

IR DAY 2023



NH Foods Group IR DAY

Strategy for the Overseas Processed Foods Business

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 Unleash new potentials for protein
NH Foods Group Vision 2030

Today's Agenda

- We will analyze the overall status of our Overseas Business and the challenges that exist.
- We will liquidate some of our business operations and focus on future strategies for growth areas.
- We will outline the potential of our products and our efforts to build sales networks encompassing key customers for the Processed Foods Business in North America, which has a history spanning almost four decades.

- 1) Overview of Our Overseas Business
- 2) Current Status of Our Overseas Business—Issues and Responses
- 3) Developing the Processed Foods Business in North America
 - 3-1. Profile of Day-Lee Foods
 - 3-2. Area Development and Characteristics of the Wholesale Business
 - 3-3. Characteristics of the Frozen Food Market
 - 3-4. Key Products and Their Strengths
 - 3-5. Track Record and Future Targets for Wholesaling and Processed Foods
 - 3-6. Future Strategies for the Processed Foods Business

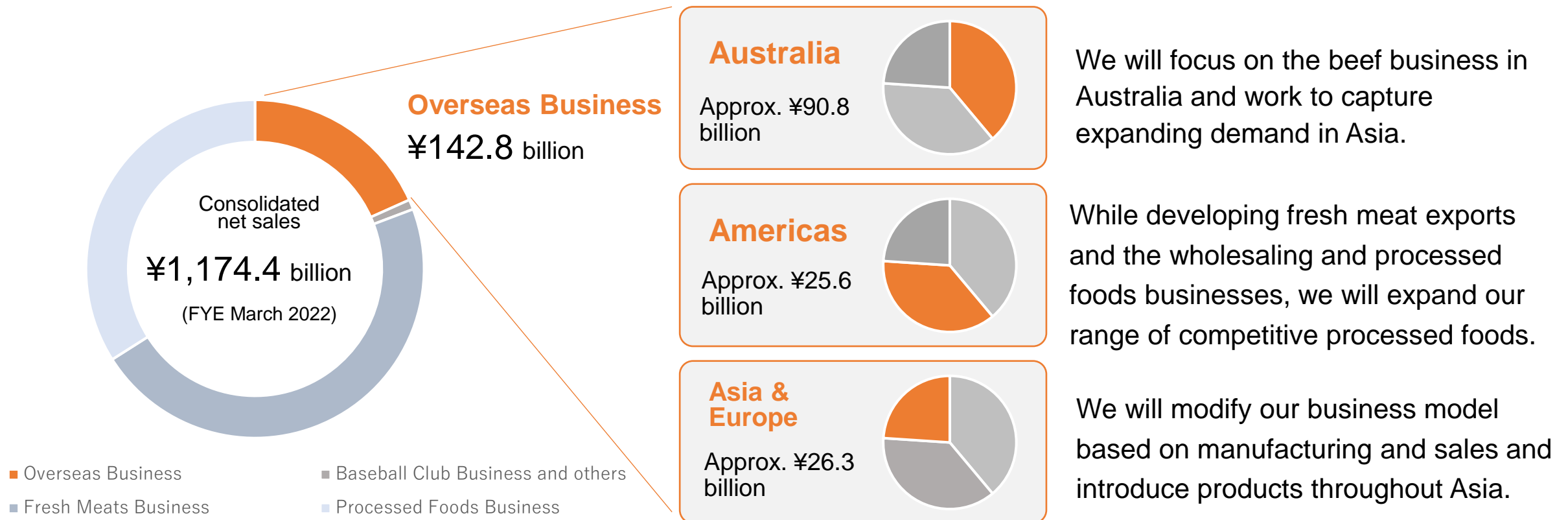
1) Overview of Our Overseas Business (1)

