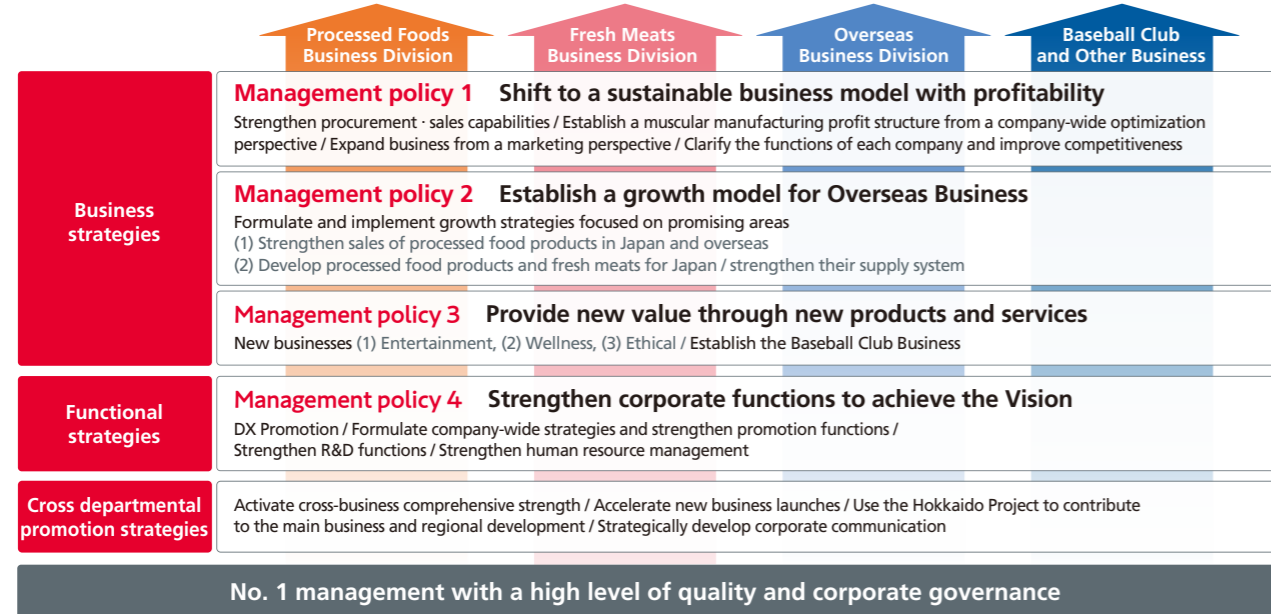
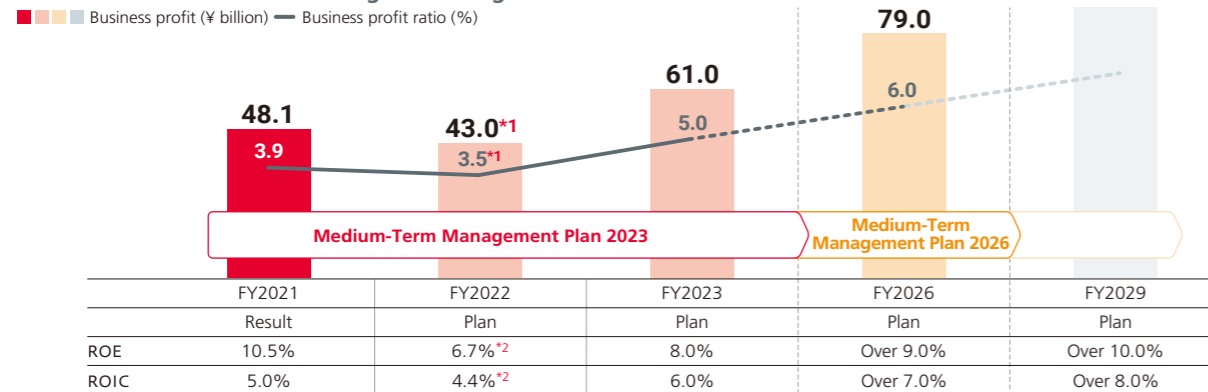


Progress under Medium-Term Management Plans 2023/2026

Medium-Term Management Plan 2023, Three Business Strategies and Four Management Policies



Results and forecasts for management targets and indicators



*1 Revised in August 2022 *2 Revised in May 2022

The NH Foods Group aims to maximize its corporate value under Vision2030 by contributing to the solution of social issues through its business activities. Our strategies for the realization of this vision are defined in Medium-Term Management Plans 2023/2026. This six-year plan is our blueprint for a transition to a sustainable business model while addressing various issues and adapting to change in the external environment. We have positioned the three-year period covered by Medium-Term Management Plan 2023 as a step-up phase on our path to a new stage.

The financial targets for Medium-Term Management Plan 2023, which concludes with fiscal 2023 ending in March 2024, are for net sales of ¥1,220 billion and business profit of ¥61 billion with a business profit ratio of 5.0%, ROE of 8.0%, and ROIC of 6.0%. In fiscal 2021, we responded to soaring raw material prices and rising procurement and production costs by revising prices, improving efficiency, and by pursuing brand and

channel strategies. Thanks to these measures, our results were basically on target, with net sales of ¥1,174.3 billion, business profit of ¥48.1 billion, a business profit ratio of 3.9%, ROE of 10.5%, and ROIC of 5.0%. Our progress toward portfolio optimization and the restructuring of our production operations from a medium- to long-term perspective was also in line with the plan. At the same time, we accelerated our transition to a sustainable business model in response to the increased uncertainty caused by rapid changes in the external environment.

In fiscal 2021, we also took steps to improve ROIC through initiatives toward the optimization of our business portfolio, including the sale of our shareholding in Marine Foods Corp. and the merger of group companies. In fiscal 2022, we will continue to pursue initiatives toward the realization of our vision for 2030, while identifying risks in a challenging business environment.

Progress under our business strategies

	Results	Future measure
Company-wide initiatives	<ul style="list-style-type: none"> Establish an optimal production system (Starting with the Fresh Meats and Processed Foods Businesses) Concentration of resources toward priority businesses Pursuit of an optimal portfolio (Sale of Marine Foods Corp.) 	<ul style="list-style-type: none"> Initiatives based on milestones leading to the 2030 targets
Shift to a sustainable business model with profitability		
Processed Foods Business Division	<ul style="list-style-type: none"> Price revisions Concentration on <i>Schau Essen</i> and high-productivity lines Expansion of sales through synergies within the Processed Foods Business Division Shift to environment-friendly packaging (<i>Schau Essen</i>) 	<ul style="list-style-type: none"> Effective countermeasures against rising raw material/energy costs Recovery of sales volumes after price revision Improvement of productivity and reduction of costs in the area of deli and processed foods Realization of additional synergies
Fresh Meats Business Division	<ul style="list-style-type: none"> Curbing of costs through productivity improvements in company-owned processing facilities Increased external procurement of domestic chicken and pork Expansion of the imported meat procurement network through the development of new source countries and packers Improvement of the branded fresh meat ratio 	<ul style="list-style-type: none"> Reduction of production costs to offset soaring feed prices Maintenance and enhancement of procurement capacity for imported fresh meats despite unstable local production and shipping disruptions Offensive strategies targeting priority channels
Establish a growth model for Overseas Business		
Overseas Business Division	<ul style="list-style-type: none"> Expansion of processed food volumes in North America Expansion of branded fresh meat sales by the Australia business Securing of profits through collaboration between procurement and sales operations in the beef business 	<ul style="list-style-type: none"> Countermeasures against soaring raw material costs for processed chicken products Development of new products in ASEAN Initiatives to reduce livestock-related GHG emissions
Provide new value through new products and services		
Other Business	<ul style="list-style-type: none"> Start of participation in the Entertainment Business and Wellness Business 	<ul style="list-style-type: none"> Development of the Entertainment Business and Wellness Business

Management Policy 1

Shift to a sustainable business model with profitability

Priority measures targeting the Processed Foods Business included a shift to centralized production of flagship brand products, the integration of duplicated production lines, and the realization of synergies. We also responded to soaring raw material prices and rising energy costs by modifying specifications and revising prices for some of our products. Raw material prices and energy costs have remained on a steep upward trend in 2022, and we will therefore cautiously consider further price revisions. We have made good progress toward productivity improvement through the integration of production lines for *Schau Essen* sausages and other products. We plan to take similar action for deli and processed products. We will realize synergies through continuing marketing collaboration, and an increase in the reciprocal use of sales channels and raw materials. From an environmental sustainability perspective, we have reduced the amount of plastic used by introducing new packaging formats for *Schau Essen* sausages and loin ham.

In the Fresh Meats Business, we worked to increase the percentage of branded meats, expand sales, and improve productivity. In fiscal 2022 we will need to enhance our procurement capabilities to cope with soaring feed prices and an unstable import procurement environment. Within Japan, we aim to stabilize procurement and supply chains by improving productivity at company-owned farms, and by collaborating and partnering with outside companies. In the area of imported fresh meats, we will also step up our efforts to build closer relationships with existing suppliers and develop new suppliers in new source countries. At the same time, we will engage in co-creation with feed manufacturers, machinery manufacturers, logistics companies, and other partners with the aim of further enhancing our product and distribution structures. We will also

focus on the expansion of sales of existing and emerging brands through customer-focused marketing activities.

Management Policy 2

Establish a growth model for Overseas Business

We worked to expand sales overseas sales of processed foods in the United States and ASEAN, which are our biggest sources of earnings after Australia. However, the COVID-19 pandemic hampered our efforts to expand domestic and third-country sales in the ASEAN region. In fiscal 2022, we aim to expand production of processed chicken products by Day-Lee Foods in North America, and to increase production and sales by Thai Nippon Foods in the ASEAN region.

In our overseas fresh meats business, we will increase the percentage of high-added-value products, including Nature's Fresh Australian beef, which is highly regarded in the U.S. market, and Gran Carne South American beef from Uruguay. We will also establish a high-value-added brand in Uruguay and sell products in markets where the value of that brand is recognized.

Management Policy 3

Provide new value through new products and services

During the period covered by the current Medium-Term Management Plan, we are formulating plans to start up the new entertainment, wellness, and ethical businesses and build a customer base for our direct-to-consumer (D2C) business, and to use information obtained from consumers to drive group-wide growth in our existing business areas.

In fiscal 2021 we launched the Wellness Business and Entertainment Business.

