Delivering Good Health and Reliability

Please see page 5. This shows an evaluation by business.

The businesses with profits below the level a year earlier are the yeast and biotechnology business and the healthcare foods business, which are in the processed food segment, and the engineering business. The yeast and biotechnology business reported lower profits due to decreased domestic shipments and expenses for startup of the India yeast business and the healthcare foods business reported lower profits due to decreased shipments of bulk pharmaceuticals; however, profits have bottomed out in both of these businesses as well. The decline in the engineering business is a backlash from strong results a year earlier.

On the other hand, the flour milling business performed very strongly, reflecting strong bran prices and the new consolidation of Kumamoto Flour Milling Co., Ltd. in the domestic business, and a decrease in depreciation and amortization of goodwill and other assets due to impairment loss in the Australia flour milling business overseas.
The processed food business sought to make up for lost ground, closing the gap on rising costs.
The prepared dishes and other prepared foods business also performed well thanks to initiatives such as product price revisions and improvement of productivity.
The mesh cloth business also put in a strong performance.

Please see page 6.

Please see page 8.

This shows the factors behind our fiscal 2024 forecast in terms of year on-year differences.
We have made a significant upward revision as we expect operating profit to increase 13.2 billion yen year on year, which is 7.0 billion yen more than our full-year forecast announced in May.

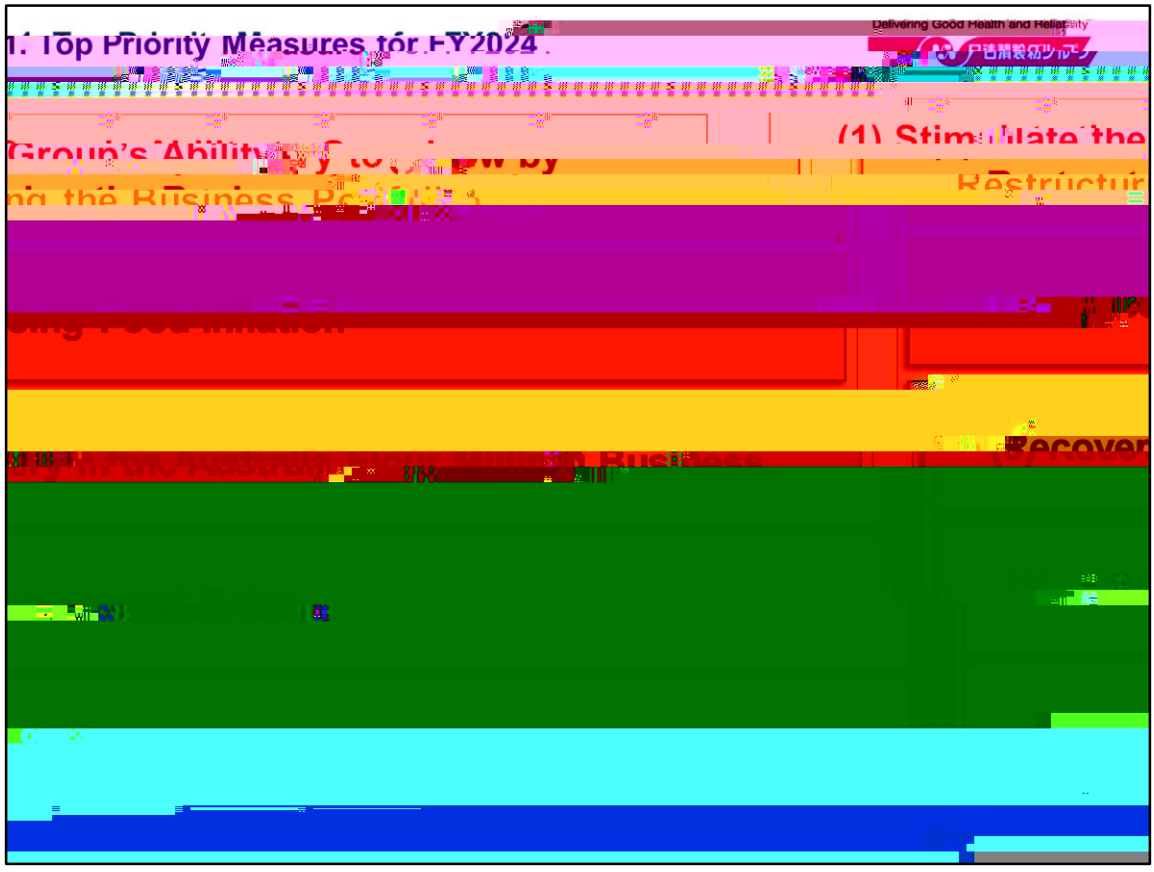
Please see page 9.

We have made good progress on our Medium-Term Management Plan in fiscal 2023 and fiscal 2024.

Our targets for fiscal 2027, which is the final fiscal year of our Medium-Term Management Plan, are net sales of 900.0 billion yen, operating profit of 48.0 billion yen, EPS of 110 yen, and an ROE of 7%.

Starting on page 10, I will explain progress of the top priority measures we are taking to achieve the Medium-Term Management Plan.

In face of the many measures companies need to focus on, we have set out top priority measures as a group, which we are focusing on as the



Please see page 11.

