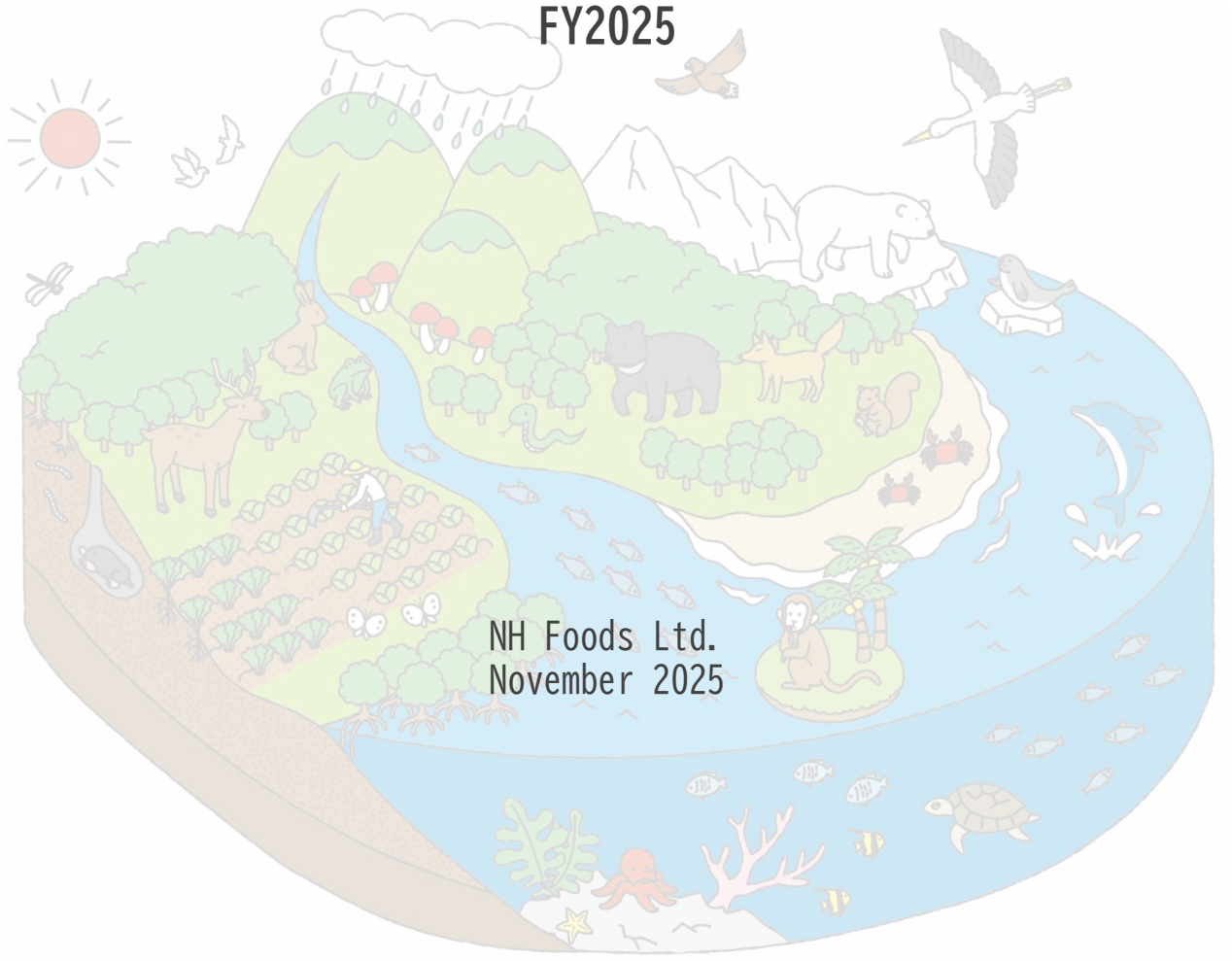
Information Disclosure Based on the TNFD Framework

FY2025



NH Foods Ltd.
November 2025

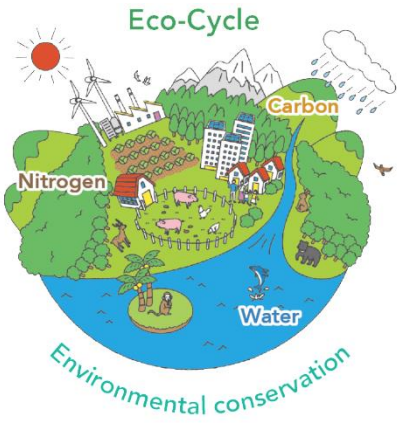
1. The NH Foods Group' s Relationship with Nature

1-1 Sustainability at the NH Foods Group

The NH Foods Group has adopted the theme of *the joy of eating* as one of its Corporate Philosophies. This represents the *pleasures of good eating* together with the *joys of health* brought about through food, and we believe that this is the starting point of people' s happy lives. However, supply may not be able to keep up with the increase that is projected to be seen in terms of demand for protein in the future due to global population growth and environmental changes. It is the NH Foods Group' s social responsibility to continue to provide a stable supply of protein in consideration of the environment and society. Doing so also constitutes the challenge we are taking on when it comes to sustainability.

1-2 Mindsets Concerning the Global Environment and Natural Capital

Carbon, water, nitrogen, and other substances that form all life on Earth – including humans and livestock – are regenerated and circulate through natural processes. However, population growth and corporate activities have led to the excessive use of fossil fuels and resources, surpassing the limits of the Earth's natural cycles and causing environmental issues such as climate change and pollution of air and water.



The NH Foods Group envisions a future in which resource use and emissions from our business activities are integrated into a natural material cycle in harmony with nature, supported by coexistence with local communities and business partners (ecosystem). We are actively advancing environmental protection initiatives under this vision, which we call the *Eco-Cycle.*

Contributing to a sustainable environment is positioned as a key materiality for us, and we aim to protect the environment and make effective use of resources.

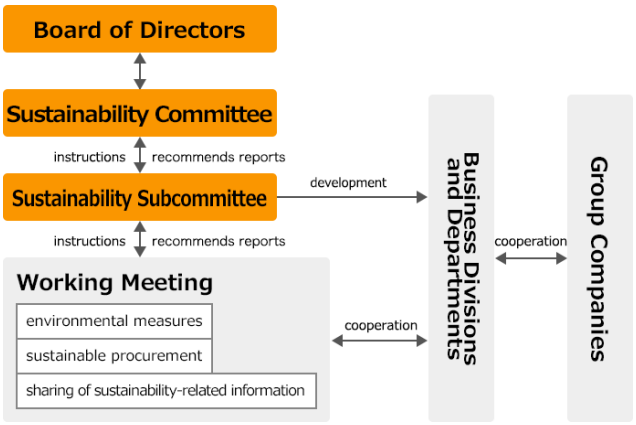
1-3 The NH Foods Group' s Materialities

Materialities	
Stable procurement and supply of proteins	We will continue to provide a stable supply of protein, which is essential for human life, into the future by earnestly engaging with the challenges faced by the livestock industry.
Enrichment of lives through food	We precisely identify changes in society, and provide products and services that exceed the expectations of our customers. We create a new Joy of Eating by discovering latent needs and through unconventional and unfettered thinking.
Contributing to a sustainable environment	We are grateful for the blessings of nature and life, and will actively work to resolve environmental issues through our supply chain so that we can pass on a bountiful global environment to future generations.
Creating new value	Freed from convention, we work with a variety of partners to create new value in the form of unprecedented products, services, and experiences.
Fostering an organizational culture focused on new challenges	We will foster a corporate culture in which each and every one of our diverse employees can take the initiative and continue to engage in the challenge of transformation.