Progress under Medium-Term Management Plans 2023/2026

Progress under function strategies

		Review	Initiatives going forward
DX promotion	Formulation of DX strategy	<ul style="list-style-type: none"> • Connect Project (integration of business systems and accounting systems) • Productivity improvements through business process reforms, including the creation of an inventory allocation system for the Processed Foods Business and a load allocation system for the Fresh Meats Business • Creation of an educational system to train IT personnel 	<ul style="list-style-type: none"> • Introduction of sales and purchasing system (for the Processed Foods Business in 2023 and the Fresh Meats Business in 2024) • Pursuit of productivity improvements through increased cross-divisional collaboration on the formulation and implementation of additional measures • Implementation of the newly formulated educational system for IT personnel
Formulate company-wide strategies and strengthen promotion functions	Execution of the grand design	<ul style="list-style-type: none"> • Sale of shared in Marine Foods Corporation • Centralization of production lines • Promotion of materiality initiatives 	<ul style="list-style-type: none"> • Achievement of medium- to long-term environmental targets through the realization of environmental investment • Pursuit of portfolio optimization from a company-wide perspective • Realization of further group synergies
Strengthen R&D functions	R&D leading to the creation of sustainable businesses	<ul style="list-style-type: none"> • Implementation of research on materiality-based themes Research relating to new proteins/Start of trials of smart pig farming system/Development of food allergy test kit/Start of sales of IMIDEA 	<ul style="list-style-type: none"> • Continuation of research on materiality-based themes Research relating to new proteins/Reduction of GHG emissions through the reduction of cattle-derived methane emissions/Development of walnut allergy detection kit, research relating to the prevention of food allergies/Extension of healthy life expectancy
Strengthen human resource management	Create a corporate culture and frameworks that encourage employees to take on challenges	<ul style="list-style-type: none"> • Measures relating to human resource management Improvement of personnel systems in group companies/Addition of "challenge" items to MBO target management system 	<ul style="list-style-type: none"> • Expansion of systems to group companies, implementation and assimilation Promotion of KPI-based management/Further expansion of "challenge" items in the MBO target management system/Increased employment of non-Japanese workers, increased role for female employees, support for employment for people with disabilities

Management Policy 4

Strengthen corporate functions to achieve the Vision

We are approaching the enhancement of corporate functions to support to the realization of our vision from four perspectives: DX promotion, the formulation of company-wide strategies and strengthening of promotion functions, the strengthening of R&D functions, and the strengthening of human resource development. We are making steady progress with our efforts to formulate company-wide strategies and strengthen promotion functions in line with the overall concept defined in Medium-Term Management Plan 2023.

DX promotion

As part of our initiatives to strengthen our company-wide systems, we integrated our accounting systems in fiscal 2021 and introduced an integrated system at all group companies in Japan in April 2022. We aim to integrate sales, purchasing, and other business systems from 2023 onwards for the Processed Foods Business, and from 2024 onwards for the Fresh Meats Business. We will consider the integration of overseas systems after identifying issues and determining our approach.

We are implementing business process reforms based on the use of AI. In fiscal 2021, we created an inventory allocation system for the Processed Foods Business and a load allocation system for the Fresh Meats Business. We also commenced testing in preparation for the implementation of these systems. In fiscal 2022 we will introduce AI tools in preparation for the creation of customer analysis infrastructure.

Employee training will be needed to ensure the implementation of these system transitions and DX strategies according to plan. In fiscal 2021 we developed an education structure divided into levels ranging from IT literacy to DX training for selected employees. We started to implement these programs in April 2022.

Strengthen R&D functions

Fields covered by our R&D activities include cultured meats, meat alternatives, allergies, smart pig farming, and the extension of healthy life expectancy. One of the successes to emerge from our research and data collection activities is the cognitive function enhancer *IMIDEA*, a food with functional claims relating to the alleviation of cognitive decline. *IMIDEA*, which has been patented in Japan and Europe, went on sale in fiscal 2021. We aim to differentiate NH Foods from its competitors and enhance our earning power by commercializing more of our research successes in the medium- to long-term future.

In fiscal 2022, we will move forward with initiatives targeting the problem of walnut allergy, which has become increasingly prevalent in recent years, including the development of a test kit and further research into foods that prevent food allergies. We will also carry out trials to verify the performance of various AI systems used in our smart pig farming system.

Strengthen human resource management

In fiscal 2021 we launched priority initiatives focusing on the pursuit of challenges and the experience of growth, remuneration commensurate with abilities and duties, and self-directed career developments. The theme for these initiatives was the creation of a culture in which people can take up challenges. In fiscal 2021 we added "challenge" items to the target management system of NH Foods Ltd. While respecting the autonomy of individual group companies, we are implementing personnel system reforms to address various issues.

In fiscal 2022, we will pursue prioritized initiatives based on respect for diversity, including the promotion of a greater role for female employees and employment for people with disabilities.

Progress on cross business strategies

		Review	Initiatives going forward
Cross business strategies	Initiatives to reap the benefits of tariff reductions and create optimized procurement structures	Cross-divisional Free Trade Agreement Countermeasure Project	<ul style="list-style-type: none"> • Identifying issues relating to the overseas production of processed food blocks • Preparations for product-related measures
	Consideration of initiatives to realize short-term benefits through the use of company-wide assets, and measures to address medium- to long-term issues	Shared Assets Project	<ul style="list-style-type: none"> • Cost reduction and mitigation of environmental loads through collaboration between production areas • Identification of issues relating to sales and logistics
New business	Realizing Vision2030 through new businesses	Wellness business: Establishment of Table for All as a comprehensive platform for food allergy care	Entertainment business: Launch of Meatful as a new service providing experiential value to new customer groups
The Hokkaido Project	We will use our group resources to contribute to society through co-creation with communities.	<ul style="list-style-type: none"> • Creation of Hokkaido brands based on raw materials produced in Hokkaido • Environmental countermeasures at factories in Hokkaido 	<ul style="list-style-type: none"> • Establishment of the Hokkaido Project Promotion Office • Closer collaboration with companies in Hokkaido
Corporate communications	Enhancing the reputation of the NH Foods Group	Use of digital technology to stream a series of videos introducing initiatives relating to protein and food allergies	Raising awareness of Vision2030 within and beyond the NH Foods Group through the convergence of ER strategies and PR measures

Cross business strategies

We are formulating measures under the Cross-divisional Free Trade Agreement Countermeasure Project from a company-wide perspective because of the project's close relevance to business strategies calling for a shift to a sustainable growth model that will ensure profitability, and the development of growth models for overseas businesses. We will consider specific responses to the impact of tariff reductions for processed pork products and create new markets through marketing activities based on the unique characteristics of processed products from overseas, while also building optimized procurement structures.

The Shared Assets Project combines production site optimization and the enhancement of marketing and marketing efficiency with logistics reforms. In fiscal 2021 we worked to reduce costs and our environmental footprint by strengthening collaboration between neighboring production areas and manufacturing sites throughout Japan. We also identified issues affecting efforts to strengthen area marketing. Going forward, we will share positive case studies from each area in order to enhance our ability to propose solutions to issues affecting important customers. In preparation for logistics reforms, we have identified group-wide issues and analyzed logistics structures in each business division. We plan to formulate future concepts based on environmental changes affecting logistics, storage, and marketing functions from a company-wide perspective.

New business initiative strategy

In the Wellness Business, we established Table for All, the first comprehensive food allergy care platform created by a Japanese food manufacturer, in February 2022. A feature of the new platform is ability to respond to requests for

nutritional advice. In April we also began to sell food products for people with food allergies.

In the Entertainment Business, we launched Meatful, a direct-to-consumer (D2C) e-commerce site with the concept of expanding the potential of meat. Opened in February 2022, the new site provides products and services to suit a wide range of situations.

The Hokkaido Project

The NH Foods Group has close links to Hokkaido. The region is home to the Hokkaido Nippon Ham Fighters baseball club and is also the location of many of our farms, and production, manufacturing, and logistics sites. The purpose of the Hokkaido Project is to build a profile for the NH Foods Group as a corporate group with roots in Hokkaido by using our group resources to enhance the social value and brand value of communities and companies and earn economic value. We are currently strengthening our relationships with local companies and government agencies in preparation for the opening of the Hokkaido Ballpark F Village in 2023. As part of our response to climate change, we have also started to implement changes at our pig farms in Hokkaido with the aim of reducing greenhouse gas emissions to the net-zero level.

Corporate communication strategy

Through our corporate communication activities, we aim to inform society about our activities in relation to two themes: dietary support through the supply of protein, and a food-related social issue (food allergies). We are also expanding our communication activities, including events at our business sites featuring Tsuyoshi Shinjo, the manager of the Nippon-Ham Fighters baseball team, as an ambassador.

Close-up/Research & Development

01 Innovation the key to the future of food and livestock farming

From hypoallergenic foods to allergy prevention foods

Food allergies occur most frequently in infancy. In Japan, allergies affect around one in ten babies and one in 20 toddlers. Numerous reports indicate that the percentage of people suffering from allergies is rising globally, and that allergies have become a serious social issue.

The NH Foods Group's Research & Development Center has been developing and selling hypoallergenic foods and food allergy test kits for over 25 years. Our test kits have captured a large market share and are used by many food manufacturers and official testing agencies.

In 2017, our work in this field entered a new phase with the start of research focusing on food allergy prevention in collaboration with the National Research Institute for Child Health and Development and Kochi University. Recent tests, in which egg white digested using proteolytic enzymes formulated for food processing was administered to egg allergy model mice, have shown that digested egg white is less likely to trigger allergy symptoms than undigested egg white, indicating that it is as effective as undigested egg white in preventing egg allergy.*

* These research findings were published online in *Allergology International*, an international scientific journal, on April 18, 2022.



Fastkit series of food allergen test kits
We are currently (2022) developing a test kit for walnuts, for which allergen labeling is mandatory. A test kit for crustaceans will go on sale in August.



From GHG emission reduction to smart pig farming

Livestock farming is believed to account for 14.5% of greenhouse gas emissions. The future of livestock farms is also under threat from other factors, including a lack of next-generation farmers, and the risk of foot-and-mouth disease. As the R&D unit of a company involved in livestock farming, the NH Foods Group's Research & Development Center has an important mission to carry out research that will contribute to the solution of these problems.

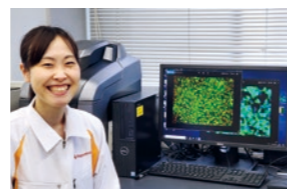
We are currently collaborating with a university on a joint research program concerning the reduction of greenhouse gas emissions. We are exploring two approaches: the curbing of methane emissions, and the capture and utilization of emitted methane.

Our support for livestock farmers also includes the development of foot-and-mouth disease test kits and a new PRRS vaccine. We also offer a smart pig farming system, which has been introduced on a trial basis at one of the NH Foods Group's farms in Hokkaido. Marketed as PIG LABO, the system provides total support at all stages from care for sows and litters to shipment. We aim to commence sales of an AI-based estrus detection system in fiscal 2022, and to offer a total support system for sows and litters by 2029.

Frontline Activities

Helping more people to experience the joy of food through allergy prevention

I am involved in R&D activities focused on preventing the development of food allergies. In recent years, food allergy research has shown that after receiving treatment for skin inflammations, patients can prevent recurrences by consuming minute amounts of the protein that caused the allergic reaction. I believe that the NH Foods Group can make a major contribution in this area. We will continue to work hard to meet the expectations of the patients and medical professionals who participate in our research, patients' families, and everyone who needs allergy prevention foods.



