



Medium-Term Management Plan 2026

Advancing to a new stage through business model transformation

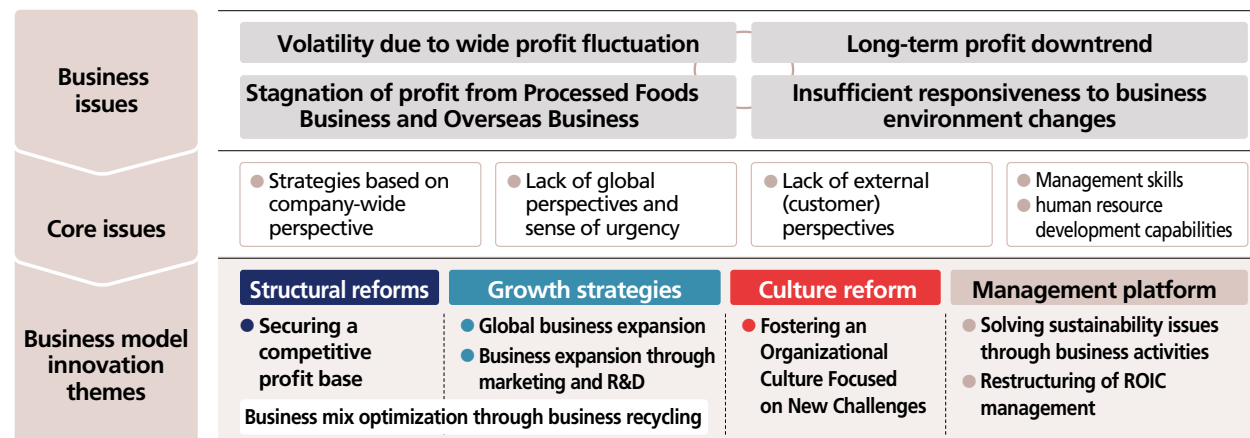
The themes that we have selected for Medium-Term Management Plan 2026 relate to business model transformations that will provide the impetus for future growth toward the realization of Vision2030. We will begin by identifying current issues and determining the root causes behind those issues.

Our medium-term goals are to overcome business issues through structural reforms, and to concentrate our efforts toward high-profit areas. Under our growth strategy, we will enhance our profitability and growth potential by developing, strengthening, and co-creating brands and intellectual property. At the same time, we will reform our corporate culture and strengthen our management platform to ensure the achievement of these goals.

From a long-term perspective, we aim to advance to a new stage by enhancing our profitability in Japan and expanding our overseas businesses. This will be an increase in the percentage of domestic products in our core Fresh Meats Business, and the achievement of business profit of ¥50 billion. In the Processed Foods Business, which is our brand platform, we aim to achieve a business profit ratio in excess of 6% by continuing to concentrate our resources toward high-profit businesses and implement structural reforms. Our target for the Overseas Business, which is a growth driver, is to achieve an overseas sales ratio above 20% by further expanding our overseas processed foods business.

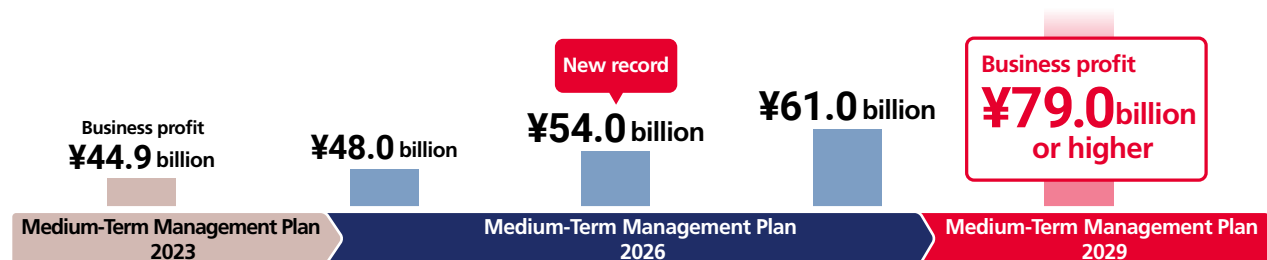
Under our next plan, Medium-Term Management Plan 2029, we will target a dramatic increase in business profit, from ¥44.9 billion in the fiscal year ended March 2024 to at least ¥79 billion in the fiscal year ending March 2030. We aim to achieve that target by continuing to take up the challenge of making new businesses profitable through the realization of our growth strategies.

