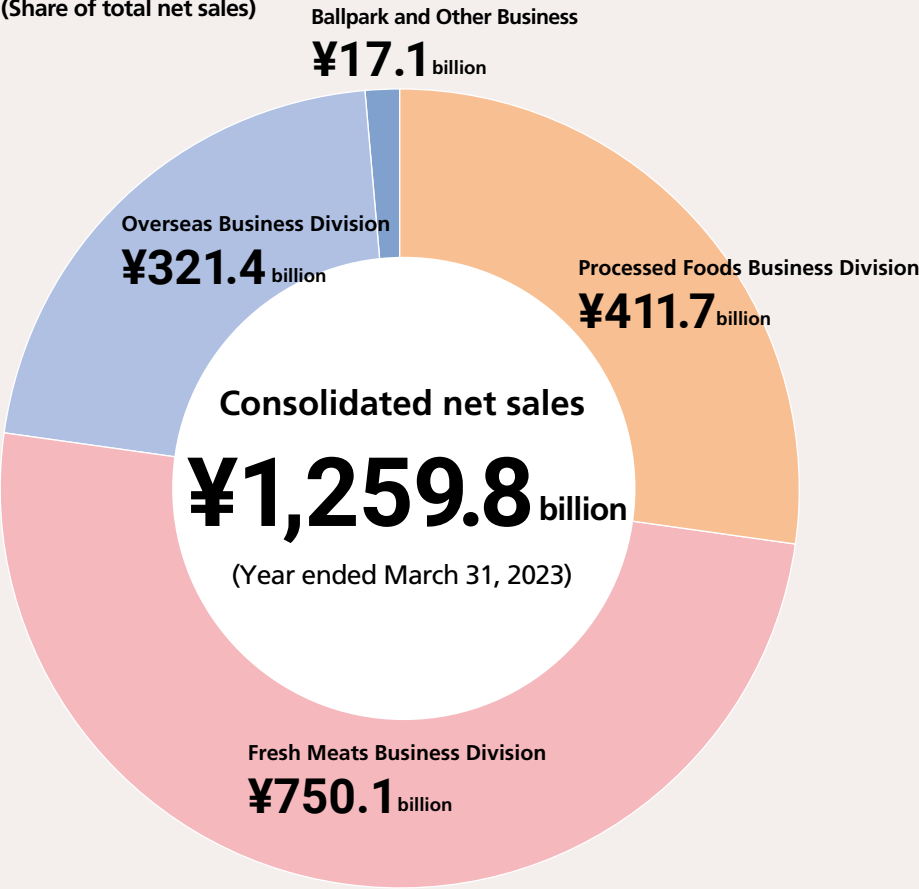


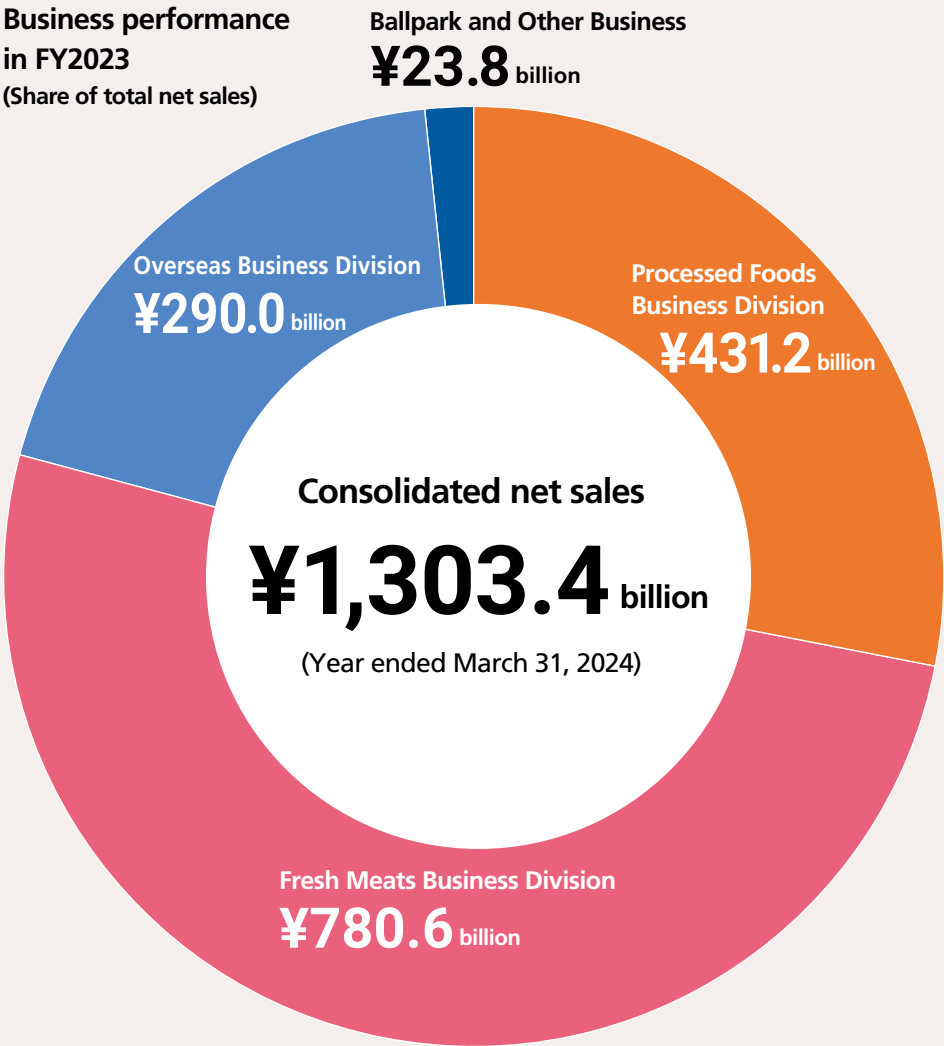


At a Glance

Business performance
in FY2022
(Share of total net sales)



Business performance
in FY2023
(Share of total 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.



At a Glance

	Overview of results for fiscal 2023	Medium-Term Management Plan 2026 (FY2024-FY2026)
Processed Foods Business Division	<p>The net sales of the Processed Foods Business Division in the fiscal year ended March 2024 increased by 3.2% year on year to ¥431.2 billion, and business profit increased by 93.9% to ¥9.7 billion.</p> <p>Net sales increased due to the penetration of price revisions for dairy products, extracts, and primary processed items, and increased sales volumes for flagship <i>Schau Essen</i> products, thanks to brand enhancement initiatives.</p> <p>Business profit increased thanks to improvements in the product mix and growth in sales of commercial-use products, dairy products, and extracts/primary processed items, as well as the effects of price revisions in response to soaring raw material prices.</p>	<p>Exit from low-profit areas and build a strong earnings base by concentrating management resources into high-added value products.</p> <p>Structural reforms</p> <ul style="list-style-type: none"> Product mix enhancement Production structure optimization, actions to address low-profit businesses <p>Growth strategies</p> <ul style="list-style-type: none"> Brand enhancement (<i>Schau Essen</i>)
Fresh Meats Business Division	<p>The net sales of the Fresh Meats Business Division in the fiscal year ended March 2024 increased by 4.1% year on year to ¥780.6 billion, while business profit was 17.0% higher at ¥34.0 billion.</p> <p>Net sales increased due to growth in sales of domestic chicken and pork to mass retailers, and increased sales of beef via restaurant channels in line with increased inbound demand.</p> <p>Business profit increased thanks to the improved profitability of imported meats as a result of the optimization of inventories, mainly for frozen products, as well as the achievement of profit on domestic chicken and pork in an environment of firm market prices and demand.</p>	<p>Further increase the sales potential of the Nippon Food companies by strengthening marketing capabilities. Achieve sustainable sales growth.</p> <p>Structural reforms</p> <ul style="list-style-type: none"> Optimal production structures <p>Growth strategies</p> <ul style="list-style-type: none"> Cross-selling Brand enhancement (<i>Sakurahime</i> domestically produced chicken)
Overseas Business Division	<p>The net sales of the Overseas Business Division declined by 9.8% year on year to ¥290.0 billion. However, there was a business profit of ¥25.0 billion, compared with a business loss of ¥5.0 billion in the previous consolidated fiscal year.</p> <p>Net sales were lower due to the transfer of BPU shares and a decline in the unit sales price of Australian beef.</p> <p>Business profit increased due to an improvement in the earnings of the Australian beef business as a result of lower cattle prices and increased sales volumes. Another factor was the penetration of price adjustments to reflect higher feed prices in the chicken business in Turkey.</p>	<p>Stabilize profit by strengthening sales of processed products in North America and deepening co-creation initiatives in ASEAN.</p> <p>Structural reforms</p> <ul style="list-style-type: none"> Product mix enhancement Actions to address low-profit businesses <p>Growth strategies</p> <ul style="list-style-type: none"> Global strengthening (Expansion of processed product business)
Ballpark Business	<p>The net sales of the Ballpark Business increased by 54.0% year on year to ¥23.8 billion in the year ended March 2024. There was a business profit of ¥2.4 billion, compared with a ¥0.1 billion business loss in the previous consolidated fiscal year.</p> <p>The increase in net sales was attributable to higher visitor numbers since the opening of Hokkaido Ballpark F Village, as well the staging of seasonal events on non-game days, which resulted in visitor numbers in excess of initial annual target of 3 million.</p> <p>Business profit was also higher due to a significant improvement in profitability, including revenues from advertising, tickets, and food and beverage, following the adoption of a new business model for the Ballpark Business.</p>	<p>Our challenge—building a new community to create new value</p> <ul style="list-style-type: none"> Improving the value of F Village by offering a wide variety of services Realizing our vision for F Village as an integrated value source