Our five top priority measures for fiscal 2024 are Addressing Food Inflation, Recovery in the Australia flour milling business, Environmental Policy, and Digital Strategy, plus the first basic policy of the Medium

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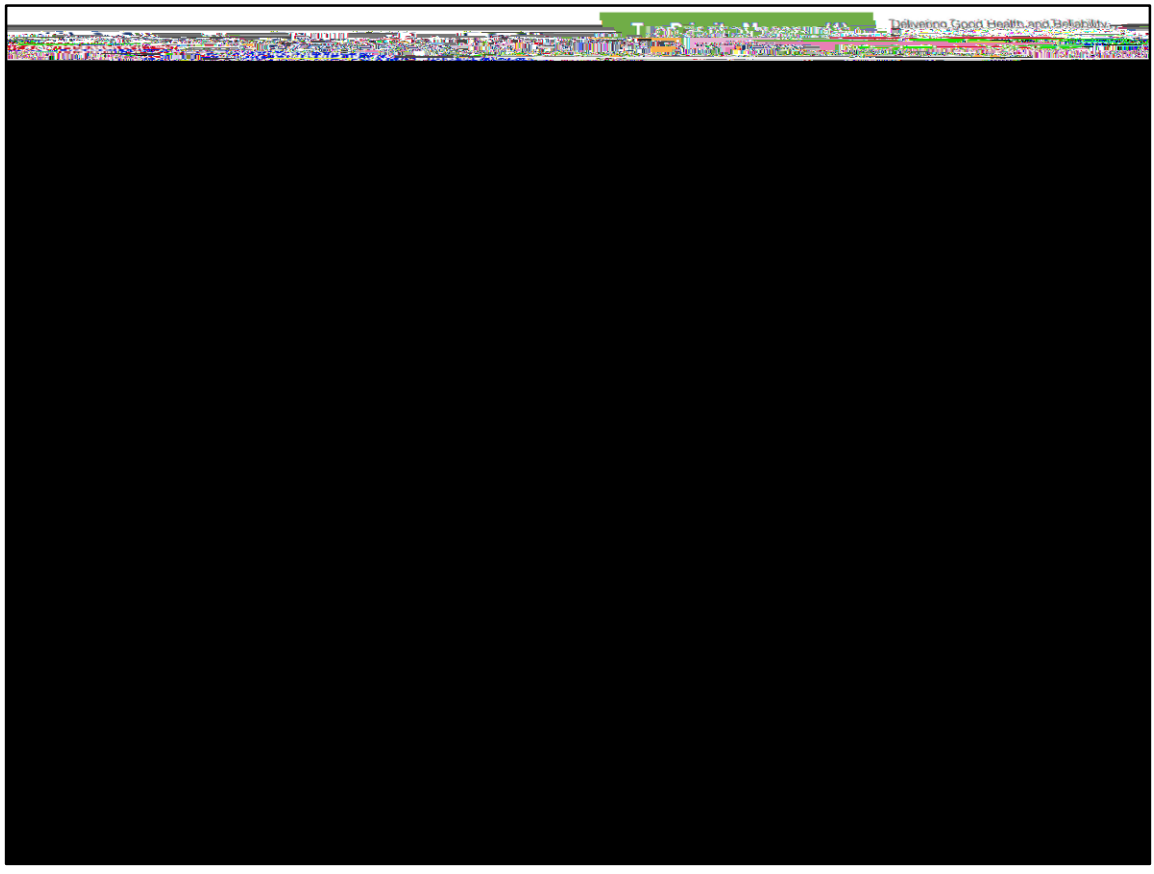


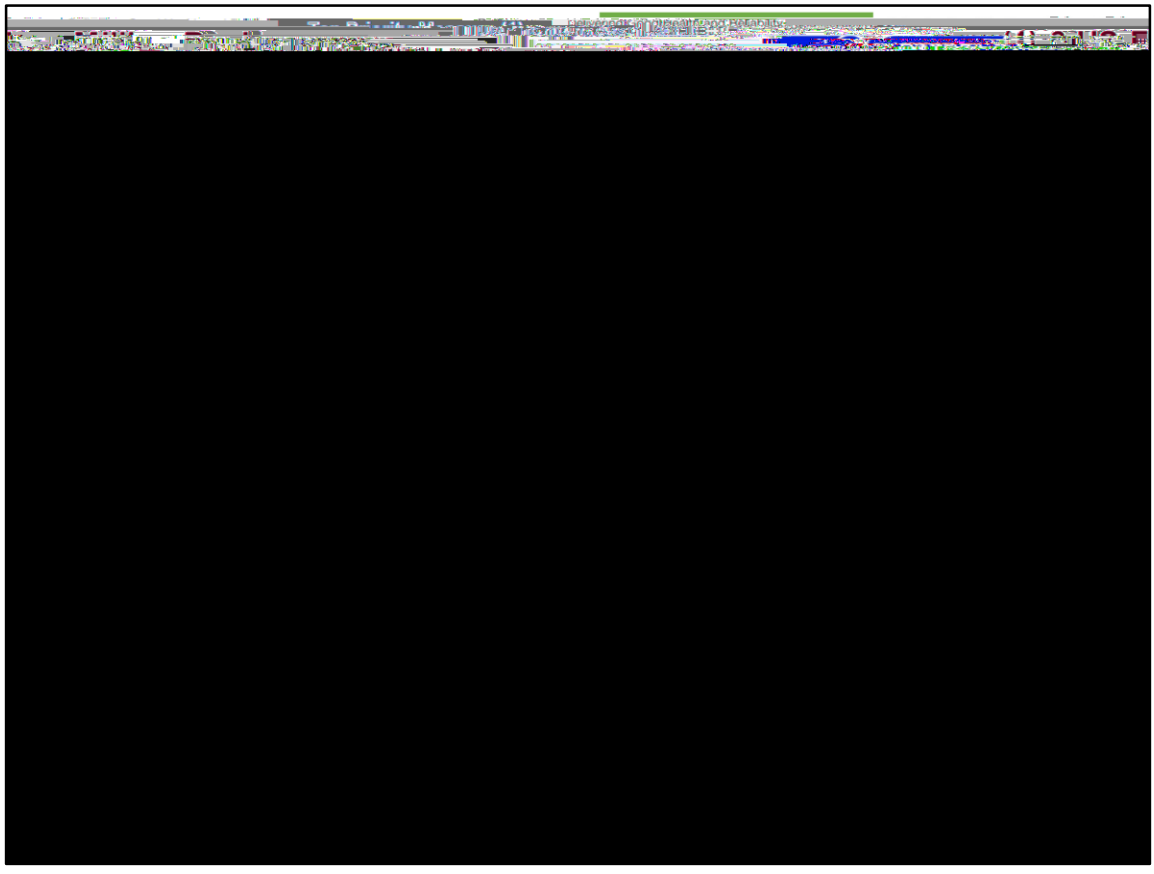
Please see page 13.

