



Consolidated Financial Results for the First Quarter of FY2026 [Japanese GAAP]

(August 6, 2025)

Listed company name: **NIPPON CORPORATION**
 Listing: The Prime Market of the Tokyo Stock Exchange
 Code number: 2001
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 Payment date of cash dividends: —
 Supplementary materials prepared: None
 Results information meeting held: None

*Amounts less than one million yen have been rounded down.

1. Consolidated financial results for the first quarter of FY2026 (From April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Millions of yen, percentage figures show the rate of change from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
1Q of FY2026	104,219	2.2%	5,544	8.0%	6,737	3.0%	4,678	(50.4)%
1Q of FY2025	101,969	3.4%	5,132	(5.8)%	6,543	(2.1)%	9,433	110.6%

(Note) Comprehensive income: 1Q of FY2026 ¥6,260 million [(59.1)%] 1Q of FY2025 ¥15,318 million [31.1%]

	Profit per Share (Yen)	Fully Diluted Profit per Share (Yen)
1Q of FY2026	57.75	53.22
1Q of FY2025	120.98	105.50

(2) Consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio
1Q of FY2026	407,804	266,085	63.5%
FY2025	399,226	246,484	60.7%

(Reference) Equity capital: 1Q of FY2026 ¥259,043 million FY2025 ¥242,140 million

2. Dividends

	Dividends per Share (Yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Full Year
FY2025	—	33.00	—	33.00	66.00
FY2026	—				
FY2026 (Forecast)		33.00	—	33.00	66.00

(Note) Adjustment for the most recent forecast of the dividends in the current term: None

3. Forecast of consolidated financial results for FY 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen, percentage figures show the rate of changes from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Profit per Share (Yen)
Half Year	211,500	3.2%	10,600	0.7%	12,100	0.1%	8,500	(39.5)%	108.90
Full Year	424,000	3.2%	21,500	0.1%	24,500	0.4%	20,200	(18.4)%	258.80

(Note) Adjustment for the most recent forecast of the consolidated financial results in the current term: None

* Notes

(1) Significant changes in the scope of consolidation during the quarter under review: Yes
New 1 company (company name) HATANAKA FOODS Co., Ltd

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates, and retrospective restatements

- | | |
|--|--------|
| 1) Changes in accounting policies due to revisions of accounting standards | : None |
| 2) Changes other than 1) | : None |
| 3) Changes in accounting estimates | : None |
| 4) Retrospective restatements | : None |

(4) Number of shares issued and outstanding (common stock)

1) Number of shares outstanding at the end of each period (including treasury shares):	1Q of FY2026	84,727,163 shares	FY2025	78,824,009 shares
2) Number of treasury shares at the end of each period:	1Q of FY2026	527,458 shares	FY2025	771,273 shares
3) Average number of shares (quarterly consolidated cumulative period):	1Q of FY2026	81,017,137 shares	1Q of FY2025	77,972,600 shares

(Note) The number of treasury shares at the end of the period includes our shares (225,900 shares at the end of 1Q of FY2026, 225,900 shares at the end of FY2025) held by Custody Bank of Japan, Ltd. (Trust E Account). The number of treasury shares deducted in calculating the average number of shares during the period includes our shares (225,900 shares at the end of 1Q of FY2026, 240,000 shares at the end of 1Q of FY2025) held by Custody Bank of Japan, Ltd. (Trust E Account).

* Review of the accompanying quarterly consolidated financial statements by certified public accountants or an audit corporation:
None

* Explanation regarding the appropriate use of projected financial results and other special instructions

Descriptions regarding the future, including the financial outlook contained in this material, are based on certain information currently available to us and particular assumptions, which are, at the discretion of us, deemed reasonable, and actual financial results may significantly vary due to various factors. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Results, (3) Information on forecast of the consolidated financial results” on page 4 for information on preconditions underlying the above outlook and other related information.

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Overview of business results

(Millions of yen)

	First three months of Fiscal 2025	First three months of Fiscal 2026	Difference	Change
Net sales	101,969	104,219	2,250	102.2%
Operating income	5,132	5,544	411	108.0%
Ordinary income	6,543	6,737	193	103.0%
Profit Attributable to Owners of Parent	9,433	4,678	(4,754)	49.6%

During the first three months of the fiscal year ending March 31, 2026, the Japanese economy has continued to gradually recover against the background of factors such as improvements in the employment and income environment. On the other hand, it is expected that uncertain circumstances will continue in the future, due to the unstable international situation, such as the prolonged conflicts in Ukraine and the Middle East, and the trends in the international trade policy of the United States.