2. Governance

2-1 Sustainability Promotion Framework

The NH Foods Group has established a Sustainability Committee with the chairperson of the Board of Directors of NH Foods Ltd. serving as chair. In principle, the committee meets at least once every quarter in order to hear the opinions of external experts and outside directors who have expertise in ESG matters and to carry out activities such as formulating sustainability policies and strategies, and checking the progress being made by each Group company. The details of these discussions are reported to the Board of Directors, which makes decisions if necessary. The Sustainability Subcommittee operates under the committee and comprises the director in charge of sustainability and the heads of major departments and divisions. It has been tasked with formulating specific strategies that correspond to discussions by the committee and developing measures to be carried out by business divisions. We have also established a Working Meeting to manage environmental measures, sustainable procurement, and the sharing of sustainability-related information, primarily among corporate units. This organization incorporates specific measures and manages progress in cooperation with each business division.



Organization entity		Role	Organization	Frequency
Sustainability Committee		・Considers and formulates the Group' s sustainability policy and strategy ・Supervision of ESG-related initiatives *1	・Directors ・Outside directorsr ・General managers of business division ・Outside experts ・Audit & Supervisory Board member	4 times / year
Sustainability Subcommittee		・Applies strategies decided by upper-level management meetings to business divisions and Group companies	・Director in charge of sustainability ・Business division general managers ・Heads of departments and sections	4 times / year
Working Meeting	Environmental measures	・Discusses, recommends, and manages targets related to key themes*2 based on the environmental policy ・Addresses environmental information-related disclosure regulations (TCFD, TNFD, etc.)	・Heads and personnel in charge of related departments	12 times / year
	Sustainable procurement	・Enhances the sustainability of procurement activities and the effectiveness of sustainable procurement	・Managers and personnel in charge of related departments	4 times / year
	Sharing of sustainability-related information	・Shares information among corporate related departments to prevent business risk and to build resilient systems ・Addresses human rights due diligence	・Corporate departments	4 times / year

*1 Materiality measures and progress, environmental management, human rights management, human resources strategy, sustainable procurement, animal welfare, and other sustainability-related issues

*2 Key themes based on the environmental policy: Climate change, plastic reduction, the reduction of water risks and usage, food loss reduction, waste reduction, biodiversity

2-2 Engagement with Stakeholders

The NH Foods Group recognizes the potential for its operations to directly and indirectly impact nature through its supply chain and is committed to sustainable business operations and procurement. To this end, we have formulated the *NH Foods Group Sustainable Procurement Policy* and the *NH Foods Group Sustainable Procurement Guidelines*, and are striving to ensure respect for human rights and reduce environmental burdens throughout the supply chain. Based on these policies and guidelines, we monitor our supply chain using SAQ (Self-Assessment Questionnaire).
Furthermore, as part of our efforts to promote sustainability, we engage in dialogues and regular exchanges of opinions with external experts.

3. Strategy

3-1 Study of Dependencies, Impacts, Risks, and Opportunities

The NH Foods Group is involved in the business of livestock and food product manufacturing. As such, we recognize that our business is highly dependent on and impacts biodiversity and natural capital. Therefore, it is important to ascertain changes in the external environment, analyze risks and opportunities in terms of our business, and identify and address issues that need to be addressed on a priority basis.
This fiscal year, we conducted an analysis based on the LEAP approach guidance proposed by TNFD. For the Hokkaido region, which accounts for approximately one quarter of our domestic production capacity, a more detailed analysis was performed using the Integrated Biodiversity Assessment Tool (IBAT), a biodiversity assessment instrument.
We will leverage the results of that analysis within initiatives such as those involved in the stable procurement and supply of proteins, climate change countermeasures, and biodiversity conservation, and will move forward with initiatives aimed at turning Vision2030 into a reality.

3-2 Process for Investigations Undertaken in Accordance with the LEAP Approach

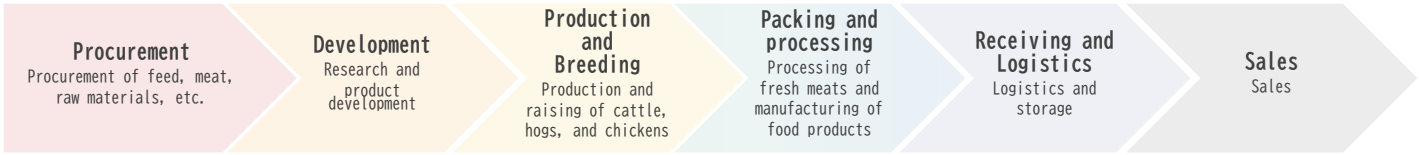
Scoping	Organization of the value chain activities of the NH Foods Group and setting the scope of evaluation to its own operations and the main raw materials which are subject to procurement.
Locate (Discovery of contact points with nature))	Analyze the relationships with natural capital within the evaluation scope.
Evaluate (Diagnosis of dependencies and impacts)	Conduct analysis of dependencies and impacts on biodiversity and natural capital through ENCORE. Identify dependencies and impact items when it comes to *procurement*, *production and breeding,* and *packing and processing*.
Assess (Evaluation of risks and opportunities)	Create a long list of risks and opportunities for the business which arise from dependencies and impacts on natural capital. Items that are considered to present particularly high impact levels are identified, and responses to risks/opportunities are considered.
Prepare (Information disclosure)	Implementation of information disclosure.

3-2-1 Scoping

In addition to procuring raw materials externally, the NH Foods Group consistently manages production and breeding, packing and processing, logistics, and sales within the Group. Among these processes, procurement, production and breeding, and packing and processing were identified as having significant dependencies on and impacts to natural capital; hence, the evaluation scope was mainly set around the Group' s own sites.

●The NH Foods Group Value Chain

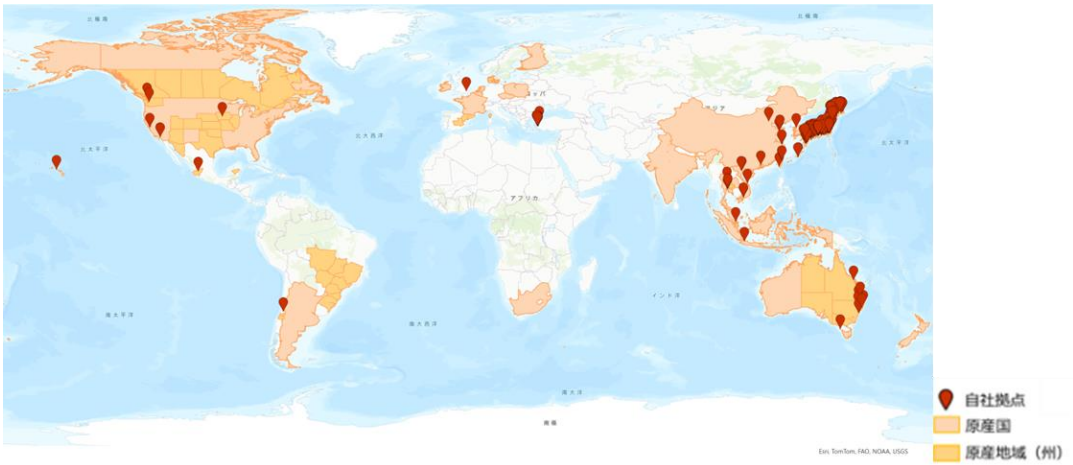
Our business scope spans the entire process from development and production through sales, with operational bases both domestically and internationally.



3-2-2 Locate : Discovering Points of Contact with Nature

In accordance with the aforementioned evaluation scope, the analysis was conducted across 22 countries/58 regions where our own sites, major raw material suppliers, and places of origin are located.

●Scope of analysis



●Evaluation items

The five categories are as follows: *Areas important for biodiversity*, *Areas of high ecosystem integrity*, *Areas of rapid decline in ecosystem integrity*, *Areas of high physical water risks*, and *Areas of importance for ecosystem service provision*.

*The evaluation items are based on the definition of *sensitive locations* proposed by TNFD (https://tnfd.global/).

*With respect to the disclosure undertaken for this fiscal year, we conducted a comprehensive assessment of our own factories and farm locations and major value chains without identifying priority regions in order to broadly analyze the business as a whole.

●Results

We have confirmed that several of our sites in Japan are located in *Areas of high ecosystem integrity*. The impact of business activities on the surrounding biodiversity and natural capital is considered to be a potential risk. We also identified several of our own locations overseas that exist within *Areas of high physical water risks*.