This is a graph showing the operating profit growth of the overseas flour milling business.

We have been accelerating overseas investment since 2012. There have been some areas where business operations after investment have not necessarily been great and we have also recognized impairment losses.

We began investing in overseas operations in the 1980s and have built up expertise, including expertise in dealing with challenging environments as a company and I think the business is now in a position to contribute to profit.

I want the business to continue playing its part as a profit growth driver in the future through the proper implementation of initiatives including improvement of the Australian flour milling business and expansion in the scale of the North America flour milling business.



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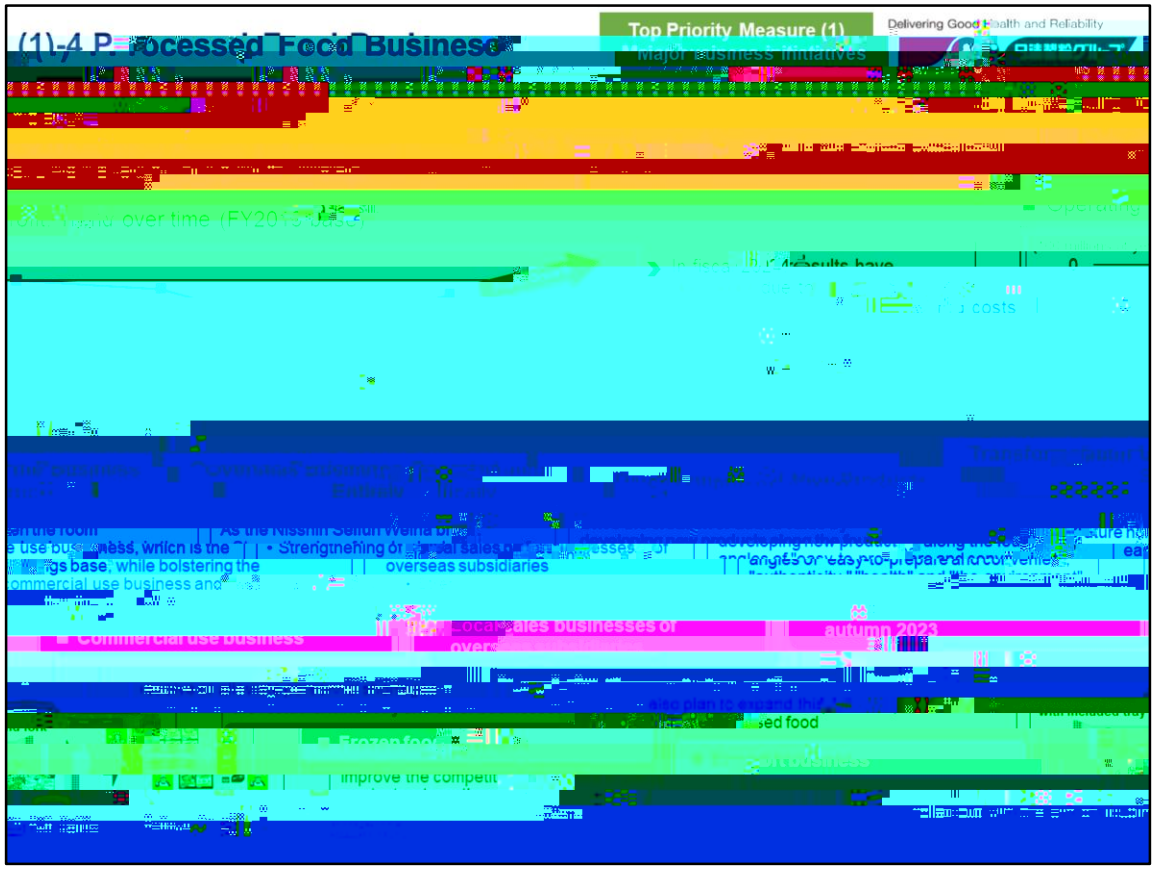


Please see page 15.