Yamada
Research & Development Center

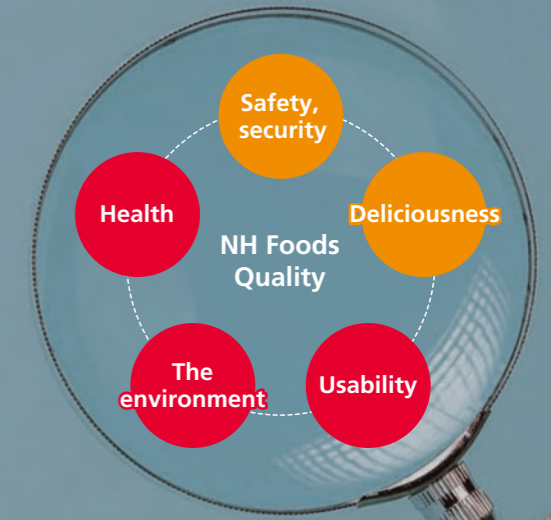
Close-up/Development and design

02 Health, the environment, and usability added to product quality perspectives

NH Foods Quality—A five-way approach

As we work to meet our materiality targets and realize Vision2030, we have transitioned to a new phase in which social issues are also taken into account in our product development activities. We have formulated Quality Assurance Regulations, which identify not only the basic food criteria of safety and deliciousness, but also health, the environment, and usability as common quality perspectives for our food development activities.

These five perspectives form the basis for food product development under the NH Foods Quality philosophy.



Health

Responding to diverse food needs

In addition to encouraging people to consume more beneficial nutritional elements, such as proteins, we will also explore the factors that make people reluctant to consume these elements, while continuing to design and develop products and provide information to promote a more balanced diet.

- Supply of protein-rich foods
- Supply of products that offset potential nutritional deficiencies
- Introduction of more products to meet the needs of people with food allergies and diverse values
- Supply of products with reduced salt and fats, etc.



Health-focused products

The environment

Contributing to a sustainable environment

Through our product development activities, we will continue to address issues throughout our value chains, including greenhouse gas emissions, food losses, and plastic waste.

- **Reducing plastic use:** Use of biomass film, recycled plastic, and paper trays, reduction of packaging thicknesses, modification of packaging formats, other initiatives...
- **Use of certified products:** Certified palm oil, FSC-certified paper...
- **Reducing food losses:** Extension of expiry periods, development of products suitable for room-temperature storage etc.



36.9% reduction in the quantity of plastic used through initiatives that include a shift from plastic to paper trays, and the reduction of the use of exterior wrapping film

Usability

Reflecting customer feedback

We have used customer feedback received by our quality assurance and customer services units to formulate our "package check guidelines" from a user perspective.

At the development and design stage, we exhaustively check product characteristics, such as usability and clarity, from a user perspective.

In addition, we share customer complaints and needs on a monthly basis and use them to develop and improve our products and services.



Checking products from the simulated perspective of an elderly consumer

Frontline Activities

We will continue to support product development by analyzing social issues from a user perspective.

Our project began with an exploration of how corporate divisions can contribute to the realization of Vision2030. It was very difficult to condense the wide-ranging discussion that ensued into specific goals. However, after extensive communication with business divisions, we were eventually able to formulate the Quality Assurance Regulations. We disseminated the results of our discussions to development and manufacturing units as practical measures that will enable the NH Foods Group to reflect social issues more in its product development activities. We will continue to provide support through our work to ensure that social issues are reflected in product development from a user viewpoint.



Takeuchi
Customer Service Department

Close-up/DX initiative

03 Creating new value through the use of digital technology to transform business model

Demand planning—Future concepts



Offensive and defensive DX

The NH Foods Group is using digital technology to make fundamental changes to its business processes and business models. Under the “Connect” core system reform project, we aim to build digital infrastructure and link it to DX.

We have positioned IT transformation (ITX) as defensive DX. By using AI-based demand forecasting to automate sales planning, we will ensure accurate data integration across production and manufacturing operations. We aim to use demand planning processes to optimize supply chain planning inputs through the creation of solutions based on our business process concepts and data verification.

Our priority for offensive DX is the development of NH-LINK, a system with an AI engine. The use of AI will enable the system to analyze vast amounts of customer data rapidly. By accelerating the implementation of offensive DX, we will transition to a data-driven marketing approach that will provide a high level of certainty.

Driving DX Improving corporate value by reflecting POS data in proposals for products, sales promotions, and sales area design

Digital marketing initiatives by the NH Foods Group include the enhancement of sales proposal and product development capabilities through the development of POS data resources and the introduction of AI analysis tools. We are also trialing a retail DX program in Miyawaka, Fukuoka Prefecture. This program involves test marketing of brand products through in-store communications. We use in-store signage and other methods to disseminate messages designed to attract new customers and encourage repeat purchases. The resulting purchaser behavior is then analyzed. Results obtained through trial and verification processes give us a better understanding of consumers, which we then apply to our marketing, sales promotion, and product development activities with the aim of improving corporate value.



Trial use of AI analysis tools in sales planning

Frontline Activities

We aim to create corporate value by promoting DX in collaboration with business divisions

My role is to support DX projects proposed by participating members from the planning stage through the final implementation, including DX training for selected personnel. We receive a wide variety of proposals, ranging from problem-solving ideas to value-creation concepts that people want to try. I find my work exciting because we go beyond training and work alongside members from start to finish to ensure that projects result in the creation of corporate value. I will continue to work with my colleagues to turn proposals into real concepts that can be used company-wide to improve operating efficiency, drive workstyle innovation, and create new business.



Ogi (far right)
IT Strategy Department

Close-up/Employee potential

04 Enhancing employee potential through human resource management cycle

We believe that employees need a real experience of challenge and growth in order to feel motivated toward their work. We are helping employees to take control of their own growth by effectively implementing human resource management cycles and encouraging individuals to self-direct their own careers.



Supporting employee growth through training along four axes

In fiscal 2022, we began to update our human resource development programs to reflect the importance that we place on providing information and facilitating self-development to enable employees to think for themselves and manage their own careers. In addition to rank-based training, we are also encouraging employees to take control of their careers by offering an expanding range of voluntary training programs with specific objectives. Other employee development systems that enable individuals to play an active role in designing their own careers include an in-house recruitment system and a system under which each employee declares his or her personal career goals. There are also career boost seminars designed to help employees to discover new life planning insights as

they reach the milestone ages of 29, 39, 49, and 54. In addition, employees can access remote learning programs.

We have strengthened the linkage among these human resource development programs to create a structure under which we support employee growth through training along four axes: rank-based training, purpose-based training, next-generation training, and career development.

The NH Foods Group regards DX knowledge as an essential part of training for next-generation management personnel. For that reason, DX human resource development has been included as a core next-generation training program since fiscal 2022.

Training systems (FY2022)

Rank-based training	Next-generation training	Goal-oriented training	Career development
Training is provided according to rank, including the following. <ul style="list-style-type: none"> New employees Staff members Section managers Executives Evaluators 	<ul style="list-style-type: none"> New general manager training • DX training Business leader training • DX training Business college training • DX training 	Employees voluntarily participate in programs covering a wide range of topics, including the following. <ul style="list-style-type: none"> Management • Operational skills DX • Quality management Thinking skills New business startup skills 	We offer a variety of programs, especially career advancement planning seminars.

Driving DX Emphasis on DX training as an essential requirement for next-generation leaders

We are accelerating DX training through management seminars, business leader training, and business college training. The management seminars are designed to give management personnel the thinking, innovation, and leadership skills needed to drive DX from a management perspective. Our business leader training programs cover not only DX knowledge, but also the linkage of that knowledge to the achievement of specific reforms and outcomes in each business area. The purpose of business college training is to learn the basics of ITX and design philosophy, and the basic techniques of idea development and value creation.



Frontline Activities

Facilitating independent career development by individual employees as a growth driver

We believe that when people have greater control over their own careers, they are more likely to take the initiative and feel motivated toward personal growth and their work, leading to enhanced productivity across the entire working environment. Our goal is to help employees to develop their careers independently, but that is only possible if individual employees take the initiative and think and act for themselves. We are aware that it is not enough for the company simply to create opportunities, and that it is also important to avoid situations in which employees lose their independence because the level of support is too high.