In the food industry, we continued to pay close attention to the impact on our business environment of factors, such as high raw material and energy prices, and consumer inclination toward spending less due to inflation.

In these circumstances, we are striving to continuously improve our corporate value based on the management philosophy of “Contributing to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people.”

During the first three months of fiscal 2026, as an effort to strengthen our earning capacity, we thoroughly implemented “consumer-based marketing” in all business areas including not only home use food product category but also professional use food product category, and we worked to expand our revenue by further raising our brand awareness.

In addition, as an effort to expand our growth areas, we included HATANAKA FOODS Co., Ltd. as a consolidated subsidiary in April 2025, and commenced construction of a new plant for frozen foods, in order to enhance our supply system in the light of future growth of the demand for frozen foods.

In the first three months of fiscal 2026, net sales increased by 2.2% year-on-year to ¥104,219 million due to factors such as the expansion of inbound tourism consumption, sales promotion based on the marketing strategy, as well as price revisions implemented due to various rising costs. In terms of profit, despite an increase in various costs, including raw material costs, personnel costs and logistics costs in each business, due to an increase in sales volume of both the Flour Milling business and the Food business, operating income increased by 8.0% year-on-year to ¥5,544 million and ordinary income increased by 3.0% year-on-year to ¥6,737 million. On the other hand, due to extraordinary gains from the sale of idle land in last year, profit attributable to owners of parent decreased by 50.4% year-on-year to ¥4,678 million.

The performance of individual business segments was as follows.

(1) Flour Milling

(Millions of yen)

	First three months of Fiscal 2025	First three months of Fiscal 2026	Difference	Change
Net sales	30,623	30,744	121	100.4%
Operating income	2,314	2,517	203	108.8%

In the Flour Milling business, despite the impact of the price revision for wheat flour following the reduction of the government selling price of foreign wheat in October last year, sales remained strong, resulting in an increase in net sales by 0.4% year-on-year to ¥30,744 million, and an increase in operating income by 8.8% year-on-year to ¥2,517 million.

Due to the revision of the government selling price of foreign wheat in April this year and rising costs such as logistics and personnel costs, we have revised the price of wheat flour for professional use in July this year.

(2) Food

(Millions of yen)

	First three months of Fiscal 2025	First three months of Fiscal 2026	Difference	Change
Net sales	58,810	60,650	1,840	103.1%
Operating income	2,209	2,342	132	106.0%

In the professional use food product category, net sales increased year-on-year, according to strong sales of premixes and other products, and due to factors, such as increased demand from restaurants and the expansion of inbound tourism consumption.

In the home use food product category, net sales increased year-on-year, due to sales volume growth in “Chewy and Delicious Spaghetti” series and other dried pasta products, as well as steady growth in sales volume of frozen food products such as “One Plate Meal” series and “Trendy Meal” series, which are ready to be served in a tray and can be used as a complete meal by itself. Additionally, price revisions implemented following the rise of various costs contributed to the sales increase.

In the Nakashoku (Ready-made meal) business, net sales increased year-on-year due to steady sales, and implementation of price revisions resulting from rising costs such as raw material costs.

As a result, net sales of Food business increased by 3.1% year-on-year to ¥60,650 million, and operating income increased by 6.0% year-on-year to ¥2,342 million.

(3) Other

(Millions of yen)

	First three months of Fiscal 2025	First three months of Fiscal 2026	Difference	Change
Net sales	12,535	12,824	288	102.3%
Operating income	601	683	81	113.6%

In the Pet Food business, net sales increased year-on-year, due to sales volume growth of high-unit-price products, etc.

In the Food Service business, net sales increased year-on-year, due to strong sales and price revisions implemented in the current fiscal year.

As a result, net sales of the Other businesses increased by 2.3% year-on-year to ¥12,824 million, and operating income increased by 13.6% year-on-year to ¥683 million.

