



NH Foods Group Integrated Report 2024



Increasing business profit to ¥61 billion

through structural reforms and growth strategies

Under Medium-Term Management Plan 2026, we aim to set a new business profit record of ¥61 billion. We are working to achieve this by overcoming business issues through structural reforms, and by expanding our profitability and opportunities through growth strategies.





Building a culture and systems that provide recognition for people who take on new challenges

Creating a better brighter future through the spirit of challenge—We will achieve dynamic innovation by creating an environment in which individuals can realize their full potential, and by fostering a corporate culture based on respect and recognition for people who take up new challenges.



The NH Foods Group will provide answers over the next **three years**

The real value of the NH Foods Group will be put to the test over the next three years. As leader, I will be in forefront of our efforts to achieve the targets in our Medium-Term Management Plan and open a path to a brighter future through challenge and innovation.

Nobuhisa Ikawa

President and Representative Director





TOP MESSAGE

A message from the president

New challenges and co-creation

Working together to create value through protein
Achieving corporate growth through innovation and challenge

Nobuhisa Ikawa
President and Representative Director





A message from the president

“ Solving problems and achieving turnarounds in each segment ”

Overview of financial results for fiscal 2023

We fully acknowledged the various issues that caused our business profit to decline in the year ended March 2023 (fiscal 2022) and took comprehensive action to address these problems in fiscal 2023 (the fiscal year ended March 2024). These efforts brought a recovery in segment profit, and business profit for the Group improved from ¥25.6 billion to ¥44.9 billion.

In my communication with frontline units, I have continually placed particular emphasis on the improvement of business profit as our most important priority. We have also taken steps to transform our product portfolio, including the discontinuation of production and sales of unprofitable products.

We will achieve sustainable growth by providing value

However, there are many issues that need to be addressed on our path to sustainable growth. We recently completed the formulation of

Medium-Term Management Plan 2026, the theme for which is “Working together to create value through protein.” Under this plan, we will achieve corporate growth and improve our shareholder value by confronting issues head-on and implementing reforms.

In addition to its role as a processed food manufacturer, the NH Foods Group also supports livestock farming, which is a primary industry. This characteristic sets us apart from conventional manufacturers, which simply procure and process materials, add value, and sell products.

Like other food manufacturers, we must add new value to food through our Processed Foods Business. However, we also need to ensure reliable supplies of fresh meats to the Japanese market through our Fresh Meats Business, while encouraging people to consume more protein.

We fulfill a very important role by maintaining reliable supplies of protein to Japanese consumers in the form of beef, pork, and chicken. In addition to supplying fresh meats, we will increasingly need to use our processing technologies to offer easy ways to enjoy the delicious flavors of meat.

For example, the fresh fish sections of supermarkets include counters selling various processed products, such as sashimi, dried

	FY2021	FY2022	FY2023	FY2023 Initial targets	Difference
Net sales (¥ billion)	1,174.4	1,259.8	1,303.4	1,260.0	43.4
Business profit (¥ billion)	45.8 ^{*1}	25.6	44.9	38.0	6.9
Business profit ratio (%)	3.9	2.2	3.5	3.0	0.5
Profit attributable to owners of the parent (¥ billion)	48.0 ^{*2}	16.6	28.1	23.0	5.1
ROE (%)	10.5	3.4	5.5	4.6	0.9
ROIC (%)	5.0	2.4	4.1	3.5	0.6

^{*1} After retroactive adjustment for the marine food business of The Marine Foods Corporation and its affiliated companies

^{*2} Before retroactive adjustment for the beef business relating to Breeders & Packers Uruguay S.A.

A message from the president

products, and delicacies. This tells us that families today rarely need to fillet or even cut fish. I believe this trend toward easier meal preparation will continue and accelerate.

“ **We will shift from the product-out concept to the market-in concept, and beyond that to the customer-in concept.** ”

We need to respond to these changes in society and consumer needs by providing fresh meats that are processed to enhance flavor and make them easier to cook. We are one of the few companies that produce both fresh meats and processed foods. We enable consumers to enjoy the value of protein by using our integrated technologies and expertise to add new value to fresh meats. I see that as one of the reasons for the existence of the NH Foods Group.

Fostering awareness of the need for reform from the consumer's perspective

It will be meaningless to create new value with protein if we cannot provide the resulting products quickly and reliably. We have over 100 logistics centers throughout Japan and our own fleet of over 2,000 trucks. Our ability to deliver products reliably and quickly through this logistics network is a key advantage.

However, we have been unable to realize this advantage fully because of the vertical organizational barriers that have hitherto separated our fresh meats and processed food operations. Going forward, we will shift to a new structure under which convenient processed fresh meat products and other items sought by our customers will be manufactured in the facilities of the Processed Foods Business Division and supplied through the Fresh Meats Business Division. I believe that the resulting crossover in terms of products, logistics, and sales will allow us to create business models

and ideas that maximize our advantage.

My goal is not simply to sell processed products, but rather to consider what we need to do now in order to satisfy consumers in the future. Our overriding goal is to shift from a focus on manufacturing to a focus on consumers.

Of course, this does not mean that we will stop selling fresh meats. We will continue to prioritize fresh meat sales as part of our commitment to the reliable supply of protein. However, as a company with powerful marketing capabilities, we also have the ability to identify changes in consumer needs. The ability to earn profits is obviously important in the short-term perspective, but I see an increased focus on the market-in concept as a vital factor that will allow us to overcome competition and achieve growth by developing and supplying the products sought by consumers from a medium- to long-term perspective.

I will continue to focus on the enhancement of communications with the aim of fostering a mindset centered on medium- to long-term customer perspectives, by visiting manufacturing sites and frontline operations and engaging in dialogue with leaders.

We will advance to a new stage by realizing the goals in Medium-Term Management Plan 2026

Medium-Term Management Plan 2026 was formulated as a blueprint for our evolution as a business entity capable of achieving sustainable growth. The three main components of the plan are structural reform, growth strategies, and cultural reform.

Over a three-year period spanning the fiscal years ending March 2025 through March 2027, we aim to increase our business income beyond the previous record of ¥54 billion to ¥61 billion. This target of ¥61 billion emerged from discussions with general managers of business divisions over a period of one year. It is an achievable target that reflects the determination of our management team. Based on our calculation of the gap between our present position and the target of ¥61 billion in the final fiscal year of the plan, we aim to generate profit of ¥10 billion



A message from the president

through structural reforms and ¥6 billion through growth strategies.

We have also built a monitoring structure that enables us to check progress on our various initiatives and targets on a monthly and quarterly basis. In addition, we have established specific business schemes designed to accelerate management processes and ensure the achievement of the targets in the Medium-Term Management Plan.

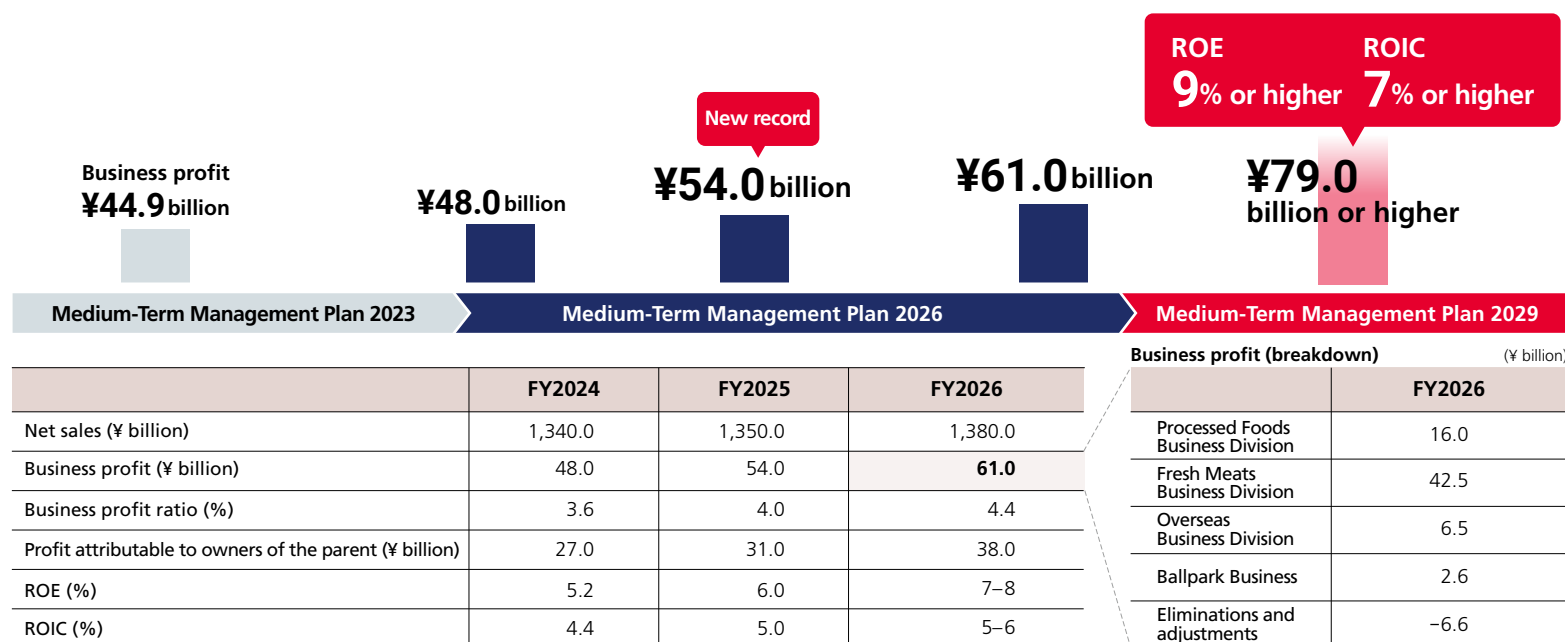
Our structural reform efforts include the enhancement of our product mix, the development of optimized production structures, and reviews of low-profit businesses. Our main growth strategies are brand enhancement, cross-segment marketing, strengthening of global operations, enhancement of R&D activities, and the expansion of visitor numbers at Hokkaido Ballpark F Village. The KPIs that we have defined for each of these categories will be broken down into targets for

individual business divisions. (See page 33 for details.)

Our transformation into a culture focused on new challenges—Starting with the management team

My vision for cultural reform goes beyond the creation of positive working environments. We need to create a corporate culture in which highly motivated and self-driven people can take up new challenges.

The NH Foods Group has been working to tighten compliance ever since the beef mislabeling scandals that occurred in 2002. We have set our own rigorous rules and prioritized full compliance with all requirements. This cultural environment has prevailed for over two decades, and I sense that our willingness to take on new challenges and make changes has been dulled.



A message from the president

“ I will personally support frontline staff who take up new challenges by sending out *Kaete mo ee de* (“change is welcome”) messages. ”

I have started to raise awareness of the need for new challenges by focusing on our management team, whose role is to set an example for the rest of the company. We have set and will assess new challenges for all members of the management team, from corporate officers to divisional and department managers, including those in Group companies. I will also work to raise awareness levels while maintaining a 360-degree overview. Frontline workers will not be able to take up new challenges until we transform the attitudes and actions of senior managers.

Group companies account for 80% of the NH Foods Group's profits. Reforms targeting motivation and culture in Group companies will contribute significantly to the improvement of our total earnings. We will monitor the way that management team members approach new challenges. We also select officers from Group companies for executive positions within NH Foods. In addition to transforming our culture, this expansion of our management team with a focus on new challenges will also function as part of our succession planning.

I am working to instill this culture focused on new challenges by directly visiting our frontline operations and Group companies. I also hold promotional meetings at 40 locations each year. In addition, we are continually using various media, including the posting of information on the intranet, and the display of *Kaete mo ee de* (“change is welcome”) promotional posters in all Group companies.

Reform and challenge through human capital expansion

I believe that we need to combine these measures to change the mindsets of existing employees and enhance their capabilities with changes to our recruitment activities. Because of our involvement in a

primary industry, we need people to work in livestock farming and agriculture. In the past, we have approached recruitment without making any distinction between these categories. In a significant number of cases, this has caused us to lose talent to our competitors. When I think about our business activities and human resource structure five or ten years in the future, it becomes clear that the expansion of our human capital in the areas of livestock farming and agriculture will be a particular priority, and that we need to employ various initiatives, including direct approaches to individuals.

Because our corporate administration has prioritized business divisions in the past, there have been few opportunities for people in management areas to diversify their skills and knowledge through rotation into other areas. While people can enhance their specialist skills by working in the same area for many years, I feel that this limits their opportunities to make changes and take up new challenges. We cannot solve this problem simply by transferring people to different areas. We are therefore recruiting ambitious mid-career personnel and appointing them to management positions. Around five such people have been appointed in the past year. We will continue to energize this circulation of human resources while expanding our human capital to meet future needs.

Co-creation—Working together to create value through protein

Our basic approach to co-creation is to work with partners who share our commitment to unleashing new potentials for protein and our goal of working together to create value through protein, which is the theme for Medium-Term Management Plan 2026, and can help us to achieve these aspirations. We will continue to pursue the co-creation of new value with partners who share our ideals.

For example, we will continue to build mutually beneficial partnerships as part of our efforts to realize our mission to ensure reliable supplies of protein. As a company that benefits from the bounty of nature, we are concerned that we do not make sufficient use of by-products from livestock farming. We are also considering

various approaches, including co-creation through research in such fields as the use of by-products in medicine. Another direction for co-creation will be the transfer of processing technologies developed in Japan to other countries. Our baseball team and our ballpark in Hokkaido also offer opportunities for co-creation, and we aim to will take up a variety of new challenges in that area.

“ We will accelerate our management processes, starting with the launch of co-creation projects. ”

In July 2024, we launched a business alliance with JA Zen-noh (the National Federation of Agricultural Cooperatives) as our first co-creation project. The main activities under this project are the development of standards for carbon-neutral farming, and use of livestock-derived methane as an energy source, the sharing and automation of meat processing facilities, collaboration on the production of ham, sausages, and other products, and the joint use of both organizations' logistics networks. Through this project, we aim to ensure the sustainability of Japanese livestock farming by making optimal use of our resources, including management resources and expertise. (See page 25 for details.)

Our sustainability priorities

As a company involved in livestock farming, we view animal welfare and the reduction of livestock-derived greenhouse gas emissions as particularly important priorities. We will continue to work toward solutions in these areas through joint research based on industry-academia collaboration, and cooperation with the livestock industry.

Another initiative that is having a significant impact is the reduction of the plastic used in food packaging and processing in the Processed Foods Business. We have already reduced the amount of plastic used in packaging for our flagship *Schau Essen* brand, and



we are also working toward the elimination of trays used for another of our flagship brands, *Chuka Meisai*. We are also considering the elimination of trays used for our pizza products as part of our ongoing efforts to reduce the quantities of plastic used.

A turning point for NH Foods—Our long-range vision

I see companies as groups of people. Human qualities, such as imagination, creativity, and sensitivity, are the driving forces that turn the impossible into reality. That is why I want to create a corporate culture in which people can continue to take up new challenges. I define a company capable of sustainable growth as one that has large numbers of people who are sensitive to changing trends, who can detect the right time to act, and who can quickly turn their ideas into initiatives.

We will achieve the business profit set down in our Medium-Term Management Plan. We have reached a major turning point on our path to the future beyond that target. Our efforts to transform our human capital and corporate culture are extremely important from a long-term perspective. The steps that we take now in these areas will determine the future of the NH Foods Group. I remain fully committed to the realization of Medium-Term Management Plan 2026, and to the creation of a foundation for the future of this company.

Nobuhisa Ikawa

President and Representative Director

Editorial policy

Editorial policy

Results for the Ballpark Business, which were previously disclosed in the “Others” category, have been shown as a separate category since the first quarter of the current consolidated accounting period. This change reflects the increasing importance of this segment. When compiling this report, we referred to the Integrated Reporting Framework issued by the IFRS Foundation, and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 issued by the Ministry of Economy, Trade and Industry.



Coverage

NH Foods Ltd. and its 71 consolidated subsidiaries in Japan and overseas (as of April 1, 2024)

Period covered

April 1, 2023–March 31, 2024.

Some of the information contained in this report refers to times before or after this period.