Three core business segments: Processed Foods, Fresh Meats, Trading

		Processed Foods	Fresh Meats	Trading	
		While partially supplying products to the Japanese market, we are developing overseas sales.	We are concentrating capital into the beef business in Australia and strengthening our marketing, especially for high-added-value products.	We are focusing mainly on supplying the Japanese market, while also supporting domestic sales and exports to third countries.	
Business area	Asia	6 group companies Thailand/Vietnam/Malaysia/ Indonesia/China/Taiwan		4 group companies China/Singapore/Taiwan	For local markets For third country markets For the Japanese market
	Australia		4 group companies Australia	2 group companies Australia	
	Europe			1 group company United Kingdom	
	North America	1 group company United States	1 group company United States Day-Lee Foods, Inc.	1 group company United States Day-Lee Foods, Inc.	
	South and Central America		1 group company Uruguay * Shares to be transferred in October 2023	2 group companies Chile/Mexico	
	Middle East		1 group company Turkey		

1) Overview of Our Overseas Business (2)

Breakdown of sales to external customers by area



* "Americas" includes our business operations in North and South America.

* The group company in Uruguay is included in Australia.

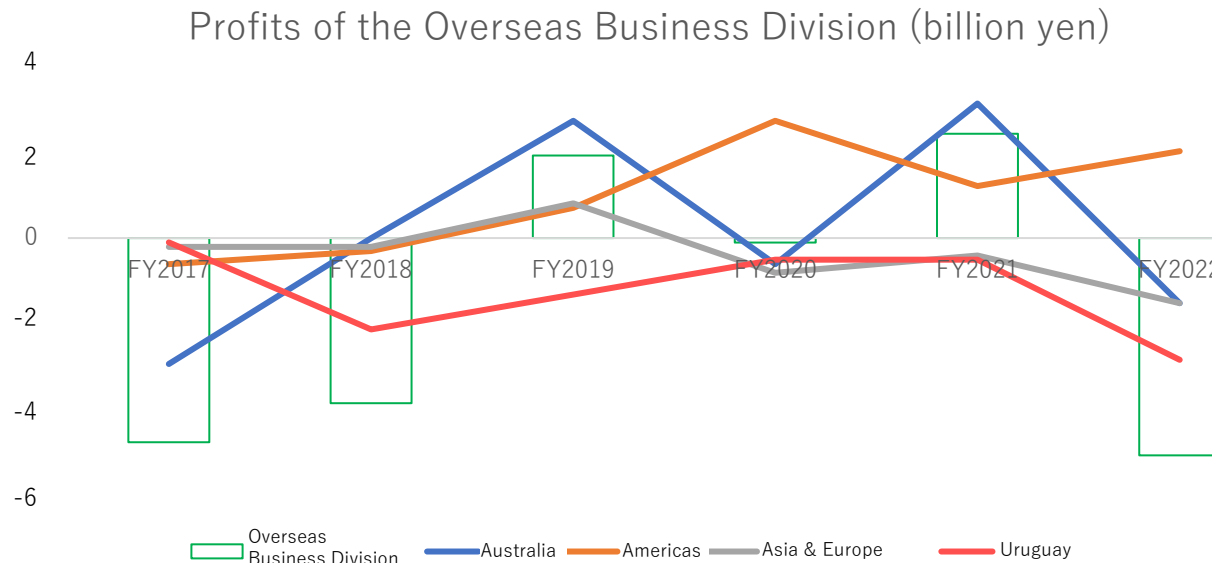
2) Current Status of Our Overseas Business—Issues and Responses

We aim to achieve growth by liquidating unprofitable businesses and concentrating resources into the beef and processed food areas.

(1) High volatility in the beef business

⇒ Despite internal improvements in the beef businesses, losses increased in the current fiscal year due to changes in the external environment.

⇒ We will work to secure profits by expanding our line up of high-added-value products.



(2) Small scale of processed foods business

▼ **North America:** Sales expanding but profit unstable for several years due to rising costs

⇒ We have already responded through price increases, etc. We aim to expand profit by increasing our manufacturing capacity. (See “Developing the Processed Foods Business in North America” on later slide.)