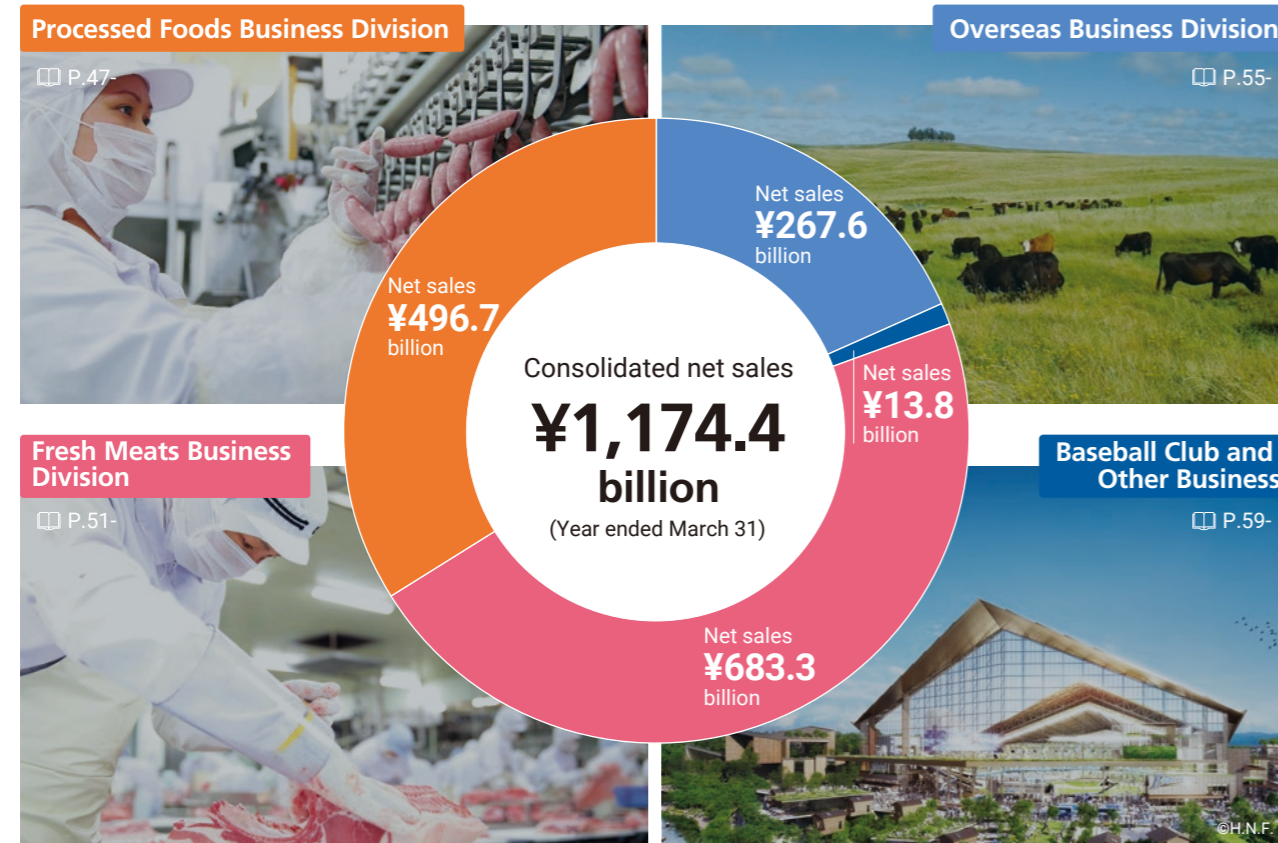


Kuroki
Human Resources Department

Segment data

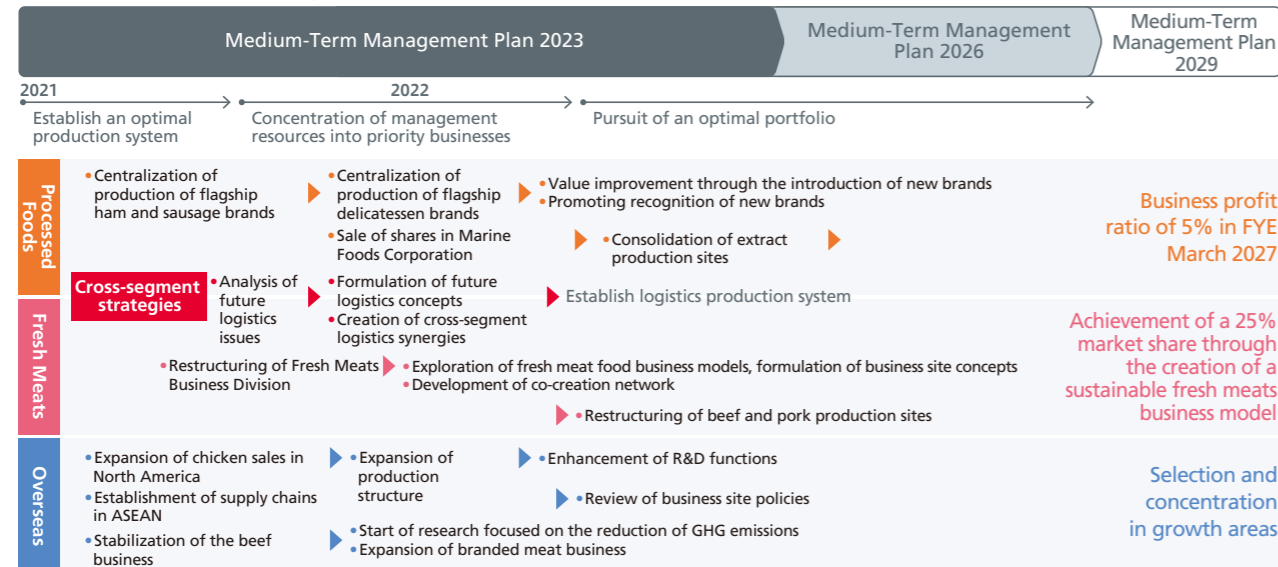
At a glance

Breakdown of net sales



The sum of segment net sales does not match consolidated net sales because these figures have not been adjusted on a company-wide basis. *Results for non-continuous businesses (Marine Foods Corporation) have been excluded.

Business Division Roadmap



Overview of results for the fiscal year ended March 2022

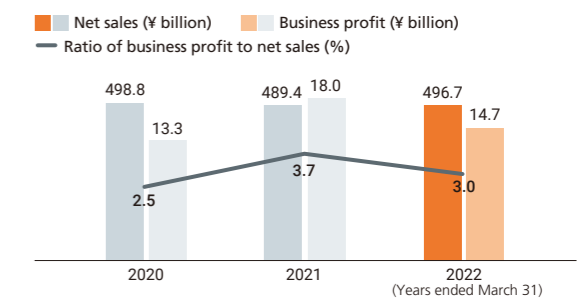
Processed Foods Business Division

Net sales in the Processed Foods Business Division in the fiscal year ended March 2022 were 1.5% higher year on year at ¥496.7 billion, but business profit declined by 18.3% to ¥14.7 billion.

Sales of commercial products increased year on year, while sales of consumer products remained at the previous year's level. These results reflect the waning impact of the COVID-19 pandemic, and changes in consumer behavior.

Profit was lower. In addition to faster-than-expected increases in raw material prices, fuel costs, and other items, labor costs were also higher due to volume growth, while upfront costs increased due to investment in DX development.

Net sales, business profit, business profit ratio



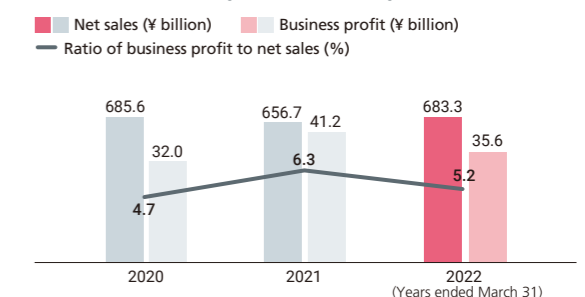
Fresh Meats Business Division

Net sales in the Fresh Meats Business Division in the fiscal year ended March 2022 increased by 4.1% year on year to ¥683.3 billion, but business profit was 13.7% lower at ¥35.6 billion.

Fresh meat imports were affected by soaring procurement prices and uncertainty about supply quantities. However, the NH Foods Group used its extensive procurement and logistics networks to ensure reliable access to supplies. In addition, we worked to raise selling prices and increased our efforts to persuade consumers to buy domestic branded meats instead of imported products. These efforts resulted in higher net sales.

Profit declined due to the impact of sharply higher feed prices and fuel costs.

Net sales, business profit, business profit ratio



Overseas Business Division

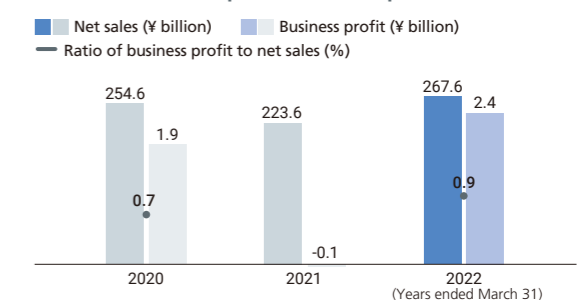
Net sales in the Overseas Business Division increased by 19.7% year on year to ¥267.6 billion, and there was a business profit of ¥2.4 billion, compared with a business loss of ¥0.1 billion in the previous fiscal year.

Our businesses in Asia and Europe recorded higher sales of both processed products and chicken. As a result, both revenue and profit were higher.

Our North American business recorded revenue growth thanks to strong trends in pork exports and sales of processed foods. However, profit was lower due to persistently high raw material prices.

The suspension of exports from Uruguay to China negatively impacted profit from the Australian business. However, overall revenue and profit were both higher, thanks to strong trends in exports and sales.

Net sales, business profit, business profit ratio



Baseball Club and Other Business

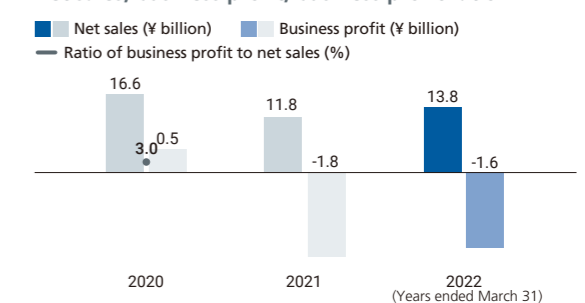
Net sales in the Baseball Club Business and Other Business segment increased by 17.4% year on year to ¥13.8 billion, and there was a business loss of ¥1.6 billion, compared with a loss of ¥1.8 billion in the previous year.

It was possible to host baseball matches thanks to comprehensive anti-infection measures, with the result that both net sales and profit from the Baseball Club Business were higher year on year.

In the health support business area, we actively promoted sales of functional food ingredients and worked to raise awareness of *IMIDEA*, a new food with functional claims.

New business initiatives included preparations for the provision of services based on the Entertainment Business, the Wellness Business, and the Ethical Business.

Net sales, business profit, business profit ratio



Segment data

Processed Foods Business Division



Establish a lean manufacturing profit structure and expand business from a marketing perspective

Fumio Maeda

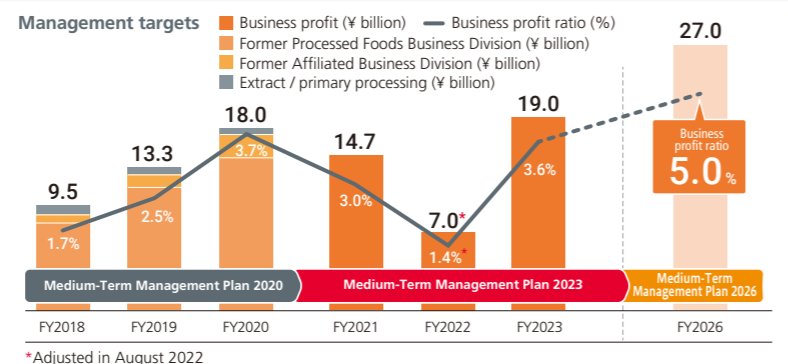
Director and Managing Executive Officer,
General Manager of Processed Foods Business Division

Risks	Opportunities	Responses
<ul style="list-style-type: none"> Growing concern regarding food safety Diversification of food needs due to lifestyle diversification Market shrinkage due to a falling birthrate and demographic aging Rising personnel expenses and labor costs due to a falling working-age population Raw material cost increases due to shifts in the global supply-demand balance Human rights issues Procurement risks from climate change 	<ul style="list-style-type: none"> Expanding demand for products that match the consumer focus on health Lifestyle changes generating increased demand for simple, time-saving products Creation of new markets through the emergence of diverse food cultures, such as veganism Market expansion through growth in demand for meat substitutes Growth in demand for eco-friendly products Increased demand for reserve and emergency supplies that can be stored at room temperature Improvement of productivity 	<ul style="list-style-type: none"> Expand lineup of food allergy-friendly products Develop and sell microwaveable products Develop products for younger consumers and single-person households Develop meat substitutes Reduce resources used in packaging Diversify resource procurement sources Develop new products that can be stored at room temperature Promote labor savings and mechanization of production lines

Overview of Medium-Term Management Plan 2023

Increased focus on customer-centered product development, further improvement of profitability

- Strengthen existing areas and take on challenges in new areas
- Enhance productivity in manufacturing plants
- Solve social issues and improve profitability



Review of fiscal 2021

Increased focus on customer-centered product development, further improvement of profitability

In fiscal 2021, our efforts under Medium-term Management Plan 2023 focused on the establishment of a lean manufacturing profit structure from a company-wide optimization perspective, and business expansion from a marketing perspective.

We tackled the first of these goals by creating manufacturing structures and automating and leveling lines on a company-wide basis. A key priority was the centralization of production of flagship brands, including *Schau Essen*, at locations with highly productive lines. This initiative yielded the benefits targeted in the plan. Other initiatives to improve profit margins included fuel conversion projects.

We approached business expansion from a marketing perspective by creating consumer-centered marketing structures through a shift from product-centered thinking toward a market-focused approach. Initiatives included the Young Employees' New Product Proposal Forum, which represents a totally new approach to product development.