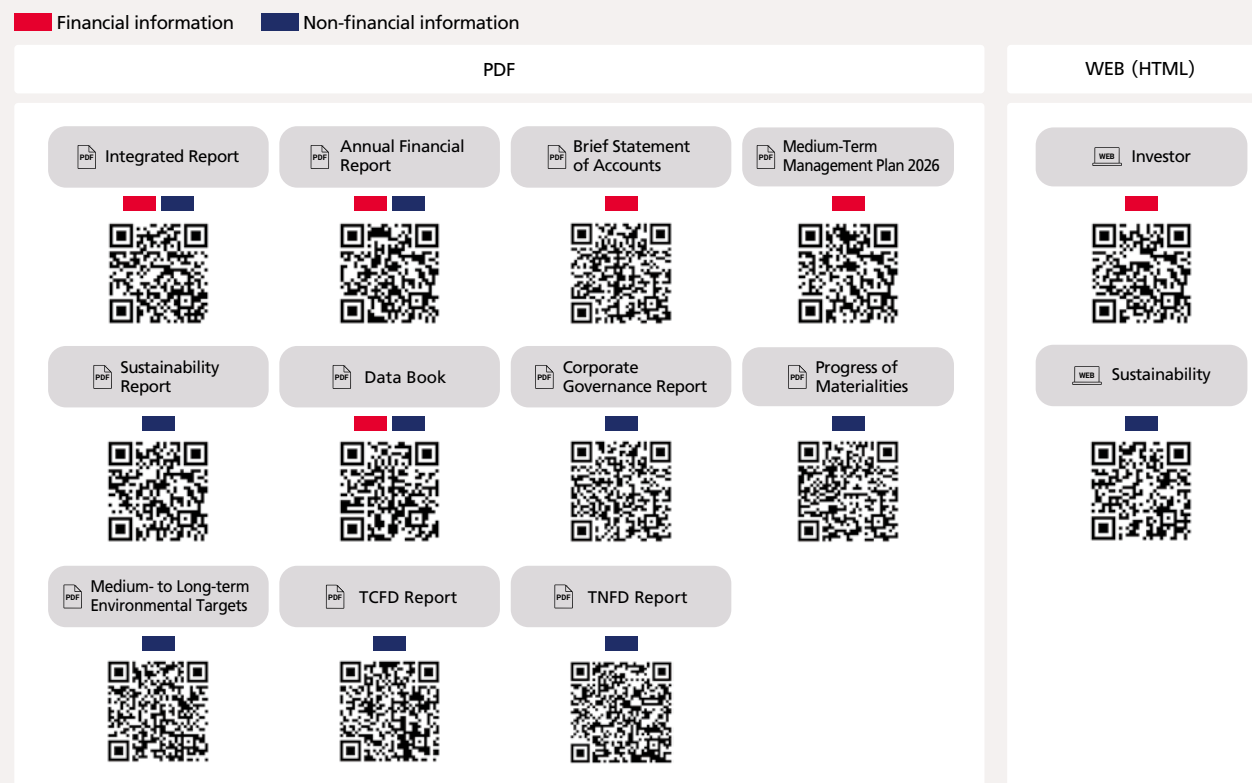
Notes concerning accounting standards

In the fiscal year ended March 2022, we sold our entire shareholding in Marine Foods Corporation, a consolidated subsidiary. As result, Marine Foods Corporation and its subsidiaries, etc., are now classified as non-continuous businesses. Figures for non-continuous businesses have been excluded from net sales and profit for the period before income taxes, etc., for the fiscal year ended March 2022 and the fiscal year ended March 2021.

NH Foods Ltd. voluntarily applied International Financial Reporting Standards (IFRS) beginning with its Consolidated Financial Statements for the First Quarter of the fiscal year ended March 31, 2019.

Results for the Ballpark Business, which were previously disclosed in the “Others” category, have been shown as a separate category since the first quarter of the current consolidated accounting period. This change reflects the increasing importance of this segment.

Information disclosure structure and the positioning of the integrated report



Forward-looking statements

This integrated report includes forecasts regarding targets, strategies, and earnings. These forecasts are based on information available at the current time and contain certain assumptions about the future. They are subject to numerous external uncertainties in areas such as the economic environment, market trends, and exchange rates. Actual performance may differ significantly from the targets in this presentation, and investment decisions should not be based exclusively on them.

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Corporate philosophies and history

Built on proteins and dedicated to the future of protein—The NH Foods Group

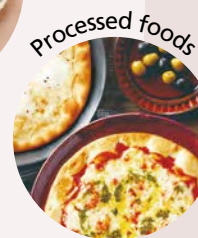
Corporate Philosophies

1. Under the basic theme of Joy of Eating, our company creates a culture that marks an epoch and contributes to society.
2. Our company is a place where employees can feel truly happy and fulfilled.

Management Principles

1. Act with noble ideals and the determination to achieve them.
2. Learn from others, teach others, and be willing to be taught by others.
3. Create the times by meeting the needs of the times.
4. Expand relationships through quality and service, and take responsibility for all people with whom we have relationships.
5. Strive for a highly functional organization.

Reliable supply of animal protein



Value provided—topics

1966

Our first consumer brand

Our first consumer brand was *Winny*®. At the time, some wieners were tough due to the inconsistent quality of sheep casings. Our concept was to contribute to the health of children and young people by supplying high-quality protein in a readily enjoyable form. The popularity of the product exceeded all expectations, and *Winny*® became a major hit product.

1968

The start of the chicken farming business

Our vertical integration system is the key to the NH Foods Group's ability to supply safe, high-quality meats reliably. The livestock farming business, in which we have been involved on a significant scale since 1968, forms the upstream part of this system. The scale of our business continued to expand throughout the 1990s, and today we are one of Japan's biggest producers of chicken and pork.

1977

Start of overseas business expansion

In 1977, we commenced our overseas business expansion with the acquisition of the North American company Day-Lee Meats, Inc.* In 1988 we built an integrated beef business through the acquisition of the Whyalla Beef Feedlot in Australia. This company now plays an important role that encompasses local sales of processed meats, procurement of fresh meats for export to Japan, and exports to third countries.

* Now Day-Lee Foods, Inc.

1985

Launch of *Schau Essen*

Schau Essen pork wieners were developed in response to demand from consumers seeking authentic gourmet sausages. We made the sausages by filling sheep casings with coarse-ground pork, which at the time was new to most Japanese consumers, and then smoking them. This totally new product became a major hit thanks to its unique crisp texture and soon claimed the biggest share of the market as a flagship brand for NH Foods Ltd.

1997

Launch of food allergy-friendly products

We launched the *Apilight* range in 1997 in response to frequent calls to our consumer helpline from desperate parents seeking the development of products that could be consumed safely by children with food allergies. Since then, we have expanded the variety of products, while also prioritizing test kit development and the dissemination of information. Today we supply various products and services to help people consume protein with peace of mind.



2002

Introduction of branded beef

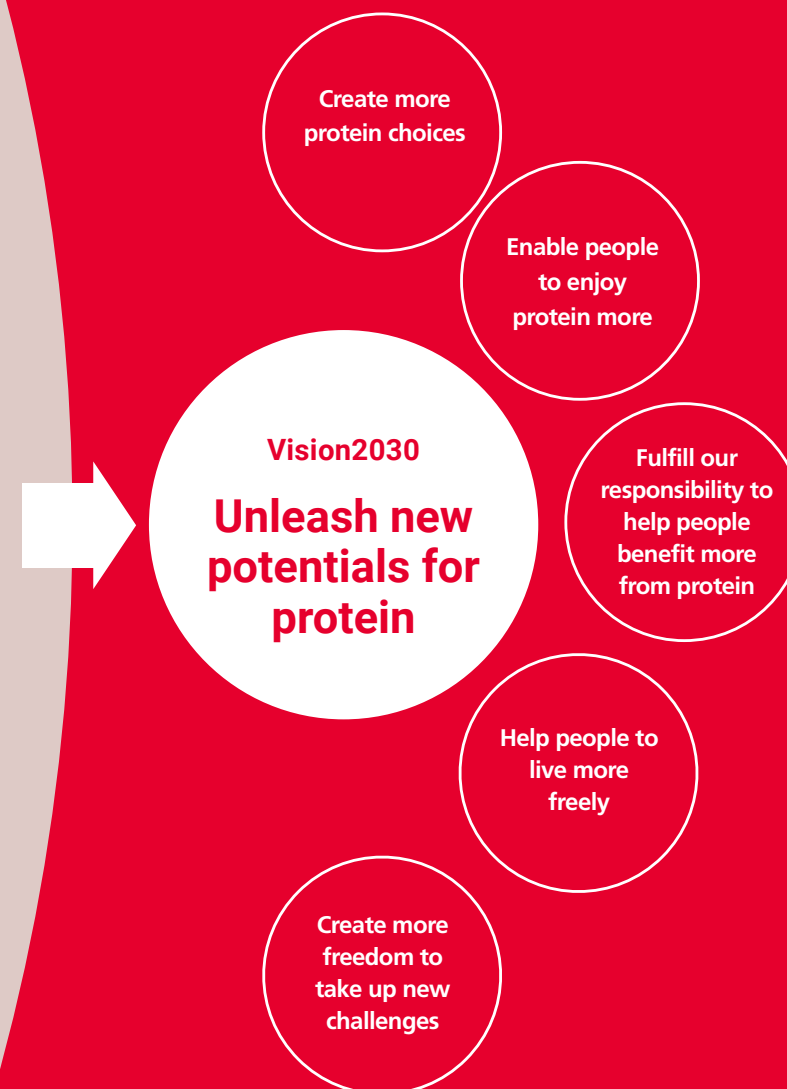
In 2002, we used the power of our vertical integration system to develop domestically produced *Sakurahime* chicken. Now one of the NH Foods Group's best-known fresh meat brands, *Sakurahime* chicken contains three times more vitamin E than regular chicken* and also has a much fainter odor. We are continuing to roll out new meat brands, including *Mugikomachi* domestically produced pork.

* Based on a comparison with the 2015 value in the Standard Tables of Food Composition in Japan

2020—

Responding to expanding demand for diversified protein products

Demand for meat substitutes is expanding for a variety of reasons, including concerns about food shortages, environmental awareness, and health consciousness. In 2020, the NH Foods Group launched a number of plant-based products under the *NatuMeat* brand. Made from soybeans and konjac instead of meat, the range includes sausages. We are also pursuing R&D relating to cultured meats. Our focus now is the establishment of reliable supply capacity for cultured meats. We are also helping to ensure reliable supplies of protein by building a sustainable future for livestock farming. For example, in 2018 we launched a project to develop smart pig farming systems based on AI and the IoT. As part of our efforts to create and offer new ways to enjoy protein, we have been holding annual innovation contests since 2018. These events provide opportunities for young development staff to put forward ideas for new products. To date, 17 products have been commercialized. Recent examples include *Gras Foie*, a *foie gras* alternative made from chicken livers, and *Boost Noodles*, a *ramen* product that can be eaten with one hand.



Business overview

Initially founded to manufacture ham and sausages, the NH Foods Group today encompasses three food infrastructure businesses, as well as various the operation of a ballpark.

By supplying products across 13 categories, we enable people to experience *the joy of eating* in a wide variety of situations.


Supplies an average of about

6% of total protein consumed


Shares of meat markets in Japan about

20% One in five meat meals consumed in Japanese homes supplied by NH Foods


* Based on research by NH Foods Group, as of March 2024




Fresh meats




Hams and sausages




Processed marine products




Cheese




Fermented milk and lactic acid probiotic beverages




Processed foods




Allergy-friendly products




Extract seasonings




Frozen foods




Freeze-dried foods



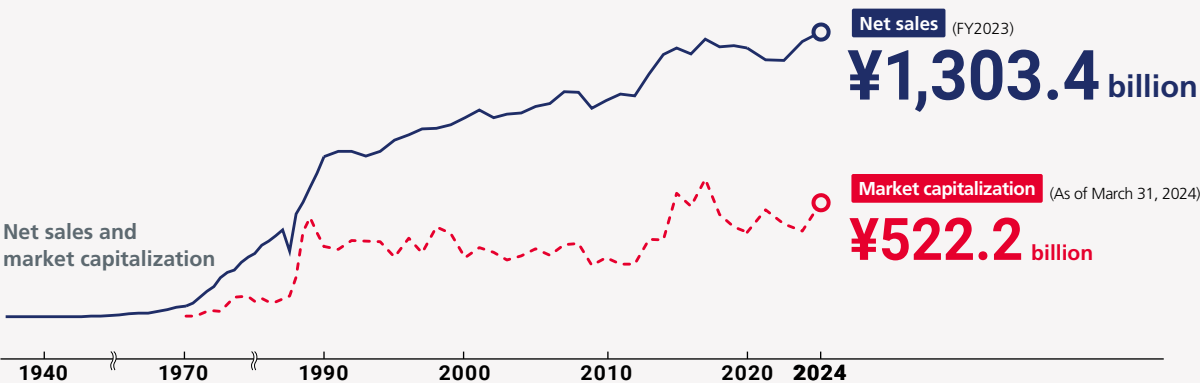
Allergen detection kits



Health foods



Vendor business



Processed Foods Business Division


We have created numerous hit products by offering new value in response to consumer needs.

NH Foods Group was founded as a manufacturer of processed foods. Our highly effective development capabilities have enabled us to create hit products that reflect consumer perspectives and offer diversified value in response to changing lifestyles and food needs, while bringing uniquely delicious food experiences to the dining table. Key advantages for the Processed Foods Business include market-leading products in multiple categories, and product ranges that consumers seek out by name.

Our extensive range of processed foods is centered on protein-based products, including ham, sausages, and other processed products, as well as seafood, dairy products and extract seasonings. We build on the broad scope of our business activities to create delicious new products that enable consumers to experience *the joy of eating*.


Main products

Number one in the wiener sausage category*




Schau Essen

Number one in the chilled pizza category*




Ishigama Kobo


Number one in the chilled One Cook category*




Chuka Meisai series



Sutamina En



Vanilla Yogurt



ROLF smoked cheese

* Source: SCI Data

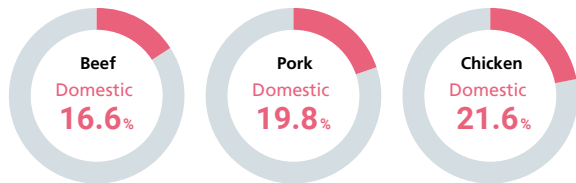
Fresh Meats Business Division

Top share of the Japanese fresh meat sales market
We offer fast, reliable supplies of safe, high-quality fresh meats.

The Fresh Meats Business contributes over 50% of the net sales of the NH Foods Group. We are able to create wide-ranging value thanks to our vertical integration system, which allows us to respond to market needs by producing high-added-value fresh meats at our own farms, thereby ensuring reliable supplies while avoiding exposure to diseases and other risk factors.

In addition to our own products, we also develop and sell a wide variety of original-brand fresh meats based on externally sourced products. We control a 20% share of the Japanese market for fresh meats. Our powerful marketing capabilities have enabled us to strengthen our relationships with raw material suppliers and enhance our competitiveness in the market.

Share of the fresh meats market As of March 2024 (based on NH Foods research)



Branded fresh meats logo



Overseas Business Division

Bringing *the joy of eating* to people around the world
We use knowledge and technology that we have developed in Japan to help people enjoy healthy diets.

Our Overseas Business began in 1977 with the establishment of business operations in the United States. Today we have 64 business sites in 15 countries and regions. We produce, breed, process, package, and sell beef and chicken to meet diverse needs in many parts of the world. We also manufacture and sell ham, sausages, and processed foods, as well as seafood, extract seasonings, vegetables, and a wide variety of other products.

We will continue to advance toward our vision of becoming the world's leading provider of *the joy of eating* by helping people to enjoy delicious, healthy goods through the creation of products that reflect the diversity of food and embody food traditions and values from around the world.