▼ **ASEAN:** Aggregation of small-scale companies

⇒ We need to build sales networks and modify the overall income and expenditure structure. (See “Development of Processed Foods Business in ASEAN” on a later slide.)

2) Current Status of Our Overseas Business—Issues and Responses (Asia)

<Asia>

We will exit from individual businesses in Asia and expand our business throughout Asia.

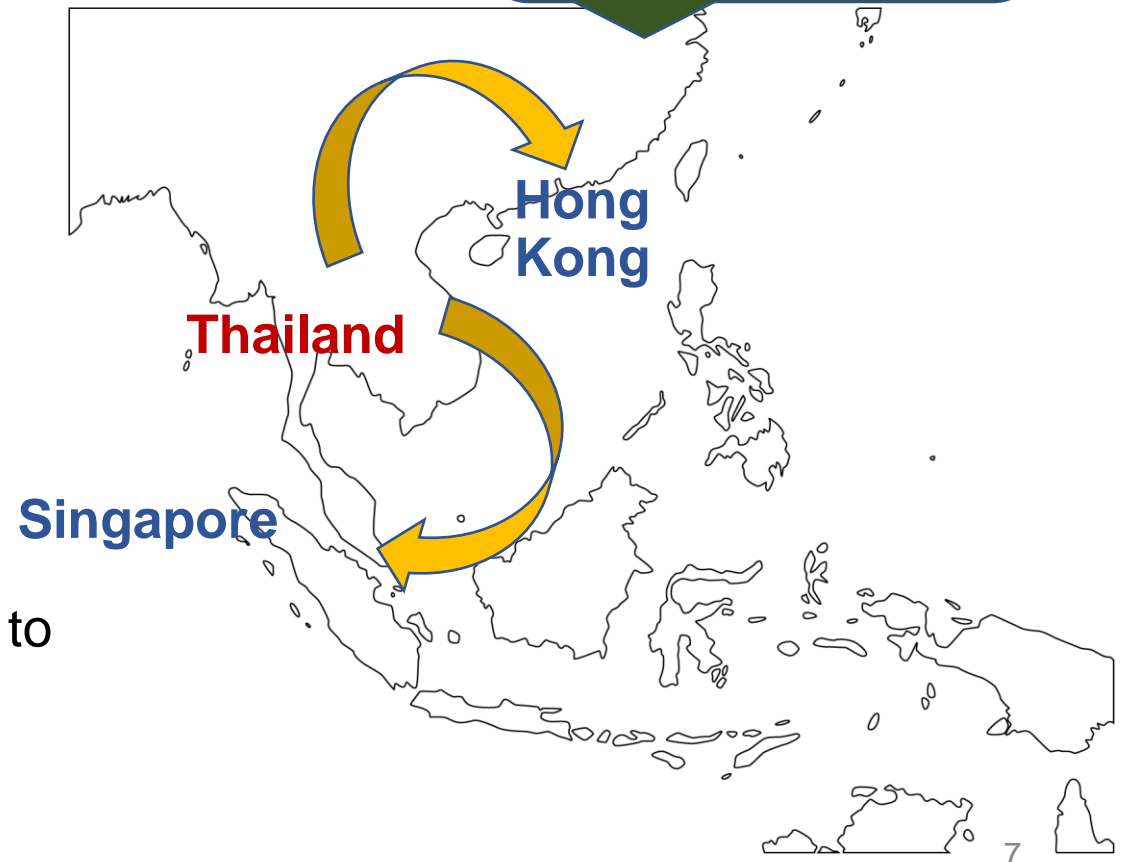
We will target **Thailand, Hong Kong, and Singapore** as **sales bases**.

We will strengthen product in **Thailand** as our **manufacturing base**.

Initiatives going forward:

- Local marketing centered on Thailand
- Focus on the high-margin extract business
- Supply of products in step with the overseas expansion of Japanese companies
- Manufacture of processed food products for export to North American markets

Using Thailand as a supply base, we will expand the markets our products from Hong Kong and Singapore to the entire Asian region.