Processed Foods Business Division

We will transform the Processed Foods Business and pave the way for future success by identifying growth products and exiting from low-profit areas.

Yukihiro Matsumoto
Managing Executive Officer,
General Manager of
Processed Foods
Business Division

The Processed Foods Business Division develops, manufactures, and sells ham, sausages, processed foods, dairy products, seafood, and extract seasonings. It contributes to the enjoyment of food in many areas through the development of products with high market shares, including *Schau Essen*, *Chuka Meisai*, and *Ishigama Kobo*, and long-selling products, such as *Vanilla Yogurt*. Supplied not only to consumers, but also to convenience stores and restaurants, these products have achieved top market shares in a wide range of categories.



Schau Essen



Ishigama Kobo



Chuka Meisai series



Vanilla Yogurt



ROLF smoked cheese

No. 1 Products with No. 1 market share
Note: SCI Data

Our strengths in each value chain

1. Raw material procurement

Our domestic and overseas procurement networks enable us to supply products reliably.

2. Product development

Our ability to develop products that match consumer needs is backed by unique consumer monitor systems and advanced R&D capabilities.

3. Manufacturing

Our manufacturing systems combine advanced quality management expertise with sophisticated production methods capable of recreating delicious flavors.

4. Logistics

Our logistics networks extend throughout Japan.

5. Sales

In addition to our diverse sales channels, our sophisticated proposal, sales, and marketing capabilities also contribute to enhanced customer satisfaction.

6. External customers

Volume retailers, butchers, drugstores, department stores, convenience stores, processed food sellers, restaurant operators, food manufacturers

Value provided by the NH Foods Group

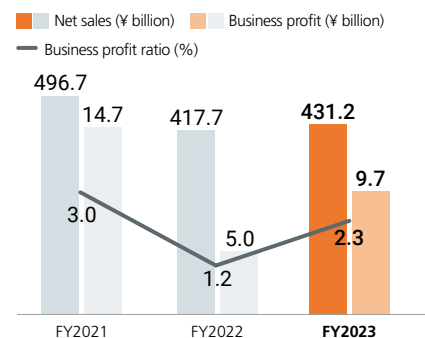
- We help to create new food culture by introducing products that enhance mealtime enjoyment.
- Our manufacturing systems ensure that all products supplied to consumers are safe and reliable.
- From our origins in meat processing, we have evolved into a supplier of a diverse range of processed protein products.



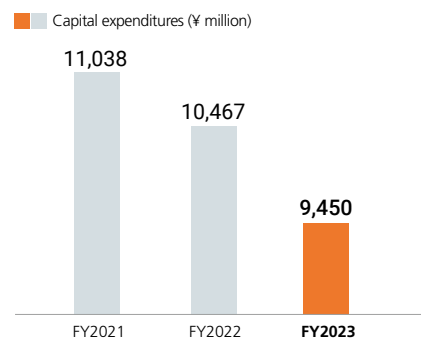
Processed Foods Business Division

Segment data

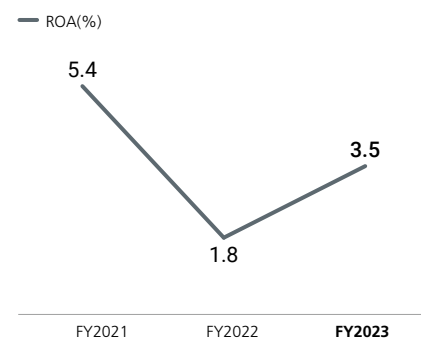
Net sales, business profit, business profit ratio



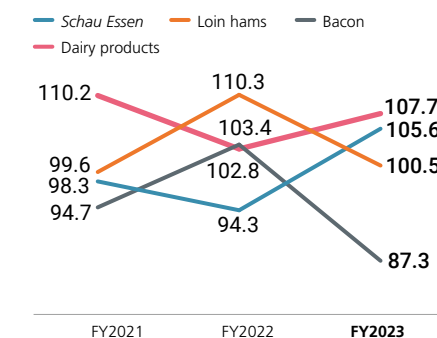
Capital expenditures



ROA



Sales of flagship products (%)



Results and priorities under Medium-Term Management Plan 2023

Profitability enhanced through product mix enhancements and price adjustments

Themes	Results	Priorities
Growth with profitability	<ul style="list-style-type: none"> Profitability on a recovery trend thanks to five price adjustments Reduction of the number of unprofitable products, focus on flagship brands Improvement of profitability through price adjustments linked to the launch of new products by companies with integrated production and sales systems 	<ul style="list-style-type: none"> Creation of new flagship brands Further action to offset soaring raw material prices
Enhancing productivity	<ul style="list-style-type: none"> Line integration focusing on duplicated lines Reduction of manufacturing costs through production efficiency improvements 	<ul style="list-style-type: none"> Cost increases due to factors in the external environment (electric power and fuel costs, labor costs, etc.)

Our priority themes for FY2023 were “growth with profitability” and “enhancing productivity.” We faced challenges in the first half of the year due to factors in the external environment. However, the benefits of our restructuring measures began to emerge in the second half, resulting in a recovery in profitability.

One of our initiatives to drive growth with profitability was the management of earnings across entire value chains by the Marketing Management Division, which we established in FY2023. This approach began to deliver benefits. We also took steps to strengthen our three major brands— *Schau Essen*, *Chuka Meisai*, chilled pizzas. For example, we expanded the range of *Schau Essen* categories to include sliced-pack and dry-type products. In addition, we ran promotions on social networks.

Through these initiatives, we improved our product

mix by shifting from low-profit to high-profit items. (See “Sales of flagship products”.)