With regard to corn and soybeans (the main feed ingredients in the livestock business), we conducted evaluations mainly in the North and South American regions, which constitute main production regions. The result was that we confirmed the existence of some *Areas of high physical water risks*, and *Areas of importance for ecosystem service provision*

To further deepen the analysis, we conducted an assessment using IBAT on our business sites located in Hokkaido, where we have multiple operations, as well as on domestic production, breeding, processing, and manufacturing facilities. The results are as follows.

●Processes in the Value Chain Evaluated Using IBAT

	Average Total Species Count	LUCN Category			Endangered Species Ratio	Total Number of Protected Areas	KBA (Average)	STARt (Average)	STARr (Average)
		CR (Average)	EN (Average)	VU (Average)					
Hokkaido Area (14 sites)	837	6.2	20.3	38.6	7.69%	71.4	4.3	0.0001	0.0307
Other Areas (47 sites)	1,880	8.3	76	62.4	7.52%	138	3	0.041	0.0803

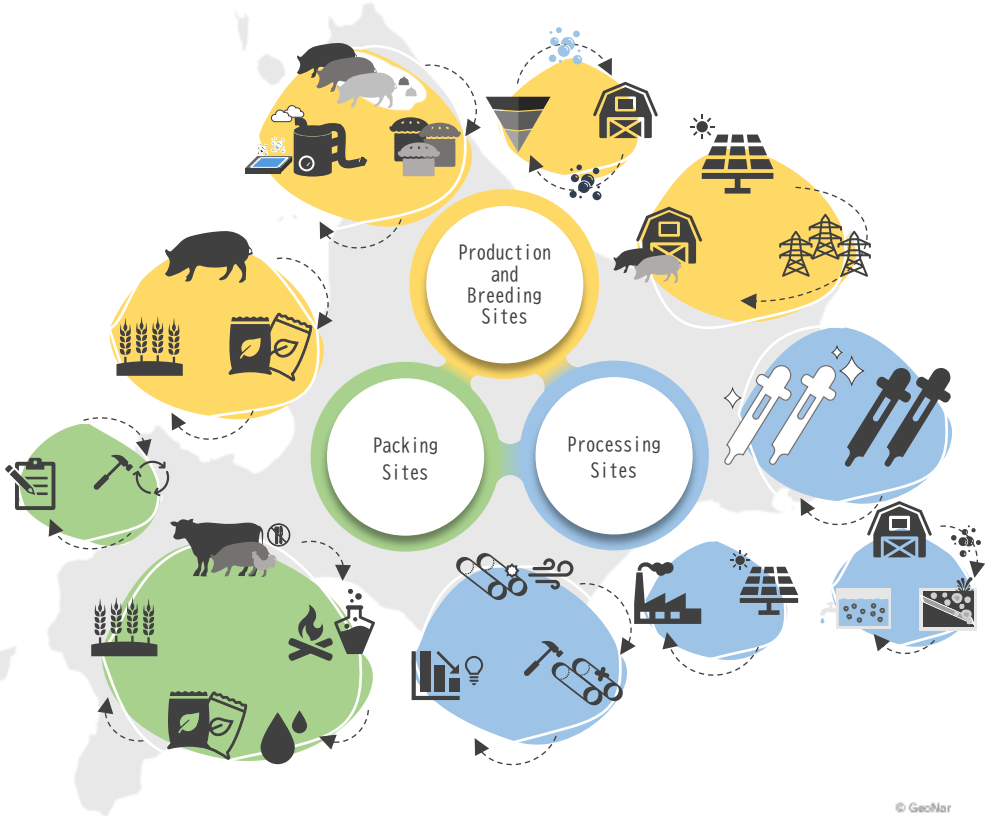
From these results, the Hokkaido region has fewer total species and protected areas than other regions, indicating that it should be a focus area for preservation from the perspectives of ecosystem integrity and sustainability.

Additionally, Hokkaido is home to the *HOKKAIDO NIPPONHAM FIGHTERS,* a professional baseball team operated by Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd., part of our Group. In March 2023, the *HOKKAIDO BALLPARK F VILLAGE* was established in the area including their home stadium, ES CON FIELD HOKKAIDO. Spanning approximately 32 hectares, this expansive space aims to serve as a *co-creative community space* for regional revitalization and societal contribution, featuring next-generation live entertainment and cultural exchange that coexist with nature-establishing an innovative creative community hub.

Initiatives in the Hokkaido Region

For these reasons, we consider the Hokkaido region a critical area for our Group, and we continue various initiatives to ensure sustainable business continuity there.

Initiatives in the Hokkaido Region



SCHAU ESSEN® HOKKAIDO PREMIUM®

Hokkaido, an important business region for us, is the production base for our flagship product, SCHAU ESSEN, including the *SCHAU ESSEN® HOKKAIDO PREMIUM®*, which emphasizes ingredients sourced from Hokkaido.

Procurement	Development	Production and Breeding	Packing and processing	Receiving and Logistics	Sales
External Parties	Processing Business Division	Domesti Sites	Domestic Sites	Logistic Companies	Food Companies, etc.

※Partial supply of raw materials (pork and pork fat)

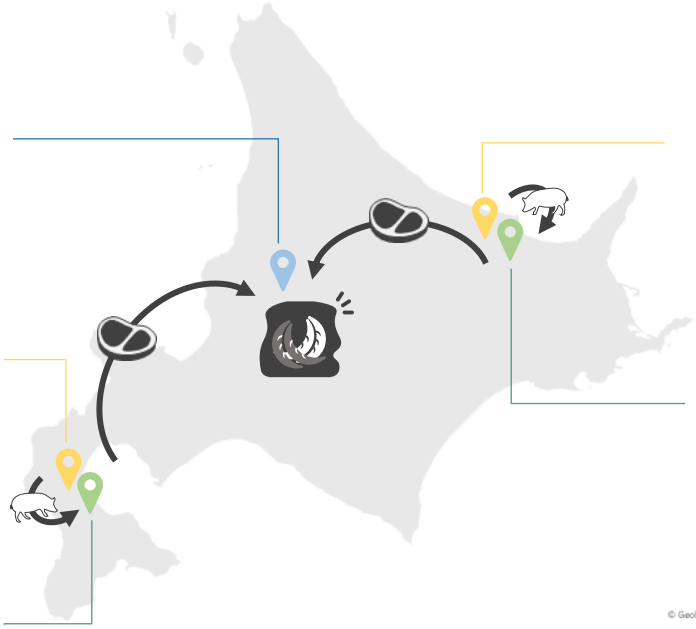
Ham and sausage processing

Hog production (breeding and fattening), etc.

Processing and handling of meat and meat by-products

Hog production (breeding and fattening), etc.

Processing and handling of meat and meat by-products



Production and Breeding Sites

Packing Sites

Processing Sites

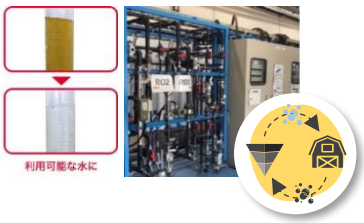
Initiatives at Production and Breeding Sites Nippon Clean Farm Co., Ltd. - Shiretoko and Donan Office

Nippon Clean Farm Co., Ltd., Shiretoko and Donan Offices are responsible for the breeding and production of pigs within the NH Foods Group.

Through effective utilization of manure and other measures at the breeding and production stages, they aim to realize circular agriculture.

●Reuse of Wastewater

At the Donan Office, wastewater recycling using reverse osmosis (RO) membrane treatment is implemented, enabling approximately 80% of wastewater from pigsties to be reused as reclaimed water, thereby contributing to a reduction in water intake.



●Effective Utilization of Livestock Manure

Fuel Production

Both the Shiretoko and Donan Offices have introduced digesters, where part of the hog manure and urine undergo anaerobic fermentation to decompose into methane and digestate. The generated methane gas is used as fuel for boilers. (The digestate is purified to meet wastewater regulations before being discharged into rivers and the sea.)