2) Current Status of Our Overseas Business—Issues and Responses (Australia)

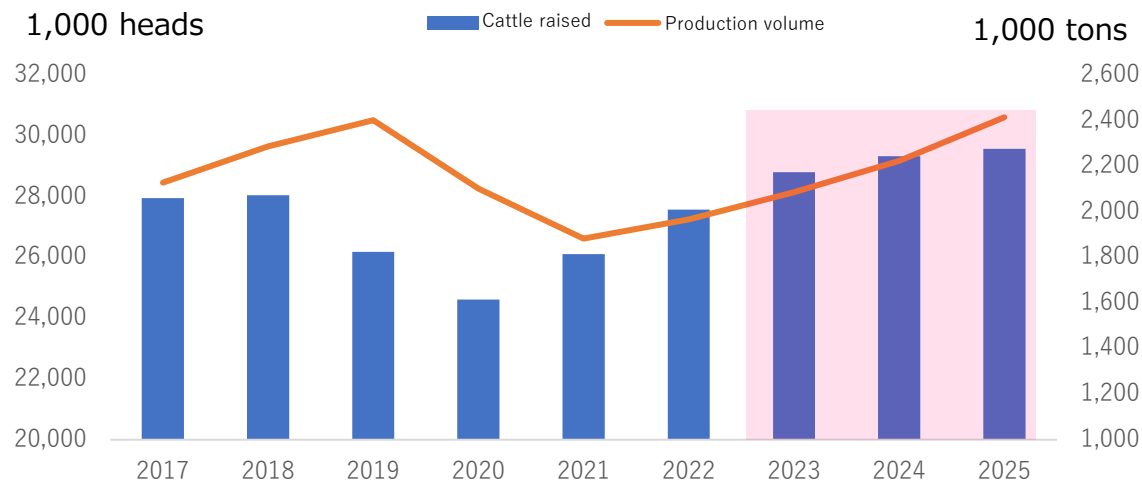
<Australian beef business>

We are achieving profit thanks to an improving external environment and a differentiation strategy

—External environment in the next fiscal year

- Recovery of production capacity in Australia
⇒6.0% increase in 2023 (MLA)
- Drought-related decline in U.S. supplies
⇒6.6% production downturn projected for 2023 (USDA)

Projected production in Australia



Source: Industry projections 2023 – Australian cattle – January

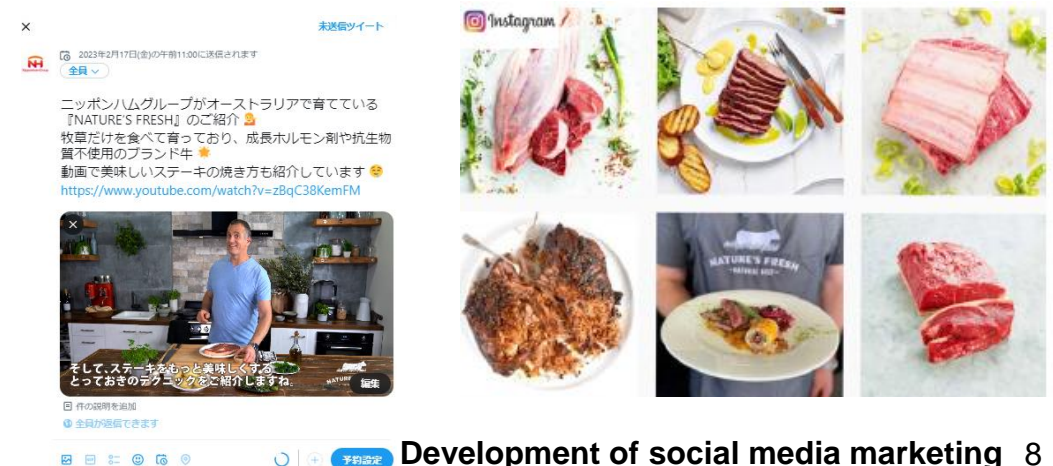
—Higher margins thanks to enhanced branding