Our priorities for consumer products were the expansion and consolidation of sales of flagship brands, especially *Schau Essen*, *Ishigama Kobo*, and *Chuka Meisai*, as well as brands targeted for prioritized nurturing, including *Kiwami-yaki Hamburg* and *NatuMeat*. We prioritized the expansion of sales to key customers, and the development of

new sales channels.

In the area of commercial products, we worked to improve profitability by pursuing cost competitiveness and added value through the improvement of profit margins for key products and intensive marketing of high-margin items. We also applied our expertise to the development of unique new products, such as *Fibermeat*, while also taking up the challenge of new product domains, including not only products suitable for room-temperature storage, but also extract seasonings, plant-based proteins, and foods for the elderly.

One of the priorities brought forward from the previous fiscal year was the creation of hit products. We launched two new room-temperature brands: *Hoguseru Oniku* and *Ajiwai Range*. However, neither reached their sales targets. We will resume marketing efforts after identifying issues and making improvements based on the results of consumer research.

We also made good progress on initiatives to tackle material issues through our activities. Initiatives relating to "food diversification and health" included the expansion of our range of products for people with food allergies. We also continued to contribute to a sustainable environment by switching to environmentally responsible products and implementing plans to reduce CO₂ emissions, water use, and waste in our factories and improve recycling ratios.

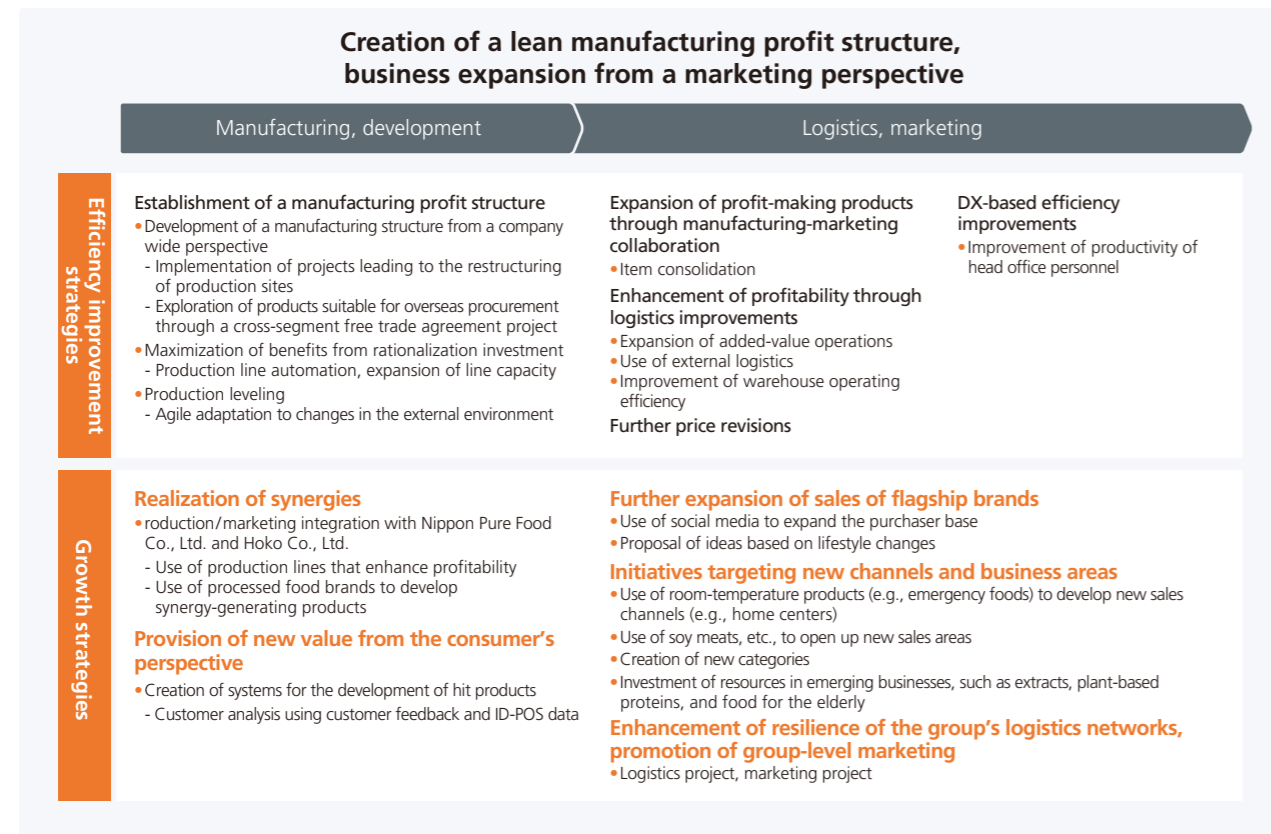
Results for fiscal 2021, initiatives going forward

Results	Future measures
<ul style="list-style-type: none"> Price revisions Concentration on <i>Schau Essen</i> and high-productivity lines Expansion of sales through synergies within the Processed Foods Business Division Development of products for new areas Shift to environment-friendly packaging designed to reduce the use of packaging materials (<i>Schau Essen</i>) Climate change prevention initiatives (installation of waste oil boilers, solar panels) Expansion of food education areas 	<ul style="list-style-type: none"> Effective countermeasures against increases in raw material/energy costs due to the rapid weakening of the yen and procurement competition Recovery of sales volumes after price revisions Improvement of productivity and reduction of costs in the area of deli and processed foods Realization of additional synergies Expansion of priority brand products in existing areas Nurturing of new areas Further reduction of packaging quantities Contributions to global environmental sustainability

Segment data / Processed Foods Business Division

Future policies and plans

Business value improvement initiatives by the Processed Foods Business Division



Pursuing food safety and security through proteins as the key to a new era in food culture

In fiscal 2022, we will continue to prioritize the establishment of a lean manufacturing profit structure and business expansion from a marketing perspective.

Establishment of a lean manufacturing profit structure

We will continue to optimize our production structures from a company-wide perspective, including projects to optimize production sites, as well as the achievement of profit targets for the newly merged Nipponham Hokkaido Factory Ltd., Japan Assorted Business Services Co., Ltd., and Hakodate Carl Raymon Co., Ltd., and the optimization of our product portfolio. We will move decisively to eliminate some items with the aim of achieving a recovery in business earnings, improving factory productivity, and leveling logistics operations. We will continue to pursue initiatives, including DX measures, designed to bring further improvements in the next fiscal year and beyond.

Another ongoing priority will be the improvement of profitability through systematic investment targeted toward the automation of production lines, the expansion of line

capacity, and production leveling.

Business expansion from a marketing perspective

-Creation of mechanisms for the development of hit products

Our most important priority is the development of hit products through the realization of marketing processes from a consumer perspective. We will achieve this by modifying the roles of factories and divisions, by introducing a shorter product update cycle, and by enhancing test sales structures, including the creation of area marketing groups. The tasks of the marketing groups will include the collection of area information, the sharing of success stories, and the implementation and verification of test sales.

We will link customer feedback and purchase behavior monitoring systems to facilitate the monitoring of customer changes and the capture of new customers through surveys and analyses. The resulting data will be used to achieve further improvements in product taste and convenience, and to expand the range of eco-friendly products. Customer feedback will also be used to enhance the value of the NH Foods Group, including the proposal of new products that will help to solve issues affecting major customers, such as convenience stores and chain outlets.

Our priorities for consumer products are to improve profitability through intensive marketing of flagship brands, to revise prices to reflect cost increases, and to build and maintain reliable supply structures. We will also consolidate a market position for the newly developed eco-friendly *Schau Essen* range, which uses 28% less packaging by weight, and expand the chilled pizza series and *Minna no Shokutaku* range. Other initiatives will include the use of social media to capture young consumers, the proposal of products and experiences that match lifestyle changes, and the development of new sales areas.

Initiatives relating to commercial products will include the development of chilled distribution systems for hybrid meats and primary processed products, the introduction of the Joule Heating System for use in extract production, and the development of new products based on newly developed technologies, such as Jewelee.

-Focusing our technologies and strengths toward challenges in new areas

Products resulting from challenges in new areas include foods suitable for room-temperature storage, and flavoring extracts. The Processed Foods Division aims to expand sales channels for these products by strengthening collaboration between our manufacturing and marketing organizations, and by making reciprocal use of channels in which group companies have built an advantage. We will also work to develop new sales channels by marketing room-temperature products as emergency foods through home centers, and by establishing a position for flavoring extracts as problem-solving products for restaurants and convenience stores.

There are also plans for investment in emerging businesses. The Processed Foods Division is actively developing plant-based

proteins and also aims to develop superior ingredients and raw materials for sale in overseas markets. In addition, it is working with an outside research organization to explore customer needs in the area of foods for the elderly. Other initiatives designed to maximize earnings include the realization of synergy benefits through the reciprocal use of value chains, and the leveraging of our advantages in the areas of raw materials, production systems, and marketing to develop new products.

The Processed Foods Division recognizes the need for improvement in ROIC and profit margins. We also face exchange rate risks due to the rapid weakening of the yen, as well as procurement risks, including fluctuations in the market prices of livestock products. We will work to overcome issues in these areas by creating new product categories, developing new flagship brands, and improving profitability through line rationalization and other measures. At the same time, we will target efficiency improvements through cross-divisional initiatives to consolidate sites from a company-wide optimization perspective.

Business-based materiality initiatives

Food diversification and health—The Processed Foods Division will continue to tackle the food allergy problem. In addition to the use of existing ingredient-type products to expand our range of pre-prepared menu items, for which there is strong demand, we will also export sweets made from gluten-free rice flour. In addition, we will help the New Business Promotion Department to create a new platform. Contributing to a sustainable environment—We will accelerate the transition to environment-friendly products and reduce CO₂ emissions from factories and other facilities.

Segment focus

Young Employees' New Product Proposal Forum

First held in 2018, the Young Employees' New Product Proposal Forum was established to create new value by thinking beyond established concepts, to enhance the product development capabilities of next-generation leaders, and to foster a culture in which people will be encouraged to take up new challenges for the future. The best ideas are launched as new products. The most significant of the products that have been commercialized so far is the *NatuMeat* series.

The fiscal 2022 Young Employees' New Product Proposal Forum was held in July. Products proposed by the 24 young developers selected through area preliminaries included a snack food with the emphasis on health and the global environment, breakfast food ingredients designed to provide an easy way to obtain protein, and convenient lunchbox ingredients.

Segment focus

Business portfolio optimization targeted toward a 5% business profit ratio by FY2026

In addition to our ongoing problem-solving initiatives since the previous fiscal year, we also need to tackle challenges, including rising raw material and energy costs resulting from rapid changes in the external environment. In fiscal 2022 we took the unprecedented step of implementing price revisions twice in one year. The entire NH Foods Group is working to improve profitability by achieving further synergies, while providing new value to customers through a variety of protein-based products.

Our top line results have not expanded for several years, in part because of reforms affecting our commercial products and the sale of Marine Foods Corporation. Going forward, in addition to our efficiency improvement efforts, we will target business expansion, not only through increased sales of existing products, but also through the development of new brands.

Segment data

Fresh Meats Business Division



We aim to achieve a 25% market share through the development of collaborative development networks.

