Minutes of the Web Conference for the Medium-Term Management Plan 2026 Progress Briefing

Date & Time: May 13, 2026 (Wednesday) 13:00 - 14:30 (Webcast)

Presenters:

President and Representative Director	Fumio Maeda
Managing Executive Officer General Manager of Processed Foods Business Division	Akio Wakita
Managing Executive Officer General Manager of Fresh Meats Business Division	Nobuhiro Hosoya
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Source: Medium-Term Management Plan 2026 Progress Briefing Meeting on May 13.
https://www.nipponham.co.jp/corporate/ir/library/briefing-session/pdf/20260513_en.pdf

1: Approach toward the Next Medium-term Plan

Q: What is your perspective on achieving the business profit target of ¥79 billion in the final year of the next medium-term plan?

A: To achieve the ¥79 billion target, we will leverage our core strength in sales capability. Domestically, we will build profits through area strategies, responding to growth markets, and enhancing collaboration within the NH Foods Group, such as expanding processed foods product sales. Overseas, rather than adhering strictly to an in-house approach, we will expand co-creation by utilizing the sales networks of strong partners. Going forward, we will strengthen sales strategies to capture new revenue opportunities.

2: Approach to Business Portfolio

Q: What is your policy on reviewing businesses based on ROIC and timing for carve-outs?

A: We will evaluate businesses considering capital cost (ROIC) and strategic importance, and execute actions including carve-outs on businesses with no expected improvement. We aim to take some action within this fiscal year.

3: Capital Policy and Capital Allocation

Q: Any changes in your thoughts on allocation and ROE in the next medium-term plan?

A: We will not proceed with unreasonable investments whose returns do not justify the cost of capital. We maintain a balance between growth investment and shareholder returns. As for ROE, we aim to improve it through profit growth and capital control.

4: Management Conscious of Capital Cost (Instilling of ROIC)

Q: How will you instill ROIC management across the entire company?

A: We will make the concept of invested capital easier to understand at the frontline level and link improvements in profitability and efficiency to personnel evaluation. Daily inventory management, receivables management, and investment scrutiny will be carried out using metrics that are easy for frontline employees to grasp, ultimately improving ROE and ROIC.

5: Effects of External Co-creation in Fresh Meats Business and Processed Foods Business (ZEN-NOH/CPF)

Q: What are the future prospects regarding collaboration and co-creation with ZEN-NOH and CPF?

A: With ZEN-NOH, discussions are underway to minimize the investment burden for aging production facilities. We expect to communicate details from late this fiscal year to early next fiscal year, but the effects are expected in the latter half of the next medium-term plan.

Utilizing CPF's strong sales channels, we will expand sales of products made at our own factory in Thailand targeting convenience stores and large retailers, focusing especially on expanding sales of *Schau Essen*. The joint venture with CPF (CPF NH Foods) will strengthen development and sales of processed pork products for Japan, contributing also to domestic top-line expansion.

6: Overseas Strategy for Processed Food Business (Profit Improvement)

Q: What caused the North America business to miss its profit plan and how will you catch up?

A: Main reasons are shortage of management personnel, a lack of manufacturing skills, and equipment issues. We will assign specialized human resources and proceed with equipment upgrades. The production target at the Tamarack plant is forecasted to be achieved by the second half of this fiscal year. The other two acquired plants are progressing as planned. From the second half, we will standardize production and sales across the three plants by optimizing their operation.

7: Overseas Strategy for Processed Food Business (Top-line Expansion)

Q: Are you aiming for overseas growth through M&A?

A: Our focus is growth through co-creation with strong local partners who have robust sales networks, aiming for high-certainty growth. We will leverage not only our domestic strengths in processed foods manufacturing but also development capability and production management skills valued by local companies to build relationships.

8: Domestic Strategy for Processed Food Business (Top-line Expansion)

Q: What are the concrete measures for top-line expansion this fiscal year?

A: This fiscal year will be a phase to harvest the benefits of structural reforms over the past two years and focus on top-line growth. The reorganized structure from this year will enable deeper sales-manufacturing collaboration and faster decision-making. By employing a top partner strategy and utilizing DX/IT to free up time for sales activities, we will grow not just by expanding sales but by developing profitable products and enhancing sales of key brands.

9: New Growth Strategy (*Proteinnovation*)

Q: What is the aim of *Proteinnovation* and how will you proceed?

A: Centered on "value through protein," we will advance initiatives to increase added value beyond conventional frameworks. We aim to refine models to monetize resources without waste, such as utilizing by-products, with the goal of commercialization within the next medium-term plan.