- **Increase in added value primarily through premium beef branding with the aim of securing stable earnings**

⇒Feedlot expansion leading to increased sales of premium grain-fed beef in Japan and Asia

⇒Increased sales (including the Japanese market) of premium grass-fed beef

- **Sales expansion through value chain development/enhancement in key market countries**



Development of social media marketing 8

Developing the Processed Foods Business in North America

Day-Lee Foods, Inc.

3-1) Profile of Day-Lee Foods

Day-Lee Foods, Inc. has been a member of the NH Foods Group for **over 40 years** and has a **40-year track record in local sales of processed foods.**

Head office: Santa Fe Springs, California, U.S.A.

(8 sites in two countries)

Established: 1977 (acquisition of Day-Lee Meats)

Business outline: Trading/marketing of fresh meats and seafood, manufacturing and sales of processed products

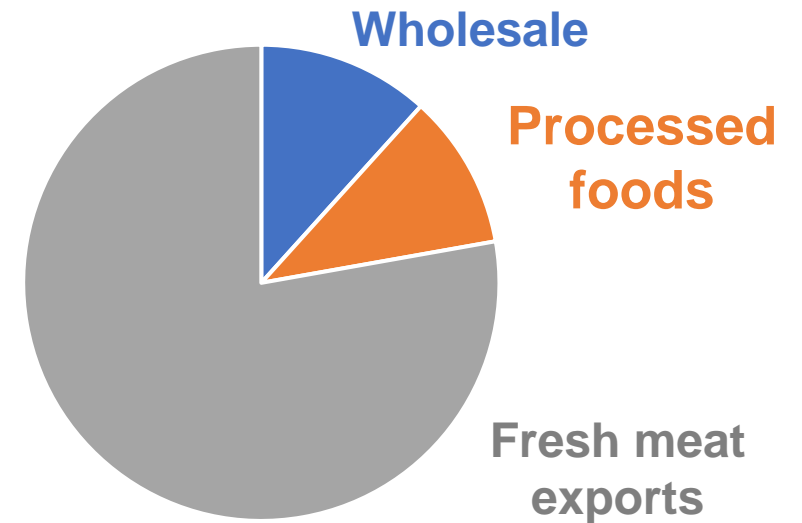
Local sales mainly to ethnic Asians

Sales mix: Fresh meat exports approx. 70%

Manufacture and sales of processed foods approx. 15%

Wholesale business approx. 15%

* The majority of fresh meat sales are to the NH Foods Group and have been eliminated



Fresh meat exports

Creation of high-added-value products with partners

Processed Foods

Consumer PB products sold nationwide in the U.S.