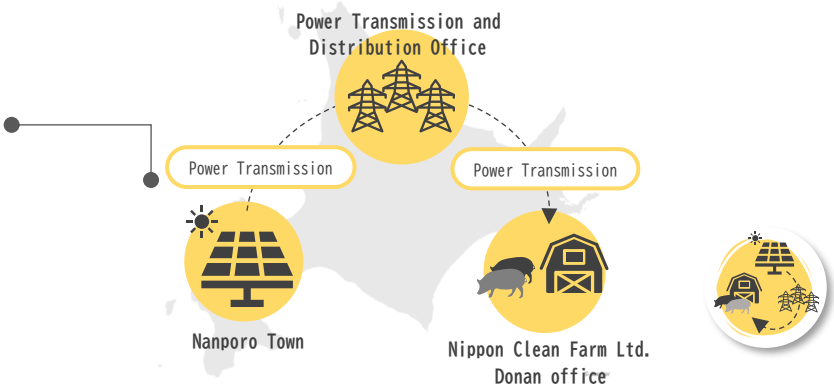
●Effective Utilization of Livestock Manure

Composting

Hog manure is further fermented and processed into compost tailored to its intended use. Additionally, vegetable cultivation is conducted using compost produced in-house.

●Challenge Toward Carbon-Neutral Farms

The Offices aim to achieve carbon neutral farming through power supply from solar photovoltaic facilities, energy efficiency measures, and greenhouse gas offset via credits from livestock-derived emissions. Mega-solar installations have been established using company-owned land, and power transmission to Nippon Clean Farm Co., Ltd.' s Hokkaido offices has commenced.



Initiatives at Packing Sites Nippon Food Packer, Inc. - Doto and Donan Factories

At the Doto and Donan plants of Nippon Food Packer, Inc., hogs raised at their respective sites are slaughtered and subjected to primary processing. Both plants operate with a strong awareness of resource circulation and environmental impact reduction in their business activities.

●Effective Utilization of Inedible Parts

Rendering is an essential process for producing meat. Inedible parts of hogs are heated at high temperatures to extract oil, separating fat from residual solids. These materials are then sent to external facilities for further refinement and are recycled into feed and fertilizer. The products made here are sold to feed companies and others, serving as high-quality sources of animal protein in formulated livestock feed and pet food, thereby nourishing life once again. Additionally, intestinal contents generated during slaughter (such as undigested feed) are also provided to farmers for use as fertilizer.

●Water Conservation Activities

The Packing plants recognize that their high water usage presents a significant challenge. Efforts to reduce water consumption include identifying high-usage areas, improving defrosting equipment, and modifying cleaning nozzles.

Initiatives at Processing Sites　Nipponham Hokkaido Factory Ltd. - Asahikawa Factory

At the Asahikawa Factory of Nipponham Hokkaido Factory Ltd., meat that has been slaughtered and primarily processed is further processed into *SCHAU ESSEN® HOKKAIDO PREMIUM®*. As a facility with high energy consumption, the factory implements various initiatives to reduce CO_2 emissions.

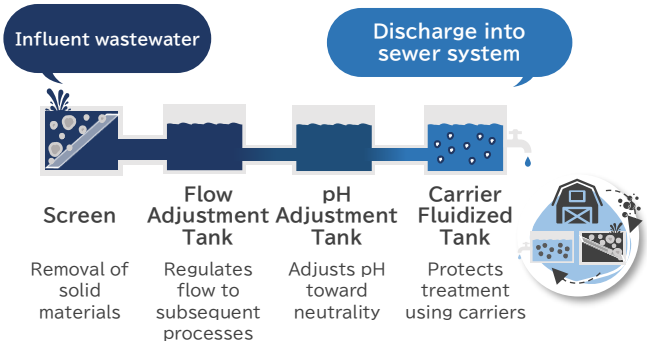
●Solar Power Generation

The Asahikawa Factory is the NH Foods Group's first* factory to introduce mega-solar power generation, which became operational in February 2024. In fiscal year 2024, it is estimated to reduce CO_2 emissions by 639 tons annually, accounting for approximately 17% of the factory's emissions.

*Excluding solar power systems for power sales

●Reduction of Sludge through Review of Wastewater Treatment Methods

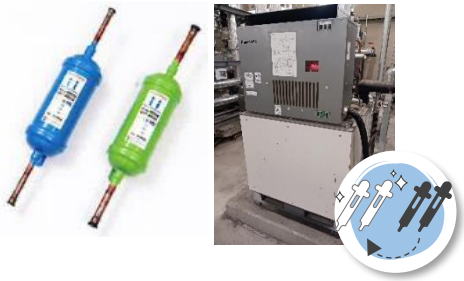
Since the new plant commenced operations in fiscal year 2021, wastewater treatment has shifted from the activated sludge method to the biofilm method (carrier type). This has enabled appropriate wastewater treatment and the generation of less excess sludge than before, contributing to reduced waste.



●Energy Consumption Reduction Activities

Equipment Upgrades

The plant installed αESG equipment on its refrigeration units, which vigorously stirs and micronizes refrigerants and machine oil to reduce pressure loss and suppress compressor energy consumption. Additionally, natural refrigerant (non-fluorocarbon) refrigeration units were introduced to enhance environmental consideration.

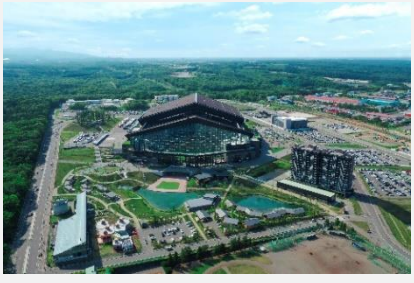


Air Leak Detection

By using air leak detectors to identify leaks in the compressed air system within the factory and repairing them, the plant achieves reductions in electricity consumption.

●Coexistence with the Hokkaido Region - Initiatives for Regional Co-Creation and Contribution

As previously mentioned, the NH Foods Group maintains a close relationship with the Hokkaido region. One prominent symbol of this is the HOKKAIDO NIPPONHAM FIGHTERS and their home stadium, ES CON FIELD HOKKAIDO. The surrounding area, known as *HOKKAIDO BALLPARK F VILLAGE*, spans approximately 32 hectares and is being developed as a *co-creative community space* that coexists with nature while aiming to revitalize the local community and contribute to society through innovative urban development.



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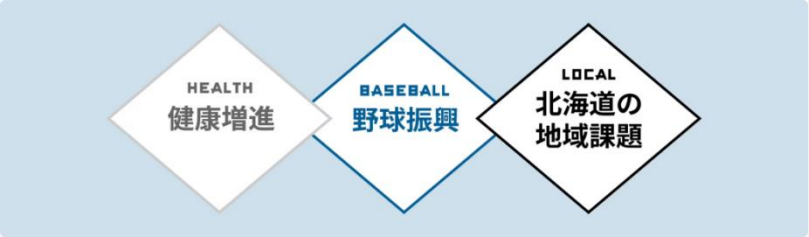
●Creating the Future of the Community - HOKKAIDO NIPPONHAM FIGHTERS' Sports Community (SC) Activities

The HOKKAIDO NIPPONHAM FIGHTERS have traditionally worked to realize their corporate philosophy's *Sports Community* by fostering an environment that supports sports and creates a positive future for the local community. Their CSR initiatives have been rebranded as *SC Activities*, focusing on promoting sports including baseball and addressing social issues. Through these efforts, the HOKKAIDO NIPPONHAM FIGHTERS reaffirm the meaning of their existence and create a community where people connect emotionally.