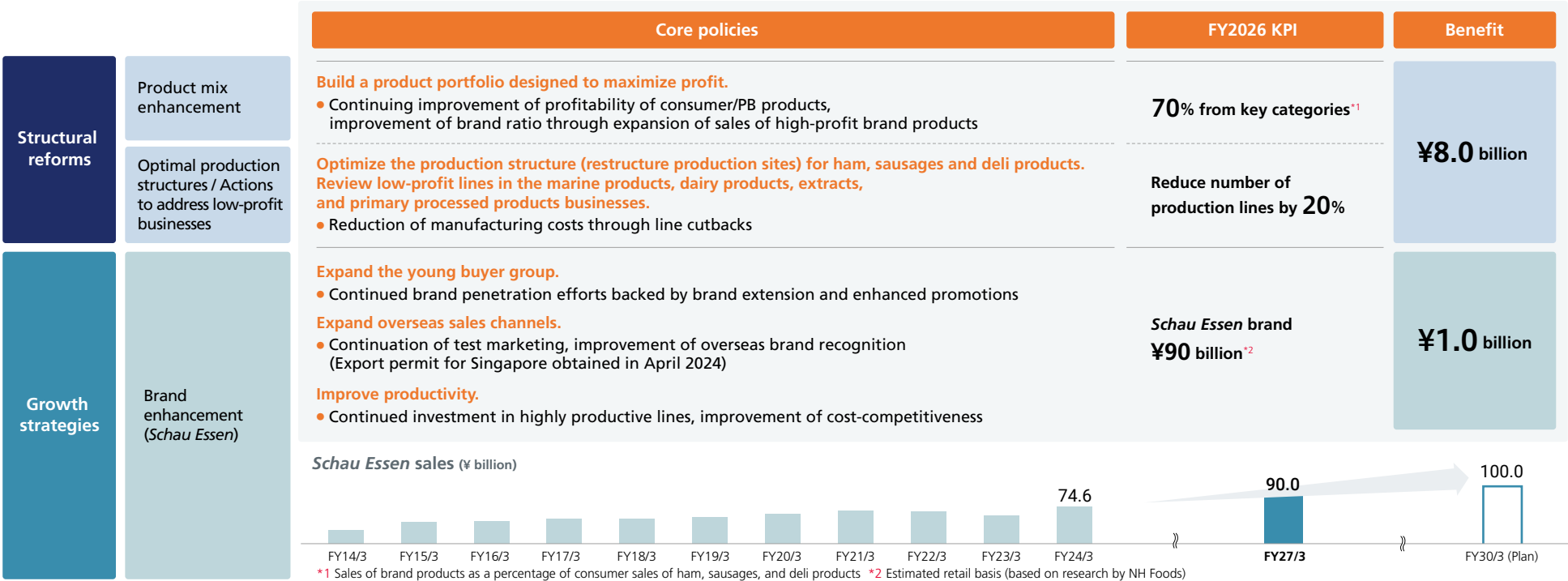
Companies with integrated production and sales systems, such as Nippon Pure Food, Inc., which handles dairy products and extracts, as well as Hoko Co., Ltd., Nippon Luna, Inc., and Premium Kitchen Co., Ltd., also contributed to the improvement of profit by using their ability to integrate all stages from manufacturing to sales to implement structural reforms and price adjustments.

We will continue to pursue further improvements in profitability by identifying growth products and products to be reassessed. We will also continue to make the creation of new brands and categories our top priority.

Our productivity enhancement initiatives also yielded benefits. We reduced production costs by integrating production lines from an overall optimization perspective.

Targets and policies for Medium-Term Management Plan 2026

Exit from low-profit areas and build a strong earnings base by concentrating management resources into high-added value products.



To ensure the realization of Vision2030, the Processed Foods Business Division aims to achieve a business profit ratio in excess of 6% in the fiscal year ended March 2030 by shifting to a high-profit business model. Our milestone target under Medium-Term Management Plan 2026 is a business profit ratio of 4%.

Structural reforms

As part of our efforts to improve our product mix, we have designated our three flagship brands and new high-profit products as growth products. In addition to *Schau Essen*, our product mix for consumers will also include *Houjun*, *Morning Serve*, *Ishigama Kobo*, and *Chuka Meisai* (One Cook). Our commercial product mix will be targeted

primarily toward major customers in the restaurant and delicatessen segments.

We will also prioritize the optimization of production structures. In addition to major changes to the number of production lines across the entire Processed Foods Business, we will also work to reduce manufacturing costs.

Processed Foods Business Division

Growth strategies

Our priority under the current Medium-Term Management Plan 2026 is to improve profitability, especially for the three flagship brands.

We will further step up our branding and extension initiatives for *Schau Essen*. We have already launched social media promotions with the aim of raising brand recognition among younger consumers, and these activities are gradually yielding benefits. As part of brand enhancement measures for *Schau Essen*, we held our first *Schau-1 Grand Prix* in June 2024. All employees were invited to submit ideas for product development based on *Schau Essen* as a way of exploring new possibilities for the brand in existing areas and beyond. (See Special feature on Page 021.)

More work is needed to address market changes affecting *Chuka Meisai*. We are tackling issues in this area by expanding our target beyond the existing family consumer profile and developing new products from a market-in perspective, including one-person servings,

Strengthening our three major brands



Schau Slice

Chuka Meisai JUSTCOOK
Cantonese-style
Happosai

Ishigama Kobo
Arabiki Sausage

Fostering sub-brands



Houjun
Arabiki Wiener

CHICKEN NUGGETS

CHIKICHIKI BONE

Morning Serve

microwavable versions, and frozen all-in-one products. We will also work to expand and consolidate sales of these new products. Our main focus for the *Ishigama Kobo* brand will be the popular mini-pizza range. We will also target expansion across the entire range of dough-based products, including one-hand products and bakery products.

One of our priorities since the previous Medium-Term Management Plan is the creation of new brands and categories. Through our annual innovation contest we encourage young employees to create new product ideas that go beyond existing concepts. One of the products to emerge from this contest is *Gras Foie*, which has been selected for the menus of major pub chains and foreign-affiliated hotels. Sales are gradually expanding, and in June 2024 the product was included in the lunch menu for the World Bank's Understanding Risk Global Forum 2024.

We will prepare for predicted shortages of animal protein by further expanding our range of plant-based protein products. We will also continue to supply an expanding range of other protein products, including seafood.

For our export business, we will introduce and promote delicious Japanese products, especially *Schau Essen*, in overseas markets. We will also expand the number of designated plants

Another priority will be the creation of environment-friendly products. We will reduce the amount of plastic used through product design changes, including the reduction of packaging thicknesses and the elimination of trays. At the same time, we will continue our efforts to reduce CO₂ emissions. In addition to the installation of waste oil boilers and solar panels, we will also switch to fuels that emit less CO₂ and evaluate the use of offsite PPAs. Efforts to alleviate logistics problems and improve efficiency will include industry-level collaboration and the use of cooperative logistics.

TOPICS

Reducing CO₂ emissions efficiently through energy-saving conferences

Every three months, staff from all sections at the Isahaya Plant of NH Foods Ltd., which produces *Chuka Meisai*, *Ishigama Kobo* and other consumer products, meet to share information about efficient ways to reduce CO₂ emissions. In FY2023, 24 energy saving initiatives reduced emissions by approximately 308 tons per year.

These energy-saving conferences facilitate the cross-organizational implementation of CO₂ reduction initiatives. For example, an improvement to a production line for retort-packed curry that resulted in the reduction of energy consumption has since been implemented on other production lines. In March 2024, we installed a waste oil boiler as part of our continuing efforts to reduce CO₂ emissions.





Fresh Meats Business Division

We aim to achieve sustainable growth in a challenging business environment through enhanced marketing.



Fumio Maeda
Director and Senior
Managing Executive Officer
General Manager of Fresh
Meats Business Division

The Fresh Meats Business Division has built a vertical integration system covering all stages from the production of fresh meats through to sales, together with fresh meat procurement networks and the Nippon Food companies' sales networks in Japan and overseas. We currently handle approximately 20% of all meat sold in Japan in volume terms.

Three major brands



Sakurahime domestically produced chicken



Mugikomachi domestically produced pork



Australian-produced Omugi-gyu ANGUS

Main brands



Kitanokomekokko brand of chicken produced in Hokkaido



Domestically produced beef GENMAI GYU



American-produced Toumorokoshi Buta



Thai-produced Herb Soiku Chicken



Australian-produced Suffolk-Cross Lamb

Our strengths in each value chain

1. Production and breeding

By operating our own farms in Japan and Australia, we are able to ensure reliability of supply and stringent quality management.