Local sales

Major West Coast cities

3-2) Area Development and Characteristics of the Wholesale Business

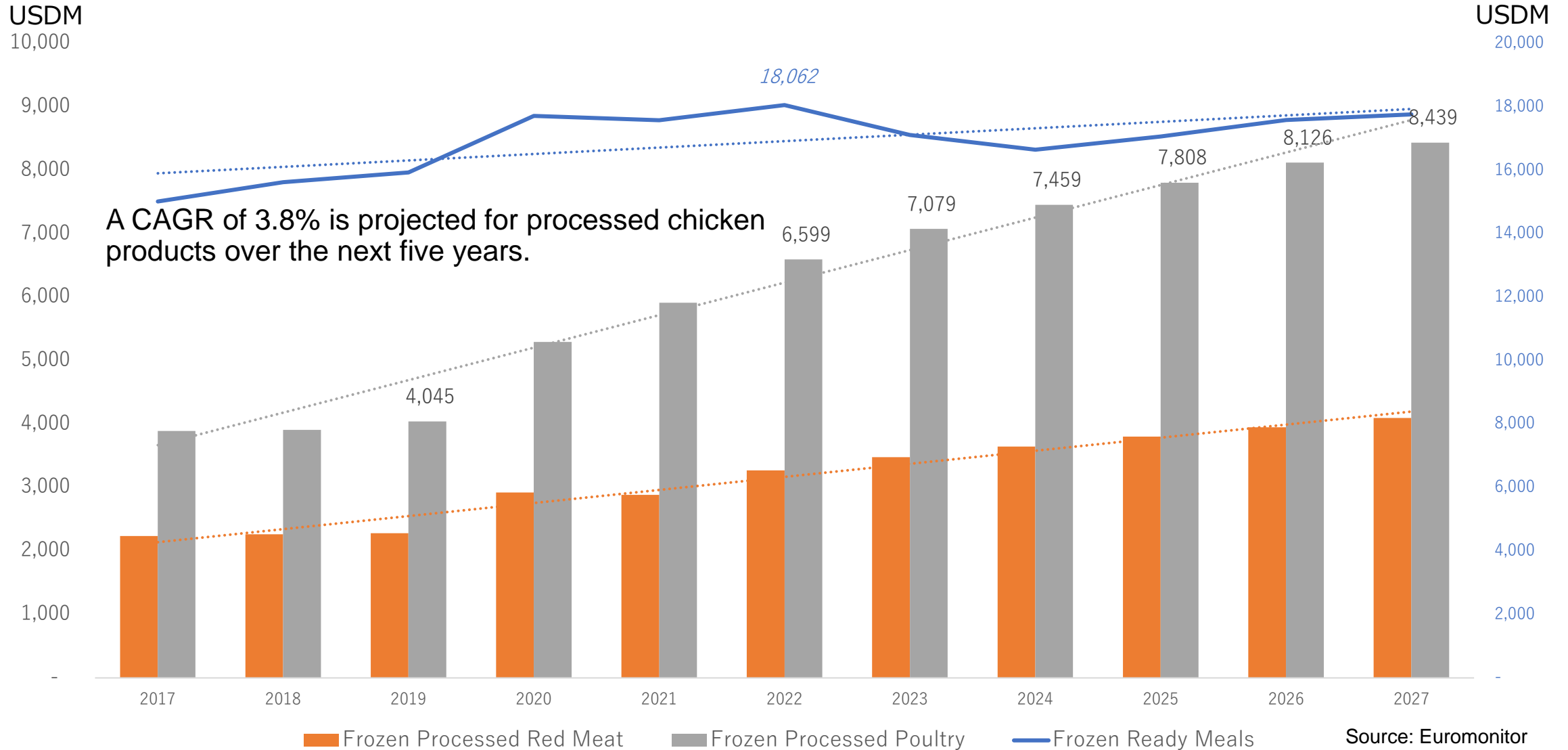
Expanding the customer base by concentrating locations mainly on **the West Coast**



- Deliveries to individual outlets in Los Angeles, San Francisco, and Seattle using the company's own trucks
- Serving customers through approximately 1,500 outlets
- Business development targeted toward Japanese food

3-3) Characteristics of the Frozen Food Market

The scale of the domestic market in the United States is expected to **remain on year-by-year expansionary trend.**



Source: Euromonitor

3-4) Key Products and Their Strengths

Flagship products

Consumers: Targeted toward U.S. mainstream

Crazy Cuizine



DayLee Pride



The flagship **Mandarin Orange Chicken (MOC)** range remains the preferred choice despite the presence of similar products for the following reasons.