Profit fell in the processed food business in fiscal 2023 as a result of a failure to keep up with cost inflation and lower shipments; however, in the first half of this year, we caught up with the cost increases. Through the second half, we will continue flexibly implementing price policy according to costs, wheat flour prices included, aiming to reverse the trends seen prior to this fiscal year, that is, a failure to keep up with rising costs and falling demand.

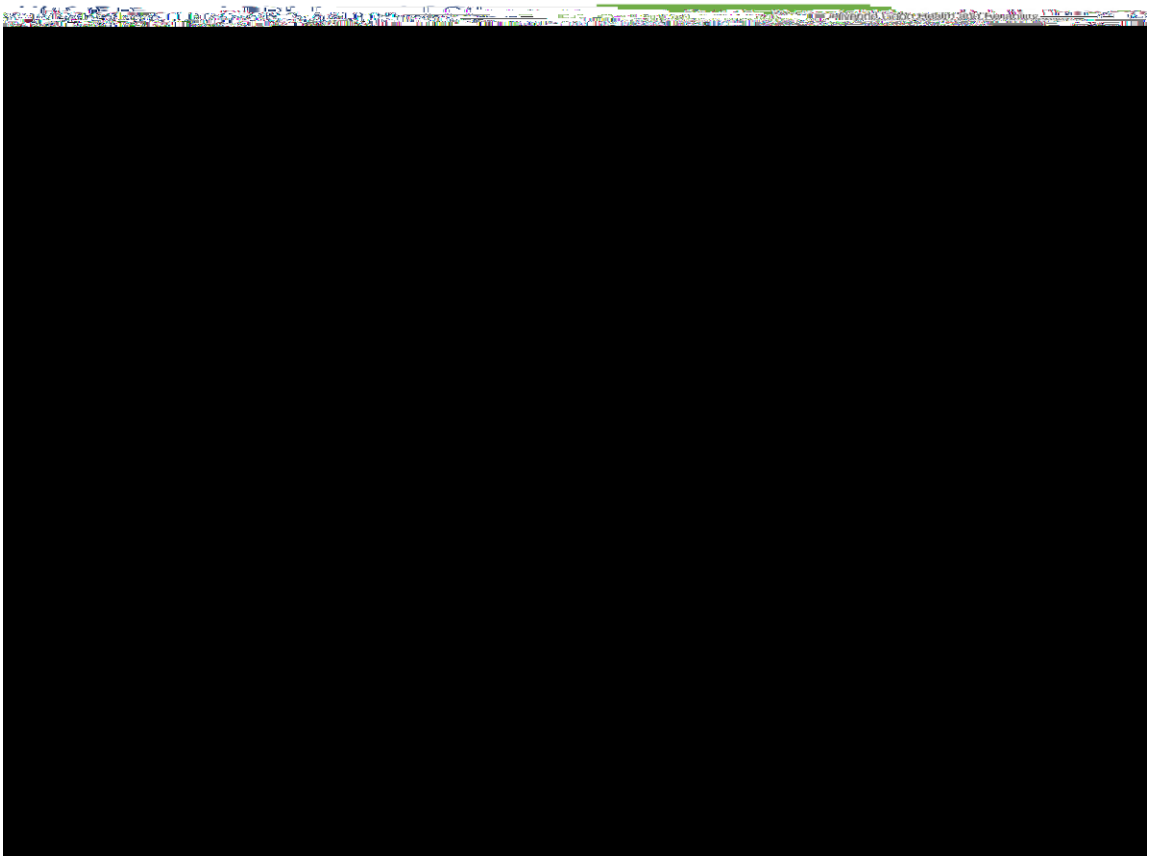
Also, during the Medium-Term Management Plan period, we will strengthen the commercial use and frozen foods businesses and achieve profit contributions from them, and we have also made various proposals in terms of commercial use products. Examples of initiatives include the installation of frozen pasta vending machines and the proposal of products aimed at easing labor shortages in commercial use business, and we have also produced TV commercials for the commercial use market, etc.