●Audience-Linked Social Contribution - FOOD COUNTER

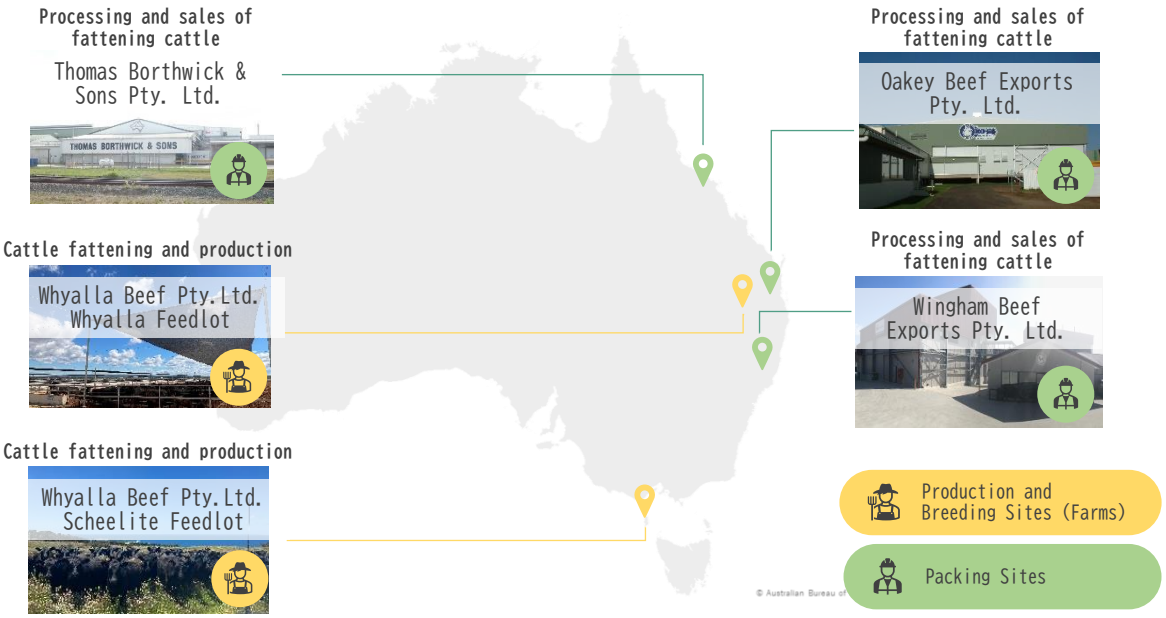
The *FOOD COUNTER* initiative by the NH Foods Group is an audience-linked social contribution program where attendance at games held at ES CON FIELD HOKKAIDO automatically results in donations. Since 2016, the Group has donated Nipponham products valued at 1 yen per spectator to self-supporting homes and the KODOMO SHOKUDO HOKKAIDO NETWORK (2020-21) within Hokkaido. As of October 2024, the total donation amount has reached 14,165,914 yen.

Initiatives in Australia

As previously noted, we described our initiatives in Hokkaido domestically; however, our analysis has identified that the cattle business in Australia has a significantly higher dependency on and impact to natural capital compared to other livestock categories. Australia is therefore considered a key region for our Group, where we are implementing various initiatives.

Australian bases and initiatives

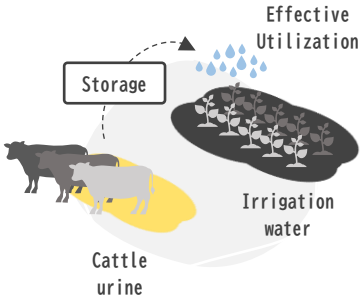
Procurement → Development → Production and Breeding → Packing → Receiving and Logistics → Sales



Initiatives at Production and Breeding Sites

●Effective Utilization of Livestock Manure

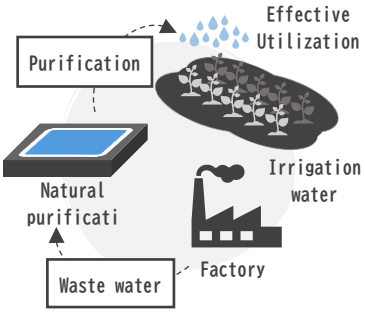
Approximately 10,000 tons of compost are produced monthly, of which three-quarters are sold to neighboring farmers, while the remaining quarter is applied to farmland within the premises. The grains cultivated on these fields are used as feed for the cattle. Urine is collected along with rainwater and river water, stored, and utilized as irrigation water. Through these practices, the business operations aim to prevent soil and water pollution and promote circular agriculture.



Initiatives at Packing Sites

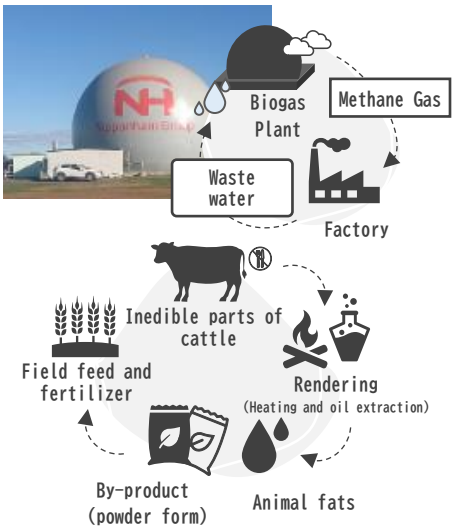
●Reuse of Wastewater

Significant volumes of water are consumed due to hygiene management practices such as thorough washing of livestock upon arrival and disinfection and cleaning of tools during each process. Wastewater is purified using a natural purification pond at an adjacent ranch and then reused as irrigation water for crop cultivation and within the ranch, thereby promoting effective water utilization.



●Biogas Plant

Oakey Beef Exports Pty. Ltd., which conducts cattle processing and manufacturing, has operated a biogas plant since April 2015.
Methane gas extracted from wastewater at the plant is used as energy for boilers and processing equipment within the facility.
This initiative supports reductions in natural gas consumption and CO_2 emissions.



As mentioned above, we are taking care to reduce our environmental impact by utilizing organic matter and moisture in our wastewater treatment.
We carefully process inedible residues generated during beef processing and slaughter, and add value to materials that would otherwise be considered waste (such as fertilizer for crops), thereby contributing to waste reduction.

3-2-3 Evaluate：Diagnosis of Dependencies and Impacts

We conducted an evaluation using *ENCORE*, an analytical tool for assessing the significance of corporate activities' dependencies on and impacts to biodiversity and natural capital. The results are summarized in the table below.

●Dependencies on Natural Capital

Very High　High　Medium

Ecosystem Services		Value Chain Activities					
		Grain Cultivation	Cattle Breeding	Hog Breeding	Poultry Breeding	Food Processing	Distribution
Cultural	Education, Science, Research		Very High				
	Spiritual, Artistic, Symbolic Services		Very High	Very High	Very High		
	Visual Amenity						Very High
Direct Inputs	Biomass	Very High	Very High	High	High		
	Genetic Resources	Very High	Medium	Medium	Medium		
	Water	High	High	High	Medium	High	
	Other Supplies	High					
Supporting Functions	Pollination	High		Medium	Medium		
	Water Flow Regulation	High	High	High	High	High	
	Soil Quality	Very High	High	High			
Impact Mitigation	Bioremediation	Very High	High	High	High	Very High	
	Filtration	Medium	Medium	Medium	Medium		
	Dilution by Atmosphere and Ecosystems	Medium	Medium	Medium	Medium	Medium	
	Noise Reduction						
Physical Protection	Protection from Floods and Storms	High	High	High	High	Medium	Medium
	Material Flow Buffering and Attenuation						
	Climate Regulation	Very High	High	High	High		Medium
	Pest Control	High	Medium				
Others	Other Regulation and Maintenance	Medium					
	Other Regulation and Conservation						

●Impacts on Natural Capital

Impact Drivers		Value Chain Activities					
		Grain Cultivation	Cattle Breeding	Hog Breeding	Poultry Breeding	Food Processing	Distribution
Inputs	Terrestrial Ecosystem Utilization	High	Very High	High	High		
	Freshwater Ecosystem Utilization	Medium	High				
	Water Use	Very High	High	High	High	Medium	
Outputs	Greenhouse Gas Emissions	Medium	High	Medium	Medium	Medium	High
	Non-GHG Air Pollutants	High	High	High	High	Medium	
	Toxic Pollutant Discharge to Water and Soil	High	High	High	High	Medium	
	Nutrient Pollutant Discharge to Water and Soil	Very High	High	High	High	Very High	High
	Solid Waste Generation and Disposal	Very High	High	High	High	High	
	Invasive Species	Very High	High	Medium	Medium		
	Disturbance (Noise, Light Pollution, etc.)	Medium	Medium	Medium	Medium	Medium	Medium

※Key related items extracted from ENCORE.

