

Fiscal 2024 Results Briefing Meeting: Summary of Q&A

Time and Date: 13:00 – 14:00 on Monday, May 20, 2024

Attendees: Nisshin Seifun Group Inc.

Kenji Takihara, President

Eiichi Suzuki, Director and Managing Executive Officer, Division Executive, Finance and Accounting Division

Eiji Inoue, General Manager, Investor & Shareholder Relations Office

Q: I have questions about the domestic flour milling business. Please explain why profitability improved in FY2024 and why profit is forecast to decline in FY2025.

A: There are multiple factors for the profitability improvement of the domestic flour milling business in FY2024. The main factors include the effect of the new consolidation of Kumamoto Flour Milling Co., Ltd., the implementation of price revisions including a belated pass-through to selling prices of cost increases in the previous fiscal year, and an improvement in the product mix, which had worsened due

Q: You plan to create cash flows from operating activities at around 250 billion yen during the five-year period of the Medium-Term Management Plan. If the amount of cash flows from operating activities is greater than the initial plan, will you use all of it for investments?

A: We think that we do not need to accumulate any more cash on hand. Basically, cash flows from operating activities and cash obtained from sales of assets including cross-shareholdings will be used for investments first. We plan to use all of the cash for investments and shareholder returns.

Q: You said that you will make investments aggressively. Are you conscious of profitability and capital efficiency when you make investment decisions?

A: There are various types of investment. For example, the construction of the new development base (Yoga Office (tentative name)) that we announced today will not itself generate profit in the short term. However, it will result in a workplace environment where employees can work energetically, thereby producing profits over the long term. Investment in the environment and DX have a similar aspect. We would therefore like to make investment decisions from diverse perspectives while also being conscious of profitability and capital efficiency.

Q: I think that your policy of reducing cross-shareholdings by more than 15 billion yen in the coming