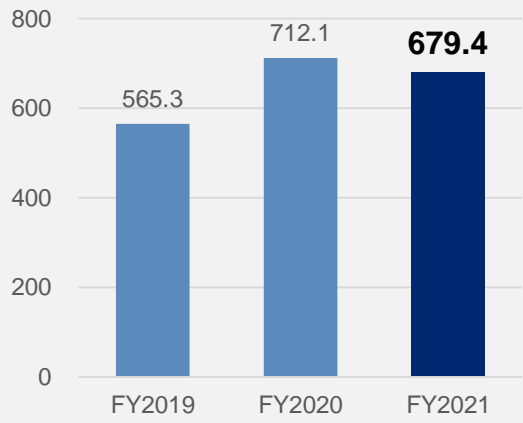
Market prices for wheat (Chicago) rose on several factors. Most prominent among these was the enormous purchase by China of wheat from the U.S. and Canada, two major wheat producers, and a tax hike on wheat exports by Russia, coupled with concerns over the impact on wheat growth of a cold snap that struck the central United States in mid-February. While the currency market saw a somewhat higher yen, the import price of wheat rose primarily atop higher maritime freight costs.

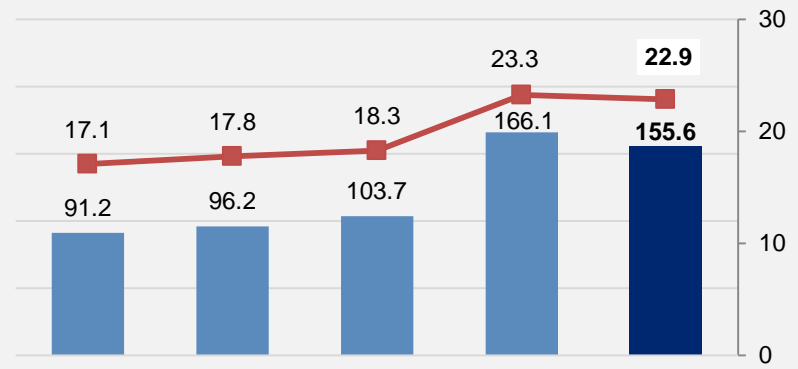


- Enormous purchase of North American wheat and other grains, reflecting growth in grain demand from China
- Concerns of worsening harvest conditions for 2021 North America spring wheat in line with trending drier conditions

- Favorable harvest outlook for 2021 North America winter wheat
- Possible abolishment of export tax hike and other export control mechanisms by Russia







2. Analysis of Segment Results (2)



Analysis of Operating Profit (YoY Difference)

Flour Milling

¥(3.0) billion

Domestic wheat flour shipment volume	(0.8)
Sales expansion costs	(1.5)
Bran prices	+0.2
Cost related	+0.6
Overseas subsidiaries, others	(1.5)

Processed Food

¥+2.5 billion

Shipment volume	+0.1
Sales expansion costs	+1.0
Cost related	+0.8
Overseas subsidiaries, others (incl. Oriental Yeast, Nisshin Pharma exports)	+0.6

Prepared Dishes and Other Prepared Foods

¥(0.5) billion

Impact of the novel coronavirus, others	(0.5)
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Others

¥(0.5) billion

Sales	(2.2)
Cost related, others	+1.7



	Fiscal 2020 Results	Fiscal 2021 Results	YoY difference	Comments
[Non-operating Income (Expenses)]				
Net financial income	199	188	(10)	
Share of profit of entities accounted for using equity method	1,789	1,794	+5	
Other	593	706	+112	
Total non-operating income (expenses)	2,582	2,689	+107	
[Extraordinary Income (Losses)]				
Gain on sales of investment securities	212	1,421	+1,209	

	Fiscal 2020 Results	Fiscal 2021 Results		YoY difference	
		Results	Highlights		
Cash and cash equivalents at beginning of period	107.3	56.5		(50.8)	Cash on hand* 57.2
Cash flows from operating activities	38.4	49.5	Profit before income taxes +29.7 Depreciation and amortization +22.2 Decrease in working capital +5.2 Income taxes paid (11.3)	+11.0	
Cash flows from investing activities	(96.8)	(17.1)	Capital expenditures (payment basi1 (bas)7/sTm[(C) (b)-23.7 (ef)-63.5 (o)-23.6 5		

5. Fiscal 2022 Forecasts (1)

- **Net sales are likely to be lower**, the result of decreased shipments of household-use processed foods in Japan, the end of pet food production by the Group on an outsourced basis, and the significant impact of application of an accounting standard regarding revenue recognition. These factors overshadow a modicum of recovery in demand in the flour milling and prepared dishes and other prepared foods businesses, a recovery in facility construction completion, and higher prices for wheat flour following price revisions for wheat.
- **Operating profit is projected to be higher**, as a certain level of recovery in performance in the flour milling and prepared dishes and other prepared foods businesses offset a temporary reduction in shipments of raw materials for pharmaceuticals and the absence of cuts to various expenses enacted last year.

* Figures rounded down to nearest million yen

(Millions of yen)	Fiscal 2021 Results	Fiscal 2022 Forecasts	YoY difference	YoY change
Net sales	679,495	660,000	(19,495)	(2.9)%
Overseas sales [Overseas sales ratio]	155,626 [22.9%]	165,200 [25.0%]	+9,573	+6.2%
Operating profit	27,197	28,200	+1,002	+3.7%
Overseas operating profit [Overseas operating profit ratio]	2,959 [10.9%]	3,200 [11.3%]	+240	+8.1%
Ordinary profit	29,886	30,000	+113	+0.4%
Profit attributable to owners of parent	19,011	18,100	(911)	(4.8)%

* **Application of the accounting standard regarding revenue recognition will have an impact on net sales of -¥60.0 billion. Actual net sales will rise ¥40.5 billion (up 6.0%).**

Caution Regarding Results Briefing Content