Based on the above results, combined with the Science Based Targets Network' s (SBTN) High Impact Commodity List and our own evaluations, we conducted a comprehensive assessment of dependencies and impacts. The particularly significant dependencies and impacts are shown in the table below.

Value Chain	Related Activities	Dependencies	Impacts
Procurement	Feed and Crop Production	・Water resources critical for grain and crop cultivation ・Natural disaster mitigation functions	・Expansion of farmland impacting forests and terrestrial ecosystems ・Increased water stress due to irrigation water extraction
Procurement, Production, Breeding	Livestock Production	・Feed raw material production ・Water resources for livestock drinking and cleaning	・Expansion of farms impacting forests and terrestrial ecosystems ・Increased water stress from water withdrawals ・Greenhouse gas emissions derived from livestock
Processing	Food Manufacturing	・ Water resources required for food manufacturing	・Greenhouse gas emissions from plant operations ・Pollution caused by generated solid waste

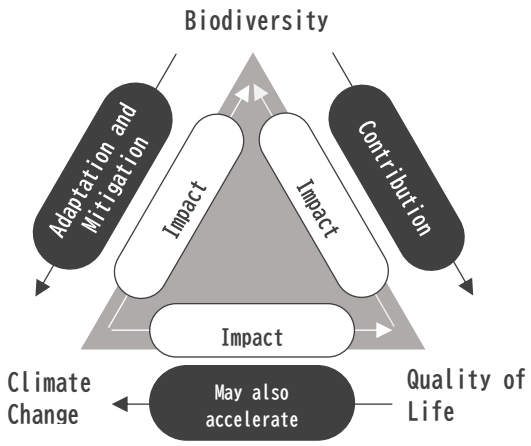
In feed raw material and crop production, dependencies include water supply and natural disaster mitigation functions, with concerns over increased water stress from irrigation and effects on forests and terrestrial ecosystems due to farmland expansion.
In production and breeding, dependencies include feed raw material production and water resources for livestock drinking and cleaning. Concerns include increased water stress from water withdrawals, the impact on forests and terrestrial ecosystems from farm expansion, and atmospheric impacts from livestock-derived greenhouse gas emissions.
In packing and processing, dependencies on water resources exist in manufacturing processes, and operations potentially impact natural capital through greenhouse gas emissions and waste generation.

3-2-4 Assess: Evaluation of Risks and Opportunities

In analyzing risks and opportunities, we referred to the results of the dependency and impact evaluations as well as the TNFD sector-specific guidance. Through internal workshops involving relevant departments, we identified natural-related risks and opportunities considered significant for the NH Foods Group.
Key risks identified include rising feed prices, the impact of increasing temperatures on livestock growth, heightened risks of water-related disasters and water stress, and increased energy costs due to the introduction of carbon taxation. Principal opportunities include the strengthening of environmentally conscious consumer trends and the expansion of new protein markets.

3-2-5 Financial Impacts

As previously noted, the NH Foods Group faces risks related to climate change. The joint IPBES-IPCC workshop report highlights that controlling global warming and conserving biodiversity are interdependent goals with close correlations. Furthermore, the risk and opportunity assessment outlined in section 3-2-4 confirmed similarities with the Group' s risks and opportunities disclosed under the TCFD framework.



Accordingly, the NH Foods Group considers the financial impact of climate change risks to be significant and has evaluated these impacts based on scenario analyses presented in the TCFD report, as detailed below.

	Risks and Opportunities		Time Horizon	Impact Level 1.5/2℃～4℃	Business Impact
Physical Risks	① Rising and unstable feed prices leading to increased breeding costs	Hog and chickens reared in-house	Medium to Long Term	Large (0 to 5.3 billion JPY)	・Instability in raw material procurement ・Increased costs for livestock meat production
		Processed food raw materials (pork)	Medium to Long Term	Large (0 to 2.2 billion JPY)	・Increased costs in processed food production
	② Impact of rising temperatures on livestock growth		Medium to Long Term	Medium	・Decreased production volume of livestock meat ・Increased production costs
	③ Increased risk of water-related disasters at sites		Short to Long Term	Small	・Damage to owned facilities ・Reduced manufacturing activity and shipment delays
	④ Increased water stress at sites		Short to Long Term	Small	・Reduced manufacturing activity
Transition Risks	⑤ Increase in energy costs as a result of the introduction of carbon tax		Medium to Long Term	Large (20.2 to 14.2 billion JPY) (*1)	・Increased production costs
Opportunities	⑥ Increase in environmentally conscious consumption trends		Short to Long Term	Medium	・Packaging cost reduction ・Future market acquisition
	⑦ Expansion of new protein markets		Short to Long Term	Large	・Future market acquisition

※1 Impact based on continued current emissions versus achievement of the FY2030 target under the 1.5° C/2° C scenario

3-3 Response to Risks and Opportunities

3-3-1 Response to Risks

The main measures addressing particularly significant identified risks are as follows.

① Responding to rising and unstable feed prices leading to increased breeding costs

The NH Foods Group operates a livestock production business and recognizes livestock feed as a critical procurement item. The primary ingredient of compound feed is grain. Going forward, feed prices may rise due to growing food demand driven by population increase, yield reductions and quality degradation caused by rising temperatures and droughts, and competition with biomass fuel demand.

As part of our sustainability efforts including climate change mitigation and stable supply, we implement the following initiatives:

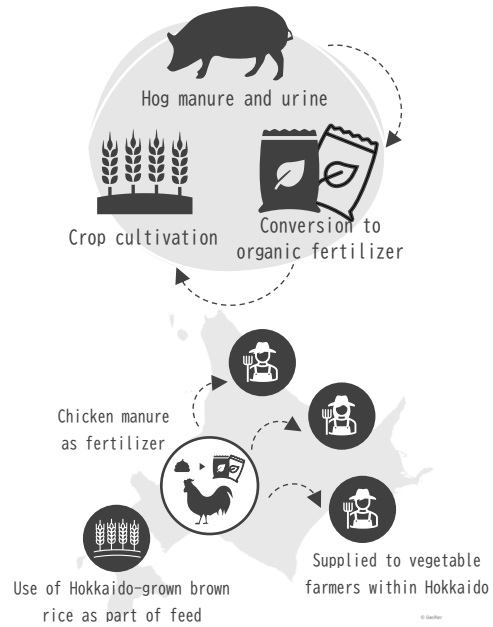
Engagement with Suppliers

Large-scale grain cultivation supporting global food production causes significant ecological impacts such as deforestation and simplification of biological communities due to land-use changes, which in turn present substantial risks related to climate change.

To minimize these risks and fulfill our mission to supply sustainable protein, the NH Foods Group recognizes the necessity of upstream supply chain traceability. Through communication with feed suppliers, we discuss concrete countermeasures and strive to collect information that facilitates risk identification and mitigation—particularly regarding production methods and impact reduction efforts at primary production sites, which are currently difficult to grasp.

Initiatives in Production Operations

Within Japan, the NH Foods Group conducts hog and chickens production businesses. Each operation works to mitigate feed-related risks by improving self-sufficiency rates and reducing environmental burden.



▸Challenge toward Circular Agriculture

Nippon Clean Farm Co., Ltd., engaged in pig production, produces fertilizer from pig manure and returns it to farmland, where vegetables and wheat are cultivated.

▸Effective Use of Resources

Nippon White Farm Co., Ltd., involved in chicken production, uses a portion of Hokkaido-grown brown rice in feed and sells chicken manure as fertilizer to vegetable farmers within Hokkaido, thereby promoting circularity within the region.