- Based in California
- Strong commitment to quality
- Brand strength built over many years

Commercial products: Mainly **Chinese dumplings, etc.**, for sale to restaurants

Strengths (competitive advantages)

(1) Customer portfolio

Nationwide marketing with key customers based on the West Coast

Club > Mass > PB > US Grocery > Food Service

(2) Product portfolio

Concentration on SKUs based on the customer portfolio

(3) Trusted quality

Strong reputation based on the group's quality track record spanning over 40 years

(4) Ability to pass on costs through prices

7–14% price increases since July 2022

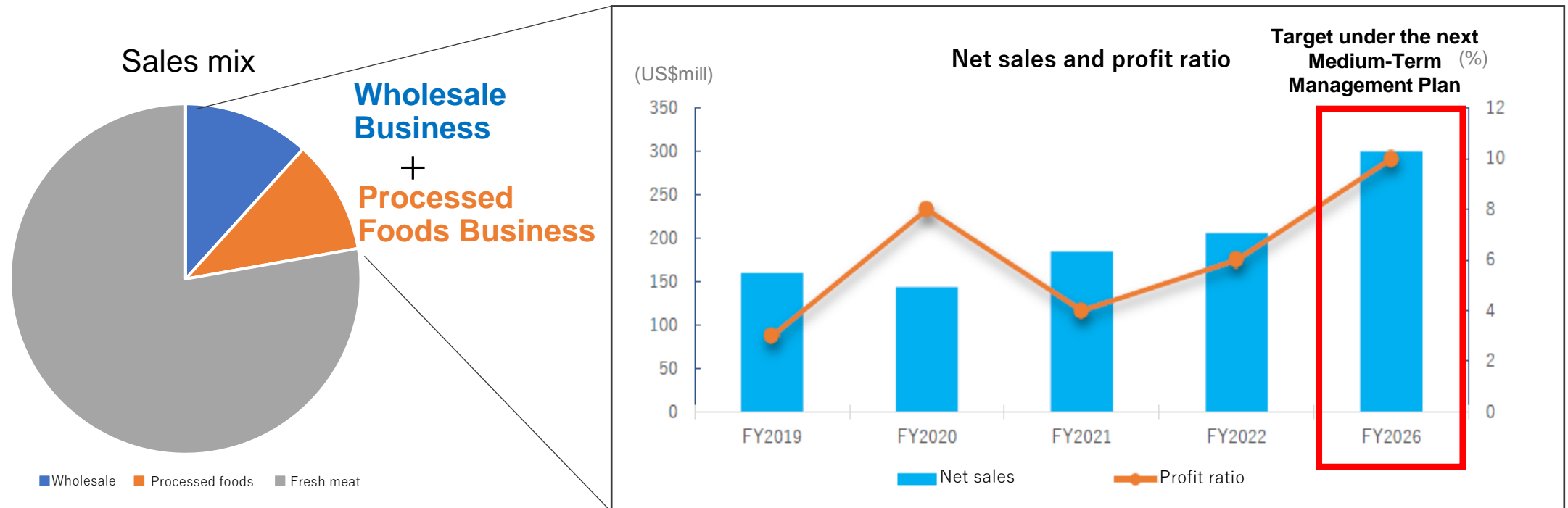


3-5) Track Record and Future Targets for Wholesaling and Processed Foods

Performance of Processed Foods Business—Sales are increasing thanks to firm demand. There are issues in the supply structure.

Net sales: Net sales are expanding in step with the number of customer outlets. We aim to achieve USD300 million in the final year of the next Medium-Term Management Plan.

Profitability: We will **increase the profit ratio to 10%** in preparation for the next Medium-Term Management Plan. We will maintain profitability while expanding profits in absolute terms.



* In the financial results, figures for the Americas business are included in the breakdown for the Overseas Business Division, while the figures for beef exports and other items, such as earnings from other businesses at other sites in the Americas, are shown after adjustment for consolidation.