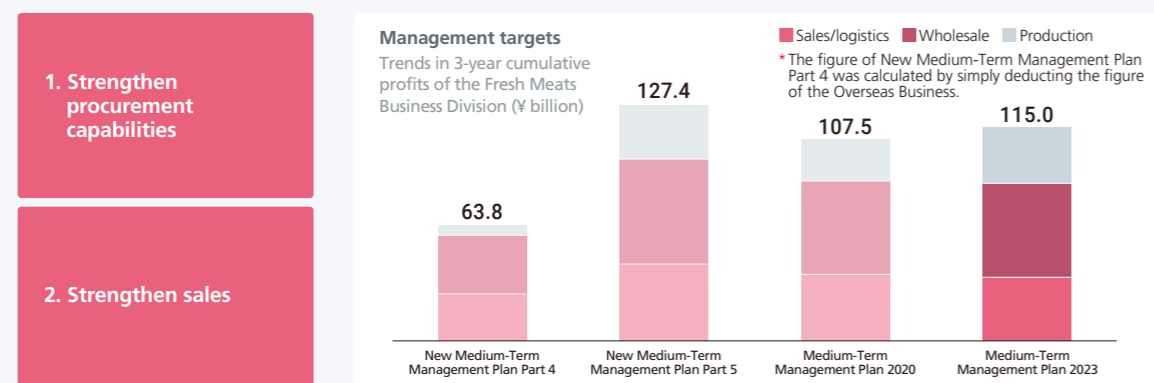
Tetsuhiro Kito

Representative Director and Executive Vice President, General Manager of Fresh Meats Business Division

Risks	Opportunities	Responses
<ul style="list-style-type: none"> Decrease in the livestock farmer population due to a lack of successors Escalating competition for supplies due to epidemics Higher prices for grains used for feed raw materials Manufacturing cost increases resulting from the aging of facilities and the need to meet quality requirements Growing pressure to reduce the environmental footprint of the livestock industry 	<ul style="list-style-type: none"> Positive medium/long-term outlook for meat imports thanks to the proliferation of free trade agreements Increased demand for brand meat due to growing awareness of food safety Growth in meat consumption by seniors Increasing demand for simple, time-saving products because of labor shortages, etc. Increasing animal welfare demands reflecting contemporary perspectives 	<ul style="list-style-type: none"> Promote the use of IT and mechanization, such as smart pig farming Expand sales of branded fresh meats Introduce production area packs Extend "best before" dates Utilize manure Generate electric power using biomass Transition to stall-free sow farming

Overview of Medium-Term Management Plan 2023

Aiming for a 25% market share in fiscal 2030, strengthen procurement and sales capabilities



Review of fiscal 2021

Build sustainable value chains as the leading company in the fresh meats business

Our efforts toward the realization of Vision2030 are focused on the enhancement of both procurement and sales capabilities.

In fiscal 2021, the prices of imported raw materials reached their highest levels in 10 years. Reasons for this trend include world population growth, climate change, soaring feed prices, and the Ukraine situation. We expect costs to remain high in fiscal 2022. Fiscal 2021 was also a year of rapid change in the external environment, resulting from the impact of the COVID-19 pandemic. Overseas packers reduced production, while consumers became firmly focused on reducing expenditure. There was also a rise in demand for foods for home cooking.

We worked to strengthen our procurement capabilities by increasing in-house production and expanding external procurement. We reduced the cost of in-house production through productivity improvements at our own processing plants. We boosted our external procurement capabilities through initiatives based on our extensive procurement and logistics networks. We also targeted the expansion of procurement of imported fresh meats by developing sources in new countries and building relationships with new packers. Further efforts will be needed in this area, since we anticipate escalating competition for imports in the future.

Despite unstable conditions for the procurement of imports, we were able to strengthen sales capabilities and maintain sales volumes by offering domestic branded fresh meats. We maintained sales volumes by improving the percentage of branded fresh meats. The branded meats ratio improved, but there were still issues concerning our strategy in relation supermarkets, cooperative associations, and

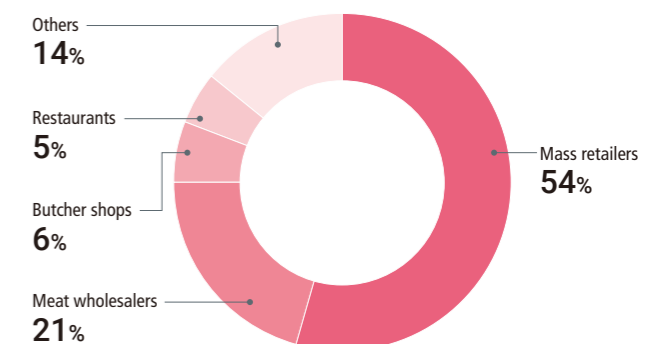
restaurants, which are all key channels.

Our results for the year included net sales of ¥683.3 billion, a year on year increase of 4.1%. Business profit was 13.7% lower at ¥35.6 billion. The NH Foods Group's market share remained at around 20%.

Materiality initiatives included the formulation of animal welfare policy guidelines. We will continue these efforts with the aim of achieving a 100% transition to stall-free sow farming by fiscal 2030. We also made steady progress on other material issues, including "contributing to a sustainable environment" and "employee development and respect for diversity."

We plan to implement capital expenditure totaling ¥78.1 billion under Medium-Term Management Plan 2023. In fiscal 2021 we invested ¥23.2 billion, primarily in the pig and chicken farming areas. The main aims of this investment were to enhance the value of the pig farming business, and to expand the chicken farming business and enhance its value.

Sales mix of the four food companies (FY2021)



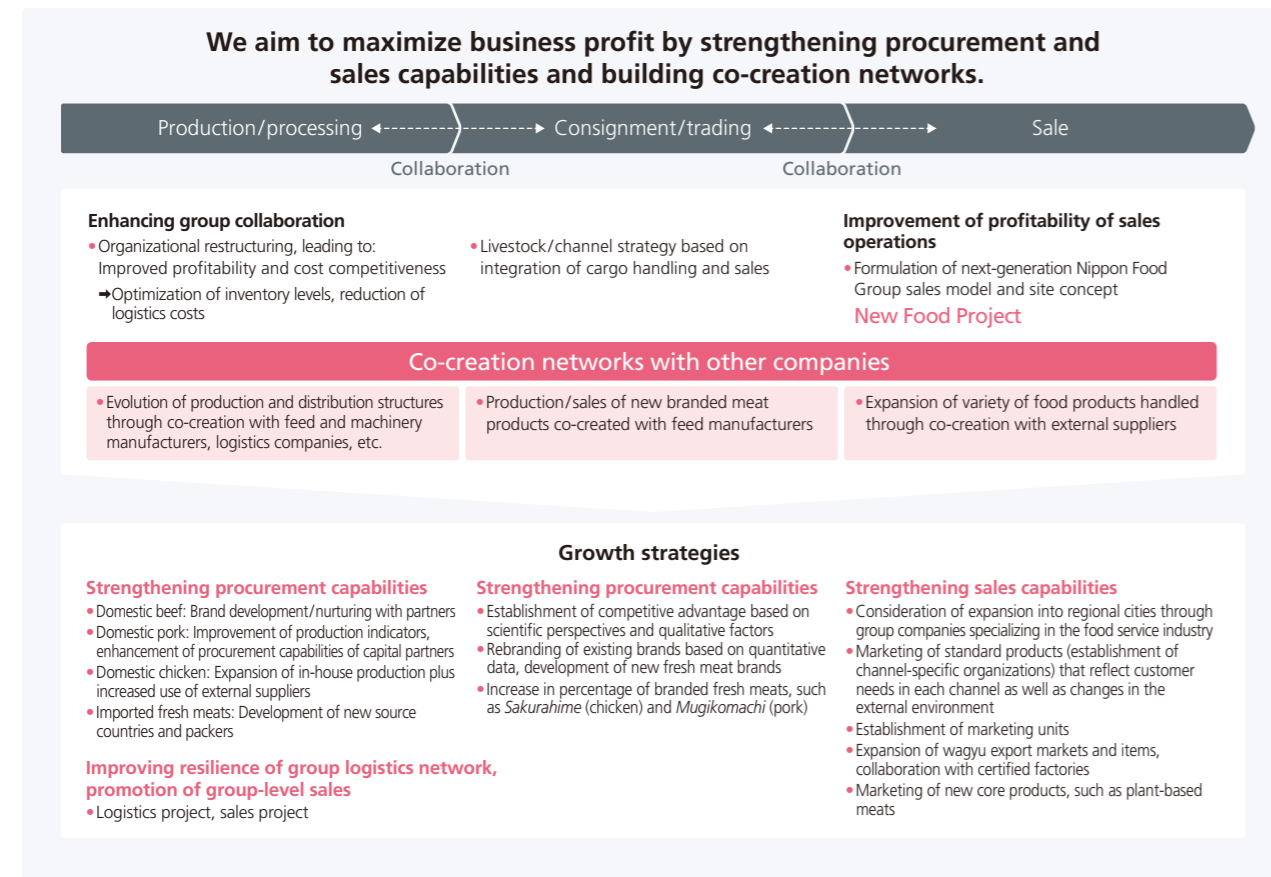
Results for fiscal 2021, initiatives going forward

Results	<ul style="list-style-type: none"> Curbing of costs through productivity improvements in company-owned processing facilities Increased external procurement of domestic chicken and pork Expansion of the imported meat procurement network through the development of new source countries and packers Improvement of the branded fresh meat ratio
Future measures	<ul style="list-style-type: none"> Reduction of production costs to offset soaring feed prices Maintenance and enhancement of procurement capacity for imported fresh meats despite unstable local production and shipping disruptions Offensive strategies targeting priority channels

Segment data / Fresh Meats Business Division

Future policies and plans

Business value improvement initiatives by the Fresh Meats Business Division



Enhancing the reliability of protein procurement and supply as a leading company in the fresh meat business

We see the enhancement of collaboration across our entire value chains and the maximization of the total profit of the Fresh Meats Business Division as our priorities in terms of adapting to rapid changes in the external environment in fiscal 2022. We will focus on the enhancement of our procurement and sales capabilities and the development of collaboration networks.

One of our goals is the achievement of a 25% market share by fiscal 2030. We aim to reach that level by developing a sustainable fresh meat business model based on our unique vertical integration system. As a first step toward this goal, we will build collaboration and co-creation within the NH Foods Group. We will place particular emphasis on the development of collaboration across units involved in production and processing, consignment, and sales, as part of our efforts to expand the quantities of imported fresh meats handled and build a presence in priority channels.

Eventually we aim to develop collaboration and co-creation with companies outside of the NH Foods Group,

and to build a solid presence for the Group as a leading company in the fresh meats business.

Strengthen procurement capabilities

In the previous fiscal year, we focused on the improvement of productivity in processing plants and the development of external suppliers and new sources and packers. We will continue to strengthen our procurement capabilities through these efforts. We will also strengthen collaboration across our business operations in Japan through organizational restructuring. We will shift from an organizational structure based on supply chain functions to one based on livestock categories, including domestic beef and pork, and domestic chicken. The advantages of this new structure, including inventory level optimization and reduced logistics costs, will allow us to enhance profitability and cost competitiveness.