Collaboration with JA ZEN-NOH

The Company has concluded a business alliance agreement with the National Federation of Agricultural Cooperative Associations (JA Zen-Noh) aiming to pursue sustainable domestic livestock industry practices. This alliance maximizes mutual strengths including management resources, networks, information, and know-how to ensure stable protein supply to customers and enhance operational efficiency.

As part of this effort, we will pursue initiatives to increase the self-sufficiency rate of domestically produced feed.

Pursuit of Sustainability in the Domestic Livestock Industry	・Initiatives toward a sustainable domestic livestock industry ・Establishment of a sustainable packaging material model ・Improvement of self-sufficiency rate for domestic feed
Establishment of Next-Generation Livestock Industry Models	・Joint research and business development in the livestock sector ・Development of biogas utilization models ・Utilization of livestock-derived materials
Stable Supply of Livestock Protein	・Building domestic and international supply and demand systems through utilization and collaboration of processing facilities
Co-creation of Both Businesses	・Joint product development and production collaboration of packaged meat and processed products using domestic agricultural and livestock products and facilities of both parties
	・Resolution of logistics challenges through collaboration

② Responding to the impact of rising temperatures on livestock growth

Environmental factors such as temperature and humidity have a significant effect on livestock growth.
As a result of analyses conducted in Japan, Australia, and Turkey, where the Group's production and breeding sites are located, it was found that rising temperatures may reduce daily weight gain, posing long-term risks of increased production costs internally as well as higher costs for livestock meat procurement from external sources.
To mitigate these risks, the Group has implemented various measures, including the following:

Heat Stress Countermeasures

Livestock Type	Country	Major Measures
Chickens	Japan	Cooling pads, misting systems
	Turkey	Cooling pads
Hog	Japan	Throughout all regions: sunshade nets Certain regions: spot coolers, cooling pads, roof watering, increased ventilation and exhaust fans
Cattle	Australia	Installation of sunshades per paddock

●Heat Stress Measures in Poultry

To address heat stress in poultry farming, cooling pads and misting systems are being installed on farms. We are also advancing improvements in rearing management and developing technologies to enhance production performance under heat stress conditions.

Country	Region	Installation Rate	
		FY2024	FY2023
Japan	Hokkaido	91%	84%
	Aomori, Yamagata, Niigata	90%	80%
	Miyazaki, Kagoshima, Oita, Kumamoto	100%	100%
Turkey	Izmir	100%	100%

③ Responding to increased water-related disaster risk and ④Response to elevated water stress risk at sites

With the rise of abnormal weather events due to climate change, there is a potential increase in the risk of severe disasters and water stress.
The Group has conducted risk assessments for each site and confirmed that the risk levels are currently minor. Nonetheless, we will continue annual risk monitoring and implement corresponding measures at each site going forward.

Region		Total Number of Sites※1	Number of Sites in High Water-Related Disaster Risk Areas※1		Total Number of Sites※1	Number of Sites in High Water Stressed Areas※1	
			Flood	Storm Surge		1.5/2℃	4℃
Asia		229	16	4	201	3	4
Breakdown	Japan	221	11	2	194	0	0
	China & Taiwan	2	0	0	2	1	1
	Southeast Asia	6	5	2	5	2	3
Oceania		7	0	1	7	0	0
North America		6	0	0	5	3	3
Middle East※2		1	1	0	1	1	1

※1 Based on the number of sites as of April 2025 ※2 Several sites exist but are consolidated as one for management purposes

Evacuation Drills and BCP Plans in Preparation for Nankai Trough Earthquake

Nipponham Southwest Ltd. conducts evacuation drills involving all employees to prepare for a potential Nankai Trough earthquake. Aiming to ensure safety and promote swift evacuation during an earthquake, employees participate in activities such as climbing evacuation towers and attending lectures by the city's Disaster Prevention Promotion Division to raise disaster awareness. The company has also developed a Business Continuity Plan (BCP) and, in coordination with business divisions, prioritizes supply responsibility products to establish a rapid recovery system in emergencies.

Water Conservation Initiatives

Nippon Food Packer , Inc., which performs slaughtering of cattle and hog, uses large volumes of water throughout its processes due to the nature of the business. To reduce consumption, they have implemented improvements such as enhancing defrost equipment in the chilled carcass storage, nozzle upgrades, installing timers on showers in livestock holding areas, reducing water used for carcass washing and vehicle cleaning, among other measures.

Improvement of Defrosting Equipment in Chilled Carcass Storage
Number and duration of water spraying for defrosting cooling equipment in refrigerated warehouses where carcasses are chilled for one day

Nozzle Upgrades
After inspection of all locations, nozzle sizes on faucets throughout the plant were reduced to achieve overall water usage reduction

Reduction of Water Usage During Vehicle Washing
Reduced water volume used when washing trailers transporting live hog

Reduction of Water Usage in Carcass Flow-Through Washing
Reduced water volume from showers on machines washing carcasses with running water

Reuse Initiatives

Nippon White Farm Co., Ltd., engaged in chicken production, processing, and manufacturing, reuses about 10% of its water consumption in its food factory. There are two stages of chicken carcass cooling after processing: precooling and final cooling, with the highest water consumption in the production process occurring during final cooling. Part of the water used during final cooling is reused for precooling and washing showers in the earlier process steps, thereby reducing water usage.

Rainwater Utilization Measures

Nipponham Southwest Ltd. has installed a rainwater filtration system that collects rainwater falling on part of the factory roof for reuse. The collected rainwater is mainly used for automatic cleaning of sludge dewatering equipment in wastewater treatment and for dissolving chemicals.

Initiatives in Water-Stressed Areas (Southeast Asia)

At the Ayutthaya factory of Thai Nippon Foods Co., Ltd., water recycling efforts have been ongoing. In November 2024, they strengthened their water recycling capacity by operating water reuse equipment in-house. This improvement enables the reuse of approximately 5,000 m³ of wastewater per month, equivalent to about 30% of total water consumption. The recycled water is utilized as cooling water for cooling systems and as cleaning water in restroom facilities. Moving forward, the Group recognizes the critical importance of water resources and will actively promote environmentally conscious and sustainable business activities.

Water Intake Monitoring in Water-Stressed Areas

In water-stressed regions, through water intake monitoring and interviews at each site, the Group has confirmed the risks remain minor.

●Water Intake in High Water-Stressed Areas (Fiscal Year 2024)

Fiscal Year 2024 Results	Entire Group	High Water-Stressed Areas
Number of Production and Manufacturing sites	214※1	8 (3.7%)※2
Water Intake (Thousand m³)	16,751	1,068 (6.4%)※3 ※4

※ Reference: World Resources Institute Aqueduct

※1 Based on the number of sited as of April 2024; some sites are consolidated for water intake management reasons

※2.※3 Percentage of sites and water intake in high water-stressed areas relative to total

※4 For some sites, data for January to March reflect adjustments due to consolidation after data collection

⑤ Responding to increase in energy costs as a result of the introduction of carbon taxes

Under the 1.5° C/2° C scenarios, the introduction of a carbon tax on CO_2 emissions from fossil fuels is being considered. Our financial impact assessment recognizes that this could significantly affect the business. In pursuit of carbon neutrality, the Group is advancing various decarbonization initiatives.

Initiatives at Manufacturing Plants

The NH Foods Group owns many processing plants that consume substantial energy, and diverse measures are being implemented at each facility.

▸Ibaraki Factory of Nipponham Factory Ltd.

This plant has introduced a heat recovery compressor that captures waste heat generated during the operation of air compressors producing compressed air within the factory and uses it to supply hot water to the steam boiler. This installation improves compressor operational efficiency, reducing electricity consumption, and reduces boiler load, leading to lower fuel usage.

▸Aomori Factory of Nippon Pure Food, Inc.

This plant has shifted its fuel use from oil-based fuels such as heavy oil to liquefied natural gas (LNG). Because gas pipeline supply was unfeasible, LNG storage tanks were constructed on-site to enable this transition. As a result, a 21.4% reduction in CO_2 emissions is projected for the entire plant.