2. Packing and processing

We satisfy customer needs by supplying extremely fresh meats processed at our own plants to meet a variety of requirements.

3. Consignment

Our product lineup covers a full range of meat types sourced from various locations in Japan and overseas. We deploy expert personnel to support reliable procurement and adjust supply and demand.

4. Logistics

We have built an optimized delivery system based on Japan's largest meat distribution centers.

5. Sales

We combine a nationwide sales network with customer-focused marketing.

6. External customers

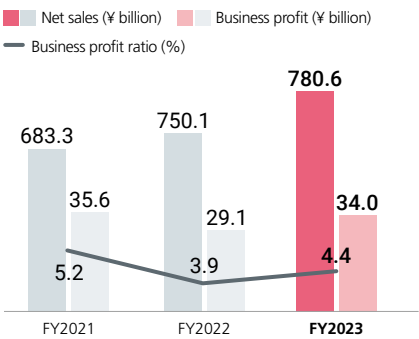
Volume retailers, food stores, butchers, fresh meat wholesalers, processed food sellers, restaurant operators, food manufacturers

Value provided by the NH Foods Group

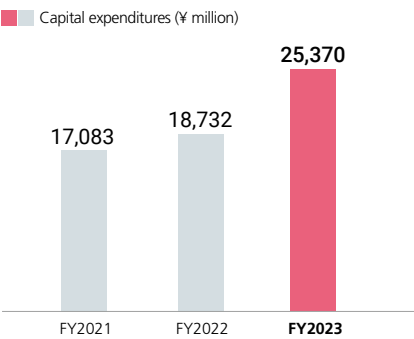
- Development of a domestic food sales network to supply food to Japanese consumers
- Supplies of safe, secure, high-quality fresh meats through an integrated structure linking all stages from production to sales
- Contribution to regional prosperity through collaboration with local producers



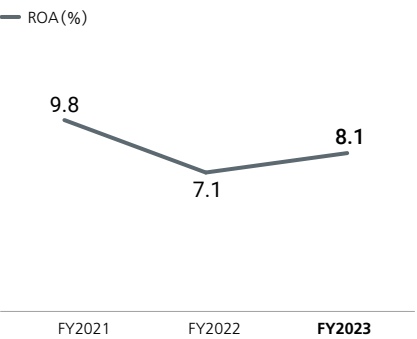
Net sales, business profit,
business profit ratio



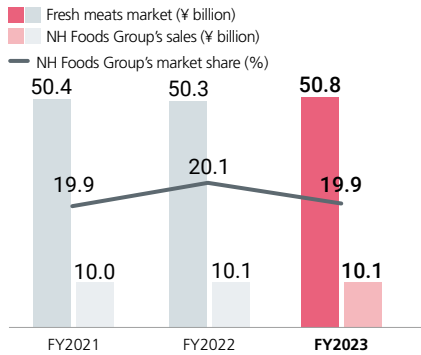
Capital expenditures



ROA



Fresh meats market,
NH Foods Group's market share



Results and priorities under Medium-Term Management Plan 2023

Record profits achieved by
Nippon Food sales companies

Themes	Results	Priorities
Profitable expansion of market share, profit recovery	<ul style="list-style-type: none">Increased sales to volume retailers and restaurants resulted in record profits for the five Nippon Food companies	<ul style="list-style-type: none">Increase in inventory assets due to sharply higher prices for imported products and feedsImpact of exchange rate fluctuationsSlower growth of domestic markets

In FY2023, we prioritized profitable expansion of market share and a profit recovery. Consumers became increasingly budget-conscious, resulting in heightened demand for comparatively cheap domestic chicken and pork, and increased sales to volume retailers. Sales of beef to restaurants also rose due to growth in inbound tourist demand.

We also worked to normalize inventory levels for imported fresh meats and enhance food marketing through business model innovation based on our unique strengths. In addition, we established specialized organizations to handle sales through particular channels, such as volume retailers and restaurants. The efforts of our marketing unit to strengthen our sales capabilities resulted in record business profit (management basis) for the five Nippon Food companies*.

We anticipate continuing challenges in the environment for the Fresh Meats Business, including persistently high feed prices, the weakness of the yen, and

sharply higher prices for imported fresh meats. Profits from the Fresh Meats Business as a whole are tending to decline, but we will continue our efforts to improve profitability, including the normalization of inventory levels.

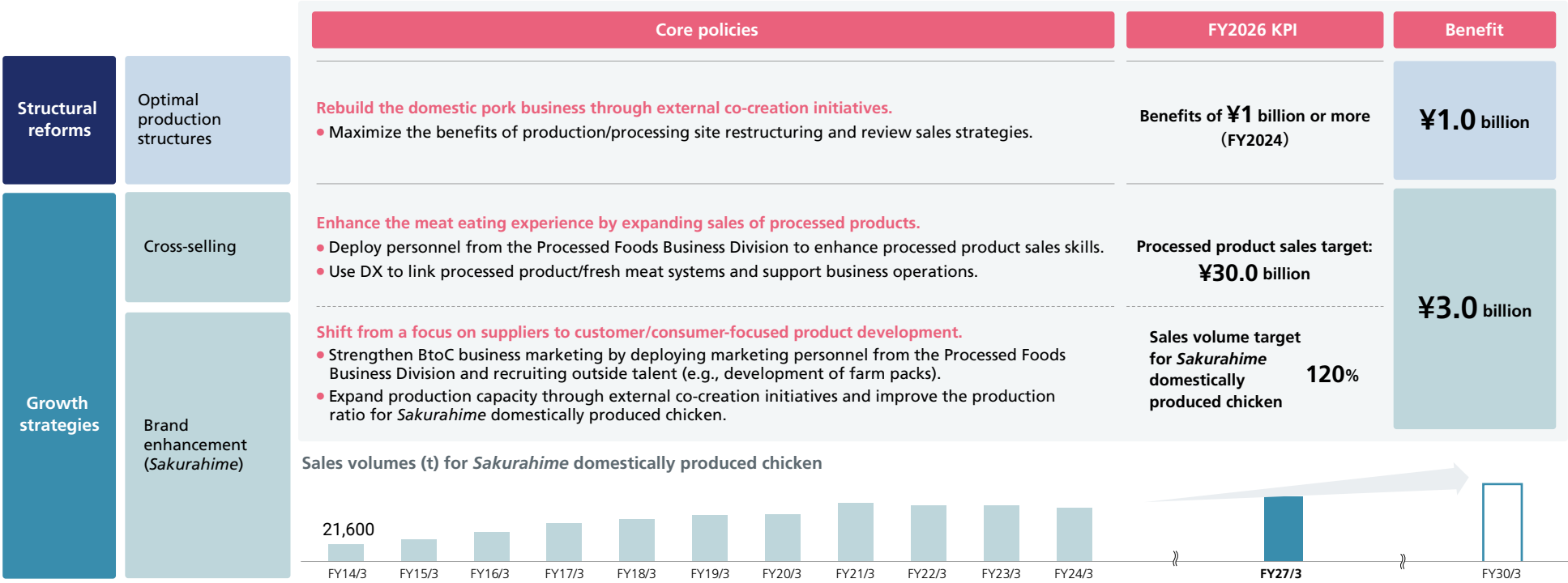
Capital expenditure was higher than under the previous Medium-Term Management Plan, but we did not reach the target level in Medium-Term Management Plan 2023. There is still work to do in order to secure future business continuity through appropriate investment decisions based on our plans.

New initiatives included the formation of a business alliance with the National Federation of Agricultural Cooperative Associations (ZEN-NOH) in July 2024 with the aim of ensuring the sustainability of livestock farming. (See Special Feature on Page 25.)