We will also be able to gather data about customer needs and other information by livestock category, thereby enhancing our ability to offer knowledge and proposals to our customers and further strengthening our sales capabilities.

We will build co-creation networks by working with

outside suppliers to expand the range of products handled. We will also explore opportunities for collaboration with companies in other industries, including feed and machinery manufacturers and logistics firms.

Strengthen sales capabilities

We will strengthen our sales capabilities through increased collaboration between consignment and sales units. We will secure sales quantities by proposing strategies targeting key channels for each livestock category. At the same time, we will enhance profitability through the development of added-value products, such as branded fresh meats and needs-based products, and the expansion of sales of these items. One of our initiatives in fiscal 2022 to develop and expand sales of branded fresh meats will be the updating of our *Sakurahime* character to mark the 20th anniversary of the brand. We will also expand sales promotion activities for this brand. In addition, we plan to update the *Mugikomachi* brand and enhance its value. We will also enhance the potential of our imported fresh meat brands by focusing on flagship brands. As we implement these policies, we will make effective use of meat analysis data from NH Foods Ltd. Research & Development Center to differentiate our products from those of our competitors.

Our efforts to develop needs-based products will continue to center on the development of processed products for consumers, and the improvement of packages and packaging materials. The market environment for imported products is also being impacted by rapidly rising costs. We will adapt to these changes by planning and proposing products to meet the needs of our customers in terms of specifications and origin.

Another priority goal will be the improvement of sales units' own profitability. We have explored new food marketing models and formulated site concepts with the aim of raising profitability. Specifically, we plan to establish specialist organizations and marketing units for mass-sales outlets and cooperative societies, while the Group company responsible for the restaurant channel will expand into regional cities. In addition, we have launched the New Food Project as a framework for the analysis of business models and the formulation of site concepts, leading to the creation of restructured business models and systems capable of supporting sustainable growth.

We believe that the Fresh Meats Business Division is already maintaining its ROIC at a reasonable level. Going forward, we will continue our efforts to improve efficiency and profitability by investing in farm productivity improvements and increasing the branded fresh meat ratio. We will also consolidate business sites across the entire division from a company-wide optimization perspective.

Business-based materiality initiatives

Animal welfare will continue to be a priority in relation to the stable procurement and supply of proteins. We will consider the installation of solar power systems and conversion to alternative fuels as part of our efforts to contribute to a sustainable environment. We see these initiatives as the path to a sustainable future for the livestock industry. We will fulfill our commitment to employee development and respect for diversity by reforming group companies' human resource systems, expanding training programs, and improving employee engagement.



Segment focus

We aim to achieve a market share of 25% by building co-creation networks.

We are working toward the 25% market share target in Vision2030 by creating sustainable value chains. To achieve this, we will implement organizational changes and improve the profitability of sales operations through the development of next-generation food business models and site concepts under the New Food Project. Another goal is contribution to the achievement of sustainability across the entire livestock industry by overcoming issues affecting the industry as part of our commitment to the reduction of environmental loads and the realization of a sustainable society.

Our challenge going forward is to build co-creation networks through further evolution of the vertical integration system that we have developed as a key source of strength for the NH Foods Group, so that we can fulfill our role as a true leader in the fresh meat industry by offering value, including the joy of food and good health, to consumers.

Segment data

Overseas Business Division



Building growth models for our overseas business

Nobuo Oda

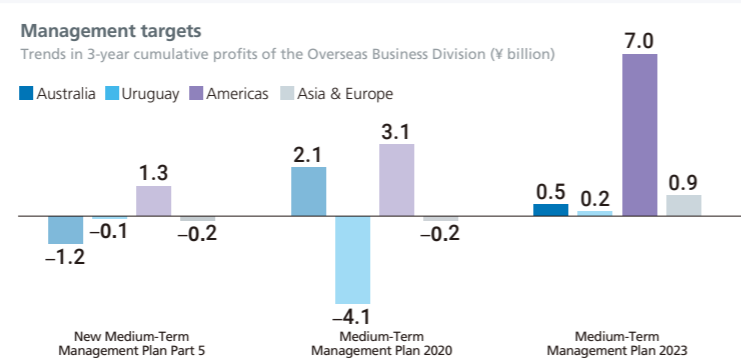
Managing Executive Officer,
General Manager of Overseas Business Division

Risks	Opportunities	Responses
<ul style="list-style-type: none"> Higher prices for grains used in raw feed Decline in the livestock farmer population due to a lack of successors Escalating competition for supplies due to epidemics Rising production costs due to aging facilities and more stringent quality measures Expanding demand for religious foods due to growth in the number of foreign workers and other factors Growing pressure to reduce the environmental footprint of the livestock industry 	<ul style="list-style-type: none"> Increased demand for meat due to global population growth Increased demand for Japanese foods due to heightened health consciousness Resurgence of new markets for processed foods in response to lifestyle changes [Tentative] Positive medium/long-term outlook for meat imports thanks to the proliferation of free trade agreements Increasing animal welfare demands 	<ul style="list-style-type: none"> Upgrade feed plants in Australia Provide workplace experiences and tours for local residents and students Develop future generations of farmers and manufacturing workers through worksite visits Strengthen disease prevention systems on farms and in production and breeding facilities Extend "best before" dates by enhancing production and preservation technologies Promote conservation-oriented agriculture

Overview of Medium-Term Management Plan 2023

Transform our business model by clarifying functions across our entire value chain

1. Stabilize profit in existing businesses
2. Expand sales of processed food products in North America and the ASEAN region
3. Build a new pillar that generates profit by formulating and implementing growth strategies focused on promising areas



Review of fiscal 2021

Stabilization of earnings from existing businesses through enhanced branding and production structure optimization

Our initiatives under Medium-Term Management Plan 2023 center on three themes: the stabilization of earnings from existing businesses, the expansion of sales of processed products in North America and ASEAN, and the development of income streams through the proposal and execution of growth strategies focused on high-potential areas.

Despite heightened uncertainty in the external environment, we made steady progress with these policies in fiscal 2021.

As in the previous fiscal year, we worked to stabilize earnings from existing businesses by reducing the vulnerability of our overseas business operations to the direct impact of fluctuations in the beef market. Our priority for the Australian business, which contributes around half of the net sales of the Overseas Business Division, was to make optimal use of our existing value chains through the expansion of branding and sales of added-value products. Australian beef has become very popular in the United States, and our efforts to expand sales of added-value products, such as Nature's Fresh and

Gran Carne, were reflected in improved earning performance. I believe that we are making steady progress toward the stabilization of earnings through the optimization of production structures based on collaboration with sales operations.

However, there are ongoing issues. The global outlook for selling prices has become uncertain, in part because of a downswing in consumer spending in China. We also face labor shortages in processing plants due to the impact of the COVID-19 pandemic. In addition, the number of cattle available for processing has not yet fully recovered.

Our efforts to expand sales of processed products in North America and ASEAN brought mixed results. Sales in ASEAN failed to reach the planned levels, partly because of the impact of the COVID-19 pandemic. However, we achieved steady growth in sales in North America, Thailand, and Taiwan. Chicken sales in Turkey and meat exports from the United Kingdom also expanded steadily.

These trends were reflected in net sales of ¥267.6 billion, a year on year increase of 19.7%. Business profit amounted to ¥2.4 billion, compared with a ¥100 million loss in the previous fiscal year.

	Processed foods	Fresh meats	Trading	
ASEAN	NH Foods Vietnam Joint Stock Company / NHF Manufacturing (Malaysia) Sdn.Bhd. / PT NH Foods Diamond Indonesia / Shandong Rilong Foodstuffs Co., Ltd. / Pure Food Asia, Inc. / Thai Nippon Foods Co., Ltd. / Thai Nippon Cold Storage Co., Ltd.		Nippo Food Co., Ltd. / NH Foods (Thailand) Ltd. / NH Foods Singapore Pte. Ltd. / NH Foods Taiwan Ltd.	Local sales
Oceania		Whyalla Beef Pty. Ltd. / Thomas Borthwick & Sons Pty. Ltd. / Oakley Beef Exports Pty. Ltd. / Wingham Beef Exports Pty. Ltd.	NH Foods Australia Pty. Ltd. / Beef Producers Australia Pty. Ltd.	
Europe			NH Foods U.K. Ltd.	Exporting to Japan
North America	Redondo's	Day-Lee Foods, Inc.		
South and Central America		Breeders & Packers Uruguay S.A.	NH Foods Chile Y. Compania Limitada / NH Foods Mexicana S.A. DE C.V.	
Middle East		Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi		

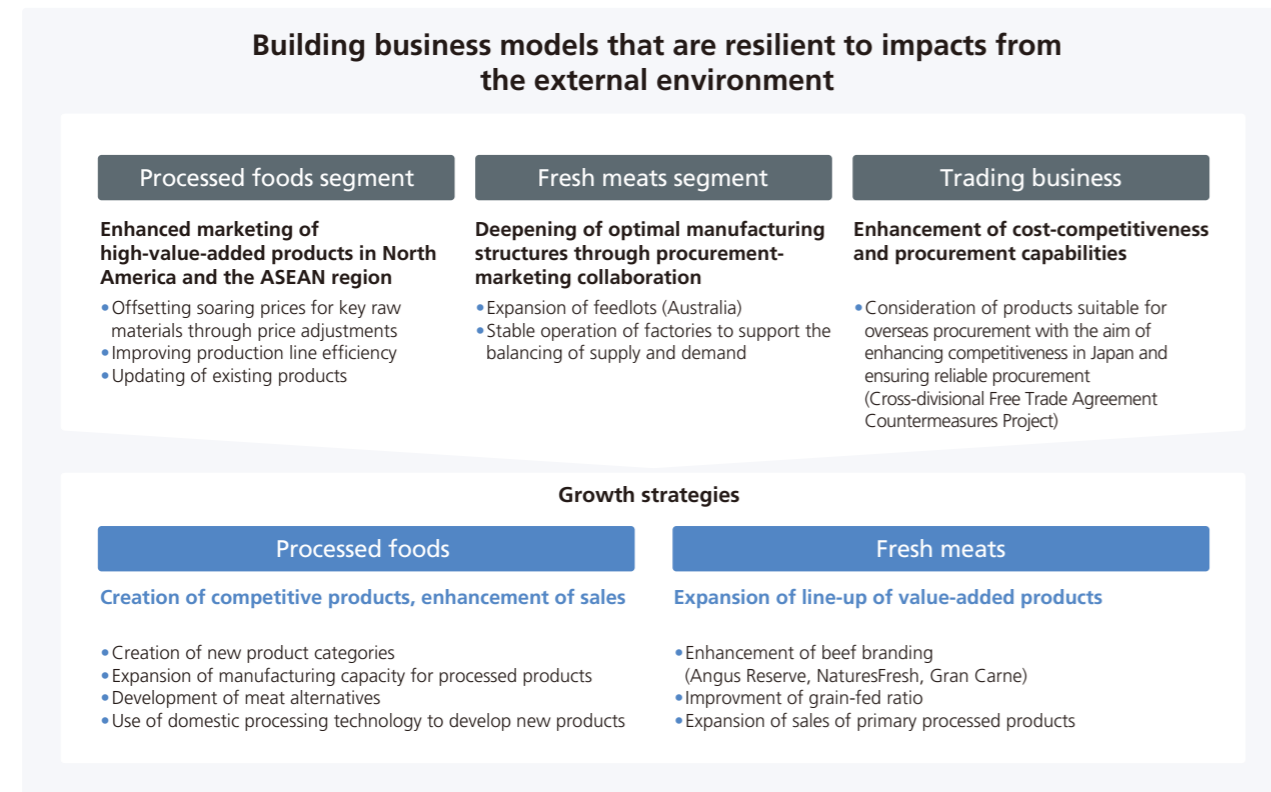
Results for fiscal 2021, initiatives going forward

- | | |
|------------------------|---|
| Results | <ul style="list-style-type: none"> Expansion of processed food volumes in North America Expansion of branded fresh meat sales by the Australian business Securing of profits through collaboration between procurement and sales operations in the beef business |
| Future measures | <ul style="list-style-type: none"> Countermeasures against soaring raw material costs for processed chicken products Development of new products in ASEAN Initiatives to reduce livestock-related GHG emissions |

Segment data /Overseas Business Division

Future policies and plans

Business value improvement initiatives by the Overseas Business Division



Building a stronger stable earnings base to reduce the impact of fluctuations in the external environment on our business model

We will build growth models for our overseas business through further initiatives to stabilize earnings and optimize manufacturing structures.