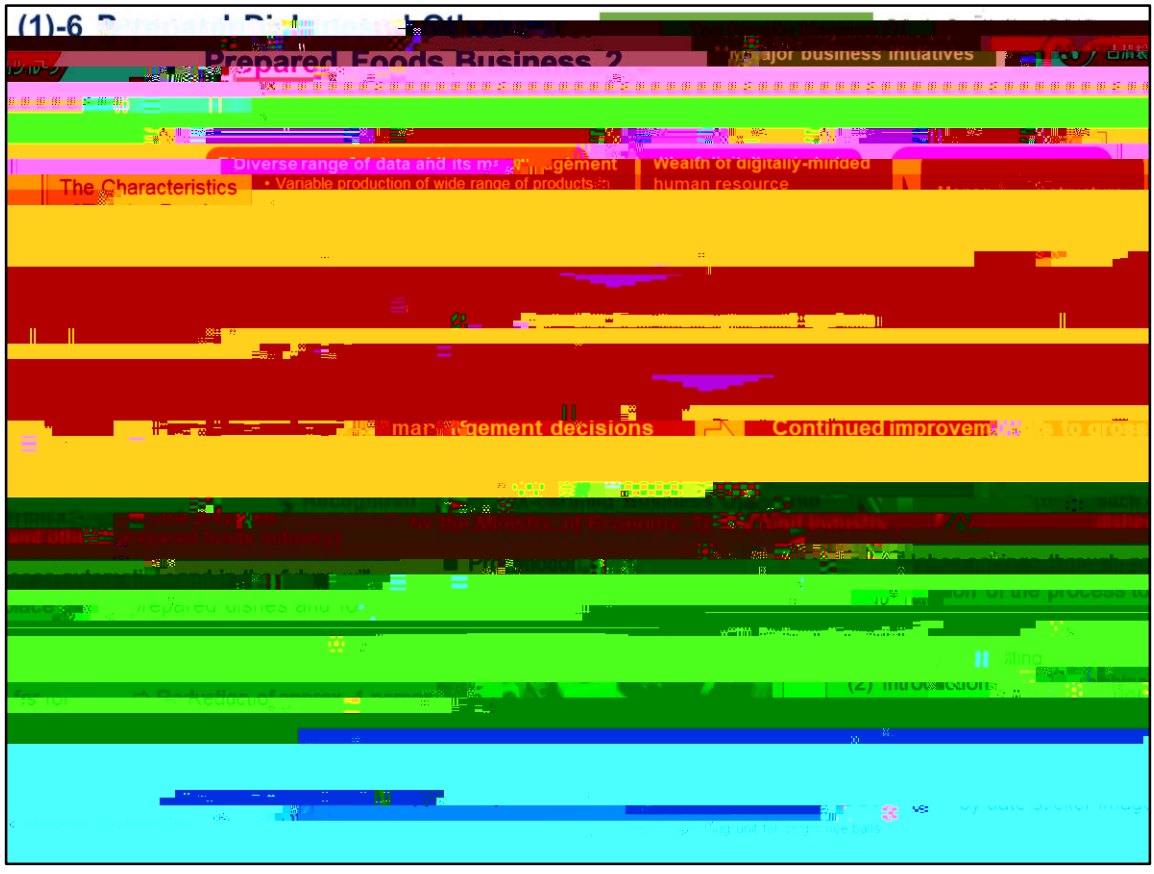
Please see page 16. I will now explain about the India yeast business.

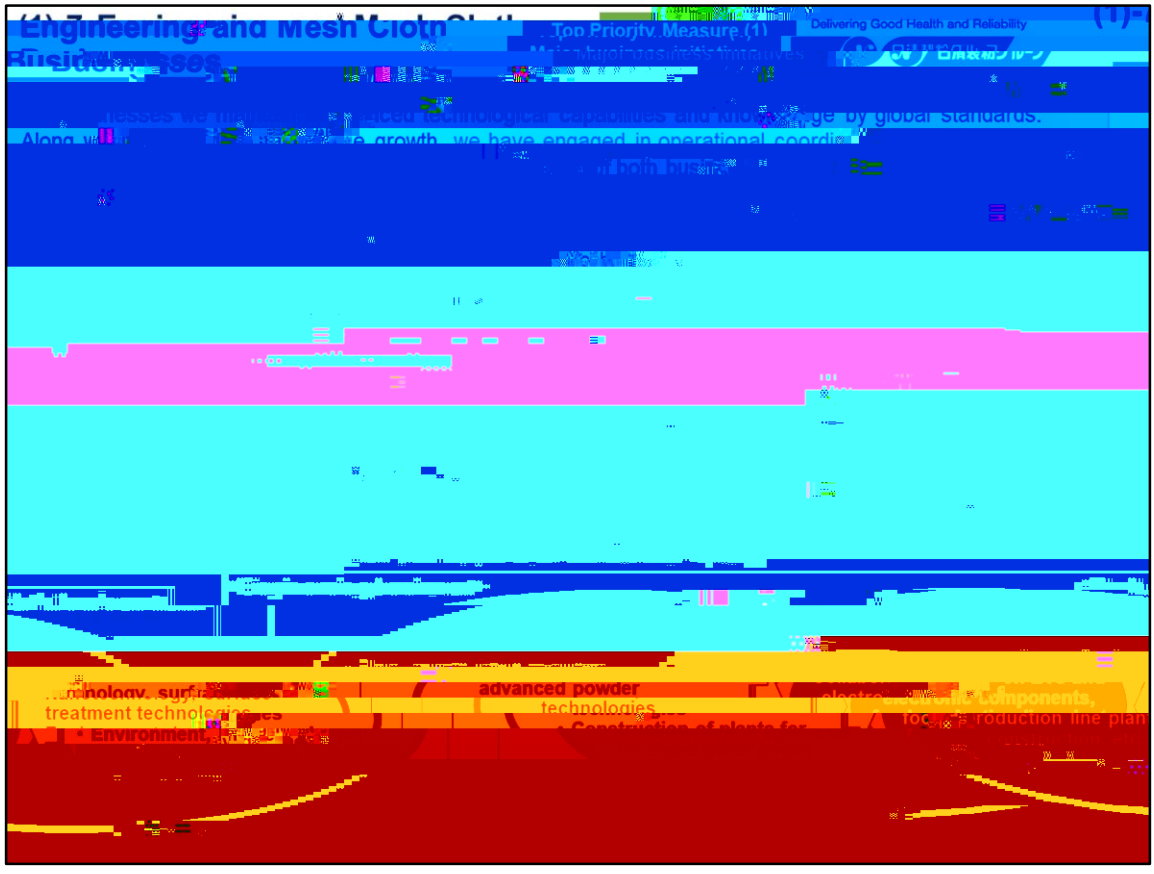
India is the world's most populous country and demand for bread is also rapidly growing. At the end of last fiscal year, our market share reached 10%. We are also expanding sales to leading bakeries, aiming for a market share of 20% by the end of this fiscal year and aiming for a market share of 30% and full-scale operation during the period of the Medium-Term Management Plan.