Management issues and innovation themes



Medium- to long-term business profit growth targets

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| Medium-Term Management Plan 2026 | <ul style="list-style-type: none"> ● Continuously pursue structural reform initiatives and focus on high-profit businesses. ● Develop and enhance brands and intellectual property through growth strategies and co-creation. Enhance profitability and growth potential. |
| Medium-Term Management Plan 2029 | <ul style="list-style-type: none"> ● Advance to a new stage by strengthening profitability in Japan and expanding overseas businesses. <ul style="list-style-type: none"> ● Expand our share of the domestic fresh meats market and achieve profit of ¥50 billion. ● Achieve a business profit margin of over 6% through concentration on high-profit areas and continual structural reforms ● Lift the overseas sales ratio to over 20% by expanding overseas sales of processed products ● Achieve profitability for new businesses by realizing growth strategies. Continually take up new challenges |





Medium-Term Management Plan 2026

Value creation going forward

Comprehensive management concepts designed to maximize corporate value

We cannot achieve our goal of business profit totaling ¥79 billion or higher in the final year of Medium-Term Management Plan 2029 simply by continuing along our present path. We need to establish new business models and make them profitable. Under Medium-Term Management Plan 2026, we will prepare for this new stage by maximizing our corporate value through structural reforms and growth strategies.

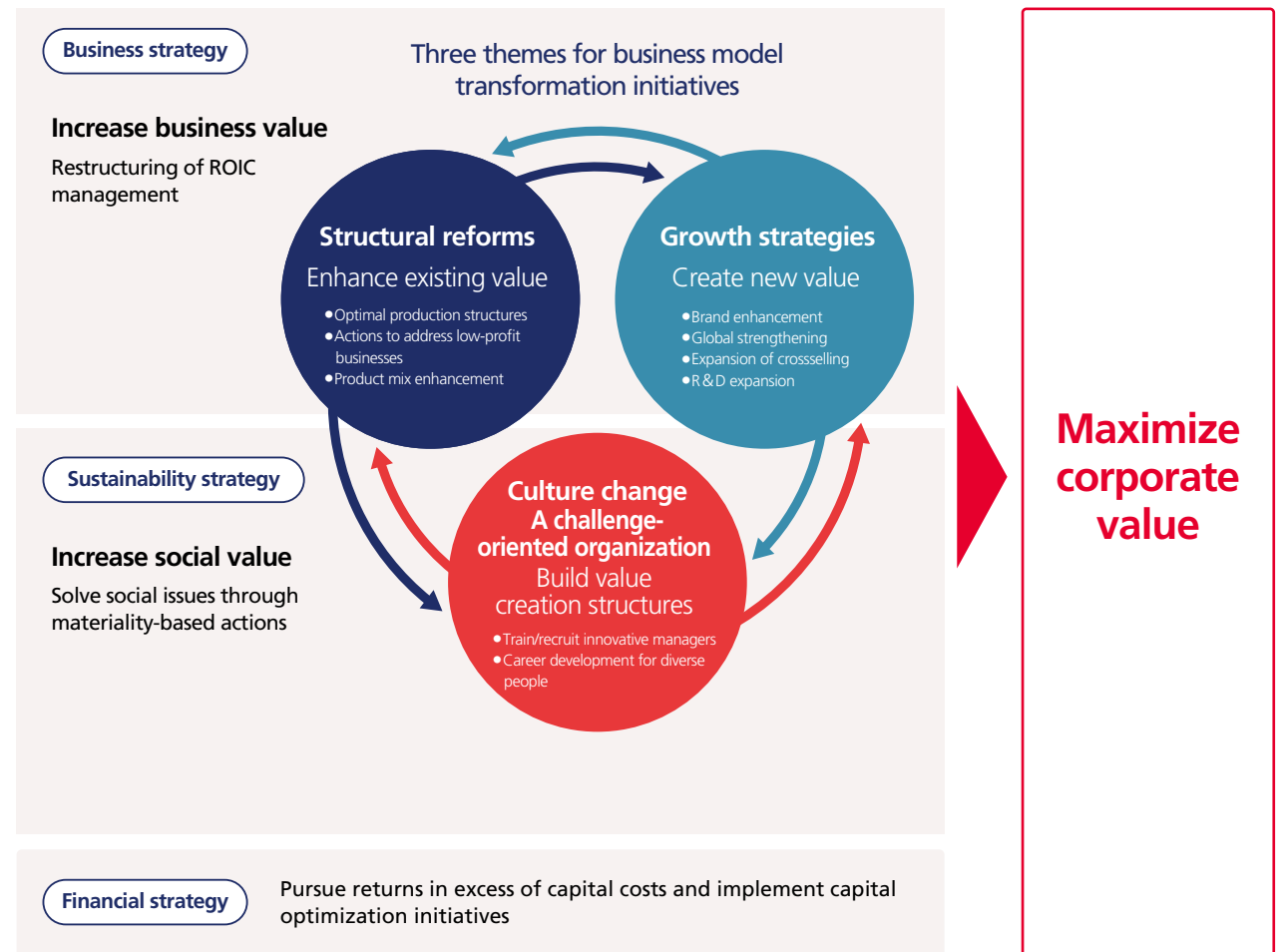
Based on our business priorities, we have selected three themes for our business model transformation initiatives: structural reforms, growth strategies, and cultural reform.