Expanding sales of added-value products in North America and the ASEAN region

Our overseas processing operations are still being affected by major changes in the external environment, including the prospect of continuing increases in the prices of raw materials and fuel. We have already addressed these changes through price revision, but we will also continue our efforts to curb cost ratios by reducing production and processing costs through the further improvements in the efficiency of our production lines. Other goals include the improvement of production yields, and the reduction of labor content through mechanization and the optimal deployment of personnel to each line.

At the same time, we will enhance the competitiveness of our products by updating existing items. Our priorities also include the creation of new product categories, the expansion of manufacturing capacity for processed products,

the development of meat substitutes, and the use of Japanese processing technologies to develop new products.

Initiatives to create competitive products include the establishment of an R&D unit in Day-Lee Foods, Inc., which is engaged in business operations in North America. In fiscal 2021, Day-Lee pursued product-related initiatives and marketing using their existing production lines for fried products. In fiscal 2022, the company will also strengthen its sales capabilities by enhancing brand strategies and marketing functions. In addition, it has addressed the stagnation of sales volumes due to capacity limitations by investing in plant and facilities, including the start-up of new fry-lines.

Thai Nippon Foods Co., Ltd., which is active in ASEAN markets, plans to develop production lines for new products, including processed pork items. It will also use technologies from Japan to develop new products for sales through convenience stores, bakeries, and other vendors. In the past its product lineup has been dominated by chicken-based items. Going forward, it will also develop products based on other ingredients, such as plant-based meats. This shift is expected to result in the creation of a wide range of processed foods, allowing Thai Nippon Foods to develop new business partners and sales channels.

Further optimization of manufacturing structures through procurement-sales collaboration

In the overseas fresh meats segment, we will continue to optimize our manufacturing structures through collaboration between procurement and sales operations.

Further expansion of our lineup of added-value products is seen as a priority for the overseas fresh meats segment. As in the previous fiscal year, we are continuing our efforts to enhance the branding of beef products. We will also expand our feedlots with the aim of increasing sales of premium grass-fed and organic beef.

Strengthening cost-competitiveness and procurement capabilities

For our trading business between other countries and Japan, we have started to consider products for which overseas procurement will be advantageous based on changes in tariff rates. This work is being carried out in conjunction with the Cross-divisional Free Trade Agreement Countermeasure Project. We are also working to enhance competitiveness and ensure stable procurement in Japan by selecting products that can be sourced overseas. We have already started to handle some types of pork and beef products.

Business-based materiality initiatives

One of the Five Materialities identified by the NH Foods Group is contribution to a sustainable environment. We are making preparations for the disclosure of environmental load data from our various companies. We have also adopted targets, including the reduction of fossil fuel-derived CO₂ emissions by at least 24% and water consumption by 5% compared with the fiscal 2021 levels.

Another of the Five Materialities is the stable procurement and supply of proteins. We are building strong relationships with suppliers by informing them about the NH Foods Group's procurement policies.

The Five Materialities of the NH Foods Group also include diversity and health. We are expanding our range of foods to meet diverse cultural and religious needs, including halal and kosher products that conform with Islamic and Jewish dietary rules. In addition, we plan to launch food allergy kits and next-generation protein products onto the market.

Our goal in relation to employee development and respect for diversity is to ensure that our factories provide good working conditions for employees, including the development of safe working environments in which people can work with confidence. We will also promote diversity and inclusion.

Products handled by region

B Beef P Pork C Chicken Pr Processed meats M Marine products

Europe B P C Pr



ASEAN region B P C Pr M



North and Central America B P C Pr M



Australia B



South America B P M



External customers

Sales in Japan, local sales, and exports to third countries

Segment focus

Maximizing our profit contribution through selection and concentration in growth areas

In fiscal 2022 there is a continuing need to adapt to uncertainty and change in the external environment, including rising raw material and energy costs and a decline in consumer spending. By continuing to develop and supply safe, dependable products and services, and by complying with laws and regulations and respecting the cultures, practices, and histories of each country and region, we will help people everywhere to experience the joy of food in their lives.

Segment data

Baseball Club and Other Business



A panoramic image of Hokkaido Ballpark F Village

Raising business and social value through a new business model

Realizing urban development by combining sports value with Hokkaido value through efforts centered on the team and new ballpark

We strive to work with communities to cultivate social value in Hokkaido, not only through our plants and sales offices, but also through the Hokkaido Nippon-Ham Fighters. In March 2023, we will open Hokkaido Ballpark F Village, a development centered on the new ES CON FIELD HOKKAIDO ballpark. In addition to offering several different ways to enjoy watching games, it will also provide restaurants and a variety of entertainment options to create a space that can be enjoyed even by people who are not so interested in baseball, as well as during times when no games are being played. We are also partnering with a wide range of industrial, academic, and

government partners to advance sustainable urban development that combines sports value with Hokkaido value, while at the same time improving the profitability of the Baseball Club Business at the new ballpark.

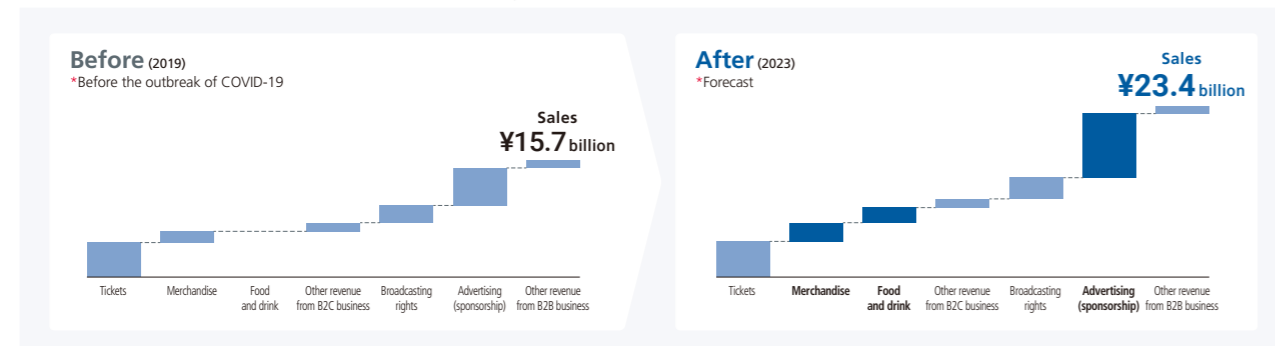


The ballpark will offer several different ways to enjoy watching games, including from a hot spring facility



There will be plenty to enjoy, even on days with no games. This image shows the kids area.

Sales breakdown before and after the opening of the new ballpark



Giving shape to Vision2030 through a succession of new brand-creating businesses

Entertainment Business

We have established Meatful as a direct-to-consumer food entertainment website to keep pace with dietary diversification by using hands-on cooking experiences, jerky, and other concepts as a starting point for the development of products and services.

Wellness Business

We have established Table for All as the food industry's first comprehensive food allergy care platform. Going forward, we will develop as a business that aims to create new value that responds to dietary diversification and health needs.

Ethical Business

Under the concept of creating the next generation of proteins, we are advancing an upcycling business that make use of untapped ingredients that are not conventionally used

and a circulation business that harnesses vertical integration system. We also plan to expand the scope of our business to include areas such as circular agriculture-based crop cultivation.

New stadium to be financed by sustainability bonds

The aim of the new Hokkaido Ballpark F Village project, which is centered around the new ES CON FIELD HOKKAIDO ballpark, is not simply to build a ballpark, but to put down roots in the Hokkaido community and work with all stakeholders to create a space that will symbolize the region. We want this space to become a focus of pride and affection for the citizens of Hokkaido, and a starting point for sustainable community development.

The new stadium will also have important social value as an evacuation center in times of emergency. In addition, it will feature an eco-friendly design that will reduce energy consumption and resource use.

Recognition for these efforts includes a 5 star ranking under the DBJ Green Building certification system, which is administered by the Development Bank of Japan to support real estate projects and businesses that have shown care for society and the environment.

Thanks to this recognition, we were able to implement a sustainability bond issue to fund or refinance expenditure relating to the construction of the new ballpark. Sustainability bond issues are used exclusively to fund initiatives to alleviate environmental and social issues, and projects designed to

produce positive outcomes. In fiscal 2020, we identified five key material issues. One of these is "contributing to a sustainable environment," so the allocation of funds from the parent company bond issue to the construction of the new stadium aligns with our commitment to working toward environmental and social sustainability.

Overview of NH Foods Ltd. sustainability bond

Issuance period	10 years
Amount	¥10 billion
Issue date	February 2021
Lead manager	SMBC Nikko Securities Inc. (administration) Nomura Securities Co., Ltd.
Sustainability bond structuring agent*1	SMBC Nikko Securities Inc.

*1 This party supports the execution of sustainability nance by creating the nancing framework and providing advice about related matters, such as obtaining second-party opinions.

Reporting of allocation of funds

Amount raised*2

¥9,949 million

Amount allocated*3

¥9,949 million

Balance to be allocated

¥0 million

*2 This is the amount of the parent company bond issue minus issuing expenses.
*3 The entire amount has been allocated refinancing and to funding the construction of the new ballpark through investment in and loans to related companies.

Impact reporting

Green project

Qualifying category: Green building
Acquired 5-star ranking under the DBJ Green Building certification system.

Social project

Qualifying category: Improvement of access to essential services
There are plans to install the following facilities.

- Multi-purpose toilets
- Parking places for people in wheelchairs
- Viewing spaces for people in wheelchairs
- Viewing spaces for people with guide dogs
- Slopes
- Escalators by the large staircase on the third-base side
- Storage areas containing emergency food supplies and free toys for children
- Multilanguage signage in city parks

The compliance of this reporting with the Sustainability Finance Framework has been reviewed by Sustainability.

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