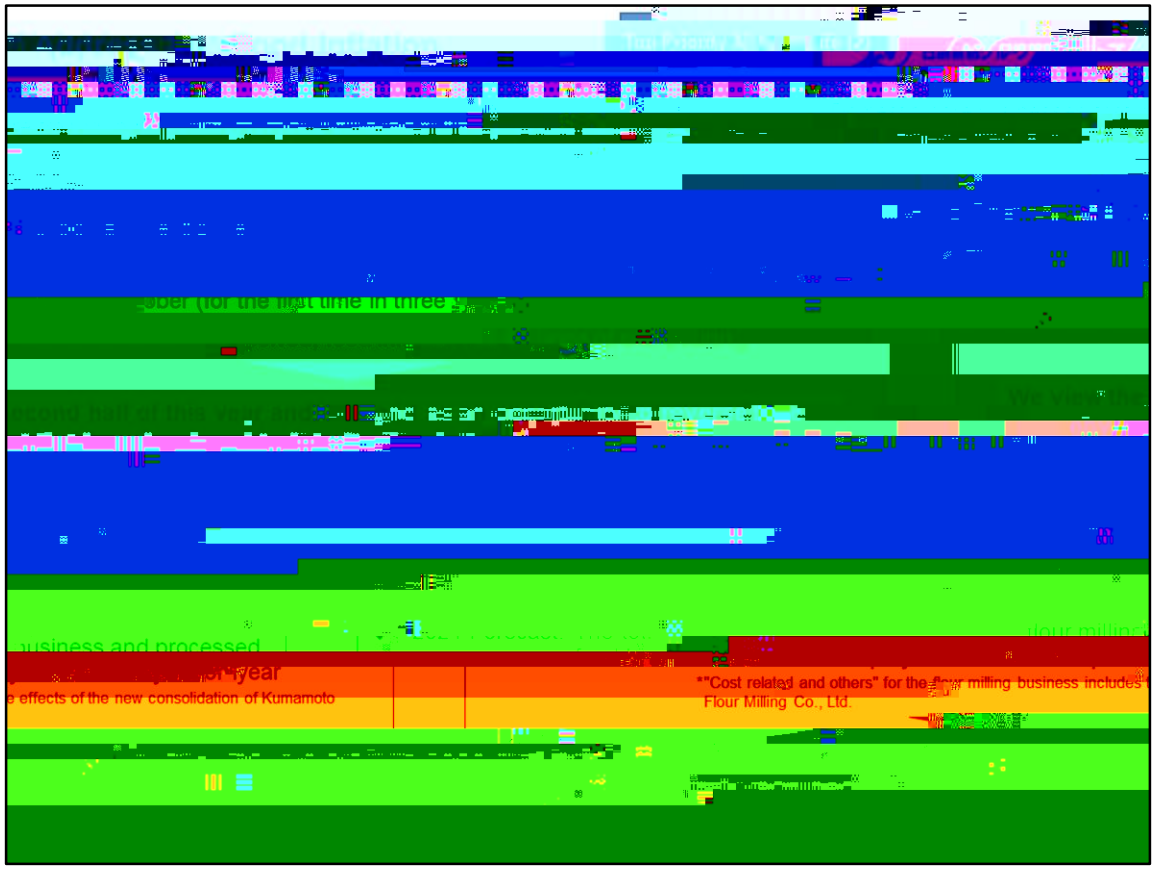
Also for Oriental Yeast Co., Ltd., which has a 50% share of the Japanese market, this scale means that its Indian production capacity will be 1.5 times that of its Japanese production capacity. It goes without saying that our competitors in the Indian market will deploy price and other strategies to deter market newcomers. This is why I think we need some time to increase our share to 30% and generate profit.

Our top priority to begin with will be to expand sales and we will also focus on sending skilled bakers to India from Japan to ensure that we increase our presence in the Indian bakery business. The contribution to profit this fiscal year is being revised downward; however, I will make sure to keep an eye on this business together with the Australia flour milling business.




Prepared Foods Business 2
Major business initiatives
The Characteristics
Diverse range of data and its m gement
• Variable production of wide range of products
Wealth of digitally-minded human resource
management decisions
Continued improvem