Main business operations



[Australia] Whyalla Beef Pty. Ltd.
Production and fattening of cattle at Australia's biggest cattle station



[Turkey] Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi
Integrated production, breeding, processing, and sales of chicken



[USA] Day-Lee Foods, Inc.
Manufacture and sales of processed foods, especially the Crazy Cuisine brand, importing and exporting of fresh meats and other products



[Thailand] Thai Nippon Foods Co., Ltd.
Manufacture of processed foods, especially chicken-based products for export to Japan and domestic sales

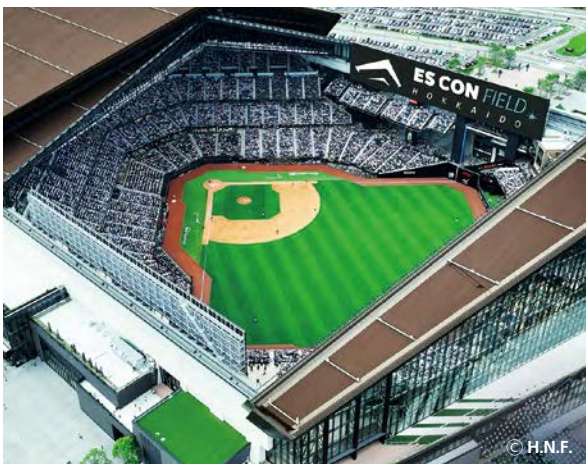
Ballpark Business

Our new ballpark, ES CON FIELD HOKKAIDO, is the centerpiece of a scheme to build a new community based on sports and entertainment.

Through our Ballpark Business, we are involved in the management of the Hokkaido Nippon-Ham Fighters, a professional baseball team, and in March 2023, we opened our new ballpark, ES CON FIELD HOKKAIDO. Through the Hokkaido Ballpark F Village scheme, we are creating a new community based on a business model that combines sport value with Hokkaido value.

We aim to achieve community development and innovation through co-creation and collaboration, including participation by a wide range of businesses from the government and private sectors and academia, as well as partners offering products and services to enhance the visitor experience at the ballpark.

ES CON FIELD HOKKAIDO

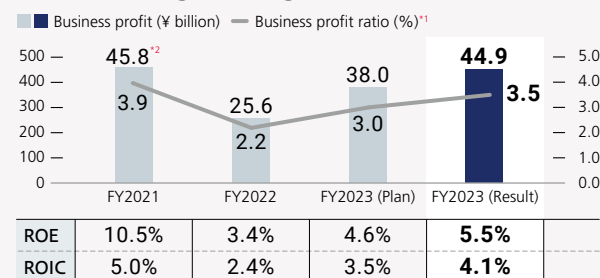




Overview of Medium-Term Management Plan 2023

Business profit is recovering at both the segment and company-wide levels thanks to initiatives in the previous fiscal year.

Results for management targets and indicators



*1 After retroactive adjustment for the marine food business of The Marine Foods Corporation and its affiliated companies

*2 The ratio of business profit to net sales was calculated using business profit after adjustment for discontinued operations (¥45,897 million in the fiscal year ended March 31, 2024, ¥28,191 million in the fiscal year ended March 31, 2023).

Four management policies to drive a recovery in business performance

The fiscal year ended March 2024 was the final year of Medium-Term Management Plan 2023. We faced a challenging business environment during the period covered by the plan. In addition to soaring prices for raw materials, feed, and energy in the wake of Russia's attack on Ukraine in 2022, we were also impacted by a continuing downward trend in the value of the yen.

We responded to this situation by implementing a range of measures under a management policy focused on reversing a decline in business profit in the fiscal year ended March 2024.

We worked toward a shift to sustainable and profitable business models through product price adjustments targeting the Processed Foods Business. We also implemented product portfolio changes as part of our structural reforms, including the centralization of production of flagship products on high-productivity lines, and the

Management Policies	Overview
Shift to a sustainable business model with profitability	<ul style="list-style-type: none"> ● Evidence of inability to cope with changes in the business environment ● Start of business portfolio reforms in Japan and overseas ● Start of cross-segment sales of national brand processed products through the Nippon Food companies
Build a growth model for the Overseas Business	<ul style="list-style-type: none"> ● Start of efforts to stabilize earnings from overseas businesses through the strengthening of the Processed Foods Business ● Initiatives to expand processed food production capacity in North America and stabilize earnings in Australia
Provide new value through new products and services	<ul style="list-style-type: none"> ● Opening of Hokkaido Ballpark F Village and achievement of earnings target ● Inability to create new value through existing businesses
Strengthen corporate functions to achieve the Vision	<ul style="list-style-type: none"> ● Digital transformation: Formulation of <i>Connect</i> Replan, linkage to Group strategy ● R&D enhancement: Analysis of R&D issues in the NH Foods Group, consideration of restructuring ● Human resource management: Formulation of specific measures to foster an organizational culture focused on new challenges

elimination or consolidation of low-margin items. In the Fresh Meats Business, we took steps to strengthen our procurement capabilities, including the development of new import sources. The establishment of specialist organizations for each sales channel resulted in record profits for the Nippon Food companies.

We also began to build a growth model for the Overseas Business by stabilizing earnings through a review of low-profit overseas businesses and the expansion of the processed foods business, especially in North America. The Australian beef business delivered strong returns thanks to the additional impetus provided by a decline in beef production in the United States.

One example of our efforts to provide new value through new products and services was the opening of Hokkaido Ballpark F Village. We were able to generate new value and business earnings through the convergence of entertainment and community development.

We worked to achieve our vision by strengthening

corporate functions, including the formulation of specific measures to foster an organizational culture focused on new challenges under Medium-Term Management Plan 2026.

These management policies and measures delivered a recovery in business profit at both the segment and company-wide levels. (See P.43 onwards for details.)

However, we are aware that the recovery in earnings is not yet complete, and that many issues remain to be addressed in order to improve profitability. That is why we have formulated Medium-Term Management Plan 2026 as our roadmap to a new stage. Under that plan, we aim to enhance our corporate value and build a corporate structure capable of delivering sustainable growth.



















Main segment achievements in FY2023

Processed Foods	Profitability enhanced through product mix enhancements and price adjustments
Fresh Meats	Record profits achieved by Nippon Food sales companies
Overseas	Recovery in the number of cattle processed, expansion of processed product sales volumes in North America
BP	Visitor number target exceeded (3.46 million), resulting in higher earnings



Progress on materialities (Materiality through FY2021 - FY2023)

For more information on the progress of other materialities, please visit the web.

Materialities	Measure and indicators		FY2023 results
Stable procurement and supply of proteins    	Promote sustainable procurement	<ul style="list-style-type: none"> Dissemination of policies to 100% of important primary suppliers^{*1} and implementation of SAQs^{*2} by FY2023 Dissemination of policies to 100% of important primary suppliers and implementation of SAQs, and dissemination of policies to important secondary suppliers and implementation of SAQs by FY2030. 	<ul style="list-style-type: none"> SAQs were conducted with 51 important primary suppliers, and a 100% response rate was achieved.
	Promote initiatives that take animal welfare into consideration	<ul style="list-style-type: none"> Elimination of gestation crates for pigs on all farms in Japan^{*3} Implementation rate: 9.5% by FY2023, 100.0% by FY2030 Installation of drinking water facilities in lairage pens for cattle and pigs at all meat processing plants in Japan^{*3} by FY2023 Installation of cameras on all farms and meat processing plants in Japan^{*3} to ensure environmental quality by FY2024 	<ul style="list-style-type: none"> Elimination of gestation crates on all farms in Japan (pigs) Implementation rate: 9.5% Progress on installation of drinking water facilities in lairage pens at all meat processing plants in Japan (cattle and pigs) Cattle: 100.0%, pigs: 100.0% Progress on installation of cameras on all farms and meat processing plants in Japan to ensure environmental quality Cattle (processing plants): 100.0%, pigs (processing plants/farms): 100.0%, chickens: 94.0%
	Expand sales of plant-derived protein products	<ul style="list-style-type: none"> FY2030 shipments: ¥10 billion 	<ul style="list-style-type: none"> Shipments: ¥2.0 billion (400% compared with the previous year)
	Promote acquisition of third-party certification. (FSSC22000, SQF, BRC, JFS, etc.)		<ul style="list-style-type: none"> Number of third-party certifications acquired: 119
	Develop human resources through specialized technical certification and other training	<ul style="list-style-type: none"> FY2030 cumulative targets Number of employees who have completed e-learning: 67,000 Number of employees who have completed basic technical training: 2,400 Number of employees who have newly passed as certified experts: 90 Food labeling examination (intermediate): 760 Food labeling examination (advanced): 90 	<ul style="list-style-type: none"> FY2023 cumulative results Number of employees who have completed e-learning: 45,997 Number of employees who have completed basic technical training: 1,968 Number of employees who have newly passed as certified experts: 64 Food labeling examination (intermediate): 655 Food labeling examination (advanced): 56
Food diversification and health   	Expand our lineup of food allergy-related products and raise awareness	<ul style="list-style-type: none"> FY2030 shipments: ¥4 billion 	<ul style="list-style-type: none"> Shipments: ¥1.4 billion (110.2% compared with the previous year)
	Research and commercialize new ingredients for improving cognitive function	<ul style="list-style-type: none"> Supply the equivalent of 3 million meals per year by FY2026 	<ul style="list-style-type: none"> Provision of IMIDEA materials and products: 1.94 million meals
	Develop products that contribute to health		<ul style="list-style-type: none"> Shipments amount: ¥10.6 billion (104.0% compared with the previous year) Number of products for health-conscious consumers: 97 items (18 fewer than in the previous year)
Contributing to a sustainable environment    	Reduce CO ₂ emissions from fossil fuels	<ul style="list-style-type: none"> Reduce by at least 46% in Japan by FY2030 (compared with FY2013) Reduce by at least 24% overseas by FY2030 (compared with FY2021) 	<ul style="list-style-type: none"> Reduction rate in Japan: 21.3% Overseas reduction rate: 8.4%
	Reduce water consumption ^{*4}	<ul style="list-style-type: none"> Reduce by 5% in Japan by FY2030 (compared with FY2019) Reduce by 5% overseas by FY2030 (compared with FY2021) 	<ul style="list-style-type: none"> Reduction rate in Japan: 0.7% Overseas: Reduction rate: 2.4%
	Reduce waste emissions ^{*5}	<ul style="list-style-type: none"> Reduce by 5% by FY2030 (basic unit per production quantity compared with FY2019) 	<ul style="list-style-type: none"> Reduction rate: 9.5%
	Improve the waste recycling rate	<ul style="list-style-type: none"> Achieve a waste recycling rate of at least 92% by FY2030 	<ul style="list-style-type: none"> Recycling rate: 92.2%
Co-creation and shared prosperity with local communities and society as a whole through food and sports    	Promote activities for co-creation with local communities through sports		<ul style="list-style-type: none"> Number of events: 72 Number of in-house participants: 500 Activity cost: ¥100 million
	Promote community contribution activities, including cultural activities (cooperation and clean-up activities for local events, etc.)		<ul style="list-style-type: none"> Number of events: 324 Number of in-house participants: 6,400 Activity cost: ¥10 million
	Promote social welfare activities through food (supply of food to food banks and <i>Kodomo Shokudoo</i> (children's dining rooms), etc.)		<ul style="list-style-type: none"> Number of events: 199, Number of in-house participants: 800, Activity cost: ¥10 million
	Support the development of the next generation through food and dietary education, etc. (classroom lessons by visiting instructors, career development support, etc.)		<ul style="list-style-type: none"> Number of events: 137 Number of in-house participants: 2,400 Activity cost: ¥84 million
Employee development and respect for diversity   	Support for job satisfaction	<ul style="list-style-type: none"> More than 80% favorable response rate to employee surveys by FY2030^{*6} 	<ul style="list-style-type: none"> 66.7%
	Foster an organizational culture focused on new challenges	<ul style="list-style-type: none"> More than 80% favorable response rate to employee surveys by FY2030^{*6} 	<ul style="list-style-type: none"> 66.5%
	Promote active participation of diverse human resources	<ul style="list-style-type: none"> Achieve a mid-career hiring ratio of 15% or more by FY2030^{*6} 	<ul style="list-style-type: none"> 8.9%
	Promote active participation by women	<ul style="list-style-type: none"> Percentage of female managers 20% or more by FY2030^{*6} Ratio of women in supervisory positions or above to 35% or more by FY2030^{*6} 	<ul style="list-style-type: none"> Percentage of female managers: 10.7% Ratio of women in supervisory positions or above: 24.1%
	Promote employment of people with disabilities	<ul style="list-style-type: none"> Employment rate of people with disabilities: 2.3% or more by FY2030^{*6,7} 	<ul style="list-style-type: none"> 2.6%

^{*1} Suppliers with large transaction volumes in Japan and overseas, and suppliers who deliver non-substitutable raw materials, packaging/materials, livestock, feed, etc.

^{*2} Self-Assessment Questionnaire

^{*3} Companies in which the Group holds a majority of the capital are eligible

^{*4} Product manufacturing plants and meat processing plants at the Group's domestic and overseas locations are covered.

^{*5} The Company's domestic sites include product manufacturing plants and meat processing and finishing plants.

^{*6} Subject: NH Foods Ltd.

^{*7} Targets will be changed as needed in accordance with changes in the law.



Providing value through protein

Research and development into diverse proteins

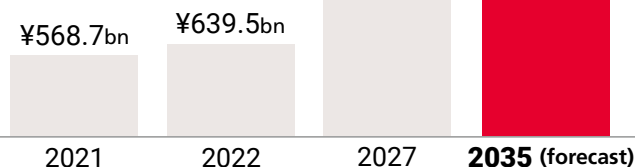
Under our Vision2030 of “Unleash new potentials for protein,” we continue to take on the challenge of expanding the possibilities offered by proteins. One of the ways we are doing this is by advancing research and development into alternative proteins in response to concern about protein shortages in the future. It is also forecast that the alternative proteins market will be large. In 2020, we launched the *NatuMeat* brand of soy meat products, and since then, the Group has developed and launched a variety of plant-based products. In recent years, we have also been developing products that use malt as an ingredient. Furthermore, we are currently conducting research on cell-based

food (cultivated meat) which is cultured from animal cells. It is hoped that cell-based foods can become a more environmentally friendly source of animal protein.

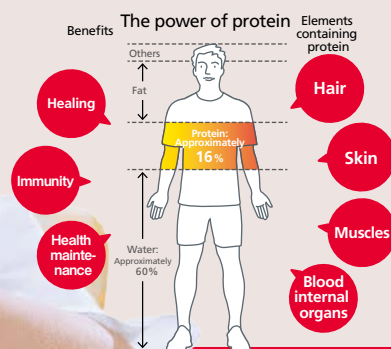
We believe our mission is to provide consumers with high-quality protein by realizing stable protein procurement and supply. Protein has the power to realize a future where people can enjoy delicious, easy-to-prepare food every day no matter how busy they are, and can eat meat healthily no matter how old they are. We will work to make this delicious, healthy future a reality.

¥4,906.4bn

Global alternative protein market size forecast



Source: Yano Research Institute Ltd.



The value of protein

Proteins are essential nutritional elements making up about 20% of the human body. They are not only the building blocks for various parts of the body, including muscles, internal organs, skin, bones, and hair, but also essential for the production of digestive enzymes, immunological substances, and hormones. As nine of the 20 types of amino acids cannot be produced internally, they must be replenished through food. Additionally, proteins enhance the body's immunity and help maintain the functions of the brain and other organs, regulate the body's balance, and facilitate mental stability. Proteins

derived from animals in forms such as meat and dairy products offer the most well-balanced amino acid content, making them an extremely high-quality source of nutrition. In Japan, which is coping with demographic aging, protein is an important means of tackling frailty, which is the decline in muscle strength and other physical and mental functions that develops with age. Protein deficiency is thought to be one of the causes of frailty, particularly as a decrease in meat consumption makes it easier to lose muscle strength. Imidazole dipeptide is found in meat and is effective for maintaining muscle strength, so proper protein intake is a way to prevent frailty.

Providing the joy of eating sustainably - Mealin' Good

We established our Sustainability Business in 2023. Under the *Mealin' Good*^{*1} brand, it provides products and services that increase the number of choices that both people and the planet can feel good about, with the aim of realizing a better future where a wide range of different ethical viewpoints and values can coexist together.

The first product to be developed by the Sustainability Business was *Gras Foie*. As demand for chicken liver drops during winter, we are using the surplus supply to create an alternative to *foie gras*. As the amount of *foie gras* being produced drops because of animal welfare concerns, *Gras Foie* is being evaluated highly for the new value it provides.