Solar Power Initiatives

The NH foods Group is promoting the introduction of solar power generation on the premises and roofs of our business sites, and as of the end of March 2025, solar power generation facilities are in operation at 40 locations nationwide. To achieve our fiscal 2030 target, we will promote the introduction of renewable energy, including off-site systems that generate electricity outside of business sites.

●Solar Power Installation Status

Item	FY2021	FY2022	FY2023	FY2024
Number of Sites	8	24	32	40
CO_2 Reduction (t-CO_2)	538	1,686	3,105	4,443
Power Generation (MWh)	1,435	3,688	7,895	11,215

▸Isesaki Plant of Nippon Pure Food, Inc.
Solar carports utilizing parking lot roofs have also been installed. The plant additionally has rooftop solar power generation equipment, further increasing its use of renewable energy.


3-3-2 Response to Opportunities

The main responses to each opportunity identified in section 3-2-5 are as follows:

⑥ Responding to increase in environmentally conscious consumption trends

As decarbonization progresses in society, interest in climate change and sustainability is increasing, and companies actively addressing environmental issues along with environmentally considerate products are expected to be more widely chosen. The NH Foods Group recognizes the growing importance of realizing sustainability values through its business and clearly communicating them to consumers. Committed to contributing to a sustainable society, the Group is advancing the provision of sustainable products and services across all businesses.

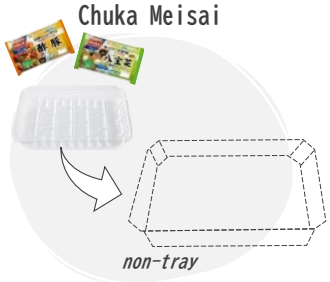
Plastic Initiatives

While plastics are essential for maintaining food quality, concerns exist regarding their fossil fuel origins and the impact of marine plastic pollution on the global environment. Given the NH Foods Group's extensive use of plastic packaging materials, we have pursued reduction efforts and adoption of environmentally friendly packaging for over 20 years.
In April 2024, we newly established Medium- to Long-Term Environmental Targets for plastic reduction. We aim to reduce plastic use through packaging material reduction at the product design stage, utilization of environmentally friendly packaging materials, and recycling of packaging, thereby working to mitigate plastic pollution.

Mainstay sausage products

Changed packaging format to eco-friendly pillow type
Packaging material weight reduced by 28%※1 (compared to FY2022)

Chuka Meisai



Approximately 21% reduction in plastic usage

Sakurahime

Partial use of biomass materials in packaging materials

※1Compared to two 127g packs of SCHAU ESSEN® (film weight basis)　※2Calculated based on 2021 shipment volume of 10 out of 15 Chuka Meisai (as of 2024)

Initiatives under the *Mealin' Good* Brand

※*Mealin'Good'* is our brand that combines *Feeling Good* with *Meal* to convey our commitment to *a comfortable and better everyday life for both people and the planet*. It expresses the Group's sustainability initiatives through products. The brand's development and offerings are based on three actions: valuing the environment and resources, contributing to healthy body building, and providing choices aligned with new value perspectives.

Initiatives for Ambient Storage Products

According to the Ministry of Agriculture, Forestry and Fisheries, about 50% of the 4.64 million tons of food loss generated in 2023 originated from households. Creating products that help reduce household food waste is an important effort for a food company. The NH Foods Group is emphasizing the expansion of ambient storage products that not only promote environmental consideration but also serve as emergency food in times of disaster. We will continue research and horizontally deploy these products to other categories.

Donburi hanjo Series

Restaurant -siyou Series

Asia no Obento Series

⑦ Response to expansion of new protein markets

Driven by the anticipated increase in protein demand from the global population growth, expansion of markets including new protein sources alongside the livestock meat market is expected. As a protein supplier, the NH Foods Group is advancing responses to diverse protein demands and research and development of new proteins.

Research and Development Initiatives

- Expanding the plant-based *NatuMeat* series for consumers, foodservice, and distribution businesses
- Conducting joint research on cell-based food products with external research organizations
- Developing a cost-effective cell culture method using food-based culture media without expensive animal serum
- Promoting research and development of new foods using *koji* (fermented rice malt) as a raw material
- Developing *FiTeiN*, a proprietary fiber technology material enabling easy simultaneous intake of protein and dietary fiber

NatuMeat Series

NatuMeat series made with soy protein

Cell-based food

Prototype Cell-based foods developed using our technology

Koji

Koji under development as an ingredient for processed foods

FiTeiN

FiTeiN Material
A material that replicates meat-like fibrous texture

As described above, a variety of opportunities exist for the NH Foods Group in coexisting with nature, and we are actively pursuing initiatives in each area. We will continue to advance these efforts and strive to enhance brand value.

4. Management of Risks and Impacts

The NH Foods Group has established a Risk Management Committee as part of its company-wide risk management framework to centrally identify, assess, and determine response policies for risks.

Meanwhile, nature-related risks and opportunities along with strategies and indicators are discussed by the Environmental Task Force. A report is then given along with suggestions to the Board of Directors through the Sustainability Subcommittee and Sustainability Committee.

5. Guidelines and Indicators

Through this analysis, we have reaffirmed that our efforts to address climate change, to undertake resource conservation, and to undertake resource recycling (which are among the NH Foods Group medium- and longterm environmental indicators) will serve to contribute to reducing the dependencies and impacts of our operations on biodiversity and natural capital.

Going forward, we will continue our responses in relation to the TNFD's core disclosure indicators as well as consider indicators for the identified risks and promote efforts to achieve existing indicators.

Priority Items	Policy	Vision (Goal)		Fiscal Year of achieved
Greenhouse gas	・Promote decarbonization of energy ・Reducing livestock-derived greenhouse gas emissions ・Creation of decarbonization reduction measures through co-creation	Reduction of fossil fuel-derived CO_2 (Scope 1, 2)	Domestic: 29% reduction compared to FY2013	FY2026
			Domestic: 46% reduction compared to FY2013	FY2030
			Overseas: 17% reduction compared to FY2021	FY2026
			Overseas: 24% reduction compared to FY2021	FY2030
		Reducing livestock-derived greenhouse gas emissions Implementation of measures at our own farms		FY2030
		Reduction of supply chain emissions (Scope 3) Domestic targets set		FY2026
		Going carbon neutral		FY2050
Plastic	Promote 3R (Reduce, Reuse, Recycle) + Renewable (use of sustainable resources) initiatives	Reduce use of petroleum-based containers and packaging plastics (Products subject to the Containers and Packaging Recycling Law)	Domestic: -17% compared to FY2013	FY2026
			Domestic: -20% compared to FY2013	FY2030
	Reduce waste plastics through co-creation	Petroleum-based plastics minimization through the supply chain		FY2050
Water	・Minimize water consumption ・Risk reduction in water-stressed areas	Water consumption intensity	Domestic: 5% reduction compared to FY2019	FY2030
			Overseas: 5% reduction compared to FY2021	FY2030
		Implementation of water risk reduction measures in water-stressed areas		FY2030
		Minimize water use and reduce risk in water-stressed areas		FY2050
		Addressing Water Risks in Key Supply Chains		FY2050
Food Loss	・Further improvement of food loss prevention technologies cultivated by the company ・Creation of measures to reduce food loss through co-creation	Food Loss Reduction	Domestic: 20% reduction compared to FY2020	FY2030
		Food loss minimization through the supply chain		FY2050
Waste	・Reduction of resource input and final disposal ・Creation of a regional recycling model	Improvement of resource recycling rate	Domestic: 98% or more	FY2030
		Sustainable development of circular use through regional collaboration		FY2050

Additionally, all environmental data are disclosed in the NH Foods Group Data Book.

[Reference] NH Foods Group Data Book 2025

6. Participation in Initiatives and External Organizations

Initiative / Organization Name	Year of Joining
Task Force on Climate-related Financial Disclosures (TCFD)	2020
United Nations Global Compact	2023
30 by 30 Alliance for Biodiversity	2023
TNFD Forum (Taskforce on Nature-related Financial Disclosure)	2024