* "Nippon Food companies" refers to five fresh meats sales companies: Higashi Nippon Food, Inc., Kanto Nippon Food, Inc., Naka Nippon Food, Inc., Nishi Nippon Food, Inc., and NHJF corporation

Targets and policies for Medium-Term Management Plan 2026

Further increase the sales potential of the Nippon Food companies by strengthening marketing capabilities.
Achieve sustainable sales growth.



Under Medium-Term Management Plan 2026, our robust governance and compliance systems will form the foundation for efforts to achieve innovation in existing business areas, including the use of digital technology, and business expansion.

Structural reforms

One of our structural reform goals is profitability

improvement in the domestic pork business. The opening of the new Donan Plant by Nippon Food Packer, Inc. in January 2024 has increased our meat processing capacity by 40%. This expanded structure will ensure reliable supplies of pork and allow us to increase our exports. We will also work to address low demand in the summer, improve profitability through increased sales of

primary processed products, and promote a sustainable business model for pig breeding.

Measures to strengthen our procurement capacity will include the continuing development of new sources. We will also strengthen our collaboration with the Overseas Business Division with the aim of increasing procurement of competitively priced South American beef and pork.

Fresh Meats Business Division

Growth strategies

We will address slower growth in the domestic fresh meats market by further strengthening our advantages, including our nationwide sales network and our procurement capabilities, and by creating new marketing models.

One of the pillars of our Fresh Meats Business is the domestically produced chicken business. Our main brand in this area is *Sakurahime*. We aim to expand production and achieve further improvements in profitability. Specifically, we will develop products that match the needs of our customers and consumers, including the reduction of package weights, and the enhancement of farm packs. We will also expand procurement volumes by strengthening our relationships with external suppliers. In addition, we aim to step up marketing of our rebranded *Omugi Beef ANGUS* range through closer collaboration with the Overseas Business Division.

Other priorities include the marketing and development of processed foods with added value, the strengthening of our brands, and responses to the changing needs of our customers and consumers. We will also respond to population decline and a growing need for simple, time-saving products by expanding our range of high-added-value easy-cook products. We will expand promotional activities, assign personnel, and initiate collaborative efforts with the Processed Foods Business Division. In addition to boxed meat, we will also place an increased emphasis on the marketing of

processed foods designed to enhance the meat eating experience in a wide range of meal scenarios. We will use the logistics and marketing networks of the Nippon Food companies to supply our processed foods to consumers in regions that were not previously covered.

At the same time, we will work to achieve carbon-neutrality in our farming operations through the establishment of sustainable production systems, such as through the use of chicken manure to generate electricity. We will also consider brand development for environment-friendly products from these sustainable farms.

New initiatives launched in the current fiscal year include the start of data collection in preparation for the introduction of AI-based supply-demand forecasting. We will use this technology to reduce inventory turnover days for imported products and enhance control of invested capital.

The NH Foods Group created this business model with the aim of building a bright future for its Fresh Meats Business through the development of new business areas. As a result, we now have the biggest share of the domestic fresh meats market in terms of sales volumes. In FY2027, which will be the first year of the next Medium-Term Management Plan, we aim to achieve record profits by pursuing business models that will bring livestock producers closer to consumers and support sustainable livestock farming in Japan, while enhancing consumers' enjoyment of meat.

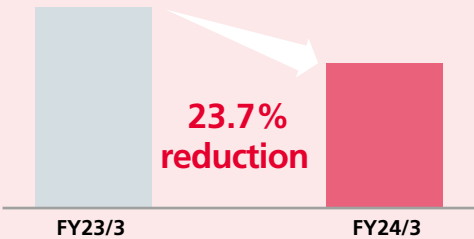


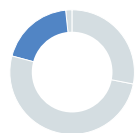
TOPICS

23.7% reduction of water usage in factories in one year

One of the NH Foods Group's medium- to long-term environmental targets for the period to FY2030 is the reduction of water usage per unit of production. Specifically, we aim to reduce water usage at plants in Japan by 5% compared with the FY2019 level.

Nippon Food Packer, Inc., which processes and packs approximately 170,000 pigs per year, significantly reduced water usage at its Shikoku Plant over a one-year period starting in May 2023. The first step was to identify every location where substantial quantities of water were being used. We then implemented various improvements, including changes to freezer defrosting systems and the nozzles on washing systems. At the same time, the company took steps to raise employee awareness. These steady efforts resulted in a 23.7% year on year reduction in water usage. The Shikoku Plant now has the second lowest water consumption per pig among the company's six plants.





Overseas Business Division

Strengthening processed food sales and building reliable earnings in North America and ASEAN



Tadaaki Ito
Executive Officer,
General Manager
of Overseas
Business Division

The Overseas Business Division is engaged in beef and chicken production, breeding, processing and packing in Australia and the Middle East, and processed food production, sales, and trading in North America, Asia, Europe, and other markets. The products that we supply locally, in third countries, and in Japan are backed by our understanding of and respect for diverse food traditions, values, preferences, and needs.

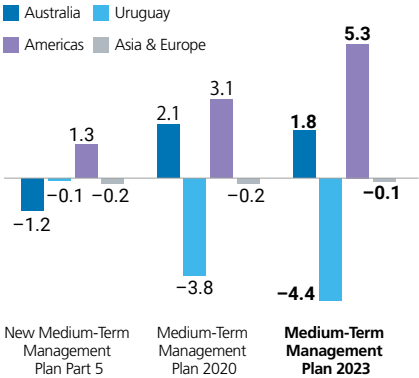
Business structure centered on processed foods, fresh meats, and trading

Business area	Processed foods		Fresh meats	Trading	<ul style="list-style-type: none">• Local sales• Exporting to third countries• Exports to Japan
	ASEAN	5 group companies Vietnam/Indonesia/China/Thailand		4 group companies Thailand/Singapore/Taiwan	
	Oceania		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		
	South and Central America			2 group companies Chile/Mexico	
	Middle East		1 group company Turkey		

Value provided by the NH Foods Group

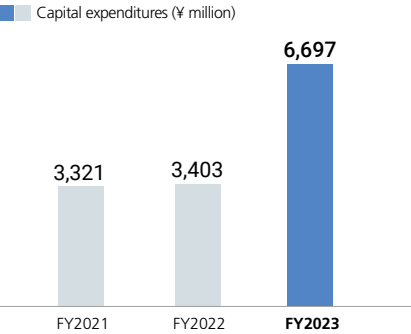
- Supply of products backed by know-how systems developed in Japan ("Taste of Japan")
- Reliable procurement of fresh meats and processed foods for the Japanese market
- Supply of branded beef with the emphasis on added value

Trends in 3-year cumulative profits of the Overseas Business Division (¥ billion)

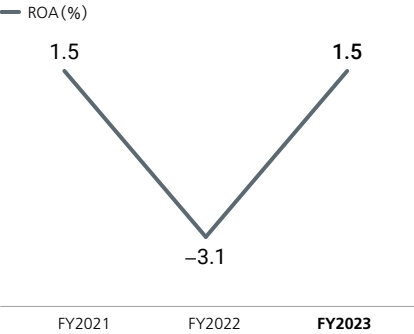


Note: Business sold at the end of August 2023

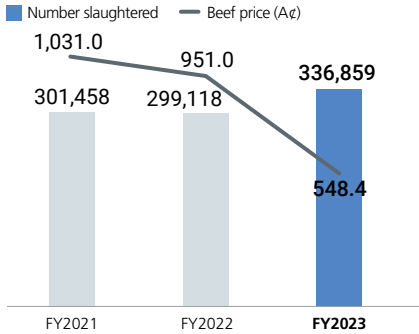
Capital expenditures



ROA



Australian beef price, number of cattle slaughtered



Results and priorities under Medium-Term Management Plan 2023

Recovery in the number of cattle processed, expansion of processed product sales volumes in North America

Themes	Results	Priorities
Profit recovery	<ul style="list-style-type: none">Business restructuring (sale of BPU, Malaysian business, etc.)Expansion of production capacity and sales volumes of North American processed food business	<ul style="list-style-type: none">Stagnation of net external sales in overseas markets
	<ul style="list-style-type: none">Reduction of volatility of Australian business	<ul style="list-style-type: none">Continuing existence of chronically unprofitable companies

Our most important priority in FY2023 was the recovery of business profit through the following initiatives.