(2) Overview of financial position

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025	Difference
Current assets	159,014	158,735	(278)
Non-current assets	240,210	249,068	8,857
Deferred assets	1	—	(1)
Total assets	399,226	407,804	8,577
Current liabilities	104,407	76,109	(28,298)
Non-current liabilities	48,334	65,609	17,275
Total liabilities	152,742	141,719	(11,022)
Total net assets	246,484	266,085	19,600
Total liabilities and net assets	399,226	407,804	8,577

Total assets at the end of the first three months of fiscal 2026 increased by ¥8,577 million from the end of the previous fiscal year-end (March 31, 2025), to ¥407,804 million. This was mainly because investment securities, property, plant and equipment, merchandise and finished goods, and intangible assets increased by ¥3,462 million, ¥3,009 million, ¥2,050 million, and ¥1,472 million, respectively, and notes and accounts receivable - trade and contract assets decreased by ¥1,315 million.

Total liabilities decreased by ¥11,022 million from FY2025 to ¥141,719 million. This was mainly because long-term loans payable and other non-current liabilities increased by ¥14,964 million and ¥1,809 million, respectively, and convertible bond-type bonds with subscription rights to shares, income taxes payable, and other current liabilities decreased by ¥25,002 million, ¥2,565 million, and ¥919 million, respectively.

Net assets increased by ¥19,600 million from the previous fiscal year-end to ¥266,085 million. This was mainly because the capital surplus, the capital stock, the non-controlling interests, the unrealized holding gain (loss) on securities, and the retained earnings increased by ¥6,487 million, ¥6,430 million, ¥2,697 million, ¥2,220 million, and ¥2,090 million, respectively.

(3) Information on forecast of the consolidated financial results

For the second quarter and beyond, the forecasts of the consolidated financial results for the first six months and the full year of fiscal 2026 announced on May 13, 2025, have been unchanged.

With regard to dividends, we plan to pay total cash dividends of ¥66 per share for the full year ending March 31, 2026, unchanged from the forecast.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

	FY2025 (As of March 31, 2025)	First quarter of FY2026 (As of June 30, 2025)
Assets		
Current assets		
Cash and deposits	44,945	45,425
Notes and accounts receivable - trade and contract assets	58,128	56,812
Merchandise and finished goods	26,626	28,676
Work in process	109	425
Raw materials and supplies	22,687	22,142
Other current assets	6,542	5,273
Allowance for doubtful accounts	(25)	(21)
Total current assets	159,014	158,735
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,537	48,036
Machinery, equipment, and vehicles, net	23,099	22,380
Land	45,862	46,003
Construction in progress	13,022	17,044
Other, net	3,890	3,956
Total property, plant, and equipment	134,412	137,421
Intangible assets		
Goodwill	809	2,334
Other	1,213	1,161
Total intangible assets	2,023	3,495
Investments and other assets		
Investment securities	85,530	88,992
Other	18,517	19,423
Allowance for doubtful accounts	(271)	(264)
Total investments and other assets	103,775	108,151
Total non-current assets	240,210	249,068
Deferred assets	1	—
Total assets	399,226	407,804

(Millions of yen)

	FY2025 (As of March 31, 2025)	First quarter of FY2026 (As of June 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,279	34,089
Short-term loans payable	17,341	17,791
Current portion of convertible bond-type bonds with subscription rights to shares	25,002	—
Income taxes payable	3,998	1,432
Provision for bonuses	961	891
Other	22,824	21,904
Total current liabilities	104,407	76,109
Non-current liabilities		
Long-term loans payable	14,685	29,650
Retirement benefit liabilities	3,641	4,166
Accrued retirement benefits for directors	361	318
Provision for share awards for directors (and other officers)	102	122
Other	29,543	31,352
Total non-current liabilities	48,334	65,609
Total liabilities	152,742	141,719
Net assets		
Shareholders' equity		
Capital stock	12,240	18,670
Capital surplus	9,758	16,245
Retained earnings	170,683	172,773
Treasury shares	(1,183)	(781)
Total shareholders' equity	191,499	206,908
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	41,317	43,537
Deferred gains (losses) on hedges	(23)	(18)
Foreign currency translation adjustments	5,148	4,514
Retirement benefit liability adjustments	4,199	4,101
Total accumulated other comprehensive income	50,641	52,134
Subscription rights to shares	115	115
Non-controlling interests	4,227	6,925
Total net assets	246,484	266,085
Total liabilities and net assets	399,226	407,804

(2) Quarterly consolidated statements of income and comprehensive income
(Quarterly consolidated statements of income)

(Millions of yen)