The next products to be developed were *NatuMeat Fishless Fried Fish Fillets* (plant-based) and *Popcorn Shrimp* (commercial use), which use soy meat with a view to protecting marine resources. Furthermore, in 2024, plant-based tuna

sashimi, which is made from plant-based ingredients such as konjac powder, was launched onto the market. This product is bringing joy by offering a new option to people who cannot eat raw fish. These alternative products were used in the lunch boxes provided to attendees of the World Bank^{*2} Understanding Global Risk Forum 2024, which was held on June 18, 2024, in



Himeji, Hyogo prefecture. It earned great acclaim as an appropriately sustainable food for a global event.

^{*1} A brand that combines "Feeling Good" with "Meal" to convey our commitment to "a comfortable and better everyday life for both people and the planet."

^{*2} An aid organization that works to reduce poverty and share prosperity on a livable planet.

Food provided at the Understanding Global Risk Forum 2024



Freshly cooked *Gras Foie*

Nigiri sushi made with plant-based tuna sashimi *NatuMeat Fishless Fried Fish Fillets* (Plant-based)



Lunch box

Providing products and services that both people and the planet can feel good about

Mealin' Good is a sustainable business established by the Company in 2023. It aims to show respect for diverse values and ethical viewpoints and provide choices that are "good" for both people and the planet. Since starting the business, we have developed and launched upcycled products and alternative proteins, with a particular focus on processed livestock products, and these efforts have been well received. Going forward, we will continue to contribute to the realization of a sustainable society and healthy lifestyles by providing products and services that consumers can choose with peace of mind.

Kenji Takasaki

General Manager of Business Development & Strategy Division



Entering into a limited partnership with a venture capital fund to accelerate external co-creation activities

In July 2024, we made an LP^{*} investment in the GB-IX Growth Fund Investment Limited Partnership operated by Global Brain Corporation, a major independent venture capital firm. Through this partnership, we will seek to accelerate efforts to promote open innovation that goes beyond our organizational boundaries and expand our businesses through R&D.

^{*} Limited partnership. This is a kind of investment made via venture capital and the investing partner is only liable for the amount of money they invested (limited liability).

Issues concerning protein

The approaching protein crisis

In the near future, it is predicted there will be a protein crisis as the effects of global warming drive a decline in yields of the grains that make up animal feed, leaving protein supplies unable to keep up with rapidly growing global demand. Existing protein sources will not be enough to overcome this crisis, so there is an urgent need to develop and commercialize sustainable alternative sources of protein. This also requires a review of new food production technologies.

A threat to the sustainability of livestock farming

Japan is facing a decline in the number of livestock farmers as current farmers are aging and there is a lack of successors to take over their work. Therefore, improving work environments has become an urgent challenge. On top of this, production costs are increasing due to health management requirements and rising feed prices, while the large volumes of greenhouse gases emitted are also an issue. To realize a stable supply of protein, these issues need to be solved and comprehensive measures must be taken to realize sustainable livestock farming.

Our role as a supplier of protein

In order to deliver the joy of eating and reliable supplies, we need to take on the challenges of stably procuring protein and providing diverse food choices in a way that values the bounty of nature.

	Overall	Animal protein	Livestock-derived	Meat
Protein intake (per person per day)	71.4g	40.1g	27.9g	17.6g
NH Foods Group's share	6.0%	10.6%	15.3%	23.5%

^{*} Estimated by NH Foods from internal product volume data and various external sources, including the nutrition chart published by the Ministry of Education, Culture, Sports, Science and Technology in 2019, and results from the National Health and Nutrition Survey conducted by the Ministry of Health, Labour and Welfare in 2019

A 100-billion-yen brand by fiscal 2030— Our vision for Schau Essen

Schau Essen is a brand of coarse ground pork wiener sausages established in February 1985. It's authentic flavor, realized by using a German manufacturing method in which sheep casings are filled with pork and then smoked, has become extremely popular.

One of our growth strategies is to increase sales of flagship brand products so we have set the target of growing annual net sales of *Schau Essen* to 100 billion yen* by fiscal 2030. This will be an increase of about 30% compared to current annual net sales of 74.6 billion yen.

*Retail sales of *Schau Essen* products in Japan and overseas.

Schau Essen net sales over time

FY2009
¥52.4 billion

FY2014
¥63.5 billion

FY2019
¥72.3 billion

FY2023
¥74.6 billion

FY2030(target)
¥100 billion

Making *Schau Essen* a global brand

In April 2024, we took an important first step on the road to growing *Schau Essen* into a global brand. The Asahikawa Factory operated by Nipponham Hokkaido Factory Ltd. became the first of the Group's factories to obtain approval for export to Singapore. Global expansion will be essential for achieving our target of 100 billion yen in net sales by fiscal 2030. Singapore will be the first country targeted in this expansion, and exports will begin in October. In order to grow exports, we are implementing a project that takes advantage of the power of the Hokkaido brand, which is popular throughout Asia. In 2025, which will mark the 40th anniversary of *Schau Essen*, the brand will embark on a new challenge with the aim of taking a leap forward to becoming a globally recognized name.

Holding the *Schau-1 Grand Prix* to encourage taking on challenges through innovation

One of the ways in which we are pursuing our target of 100 billion yen in net sales by fiscal 2030 is to take on challenges through innovation. We established the *Schau-1 Grand Prix* as a venue for new product development proposals that go beyond the previous framework of the *Schau Essen* brand. The contest evaluates proposals by scoring them in terms of the four categories of idea, deliciousness, novelty, and feasibility.

The first contest was held on June 3, 2024, and prizes included the grand prix, a runner-up award, and a special award in each of the four categories. Work is underway to commercialize the most outstanding proposals.

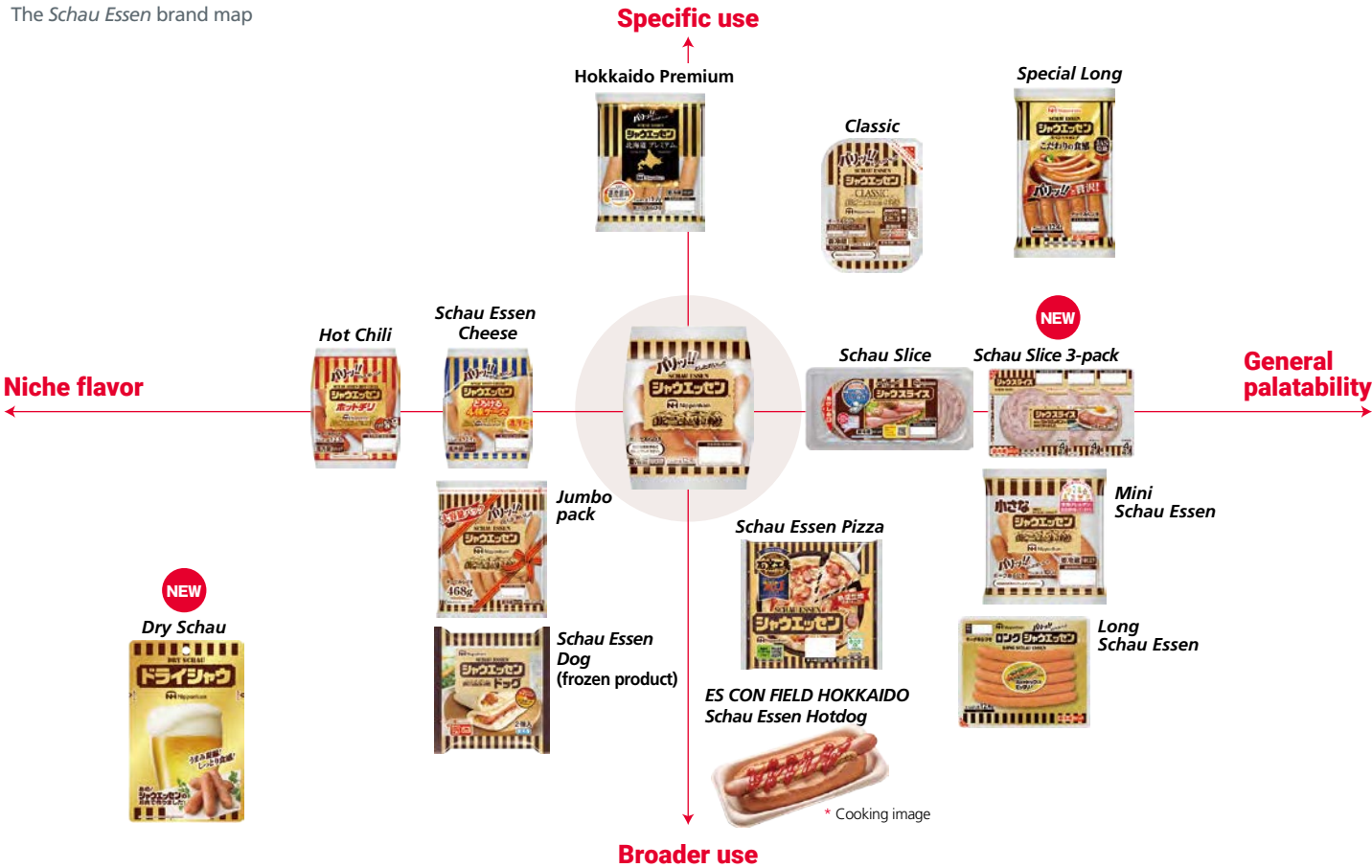


The *Schau-1 Grand Prix* award ceremony

The golden *Schau Essen* trophy



The *Schau Essen* brand map



Changing with the times to realize and even more loved *Schau Essen*

Schau Essen is a brand that has become familiar for its delicious flavor that fills the mouth from the first bite. Since its launch in 1985, it has become a favorite of many customers. Cumulatively, approximately 20.7 billion *Schau Essen* wieners have been sold, which is enough to circle the earth 100 times*. In February 2025, the brand will celebrate the 40th anniversary of its launch. Unlike today, there were no genuine wiener products on the market when *Schau Essen* first launched, so the brand cultivated a new market as a pioneer pursuing an authentic flavor. Since then, consumer lifestyles have changed and their needs have become more diverse, so *Schau Essen* has changed accordingly. We have ended our avoidance of microwavable products to meet the needs of the growing number of single households and households where both partners work, both of which are short on time. In consideration of the environment, we switched to eco-friendly pillow-type packaging in 2022. This was widely showcased to customers through the “*Schau Essen* had its topknot cut” promotional campaign. In order to cultivate even more love for *Schau Essen* products, we are aiming to build a brand that will become an even more familiar choice for customers through natural means such as word of mouth.

* Estimate as of March 31, 2023

Masayuki Osada
General Manager
Brand Strategy Section and
Marketing Section
Marketing Management Division
Processed Foods Business Division



Branding and brand extension

Following the launch of *Schau Essen*, we steadfastly stuck to creating products that have to be boiled and maintaining a specific flavor. In doing this, we neglected to take on new challenges involving the brand.

As a result, the main customer demographic did not grow beyond people

aged 50 and over, and no approaches were made to younger generations. Therefore, in 2019, we began to transform the brand. Through measures such as making products microwavable, creating more variety by adding flavors such as cheese, and developing a pizza with a sliced *Schau Essen* topping, we began to win over younger demographics. By expanding our product lineup (brand extension), while also

implementing branding activities using advertisements and social media, we grew sales from 72.3 billion yen in fiscal 2019 to 74.6 billion yen in fiscal 2023.

Going forward, we will be even more proactive in diversifying our lineup of products, while also developing marketing strategies that further strengthen *Schau Essen*’s brand power with the aim of winning the support of fans of all ages.



Creating new value through co-creation with brands

We are actively engaging in the cultivation of fresh meat brands and co-creation with external partners to realize the sustainable future of food.

Aiming for further consumer-oriented growth through *Sakurahime* domestically produced chicken

Sakurahime is a brand of chicken that has been produced using a unique feed formula. It is characterized by its translucent pink color and the whiteness of its fat, and it has less odor and more than three times

as much vitamin E compared to regular chicken (based on a comparison using values from the 2015 Standard Tables of Food Composition in Japan). The chickens are reared in a way that is considerate of their health, including the provision of spacious clean poultry houses and appropriate temperature control. There is also a traceability system in place that tracks every process, from production through to shipping, to ensure safety and peace of mind.



Sakurahime Domestically produced chicken



Mugikomachi—A flagship domestically produced pork brand

Mugikomachi is our flagship brand of domestically produced pork. The results of a comparison with regular pork showed that it contains higher levels of vitamin B1 and glutamic acid, which is one kind of umami constituent*.

* Glutamic acid: According to the results of a study by the NH Foods Research & Development Center (October 26, 2021) that compared the values of pork sirloin from a large pig six days after slaughter with the Japan Society of Nutrition and Food Science's Free Amino Acids Database. Vitamin B1: According to the results of a study by the NH Foods Research & Development Center (October 26, 2021) that compared the values of pork sirloin from a large pig with the 2020 edition of the Japanese Standard Tables of Food Composition in Japan (8th revision).



Mugikomachi Domestically produced pork



Aiming for meat brands that meet customer needs

We have always worked to showcase the value of our brands while creating touchpoints with customers, including being particular about feed, visualizing deliciousness, and implementing various campaigns. In recent years, lifestyles have become more diverse and food choices have become more numerous, so we feel we need to show clear reasons why consumers should choose our products. Therefore, we will work to strengthen communication with customers. By developing products that leverage our fresh meat brands to meet diverse needs and co-creating with other companies, we will advance projects that are in step with the daily lives of our customers to provide new excitement and a sense of shared purpose. In this way, we will strive to develop fresh meat brands that will become the first choice for many customers, including *Sakurahime* domestically produced chicken and *Mugikomachi* domestically produced pork.



Mako Sakaguchi

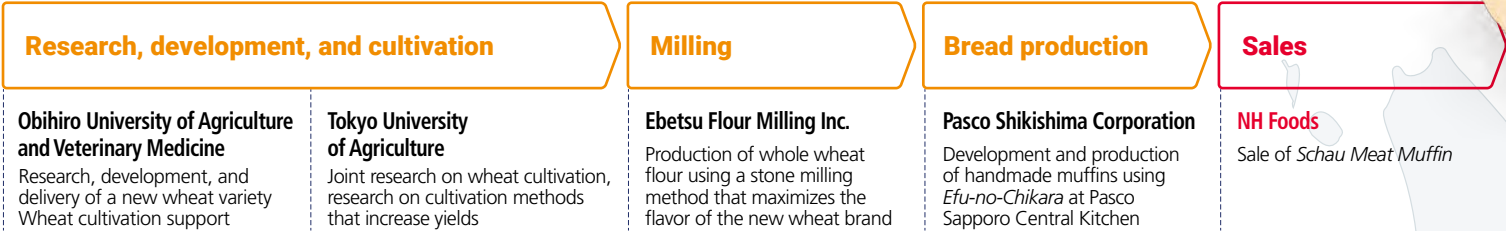
Fresh Meat Marketing Section
Fresh Meats Business Division

Efu-no-Chikara—Realized through industry-academia co-creation rooted in Hokkaido

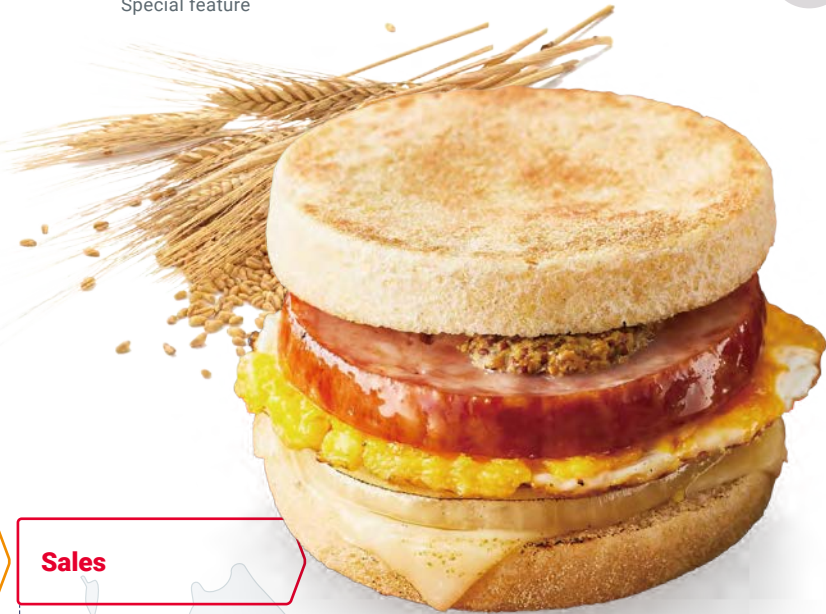
Efu-no-Chikara is a brand of Hokkaido-produced wheat. It is a new variety of wheat developed by Obihiro University of Agriculture and Veterinary Medicine that has been grown on fields owned by the NH Foods Group using by-products from the pig farming business as fertilizer.