The goals of our structural reform efforts will be the optimization of production structures, measures to address low-profit businesses, and the improvement of the product mix. The four main growth strategies will be brand enhancement, the expansion of global activities, the intensification of cross-selling, and R&D enhancement. By pursuing structural reforms and growth strategies, we will continually shift reforms toward high-profit businesses, leading to the creation of an optimal business mix.

Our efforts to build an organizational culture focused on new challenges through cultural reforms will center on two policies: the recruitment and training of innovative leaders, and career development for diverse human resources.

We aim to enhance our business and social value, maximize our corporate value, and achieve sustainable growth by linking the restructuring of our ROIC management through our business strategy with the realization of our materiality through our sustainability strategy, and the optimization of our capital structure through our financial strategy.

We will evolve into a business structure capable of achieving continuous growth through the pursuit of business, sustainability and financial strategies.



Medium-Term Management Plan 2026

Definition of key policies and KPIs to create a structure for the achievement of all goals under Medium-Term Management Plan 2026

Our business profit target for the year ending March 2027, which will be the final year of Medium-Term Management Plan 2026, consists of ¥16 billion from the Processed Foods Business Division, ¥42.5 billion from the Fresh Meats Business Division, ¥6.5 billion from the Overseas Business Division, and ¥2.6 billion from the Ballpark Business.

As part of our process for achieving these numerical targets, we have set KPIs for each key measure relating to structural reforms and growth strategies. We have also identified the business divisions and executive officers responsible for the achievement of each target.

We have also visualized progress on each measure and clarified our target management by defining key actions and targeted benefits for core measures relating to both structural reforms and growth strategies.

Management and assessment of progress on cultural reforms will be based on commitment sheets issued by the management team in order to accelerate reforms and encourage employees to take up new challenges.

We will reach our medium- to long-term business profit targets and achieve business growth by establishing a structure to monitor and manage progress on these policies and goals.

		Core policies	FY2026 KPI	Benefit
Structural reforms	Product mix enhancement	Improve the product mix for ham, sausages and deli products.	from key categories 70% * Consumer products (ham, sausages, deli)	¥10.0 billion
		Generate reliable profits through enhanced marketing of branded beef.	Contribution from branded beef 60%	
	Optimal production structures	Optimize the production structure (restructure production sites) for ham, sausages and deli products.	20% line reduction	
		Restructure the domestic pork business.	Benefits of at least 1 billion	
Actions to address low-profit businesses	Review low-profit lines in the marine products, dairy products, extracts, and primary processed products businesses	20% line reduction		
Growth strategies	Brand enhancement	Increase sales of flagship brand products (<i>Schau Essen, Ishigama Kobo, Chuka Meisai</i>).	<i>Schau Essen</i> : ¥90 billion * Based on estimated retail sales (NH Foods research)	¥6.0 billion
		Increase sales of flagship brand products (<i>Sakurahime, Mugikomachi, Omugi Beef ANGUS</i>).	<i>Sakurahime</i> volume target: 120%	
	Cross-selling	Expand sales of processed products.	Processed product sales target: ¥30 billion	
	Global strengthening	Expand the processed foods business in North America and ASEAN	External sales: ¥200 billion	
	R&D expansion	Create businesses in new areas.	—	
	Ballpark	Further enhance the attractiveness of the ballpark and strengthen the team.	Visitor numbers over 3 million	



Medium-Term Management Plan 2026

Value creation going forward

Facilitating business model transformation through our DX strategy

The DX strategy of the NH Foods Group is focused on the challenge of enhancing the value of existing businesses and creating new value through operational innovations and the transformation of digital platforms. Business and functional units will work together to enhance the efficiency and speed of management, business, and administrative processes and build a new core system that will deliver enhanced profits.

In addition to the improvement of operational efficiency, DX can also facilitate the analysis of sales, costs, and other factors to create data that can be used to improve profitability and productivity. It can also contribute to the creation of mechanisms to allow monitoring and continual improvement of ROIC for each business segment as part of ROIC management.

We completed the updating of our systems in the area of accounting under Medium-Term Management Plan 2023. We are now working to achieve further improvements in the efficiency and sophistication of these systems.

In FY2025, we will introduce this technology in the Processed Foods Business Division with the aim of enhancing supply-demand management. Starting in FY2028, we plan to implement the technology in the Fresh Meats Business Division in order to optimize its value chain. As we introduce the technology in each business area, we will apply appropriate operating requirements while controlling risks through project management.