We concentrated our efforts toward the expansion of sales in the North American processed foods market. The expansion of production capacity and sales channels resulted in increased sales volumes for *Crazy Cuisine's* products and other items.

Structural reforms in the ASEAN region included changes to the markets for processed chicken products manufactured by Thai Nippon Foods. In addition to sales in the Japanese market, the company also stepped up its local marketing efforts by developing products to meet local needs.

We worked to mitigate the volatility of the Australian beef business through productivity improvements. These efforts resulted in an increase in the number of cattle

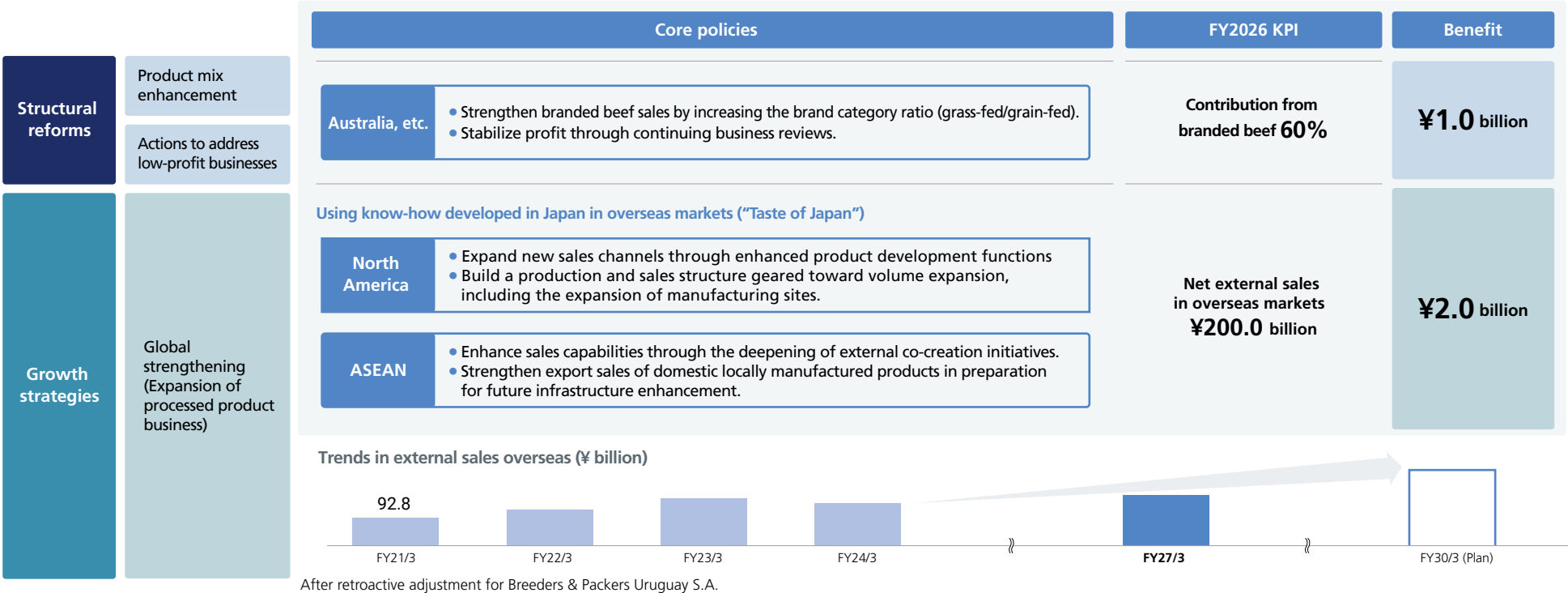
processed and a recovery trend in business performance. We will continue our efforts to stabilize earnings through effective capital expenditure, enhanced branding, and the concentration of production operations.

Our trading business was impacted by exchange rates and the procurement environment. Conditions were especially difficult for the development of fresh meat and processed products for the Japanese market.

We are making progress with the restructuring of our Overseas Business, including the sale of shares in the Uruguayan beef business. Our most important priorities are the reduction of volatility and the expansion of external sales in overseas markets.

Targets and policies for Medium-Term Management Plan 2026

Stabilize profit by strengthening sales of processed products in North America and deepening co-creation initiatives in ASEAN



The expansion of our Overseas Business is essential to the achievement of the ¥79 billion business profit target in Medium-Term Management Plan 2029. The Overseas Business Division has taken a step toward the realization of this goal by adopting "Taste of Japan" as its global slogan under Medium-Term Management Plan 2026 in place of

the domestic slogan ("Joy of Eating"). The NH Foods Group is committed to the global roll-out of know-how developed in Japan, including the NH Food Group's safety systems, containers and packaging based on universal design concepts, as well as a wide range of products from the Japanese market modified to suit local preferences.

Structural reforms
As in the past, our efforts to stabilize business profit will focus on the Australian beef business. World beef demand is expected to remain on a growth trend, especially in the Chinese and Asian markets. In Australia, we anticipate improvement in the cattle cycle, which is manifested in

natural increases and declines in the number of cattle bred. As a result, the number of cattle exported is expected to surpass the total for the United States within a few years. Our projections based on these factors indicate that growth in demand for Australian beef will enable us to achieve a reasonable profit level. Specific measures to improve our profit margins will include an increase in the percentage of branded beef handled, and the expansion of sales of primary processed products as a percentage of total sales. NH Foods Australia earning external recognition, as evidenced by the fact three of its beef brands won prizes in a competition hosted by Rabobank Australia in May 2024.

We also plan to work with the Fresh Meats Business Division to expand sales of *Omugi Beef ANGUS* as a new product for the Japanese market. In the Middle East, we will target improvement in the Turkish chicken business by continually reviewing business areas and earnings.

Growth strategies

Our KPI for the Overseas Business is external sales of ¥200 billion in the fiscal year ending March 2027. Our

strategies for the contribution of processed foods to this total will focus on North America and ASEAN. We expect the average annual growth rate of the U.S. market for processed chicken products to improve to 5% over the next five years*. To meet this demand, Day-Lee Foods will expand its production facilities for the flagship Mandarin Orange Chicken range while also creating new items through R&D activities. Longer-term, we will consider expanding our sales channels beyond the United States.

In ASEAN, we will work alongside companies outside of the Group in each country and region and to restructure local sales networks. At the same time, we will target the development of products and services that reflect the region's diverse dietary culture and values.

We will help to enhance employee motivation and capabilities by actively investing in overseas human resources in order to create a structure for the expansion of our business in overseas markets. We will collaborate with corporate units to enhance the organizations of all Group companies.

* Source: Euromonitor

Growth strategy for North America

Restructuring for business expansion	<div><div>1. Enhancement of corporate value through branding strategies</div><div>Increased exposure for Crazy Cuisine Pride and NH Foods</div><div>2. Capital policies targeting the expansion of production facilities</div></div> <div></div>
Top line expansion	<div><div>1. Expansion of the items manufactured in NH Foods plants, increased promotion of imported products</div><div>Since FY2023, we have used the global networks of the NH Foods Group to develop schemes for the marketing of products procured in ASEAN in the North American market. These efforts have resulted in a steady increase in sales volumes.</div><div>2. Introduction of platform developed in North America in other markets</div><div>We will consider the production of Crazy Cuisine's Mandarin Orange Chicken in ASEAN for sale in the domestic Japanese market, in step with the expansion of global procurement by our customers.</div></div>

TOPICS

Promoting circular agriculture in Australia

Contributing to a sustainable environment is one of the five materialities identified by the NH Foods Group. Our initiatives toward this goal in Australia include the reduction of greenhouse gas emissions, and resource recycling through the reuse of factory water.

Wingham Beef Exports has established a natural purification system based on the spraying of wastewater from its processing plants onto its own nearby farmland. Through this system, 100% of the wastewater is used to irrigate pastures and livestock feed crops.