3-6) Future Strategies for the Processed Foods Business

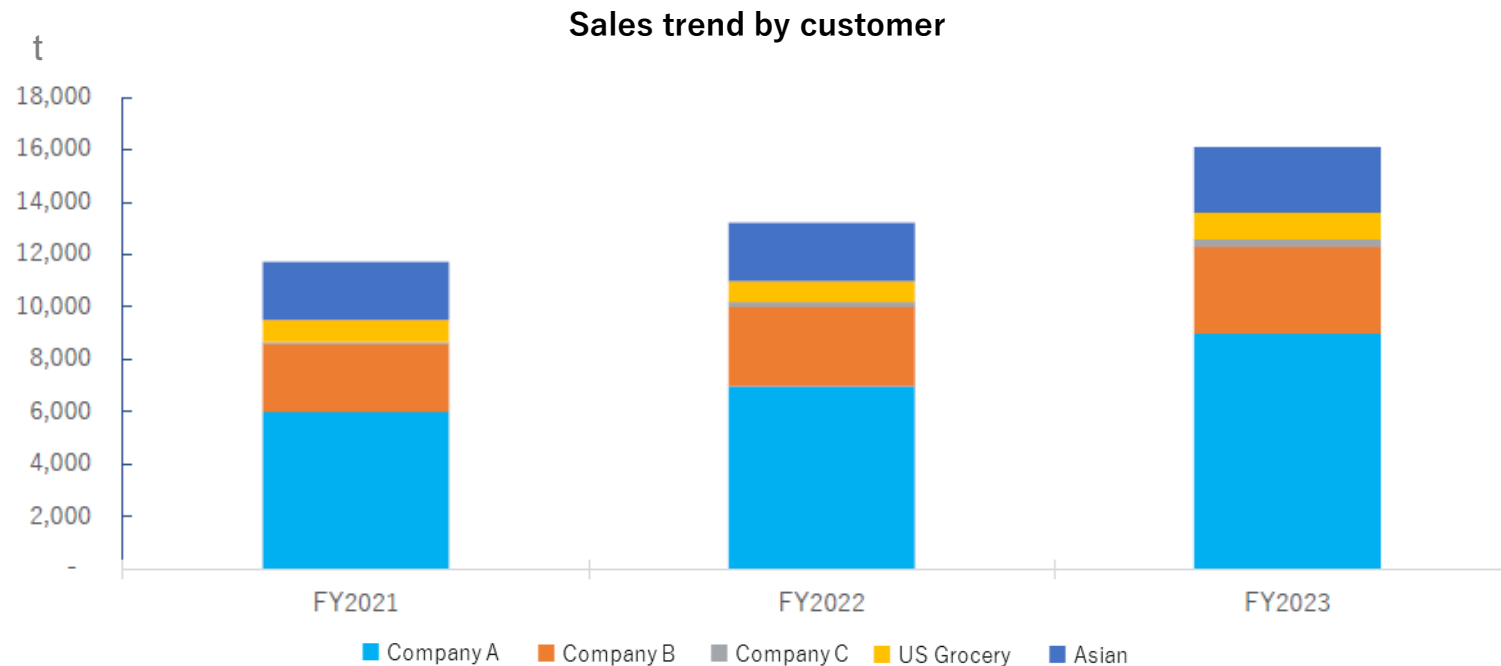
Going forward, we will expand our top line by enhancing and expanding our lineup, especially existing brands and products.

(1) Expansion of supply capacity

- ⇒ New production sites
- ⇒ Use of group production sites

(2) Collaboration with category-leading retailers

- ⇒ Strengthening of ties with existing customers
- ⇒ Capture of customers in the east



3-6) Future Strategies for the Processed Foods Business

Going forward, we will expand our top line by enhancing and expanding our lineup, especially existing brands and products.

(3) Enhancement of brand value

- ⇒ Active use of trade shows
- ⇒ Open innovation

(4) Initiatives targeting new categories

- ⇒ Initiatives based on Japanese products
- ⇒ Human resource development



Fancy Food Show
Las Vegas NV
1/15-17/2023



Natural Products EXPO
Anaheim CA
3/9-11/2023



Japanese plant-based
products (deep-fried
chicken style)



Japanese plant-based
products (sliced beef
style)



 Unleash new potentials for protein
NH Foods Group Vision 2030