In February 2024, we released *Schau Meat Muffin*, a new product made using Efu-no-Chikara that was developed through industry-academia collaboration with Obihiro University of Agriculture and Veterinary Medicine, the Tokyo University of Agriculture, Ebetsu Flour Milling Inc., and Pasco Shikishima Corporation. Efu-no-Chikara is providing new value as a representative brand of sustainable agriculture and regional contribution.

Efu-no-Chikara: From research and development through to commercialization



Efu-no-Chikara



Schau Meat Muffin

Kitanokomekokko – Sustainable chicken produced using Hokkaido’s natural bounty

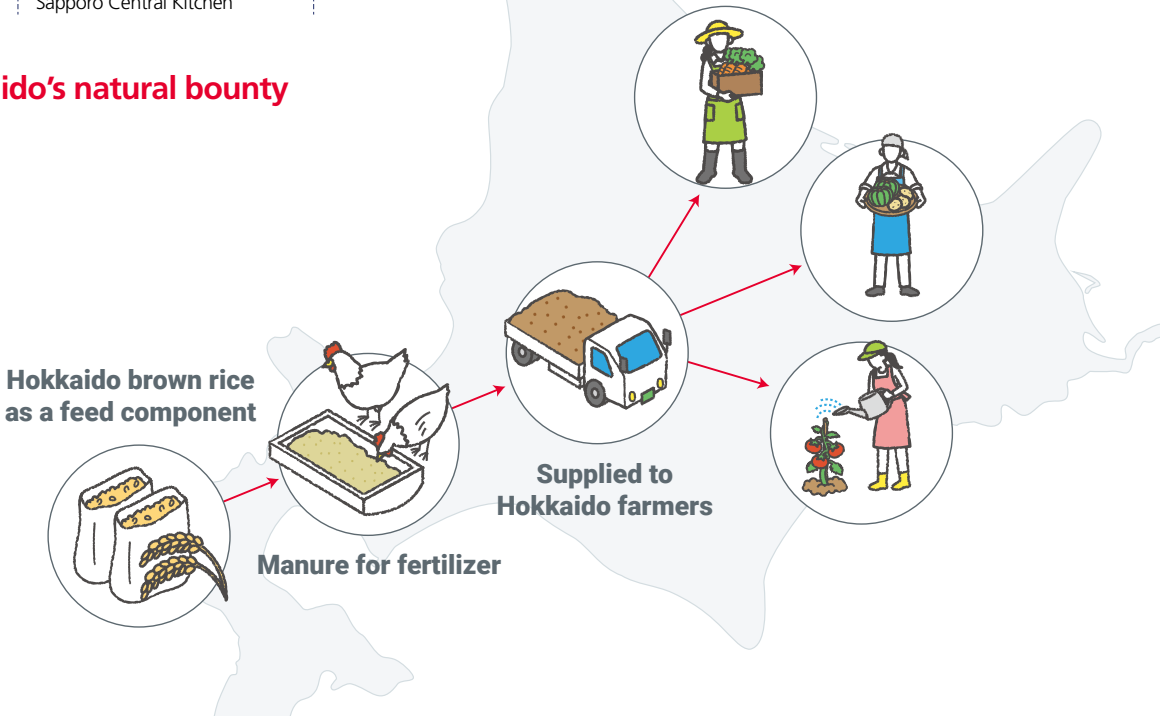
Kitanokomekokko is a chicken brand rooted in the vast landscape of Hokkaido that pursues sustainable livestock farming and food culture. Chickens are raised on feed that includes Hokkaido-grown brown rice and rosemary powder to produce tender, juicy meat that is odorless, even when sautéed only using salt.

Production is overseen by Nippon White Farm Co., Ltd., which is working to realize local production for local consumption and to contribute to the region by providing chicken manure to vegetable farmers in the prefecture for use as fertilizer. Local production for local

consumption within Hokkaido reduces the environmental impact associated with transportation.



Kitanokomekokko Brand of chicken produced in Hokkaido



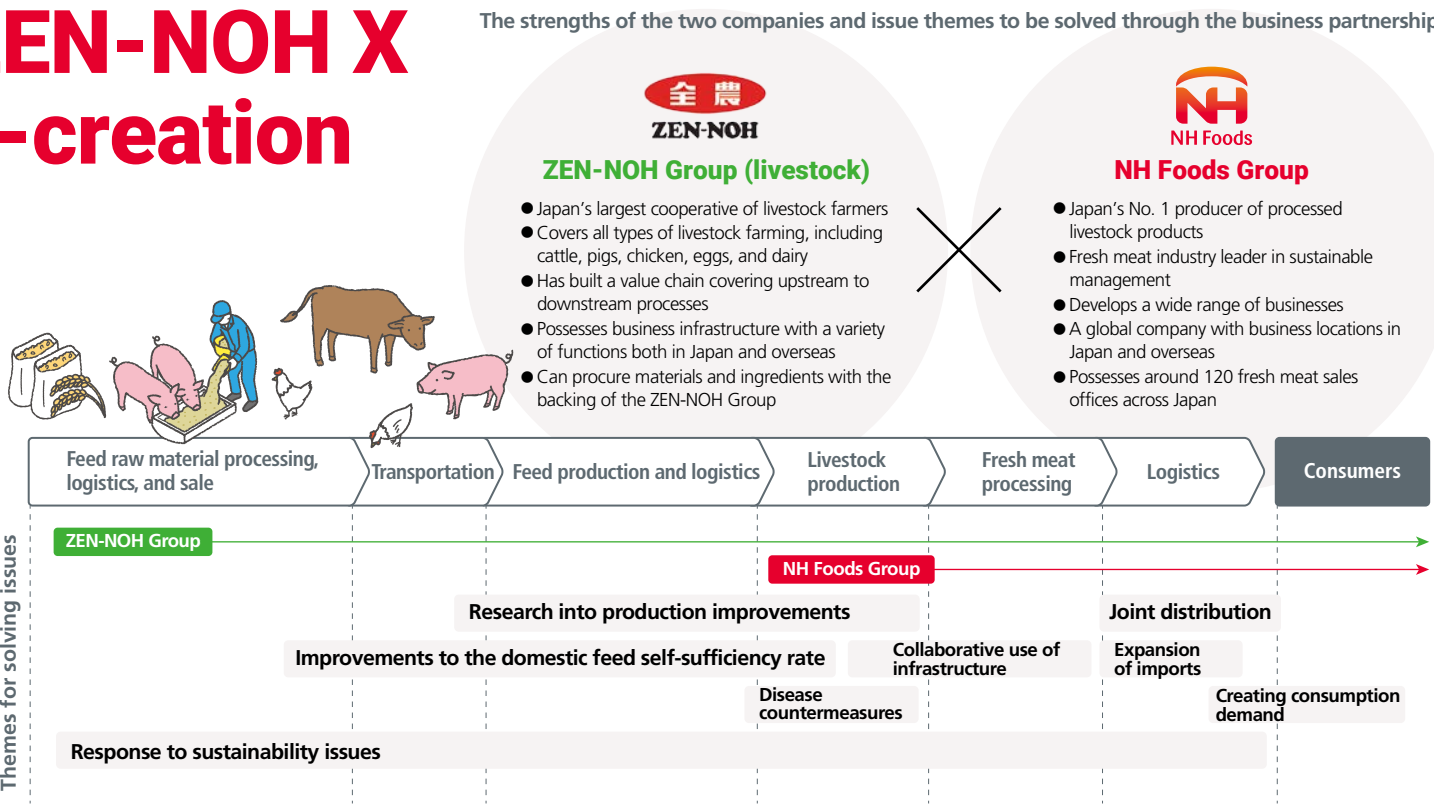
Start of the ZEN-NOH X NH Foods Co-creation Project

Creating the future of livestock farming through collaboration between the leading organizations in the fresh meat industry

In July 2024, NH Foods and the National Federation of Agricultural Cooperative Associations (“ZEN-NOH”) formed a business partnership to launch a new co-creation project with the aim of realizing the sustainable development of the livestock industry in Japan. ZEN-NOH’s mission is to deliver domestic agricultural and livestock products to consumers across Japan in a stable fashion. The project will work to solve issues by combining ZEN-NOH’s extensive value chains with the NH Foods Group’s production technology and sales capabilities.

The co-creation project will also pursue a sustainable domestic livestock industry, including by creating standards for carbon neutral farms and improving the domestic feed self-sufficiency rate. It will also advance animal welfare, the effective use of livestock farming resources, and energy generation with the aim of establishing a new model for livestock businesses.

Furthermore, it will also realize a stable supply of protein through the mutual use



and automation of fresh meat processing facilities and the streamlining of logistics operations. From September 2024 onward, loin ham will be produced at ZEN-NOH’s fresh meat processing facilities. Additionally, there are also plans for collaboration on the export of domestically produced fresh meat. Although the business environment is difficult due to high fuel prices and labor shortages, NH Foods and ZEN-NOH will work together to create new livestock business value with the aim of advancing the sustainable development of the domestic livestock industry.

Overview of ZEN-NOH × NH Foods Co-creation Project

Pursuing sustainability in the domestic livestock industry	<ul style="list-style-type: none">● Animal welfare initiatives● Initiatives to develop standards for carbon neutral farms● Initiatives to reduce plastics● Improved domestic feed self-sufficiency rate
Establishing a next-generation livestock industry model	<ul style="list-style-type: none">● Joint research and business development in the livestock sector● Conversion of manure and methane into energy● Utilization of livestock-derived materials
Stable supply of livestock protein	<ul style="list-style-type: none">● Utilization and coordination of processing facilities● Initiatives to expand the overseas export of domestic products (Wagyu domestically produced beef, etc.)● Product development utilizing domestic livestock products
Co-creation spanning the businesses of both parties	<ul style="list-style-type: none">● Coordinated production and utilization of fresh-packed meat, hams and sausages using ZEN-NOH facilities● Solutions to logistics challenges through coordination (joint deliveries, etc.)



Our commitment to the provision of enhanced value

The NH Foods Group will continue to respond to the expectations of all stakeholders by taking up the challenge of creating value.

We believe it is our responsibility to provide our customers with high quality offering for safety, reliability, satisfaction, and happiness. We also aim to achieve customer satisfaction through a cycle of customer-oriented communications that comprises “listening,” “knowing,” and “using.”

Value provided

- The joy of eating
- Stable procurement and supply of proteins
- Safe, high-quality products and services
- Accurate information
- Provision of products that contribute to health

Our procurement activities are rooted in the NH Foods Group Sustainable Procurement Policy; we intend to establish relationships of trust with our business partners and work with them to realize co-existence and mutual prosperity.

Value provided

- Strengthening partnerships that lead to sustainable growth for all concerned
- Approaching business with fairness and transparency
- Ensuring product quality and reliability of supply
- Co-creating new added value

We intend to comply with the laws and regulations of each of the countries and regions we operate in, actively exchange information with governments, and develop our business. If we realize that accidents have occurred, or if we think there is a risk that accidents might occur, we will report this to the relevant authorities and work hard to investigate and identify the causes.

Value provided

- Compliance with laws and regulations
- Contribution to industry development in partnership with various organizations
- Conscientious payment of taxes

In order to establish relationships of trust with our shareholders and other investors, we place great importance on communication and try to ensure that we incorporate the opinions and requests we receive into our corporate activities.

Value provided

- Improvement of corporate value
- Appropriate returns
- Timely and accurate disclosure
- Constructive dialogue with shareholders and investors

For more information on stakeholders, please visit the web



We seek to accurately understand international rules, as well as the laws, histories, cultures, and customs of the various countries and regions we operate in, and we intend to work hard to comply with and respect them.

Value provided

- Solution of industry issues through cooperation
- Constructive dialogue and cooperation toward business activities based on respect for human rights and the environment

As both a member of local communities and a good corporate citizen, the NH Foods Group aims to actively engage in communications that contribute to sustainable regional development. We also intend to consider both what we can do and what is expected of us, and exist in harmony with local communities.

Value provided

- Co-creation toward regional community revitalization
- Harmonious coexistence with local communities
- Protection of local environments
- Regional economic development

We aim to establish a place where employees can feel truly happy and fulfilled. In addition, we are engaged in activities that seek to develop employee awareness and skills, realize a healthy work-life balance, promote diversity, and maintain healthy minds and bodies.

Value provided

- Provision of challenges and motivation
- Provision of growth opportunities
- Promotion of DE&I

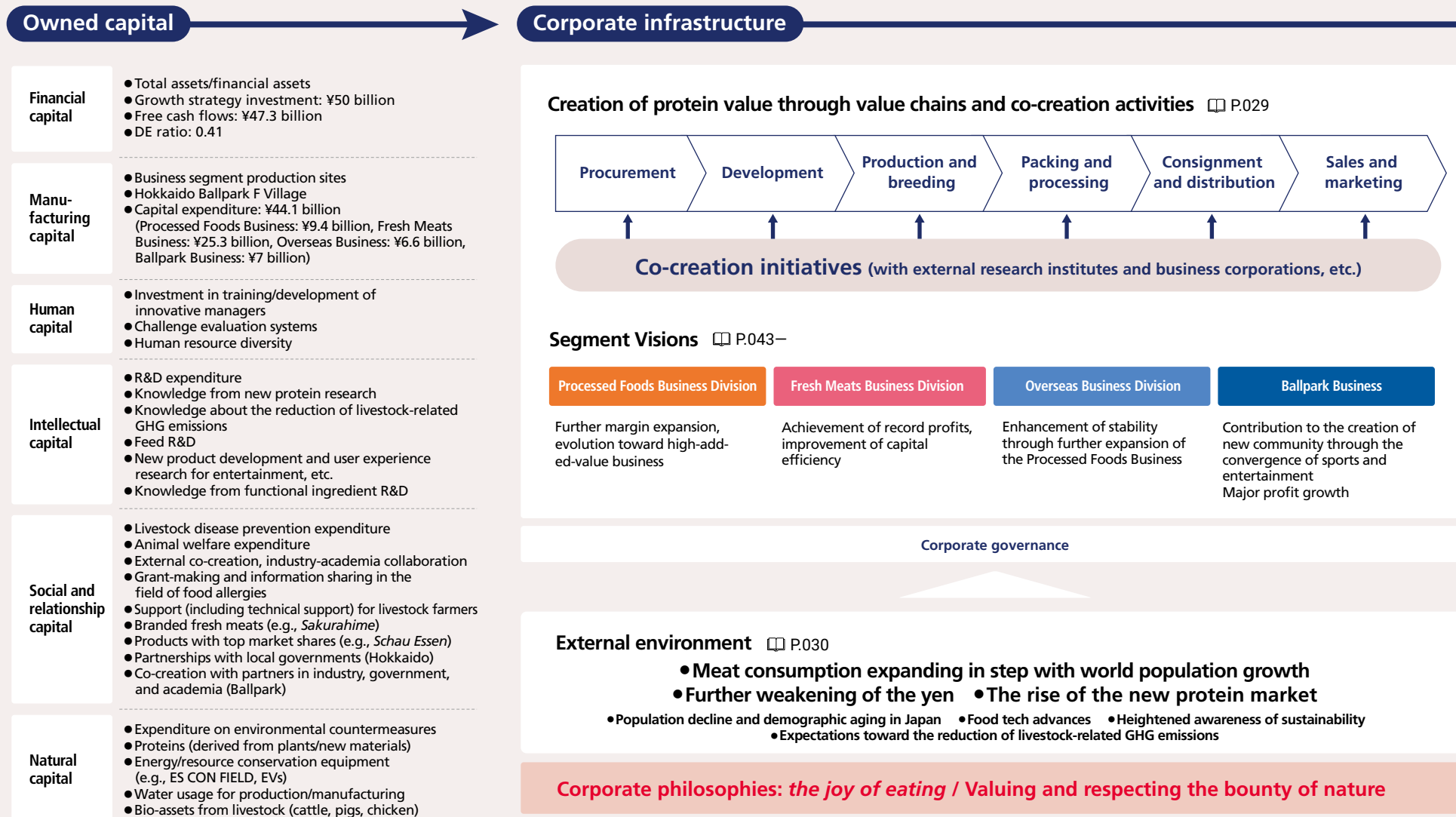
Our goal is to protect the life-giving natural environment and to fully enable the bounty of nature to flourish; to this end, we intend to promote corporate activities that are in harmony with the environment, based on the NH Foods Group Environmental Policies.