Oakey Beef Exports reuses wastewater from its processing plants for irrigation. It also uses biogas to generate electricity. Biogas produced through the fermentation of methane by microorganisms during the purification process is used as boiler fuel. These systems reduce both energy consumption and CO₂ emissions.





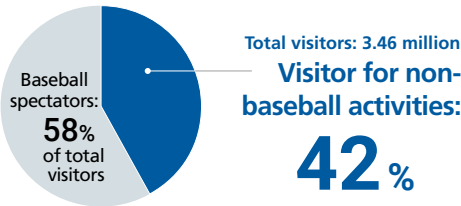
Ballpark Business

Our challenge: creating novel value through the development of new community

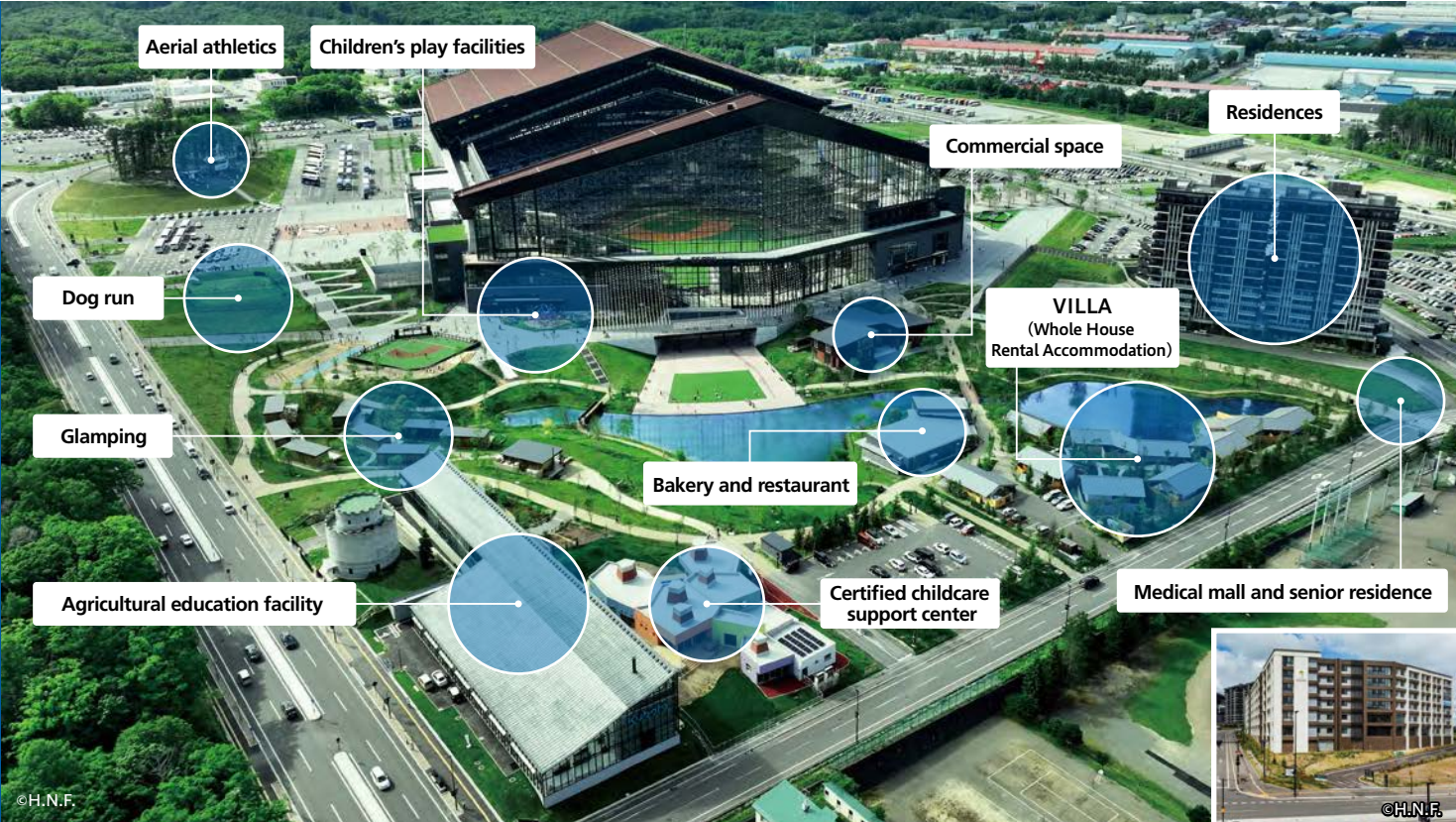
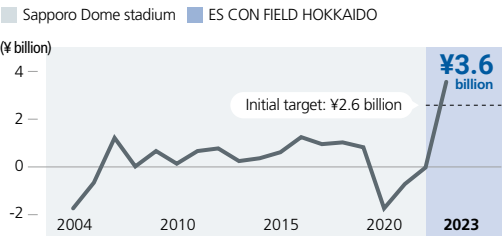
Higher visitor numbers in FY2023 were reflected in net sales of ¥23.8 billion, compared with the ¥23.4 billion figure projected when the ballpark was opened. Operating income was also substantially over target at ¥3.6 billion, compared with the target figure of ¥2.6 billion.

As is apparent from the fact that visitors other than baseball spectators make up 42% of total visitor numbers, the ballpark is starting to generate novel value as the hub of a new community space offering a wide variety of entertainment.

Breakdown of visitors to F Village



Operating income



Enhancing the value of F Village with a wide variety of services

The Hokkaido Ballpark F Village complex (“F Village”) opened in March 2023. There were 1.53 million visitors in the period to June, and six months later at end of the December, the figure had more than doubled to 3.46 million.

In addition to the attractive entertainment facilities available at the complex, this growth in visitor numbers is also attributable to the baseball team and the availability of a wide variety of services.

We are continually improving the value of F Village as an entertainment space by enhancing the hospitality provided in the facilities, by promptly implementing improvements in response to social media feedback, and by offering carefully designed services, including visitor entertainment and guidance services provided by our cheerleaders.

Rapid improvements based on input from X as our official suggestion box

We seek visitor input via X and rapidly implement improvements based on their suggestions. By quickly reflecting ideas found in visitor Tweets, we are fostering a perception of F Village as a co-created space.



<https://x.com/fvillageojisan>



Installation of benches outside of the ballpark

MESSAGE

We aim to create a world-class facility.

I am primarily responsible for the coordination of consumer-related business at F Village.

In addition to our programs and marketing activities, I believe that the growth in visitor numbers and sales is also attributable to our efforts to enhance the value of the visitor experience, including hospitality, performances, and communication via social media.

Examples of initiatives to promote interest in the baseball team and F Village include the development of an app that allows people to accumulate mileage points for use in F Village, and the provision of free IDs to promote fan club membership. By July 2024, the app had been downloaded 410,000 times, while fan club membership had risen from 140,000 to 700,000.

Our goals going forward are to develop the baseball team in ways that will build fan loyalty, and to enhance the attractiveness of F Village for a wide range of visitors. To achieve these goals, we will continue to strengthen collaboration between the NH Foods Group's entertainment and food businesses.

Naoya Ito

Executive Officer
General Manager of
Consumer Division
Business Management
Headquarters
Fighters Sports &
Entertainment Co., Ltd.



MESSAGE

Enhancing the value of our cheerleaders

I am responsible for the overall management of the Fighters Girls, the cheerleader team for the Hokkaido Nippon-Ham Fighters baseball team.

Our image strategy for the Fighters Girls encompasses a wide range of roles, from visitor support to dance performances. In 2022 I created the Fox Dance, which has become a major craze. There was an increase of over 50,000 in the number of followers of the baseball team on social media around that time, and I believe that has also contributed to growth in visitor numbers since the opening of F Village.