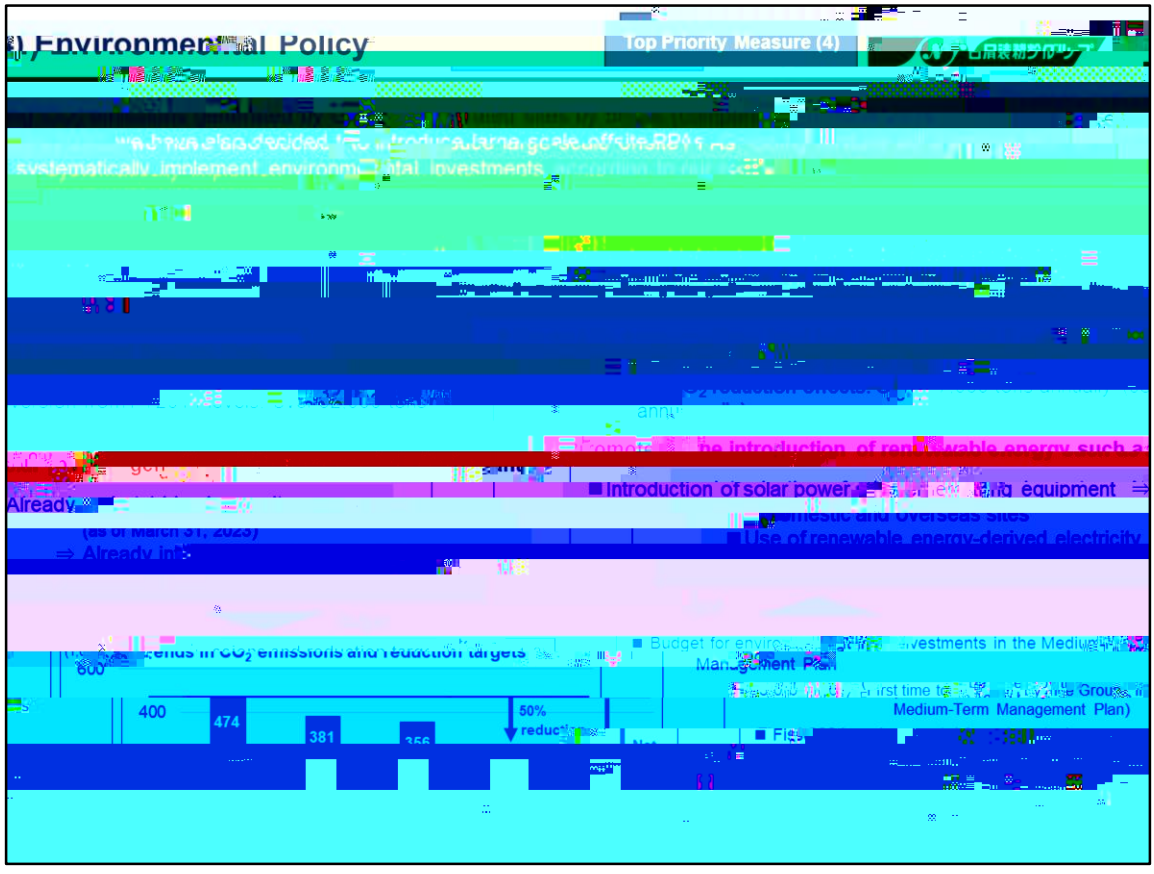

Top Priority Measure (1)
Delivering Good Health and Reliability
advanced powder
technologies



Please see page 21.

The second top priority measure is addressing food inflation.
In our core domestic businesses, namely, the flour milling business, processed food business and yeast and biotechnology business, where we were too slow passing through rising costs to prices last fiscal year, we caught up with rising costs during the first half and secured a profit base. Given that, in view of the cut in the wheat price in October this year, the market is expected to recover going forward, as explained earlier, we will also properly focus on expanding sales.

In my view, there will, of course, be no change in the inflationary environment itself and various costs will still be higher; however, as a company, we will work to create a positive economic cycle, increasing our earnings and also raising wages.



The fourth top priority measure is environmental policy. The long-term target set and announced by our Group is a 50% reduction in CO2 emissions by 2030 compared to fiscal 2014. We are following a roadmap for this, but it cannot be achieved unless investments are made and

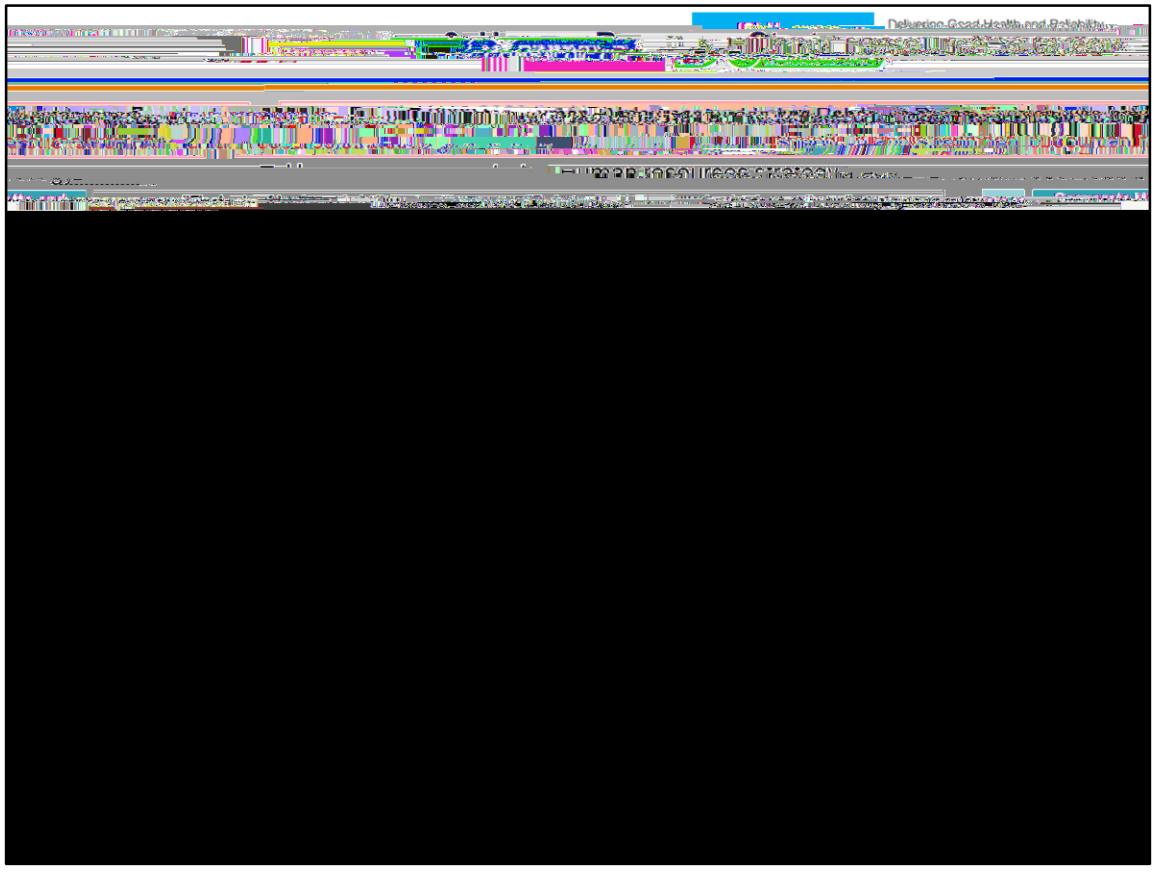
Please see page 27.