Value provided

- Effective utilization of natural capital
- Reduction of environmental impact
- Solution of environmental problems

Value creation process

Building a future as a company dedicated to innovation and sharing the value of protein





Value creation process

Value creation going forward

Company-wide strategy

Pursuit of innovation and challenges under Medium-Term Management Plan 2026

P.033—

Business strategy

Three themes for business model transformation initiatives

Increase business value

Restructuring of ROIC management

Structural reforms

Enhance existing value

Growth strategies

Create new value

Sustainability strategy

Increase social value

Solve social issues through materiality-based actions

Culture change

A challenge-oriented organization
Build value creation structures

Financial strategy

Pursue returns in excess of capital costs and implement capital optimization initiatives

Materialities

P.031—

- Stable procurement and supply of proteins
- Enrichment of lives through food
- Contributing to a sustainable environment
- Creating new values
- Fostering an organizational culture focused on new challenges

Creating value and impacts

Reliable supply of protein as an essential resource for health

- Securing essential supplies of meat (protein) through the continuation of livestock production
- Reliable procurement of protein through fresh meat importing and collaboration with partners
- Development of products with delicious new tastes
- R&D relating to meat substitutes and other diverse proteins
- Reduction of livestock-related GHG emissions

Customers

Partners

The global environment

Co-creation and partnership with local communities

- Contribution to regional economic development including Hokkaido
- Development of a unique community through the co-creation of ballpark facilities with our partners
- Creation of environmentally sustainable communities

Customers

Partners

The global environment

Expansion and enhancement of human capital

- Fostering an organizational culture in which people can take on new challenges
- Expansion of recruitment and retention through the enhancement of employee capabilities and salaries
- Promote DE&I and diversity

Employees

Maintenance/expansion of shareholders' equity

- Improvement of corporate value and the stock price through enhanced profitability
- Maintenance/enhancement of dividends
- Constructive dialogue with shareholders and investors

Shareholders/investors

Sustainable society

Vision2030

Unleash new potentials for protein

Helping people to enjoy happier, healthier lives

Corporate philosophies: *the joy of eating* / Valuing and respecting the bounty of nature



Capital and value chains

The NH Foods Group has built up a variety of capital assets for each of its value chains. We use these assets to maintain and enhance our competitive advantage and create corporate value by taking up new challenges and pursuing co-creation.

	Procurement	Development	Production and breeding	Packing and processing	Consignment and distribution	Sales and marketing
Financial capital	<ul style="list-style-type: none"> Operating cash flow: ¥86,500 million (fiscal year ended March 2024) 	<ul style="list-style-type: none"> R&D expenditure: ¥315.5 million (94.4% year on year) 	<ul style="list-style-type: none"> Disease prevention expenditure 	<ul style="list-style-type: none"> Capital expenditure Automation investment 	<ul style="list-style-type: none"> Environmental expenditure (reduction of logistics-related GHG emissions) 	<ul style="list-style-type: none"> Business profit: ¥44,900 million
Manufacturing capital	—	<ul style="list-style-type: none"> Research/inspection centers: 2 	<ul style="list-style-type: none"> Production/breeding sites: 148 	<ul style="list-style-type: none"> Processing and packaging sites: 83 Plant specializing in food allergy-related products (Tohoku) 	<ul style="list-style-type: none"> Distribution bases: 34 	<ul style="list-style-type: none"> Sales offices: 208
Human capital	<ul style="list-style-type: none"> R&D talent working on the development of new proteins Training of human resources to ensure the future of livestock farming Cumulative total of 64 quality assurance specialists^{*1} Human resource sharing among Group companies DX Human Capital Development Program Prioritization of diversity in the human capital mix (increased mid-career recruitment) 					
Intellectual capital	<ul style="list-style-type: none"> Knowledge about the procurement of key raw materials Safety and reliability knowledge 	<ul style="list-style-type: none"> Number of patent applications: 16 (FY2022)^{*2} Knowledge from protein research spanning many years 	<ul style="list-style-type: none"> Specialized technology and knowledge about livestock R&D relating to use of biological resources to improve health 	<ul style="list-style-type: none"> Specialized technology and knowledge about ham and sausages Meat processing and packing technology and knowledge 	—	<ul style="list-style-type: none"> Specialized customer response skills^{*3} Original surveys by the Lifestyle Research Office
Social relationship capital	<ul style="list-style-type: none"> Cooperative relationships with suppliers 	<ul style="list-style-type: none"> Joint research with external partners (Kansai Medical University, the University of Tokyo, Hokkaido University, etc.) Opportunities for communication with people affected by food allergies and their families 	<ul style="list-style-type: none"> Cooperative relationships with (support for) livestock farmers 	<ul style="list-style-type: none"> Development of meat cuts and processed food products based on the needs of individual customers 	<ul style="list-style-type: none"> Reliable supply of products through our domestic and overseas logistics networks Nationwide logistics to ensure the safe distribution of products, including distribution in times of disaster 	<ul style="list-style-type: none"> Unique monitoring system (Consumer Delegate Committee) established over 50 years ago Interaction with large numbers of consumers through social media and website memberships, etc. Development of highly competitive product brands High shares of domestic fresh meat markets: 19.9% (beef: 16.6%, pork: 19.8%, chicken: 21.6%)
Natural capital	<ul style="list-style-type: none"> Reducing GHG emissions 	<ul style="list-style-type: none"> Plant-derived proteins New protein resources Key raw materials 	<ul style="list-style-type: none"> Reducing GHG emissions Use of livestock waste as fuel, composting 	<ul style="list-style-type: none"> Cooling water Reducing GHG emissions Use of by-products (bones, skin, etc.) as resources 	<ul style="list-style-type: none"> Reducing GHG emissions Installation of non-CFC freezers / refrigerators using natural coolants 	—

^{*1} In April 2023, we amended our quality policy, which now applies to services as well as products. We address quality at all stages in our value chains, from breeding and manufacturing through to sales and logistics, and we are constantly training personnel, developing technologies and creating systems for this purpose.

People selected from all Group companies can become specialists by acquiring advanced skills and passing special exams created by NH Foods.

We maintain a cyclical approach to specialist training, whereby employees certified as specialists contribute to the development of future generations by acting as instructors for educational programs and basic and advanced training courses.

^{*2} We have obtained patents for various advances, including alternative meat products, and a smart pig farming system to support farmers.

^{*3} We have received the top three-star rating in the customer support (telephone) category of the HDI Benchmarking system in six consecutive years.

External environment

Meat consumption expanding in step with world population growth

World population expected to increase from 6.9 billion in

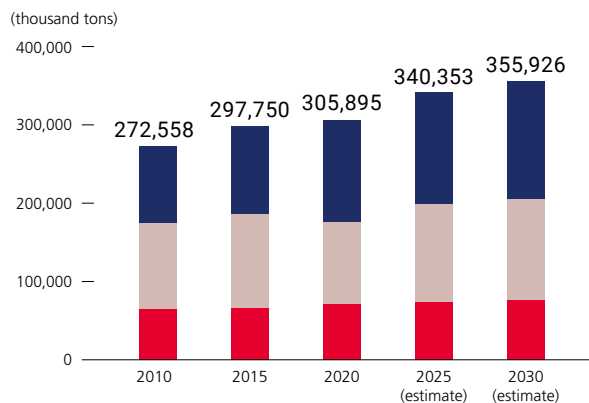
2010 to **8.5 billion** by 2030 ↗

Risks and opportunities

World population growth and increased meat consumption in emerging countries have led to predictions of future meat shortages. There is particular concern about beef because of the large quantities feed consumed during its production, and there is a risk that import prices will soar and that shortages will occur. However, we see this as an opportunity to contribute to supply stability by producing branded beef through co-creation initiatives with domestic livestock farmers.

Consumption by meat type

■ Beef ■ Pork ■ Chicken



Source: OECD-FAO Agricultural Outlook 2022-2031

Further weakening of the yen

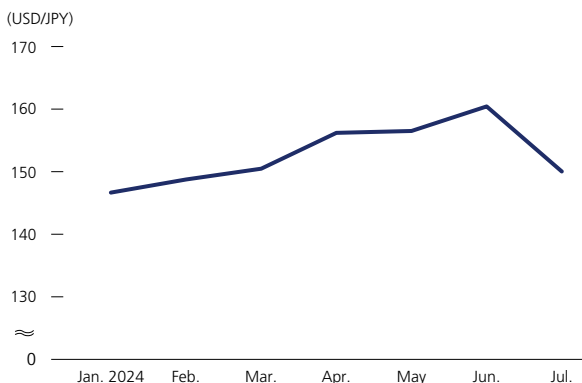
Yen weakened by Japan-U.S. interest rate gap ^{*As of July 2024} and other factors

¥150 exchange rate over to the dollar in 2024 ↘

Risks and opportunities

The yen has continued to weaken because of factors that include the gap between Japanese and U.S. interest rates, which has led investors to sell yen and buy dollars. This situation is reflected in persistently high prices for imported fresh meats and raw materials, and there is a risk that our profit margins will be eroded. We will continue to look for opportunities to secure profits through price adjustments and investment, while closely monitoring the gap between Japanese and U.S. interest rates.

Japanese and U.S. interest rates



Source: Bank of Japan time series data

* It was decided to use Bank of Japan data because of subtle differences in data from other sources, such as city banks and Yahoo Finance.

The rise of the new protein market

World market expected to reach

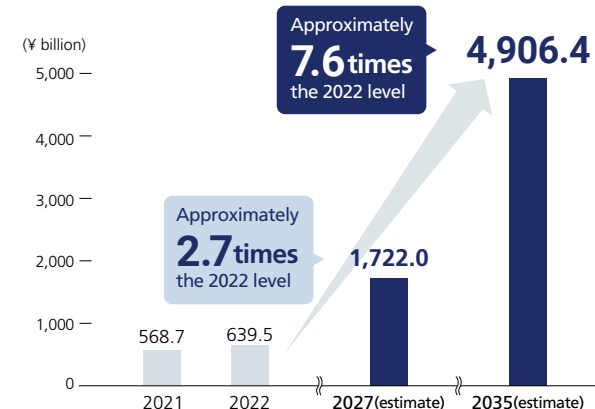
approximately 7.6 times the 2022 level by 2035 ↗

Risks and opportunities

The United Nations has predicted that a worldwide increase in per capita consumption of meat and fish will lead to global protein shortages by 2050, and that the supply of protein will need to increase to double the present level. The market for new types of protein, including plant-based products, cultivated meat, and insect protein is expanding. The NH Foods Group will continue to prioritize the development of this market.

Global New Protein Market Size Forecast

(plant-based meat, plant-based seafood, cultivated meat, cultivated seafood, insect protein)



Source: Yano Research Institute Ltd. * Based on manufacturer shipments



Materiality review

While formulating Medium-Term Management Plan 2026, we also reviewed our five materialities to reflect changes in the business environment and social conditions. Three of the materialities were amended and redefined.

Fiscal years ended March 2021-2023		Since FY2024		
Materialities	Changes	Materialities	Main measures	Our vision (KPIs)
Stable procurement and supply of proteins	—	Stable procurement and supply of proteins	<ul style="list-style-type: none"> ● Expansion of stable supply of livestock meat ● Continued efforts prevent the outbreak of diseases ● Support for and co-creation with farmers <ul style="list-style-type: none"> ● Provision of technical guidance for PIG LABO® and the poultry production business ● Development and utilization of new technologies such as smart livestock farming 	<ul style="list-style-type: none"> ● Domestic meat product sales volume growth rate: 104% compared to FY2023 (FY2026)
Food diversification and health	We aim not only to adapt to changing food and health needs, but also to help people enjoy richer and more diverse lifestyles.	Enrichment of lives through food	<ul style="list-style-type: none"> ● Development and provision of products that meet diverse needs ● Provision of food experiences that inspire smiles ● Spreading knowledge gained in Japan to other countries and regions ● Development and provision of products that contribute to good health. 	<ul style="list-style-type: none"> ● 50% of the main consumer products in the ham and sausage, processed food category, including <i>Meal'in'Good</i> products. (FY2026) ● Overseas processed products business sales growth rate: 200% (baseline year: fiscal year 2023) (FY2026)
Contributing to a sustainable environment	—	Contributing to a sustainable environment	<ul style="list-style-type: none"> ● Reduction of CO₂ emissions from fossil fuels (Scope 1, 2) ● Research and development on the control, reduction, and effective utilization of GHG emissions from livestock ● Reduction of plastic use <p>* Scope: Fossil fuel-derived Packaging materials that are subject to the Containers and Packaging Recycling Law in Japan</p>	<ul style="list-style-type: none"> ● Reduction of CO₂ emissions from fossil fuels (Scope1, Scope2) Domestic: -46% compared to 2013 (FY2030) Overseas: -24% compared to 2021 (FY2030) Domestic: -29% compared to 2013 (FY2026) Overseas: -17% compared to 2021 (FY2026) ● Reduction of plastic usage Domestic: -20% compared to 2013 (FY2030) Domestic: -17% compared to 2013 (FY2026)
Co-creation and shared prosperity with local communities and society as a whole through food and sports	Our goal is to go create new value that is not limited to food and sports.	Creating new values	<ul style="list-style-type: none"> ● Planning of urban areas centered on the food and sports business around Hokkaido Ballpark F Village ● Creation of value by strengthening R&D ● Exploration of various possibilities for protein 	<ul style="list-style-type: none"> ● Provision of new value through food and sports <ul style="list-style-type: none"> ● Increase in the number of visitors and permanent residents through the enhancement of facilities and services in the F Village (FY2030) ● Creation of businesses that expand the potential of protein <ul style="list-style-type: none"> ● Launch and monetization of businesses (FY2030) ● Establishment of technology for commercialization (FY2030)
Employee development and respect for diversity	Our most important priority is to build a foundation for value creation by fostering an organizational culture focused on new challenges.	Fostering an organizational culture focused on new challenges	<ul style="list-style-type: none"> ● Review of executive evaluation items and enhancement of the management succession plan ● Reinforcement and embedding of systems that encourage and recognize each individual's efforts ● Creation of an environment in which a diverse range of individuals are respected and can thrive 	<ul style="list-style-type: none"> ● Training and recruitment of transformational management personnel <ul style="list-style-type: none"> ● Progress on Transformation, Challenge, and Employee Engagement Initiatives (FY2030) ● Promotion of participation by diverse human resources <ul style="list-style-type: none"> ● Progress on Priority Management Items (FY2030)



Materiality review

As part of our review and reidentification of the materialities, we evaluated and examined the issues from both our stakeholders' and our own perspectives. In addition, we took into account international trends, initiatives and other social demands, and the business environment and social conditions encompassing the NH Foods Group, as well as the challenges in Medium-Term Management Plan 2026.

STEP 1

Comprehensively identify ESG issues

Comprehensively identify ESG issues based on GRI, ISO 26000, SDGs, industry-specific issues (SASB, SBT FLAG), domestic and international social issues, livestock industry-specific issues, and issues faced by the Company.

STEP 2

Classify issues by theme

Classify and organize the issues identified in Step 1 by theme.

STEP 3

Conduct materiality assessments

Conduct interviews with Sustainability Committee members regarding the ESG issues classified and organized in Step 2. The ES Subcommittee*, a supporting organization under the Sustainability Committee, also conducts materiality assessments. Also identify operational and other issues related to the materialities selected in 2021, and investigate points that need to be revised in conjunction with the results of the materiality assessments.