People tend to think that cheerleaders are just dancers, but we are involved in a wide variety of entertainment activities at F Village. For example, we act as guides for stadium tours, assist visitors in the concourse, and attend various events.

We are determined to expand the role of the Fighters Girls and enhance their value, so that they can continue to support the evolution of the baseball team and F Village.

Saori Ogure

Produce Group
Entertainment Department
Ballpark Creation Division
Business Management
Headquarters
Fighters Sports &
Entertainment Co., Ltd.



The future of F Village as a source of comprehensive value

Fighters Sports & Entertainment Co., Ltd. (FSE), which operates F Village, concluded a partnership agreement with the MUFG Bank, Ltd. with the aim of carrying out deeper research into business co-creation through the combination of finance and sports, and the economic and social value generated by F Village.

The survey was conducted with the cooperation of Kitahiroshima City, where the complex is located. The chart below provides an objective assessment of the comprehensive value that F Village is expected to generate.

Steady progress on the development of new transportation infrastructure

A new station will be opened adjacent to F Village in 2028. The creation of this important transportation hub, together with the development of surrounding facilities, will further energize demand for food, housing, recreation, and education in F Village.



Artist's impression of the area (around 2031, after the opening of the new station)

Comprehensive value generated by F Village

	Economic value		Social value	
For the region	(1)Economic revitalization	Direct economic effects on Kitahiroshima City Over ¥50 billion per year	(5)Enhancing appeal as a place to live	Reversal of trend of population decline through living infrastructure development in F Village and surrounding housing development
	(2)Rate of increase in surrounding land prices	Value growth in surrounding areas Maximum of 150% or more	(6)Enhancing appeal as a tourism and holiday region	Number of visitors to Kitahiroshima City from Hokkaido Around 2.5 million per year Number of visitors to Kitahiroshima City from Hokkaido Around 1 million
For Hokkaido	(3)Economic revitalization	Economic effects on Hokkaido Approximately ¥100 billion per year	(7)Promotion of the tourism industry	Raising the numbers of tourists in the whole area of Hokkaido through cooperation with local governments and tour planning
For stakeholders	(4)Creation of business opportunities	Diverse facilities development based on partnerships	(8)Encouragement of industrial development and innovations	Demonstration of new solutions such as cashless and mobile order, etc.
			(9)Model cases in the sports industry	Spread of the F Village business model to other regions and facilities

Source: Created by Mitsubishi UFJ Research & Consulting

MESSAGE

Creating diverse value from a wide range of facilities

I coordinate all business activities relating to tourism development and community development in F Village. We also prioritize initiatives to solve community issues, including food education activities for children, and the staging of events to promote bicycle touring of local areas. In collaboration with local government, we have also established the Fighters Hometown Tax program under a Japanese government program that allows people to make donations to regional communities in lieu of resident tax payments in the areas in which they reside. These wide-ranging initiatives further enhance the comprehensive value generated by F Village.

In 2028, a new station will be completed adjacent to F Village. We are currently working to create new businesses, including the development of facilities across the entire area.

Going forward, we want as many people as possible to enjoy our ballpark and other attractions in Hokkaido. We will pursue various initiatives to attract a wider range of visitors, including people from overseas, and encourage visitors to spend more time at the complex. To achieve this, we will also need to diversify our human resources.

Tomo Kobayashi

Executive Officer
General Manager of Planning Division and General Manager of Sales Division
Business Management Headquarters
Fighters Sports & Entertainment Co., Ltd.



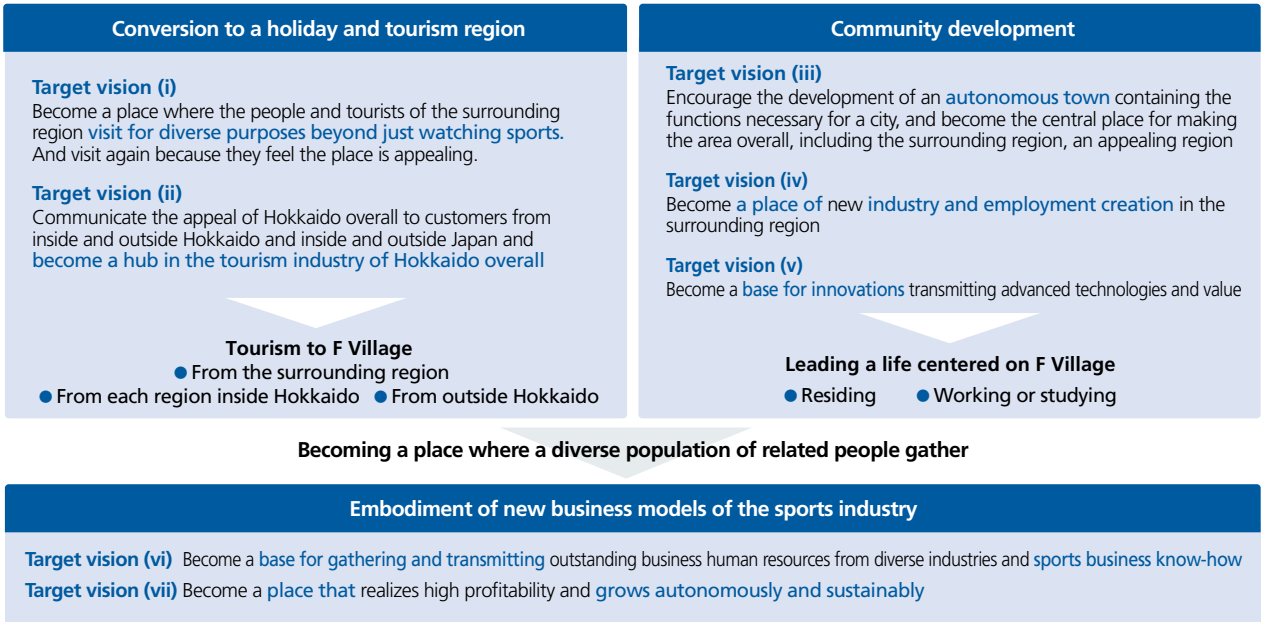
Ballpark Business

Our vision for F Village

F Village is the heart of FSE's vision for the development of a leisure and tourism destination and community, and the realization of a new business model for sports facilities. (See chart below.)

To realize these concepts, we need to enhance our software and hardware, pursue innovation by deepening our relationships with partners, and actively disseminate information. We also recognize the importance of co-creation with companies and organizations that offer wide-ranging potential. We aim to accelerate the exploration and development of relationships with new partners.

Our vision for F Village



F Village wins Grand Prix in Japan Marketing Awards

In May 2024, F Village won the Grand Prix in the 16th Japan Marketing Awards organized by the Japan Marketing Association. It was selected for this supreme award in recognition of the innovative idea of community development centered on sports and a success model based for the development and operation of stadiums and arenas in the future.

50th anniversary of the founding of the Fighters

In 2024, we will celebrate the 50th anniversary of the founding of our baseball team, the Hokkaido Nippon-Ham Fighters. We will continue to pursue success for the team over the next 50 years while building a community centered on F Village.



©H.N.F.

MESSAGE

I want everyone to experience the evolution of F Village.

I manage the business group responsible for planning and administration, including the development of F Village events, tourism promotion, collaboration with local communities, and sports education programs.

One notable event involved the construction of a temporary Shinto shrine inside the ballpark, which attracted a total of 11,000 visitors over a seven-day period. We also paved the way for future community development by establishing a discussion forum in collaboration with 50 private sector business organizations in the area around F Village. In addition, we hold workshops and implement various trial projects.

In 2028, the Health Sciences University of Hokkaido will relocate to F Village. This is expected to generate synergies because of the close linkage between sports and healthcare.

Medium- to long-term business creation is an important aspect of our mission. We will work with the public sector and private sector businesses to build a community that will continue to evolve in the future. We hope you will visit F Village to experience the many changes that are happening.

Kyosuke Sakai

General Manager of Business Planning Department
Planning Division
Business Management Headquarters
Fighters Sports & Entertainment Co., Ltd.