I believe since we are a business that deals with food staples, we should have some financial stability. That said, I do not think we need to accumulate any more cash.

Cash flow from operations and cash obtained from asset sales and other sources during the period of the Medium-Term Management Plan will be used fully in investments and shareholder returns.

As I have explained, we continue to aggressively invest in fiscal 2024. We will use cash for strategic investment, including advancing environmental and digital investments, but we will also return profit to shareholders through increased dividends.

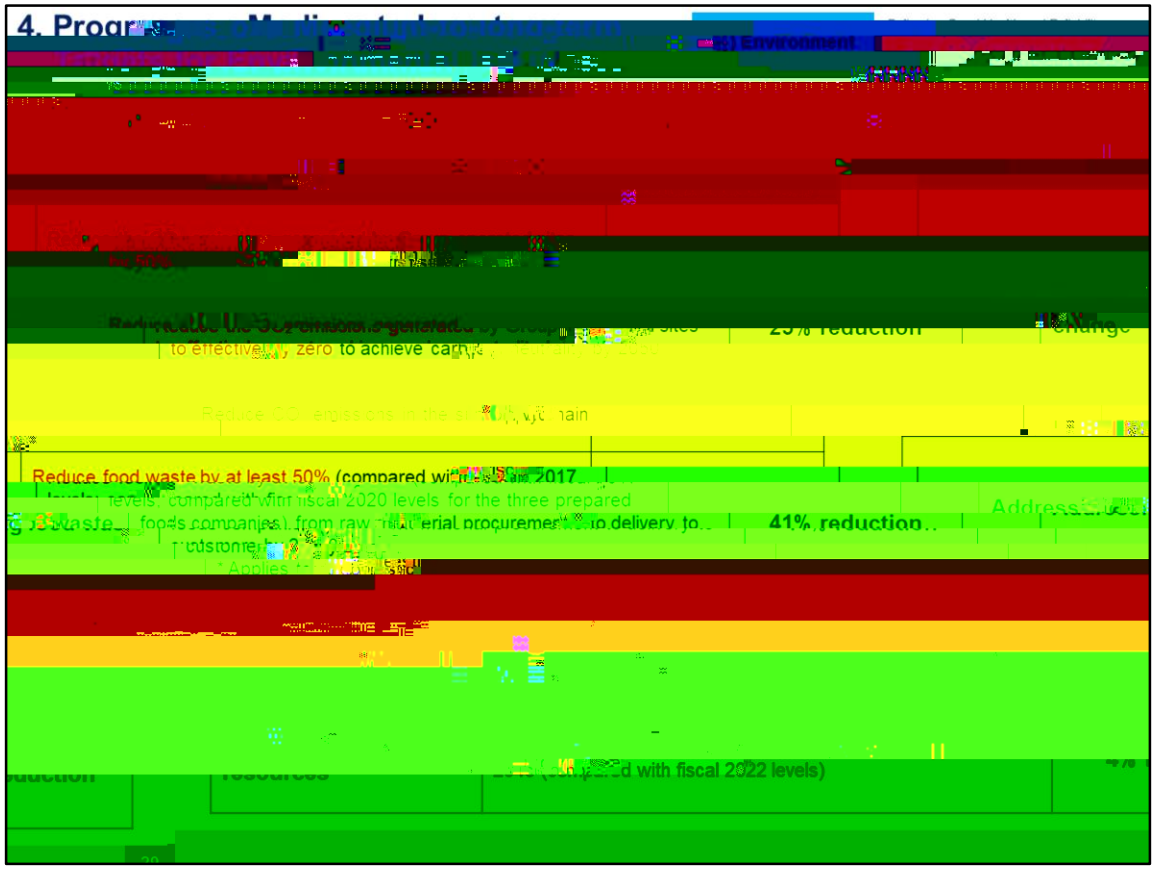
In May, we decided to increase dividends for fiscal 2024 by 1 yen; however, in light of our performance, we



Please see page 28.

When I became president, I declared to employees as part of my approach to stakeholders that I would "Ensure appropriate compensation and working environment for employees and support in acquiring necessary skills." I personally intend to create this kind of culture to ensure that employees get a real sense of this.

Human resources are the source of a company's power, and we will carry out a proper review, including a review of the wage system, and further strengthen our human resource strategy.



Page 29 shows our medium-to-long-term environmental targets and progress made towards achieving them.

This concludes my presentation.