STEP 4

Validate

Before ultimately receiving approval from the Board of Directors, the materialities identified based on the materiality assessments are validated by the Sustainability Committee and by a council composed of executive officers.

* Reorganized into Sustainability Subcommittee in April 2024

Comments by experts

General: The materialities are well-balanced and reflect an emphasis on compatibility with the Group's business activities. With more and more companies aiming to contribute to the creation of a sustainable society through the development of protein raw materials, I hope that the Group will continue to supply plant-derived protein products and other new types of protein, while pursuing further R&D in this area.

Creating new values: I have been very impressed by the way that the Group has used its strengths to pursue the entertainment value of food and create a new food culture, such as through the development of the F Village community. The Group should be able to work with communities around Japan to develop food supply strategies based on upstream, midstream, and downstream concepts, such as food entertainment parks.

Fostering an organizational culture focused on new challenges: Most people interpret leadership as the ability to lead other people. In fact, it really means the ability to lead oneself and start up new initiatives. If every individual is aware of this concept, the Group's focus on fostering an organizational culture focused on new challenges will enable diverse people to achieve career development. Other ways to accelerate the development of an organizational culture focused on new challenges include collaboration and co-creation activities with venture companies.



Ichiro Asahina

CEO
Aoyama Shachu Corporation

General: I hope that NH Foods will identify both risks and opportunities and use its strengths to create a narrative.

Stable procurement and supply of proteins: The Group's recognition of farmer support and co-creation as key priorities is an extremely positive step at a time when the livestock industry is facing a variety of issues, including a shrinking and aging workforce. Even greater benefits could be achieved by disclosing information about initiatives relating to specific issues affecting overseas and domestic procurement, such as priority policies and reports.

Creating new values: I feel that the development of the F Village community would be more convincing as a priority goal with the addition of other dimensions, such as the use of the Group's strengths in the area of food to contribute to community development as well as providing entertainment.

Fostering an organizational culture focused on new challenges: The Group should pursue initiatives that identify its visions and goals as outcomes of challenges by individuals and respect for diversity.



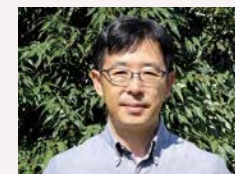
Mari Yoshitaka

Fellow (Sustainability),
Mitsubishi UFJ Research and
Consulting Co., Ltd.

Stable procurement and supply of proteins: The Group should be able to enhance the value that it provides by taking a new look at the value of protein from meat. For example, it could highlight the unique nutritional benefits that can only be provided with meat protein. I also hope that NH Foods will provide food education as part of its role as a food manufacturer.

Contributing to a sustainable environment: The Group has shown a strong commitment to research targeting the reduction of livestock-derived GHG emissions. I hope that they will also pursue initiatives based on a recycling-based approach to livestock farming, such as increased utilization of livestock waste.

Creating new values: Stakeholder understanding could be enhanced by providing a little more detail about the Group's strategic direction in relation to new value creation. I hope that the Group will go beyond the development of the F Village community by expanding its circle of co-creation to encompass various regional locations.



Kenichi Takeda

Professor Institute of Agriculture,
Academic Assembly Shinshu University

Medium-Term Management Plan 2026

Advancing to a new stage through business model transformation

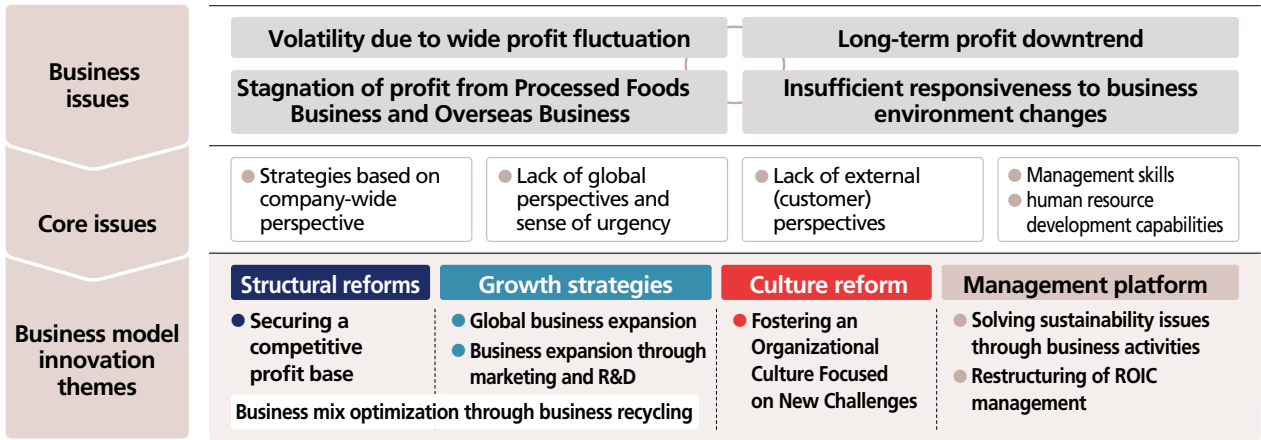
The themes that we have selected for Medium-Term Management Plan 2026 relate to business model transformations that will provide the impetus for future growth toward the realization of Vision2030. We will begin by identifying current issues and determining the root causes behind those issues.

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 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.

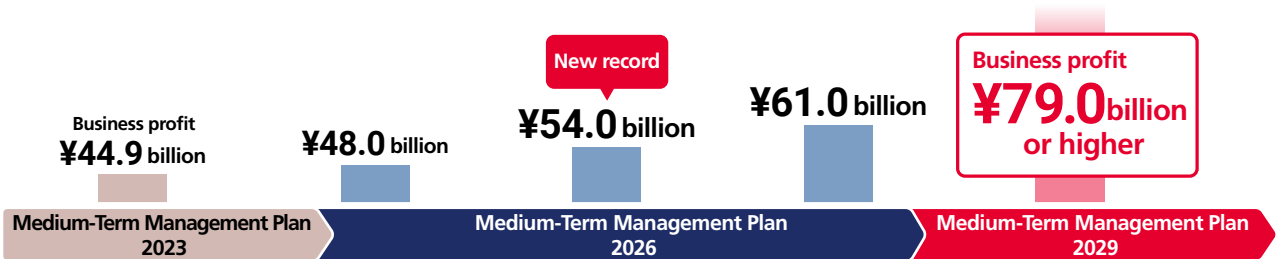
Under our next plan, Medium-Term Management Plan 2029, we will target a dramatic increase in business profit, from ¥44.9 billion in the fiscal year ended March 2024 to at least ¥79 billion in the fiscal year ending March 2030. We aim to achieve that target by continuing to take up the challenge of making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

Management issues and innovation themes



Medium- to long-term business profit growth targets

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

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.

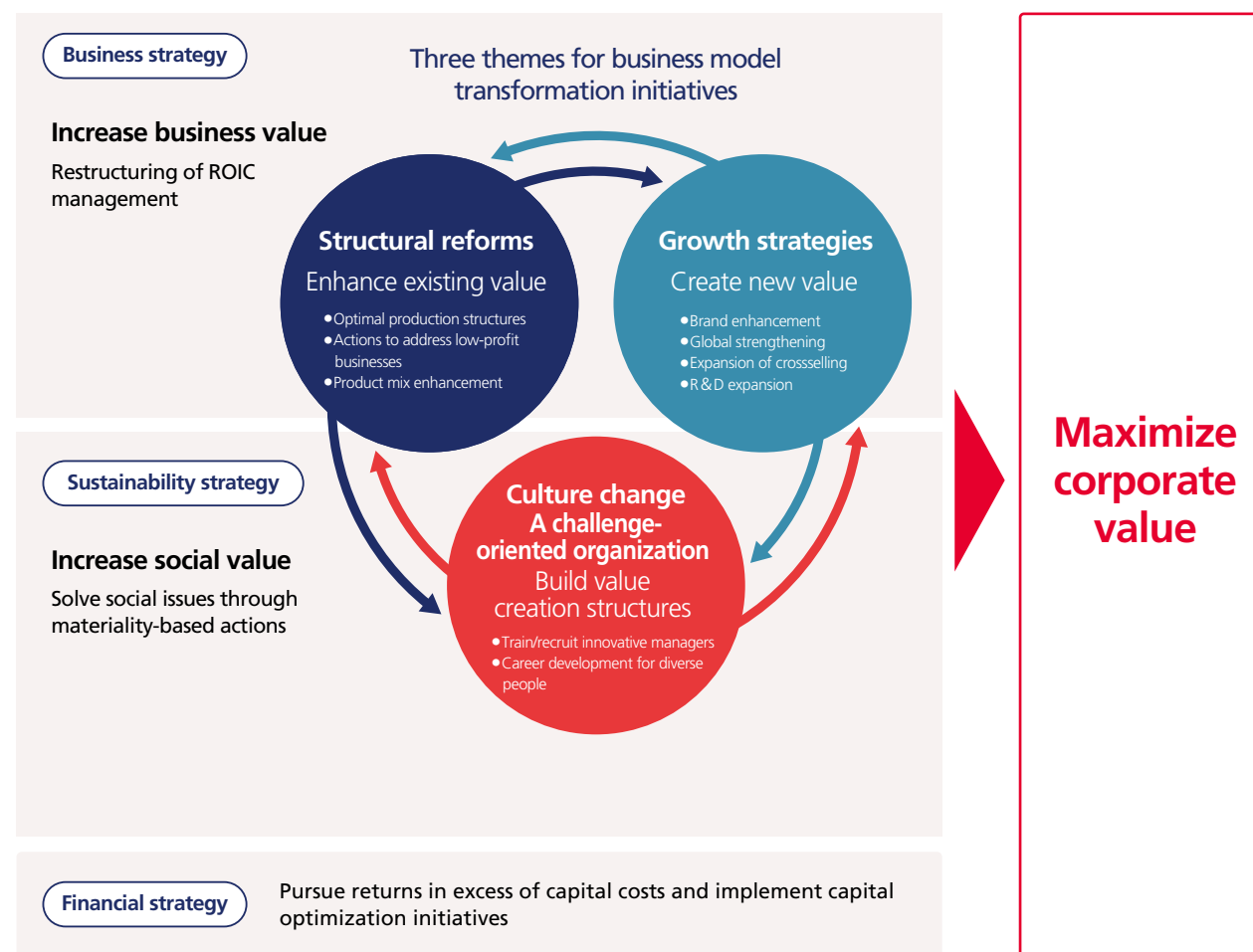
Based on our business priorities, we have selected three themes for our business model transformation initiatives: structural reforms, growth strategies, and cultural reform.

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	
Growth strategies	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	¥6.0 billion
	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)	
		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	

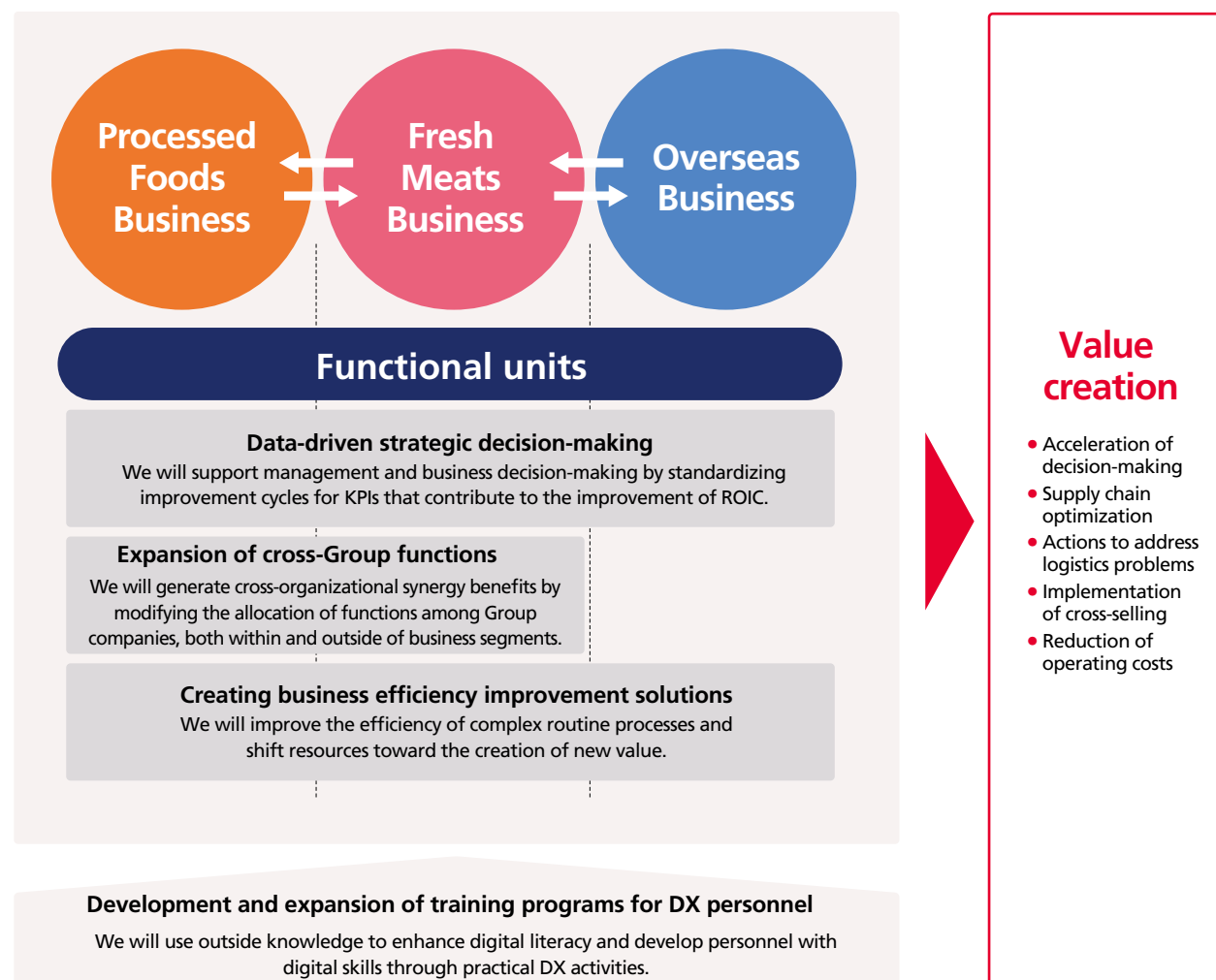
Facilitating business model transformation through our DX strategy

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.



CFO MESSAGE

A message from the CFO Further deepening of VBM to accelerate the creation of corporate value and shareholder value

Masahito Kataoka

Director and Vice President
Executive Vice President

Financial overview of fiscal 2023

In fiscal 2023, we worked on various levels to counter the effects of rising raw material prices and other cost factors, as well as the impact of a weaker yen. In addition to price adjustments, we also took various other actions to improve our earnings. These efforts produced a major recovery in business profit. However, the recovery of our profit levels is not complete, and we will need to work toward the sustained accumulation of earnings through the measures

contained in Medium-Term Management Plan 2026. While our business profit ratio has risen from 2.2% in the previous fiscal year to 3.5%, further improvement is needed.

The figures in our balance sheet have ballooned, in part because of inflationary trends and cost increases in Japan and overseas. We believe that it will take a little longer for the numbers to peak out because of exchange rate instability and other factors. The outlook will depend on trend in the external environment.

Our cash flows are substantially better. The profit

recovery has helped to drive a major increase in cash flows from operating activities, while capital expenditure has stabilized. As a result, free cash flows improved, and the total for the three-year period covered by Medium-Term Management Plan 2023 moved into positive figures.

The level of the debt-equity ratio, which was at 0.41 at the end of the previous fiscal year, remains an issue. It is still below the 0.5-0.6 range that we projected based on the repayment of interest-bearing debt made possible by the increase in cash flows from operating activities and other factors. We need to correct this, and that will be a focus under Medium-Term Management Plan 2026.

Another ongoing issue is capital efficiency. Our return on invested capital (ROIC) currently stands at 4.1%, and return on equity (ROE) at 5.5%. While these figures have improved over the previous year's levels, they are still far from satisfactory.

Our price book value ratio (PBR) had recovered to just below 1.0 by March 2024, in part because of the recovery in business performance. However, we do not believe that this figure reflects growth expectations. We aim to take the ratio above 1.0 times by pursuing the initiatives in Medium-Term Management Plan 2026.