	First quarter of FY2025 (From April 1, 2024 to June 30, 2024)	First quarter of FY2026 (From April 1, 2025 to June 30, 2025)
Net sales	101,969	104,219
Cost of sales	77,346	77,980
Gross profit	24,623	26,239
Selling, general and administrative expenses	19,490	20,695
Operating income	5,132	5,544
Non-operating income		
Interest income	16	135
Dividend income	1,113	1,300
Other	388	168
Total non-operating income	1,519	1,604
Non-operating expenses		
Interest expenses	53	97
Foreign exchange losses	—	205
Other	54	107
Total non-operating expenses	107	410
Ordinary income	6,543	6,737
Extraordinary income		
Gain on sale of fixed assets	6,832	0
Gain on sale of investment securities	78	0
Total extraordinary income	6,910	0
Extraordinary expenses		
Loss on sale and disposal of fixed assets	14	13
Loss on sale of investment securities	5	0
Other	0	16
Total extraordinary expenses	19	30
Profit before income taxes	13,434	6,708
Income taxes - current	3,006	1,287
Income taxes - deferred	879	660
Total income taxes	3,886	1,948
Profit	9,548	4,759
Profit attributable to non-controlling interests	114	81
Profit attributable to owners of parent	9,433	4,678

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	First quarter of FY2025 (From April 1, 2024 to June 30, 2024)	First quarter of FY2026 (From April 1, 2025 to June 30, 2025)
Profit	9,548	4,759
Other comprehensive income		
Unrealized holding gains (losses) on securities	5,281	2,229
Deferred gains (losses) on hedges	56	5
Foreign currency translation adjustments	411	(825)
Retirement benefit liability adjustments	(53)	(97)
Share of other comprehensive income of entities accounted for using equity method	73	189
Total other comprehensive income	5,770	1,500
Comprehensive income	15,318	6,260
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	15,197	6,171
Comprehensive income attributable to non-controlling interests	120	89

(3) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes on quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the first quarter of fiscal 2026 have not been prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter of fiscal 2025 and fiscal 2026 are as follows.

(Millions of yen)

	First quarter of FY2025 (From April 1, 2024 to June 30, 2024)	First quarter of FY2026 (From April 1, 2025 to June 30, 2025)
Depreciation	2,561	2,593
Amortization of goodwill	47	129

(Notes on segment information, etc.)

[Segment information]

I First quarter of FY2025 (From April 1, 2024 to June 30, 2024)

1. Information on net sales and income (loss) by reportable segment and composition of revenue

(Millions of yen)

	Reportable segments			Other Notes: 1	Total	Adjustments Notes: 2	Amount recorded in quarterly consolidated financial statements Notes: 3
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	30,623	58,798	89,422	12,293	101,715	—	101,715
Other revenue	—	11	11	242	253	—	253
Net sales to external customers	30,623	58,810	89,434	12,535	101,969	—	101,969
Internal sales or transfers between segments	643	329	973	858	1,831	(1,831)	—
Total	31,267	59,139	90,407	13,393	103,800	(1,831)	101,969
Segment income	2,314	2,209	4,524	601	5,126	5	5,132

Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including Pet Food, Health Food, Engineering, Food Service, and Real Estate Leasing business.

2. Segment income adjustment of ¥5 million refers to elimination of inter-segment transactions.

3. Segment income is adjusted to reconcile total segment income to operating income in the quarterly consolidated financial statements.

2. Information on Impairment losses on non-current assets, goodwill, etc., by reportable segment

Not applicable.

II First quarter of FY2026 (From April 1, 2025 to June 30, 2025)

1. Information on sales and income (loss) by reportable segment and composition of revenue

(Millions of yen)

	Reportable segments			Other Note: 1	Total	Adjustments Note: 2	Amount recorded in quarterly consolidated financial statements Note: 3
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	30,744	60,639	91,384	12,597	103,981	—	103,981
Other revenue	—	11	11	226	238	—	238
Net sales to external customers	30,744	60,650	91,395	12,824	104,219	—	104,219
Internal sales or transfers between segments	727	244	972	647	1,619	(1,619)	—
Total	31,472	60,895	92,367	13,471	105,839	(1,619)	104,219
Segment income	2,517	2,342	4,860	683	5,543	0	5,544

Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including Pet Food, Health Food, Engineering, Food Service, and Real Estate Leasing business.

2. Segment income adjustment of ¥0 million refers to elimination of inter-segment transactions.

3. Segment income is adjusted to reconcile total segment income to operating income in the quarterly consolidated financial statements.

2. Information on Impairment losses on non-current assets, goodwill, etc., by reportable segment

Not applicable.