Our financial strategy under Medium-Term Management Plan 2026

From a financial perspective, we will work to improve our capital efficiency by deepening Value-Based Management (VBM) through three initiatives.

First, we will establish a financial PDCA system to support value creation. Previously we apportioned capital costs uniformly across the entire company. In the future we will enhance portfolio management by splitting capital costs



on a business-by-business basis and assessing business performance through the measurement of segment ROIC.

Second, we will allocate management resources strategically. In the past, capital expenditure for purposes other than maintenance and updates has been managed at the discretion of business divisions. Going forward, we will switch to head office management based on the allocation of growth investment budgets. This will ensure the strategic allocation of funds to priority areas based on company-wide priorities. We will also consider the enhancement of value-based investment decision-making as a way to fine-tune investment decisions through the assessment of risks for individual investment projects. By steadily implementing these measures in fiscal 2024, we will in essence form a capital market within the company.

Third, we will pursue a capital policy and financial strategy that will lead to value creation. We will optimize liabilities and capital through leverage control and improve the efficiency of the Group's internal financing by using a cash management system (CMS) to reduce cash, deposits, and interest-bearing debt, with a particular focus on overseas subsidiaries. At the same time, we will implement and expand strategic IR and shareholder policies designed to ensure that capital markets are properly aware of our corporate value. We believe that measures such as these will lead to corporate value creation and the improvement of the PBR level.

ROIC can be broken down into the profit ratio times the turnover ratio. Our efforts to improve ROIC began in the previous fiscal year with measures designed to increase the profit ratio. In the current fiscal year, we are working to improve both the denominator and the numerator, including the reduction of invested capital. (See the chart on the right.)

For example, we are raising our profit ratio by improving our product mix through a review of low-margin

products, especially in the Processed Foods Business Division. Going forward, we will further step up our efforts to create an optimized production structure, while at the time taking a close look at our invested capital with a particular focus on fixed assets.

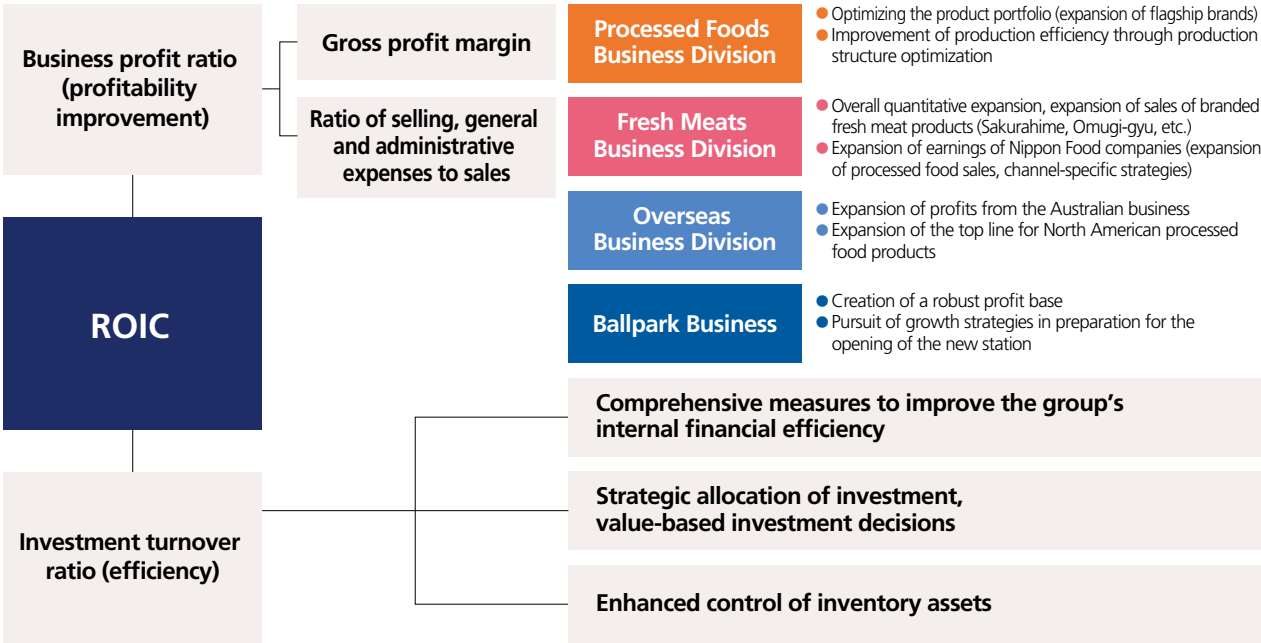
In the case of the Fresh Meats Business Division, we have already achieved a certain level of profitability. Our basic strategy therefore calls for the pursuit of profit growth through investment and expansion. We will also prioritize the control of inventory assets, especially imports. We will continue to manage the turnover period on a monthly basis,

while stepping up our efforts to minimize inventory levels.

Our priorities for the Overseas Business Division, are to boost the performance of low-profit businesses and expand processed foods businesses. We will also target the reduction of volatility, which has been an issue, by modifying our portfolio.

The Ballpark Business is still in the start-up phase, and our focus at present is the reinforcement of the profit base. The opening of the new station in 2028 can be expected to trigger the next growth phase, and we believe that profitability will improve further under Medium-Term Management Plan 2029.

ROIC diagram



Policy on cash allocations and dividends

Our capital policy is basically designed to keep interest-bearing debt and capital balanced within certain limits. Specifically, we see a D/E ratio of 0.5-0.6 as the basis for a capital structure that will allow us to reduce capital costs while maintaining the credit standing needed to procure finance. Under this policy, we will enhance shareholder returns and strategically allocate funds, after providing cash for investment in human resources, capital expenditure, and R&D investment.

Under Medium-Term Management Plan 2026, we will secure a ¥50 billion budget for future growth investment with the aim of creating corporate value and shareholder value. These funds will be used for a wide range of initiatives, including brand enhancement, the expansion of R&D, and overseas business expansion.

This budget will also provide for investment in venture capital with the aim of accelerating co-creation and open innovation with partner companies. This type of investment will enable us to acquire information and connections from venture companies and build a structure geared toward the continual exploration of new technologies and expertise to drive the growth of the NH Foods Group 10 years in the future.

We plan to use free cash flows to provide funds for M&A investment as a source of future growth opportunities. Examples of targets for investment in this category include projects that will result in disruptive growth for our Processed Foods Business in North America or Southeast Asia.

Having secured funds for growth investment, we will enhance shareholder returns. During the period covered by Medium-Term Management Plan 2026, we will work to

stabilize the cash dividend and maintain continuous growth. We aim to raise the dividend-on-equity (DOE) ratio from 2.3% to 3.0% and maintain a payout ratio of 40% or higher. Share buyback schemes will also be used to optimize shareholders' equity at a level deemed to be most efficient from a capital cost perspective. Specifically, we want to raise the debt-equity ratio to 0.5 by the final year of Medium-Term Management Plan 2026.

Through these measures, we will work to improve corporate value while controlling the balance between interest-bearing liabilities and capital.

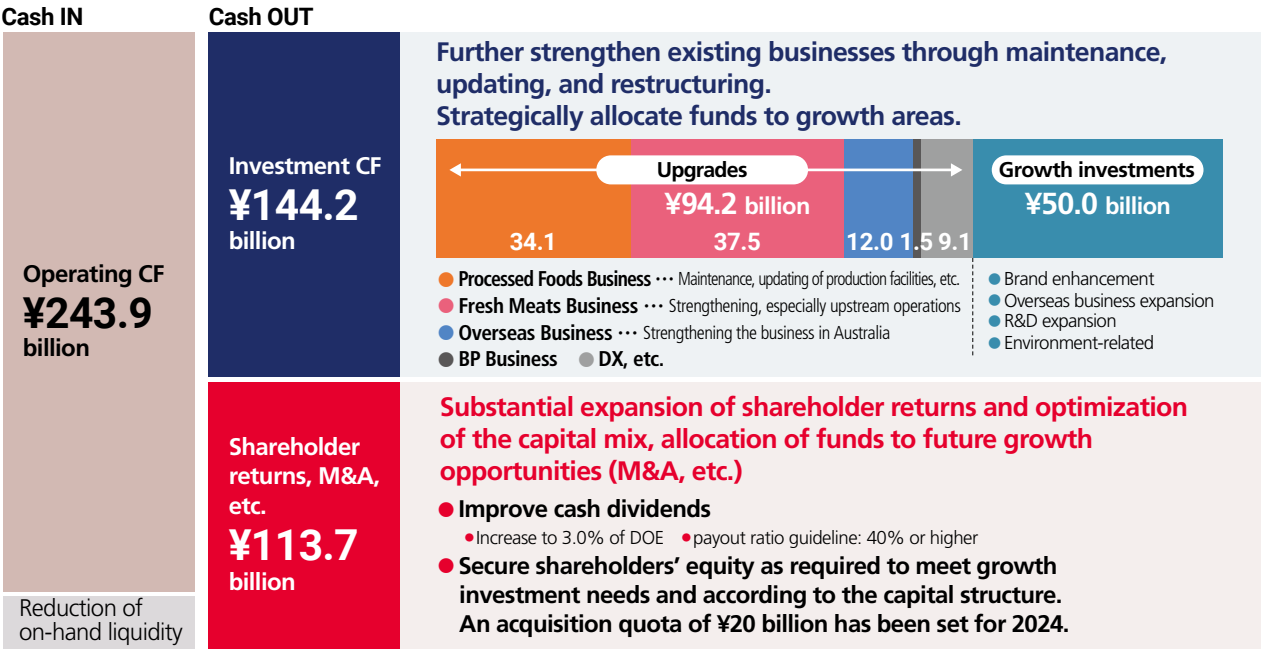
Under our new dividend policy, we increased the

dividend per share for FY2023 by ¥7, from the initial forecast of ¥112 to ¥119. In FY2024, we will implement a further ¥16 increase, taking the dividend to ¥135 per share.

Reduction of cross-shareholdings

Our policy is that, in principle, we will not maintain cross-shareholdings. In accordance with that policy, we are now engaged in sale negotiations with the individual issuers concerned. These ongoing negotiations are leading to a steady reduction in our shareholdings. We will continue this process going forward.

Cash allocations



CFO message

Sustainability policy also enhancing corporate value

Sustainability initiatives are a vital aspect of business management and are becoming increasingly important. Further efforts are needed across a wide range of areas, including environmental issues such as climate change, and social issues such as human rights.

The livestock industry has become a particular focus of international concern because of livestock-related greenhouse gas emissions and the use of land, water, and other resources for livestock farming. Additional issues within Japan include a lack of people willing to take up careers in livestock farming. For these reasons, when formulating Medium-Term Management Plan 2026, we also revised our Materialities and drew up a sustainability strategy focusing on four pillars with the aim of solving social issues through our business activities, helping people to enjoy happy and healthy lifestyles, and achieving harmony with the global environment as the source of the bounties of nature.

The first focus of our sustainability strategy is the joy of eating. We will continue to create new and exciting eating experiences by thinking outside of the box and creating value that matches today's increasingly diverse lifestyles and value systems.

The second focus is the creation of new value. We will respond to anticipated protein shortages resulting from population growth and other factors by ensuring reliable procurement and supplies, and by developing new products, including plant-based protein, cell-based foods, and products based on malt.

The third focus is protection of global environment. We will continue to work with universities and other organizations on R&D programs initiatives targeting the reduction of CO₂ emissions not only from fossil fuels, but also

from livestock. We will also increase our efforts to reduce the amount of plastic used and conserve biodiversity.

The fourth focus is the development of a resilient business base through the promotion of respect for human rights within the NH Foods Group, and the reduction of human rights risks across our supply chains.

By pursuing this strategy, we will continue to contribute to the solution of social issues and the realization of a sustainable society through our business activities.

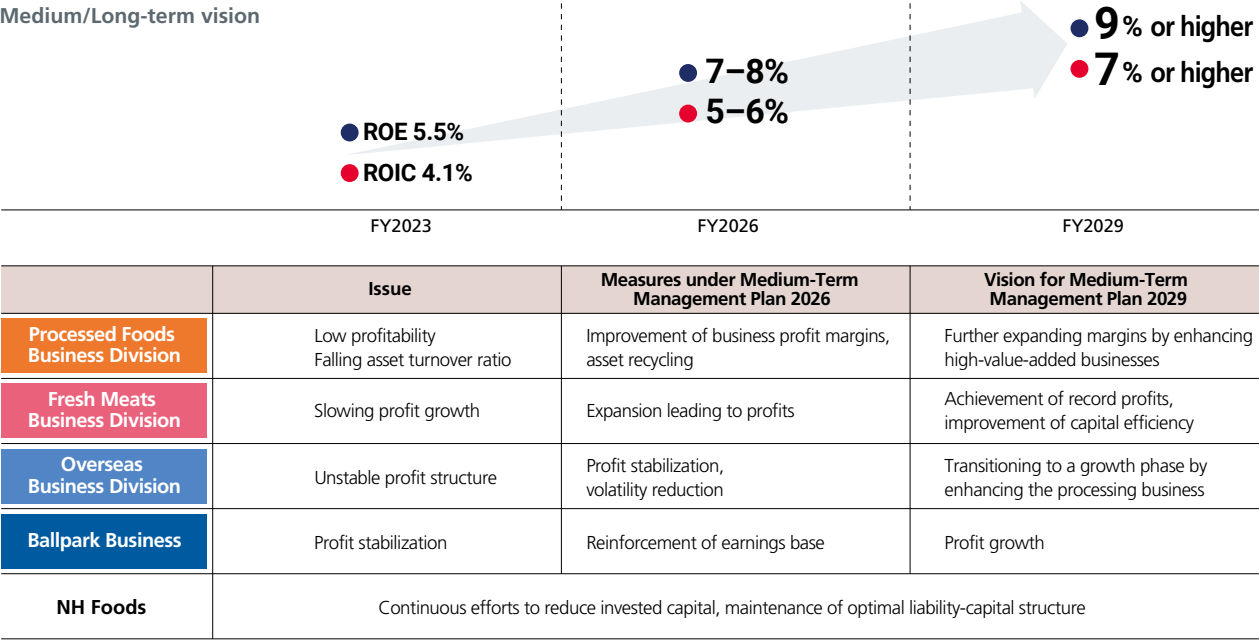
Sustainable enhancement of corporate value

Our medium- to long-term financial targets are ROE of 9% or

higher and ROIC of 7% or higher by the fiscal year ending March 2030. By backcasting from these figures, we have set an ROE target of 8% for the fiscal year ending March 2027. We will work to achieve that by raising ROIC to 6%.

The improvement of our business profit ratio (profitability) is obviously a priority. In FY2024, we will strengthen our control of invested capital (efficiency).

Our efforts to achieve sustainable growth in corporate value will also include measures to raise awareness of capital efficiency within the company, including educational activities using in-house publications and other tools, as well as seminars run by the units in charge.





A message from the executive officer in charge of human resources



System reforms designed to foster an organizational culture focused on new challenges

Kohei Akiyama

Director and Managing Executive Officer

Review of fiscal 2023

We created the NH Foods Group's human resource strategy by backcasting from Vision2030. We aim to maximize our human capital through employee engagement, value creation, and innovation. The human resource policies that we have developed to realize this vision are based on three pillars: personal growth, organizational growth, and diversity, equity, and inclusion.

I regard personal growth as a key step toward career autonomy. As in the previous fiscal year, we supported career development through a personal declaration system and career interviews. We also ran career seminars and provided support for reskilling. In addition, we conducted a survey of our employees. In fiscal 2023, the percentage of employees who responded positively when asked if they were able to take up new challenges through their work was 0.4% lower year on year at 66.5%, while 66.7% responded positively to a question about work motivation (0.6% lower).

Our efforts to achieve organizational growth centered on the enhancement of management processes and specialized capabilities. We placed particular emphasis on the training of management personnel, including transfers in coordination with succession plans, and training programs designed to enable selected personnel to gain the necessary knowledge and skills when before and after transfers.

In 2021, we defined approximately 30 assessment KPIs relating to diversity, equity and inclusion. Evidence that initiatives based on these KPIs are steadily yielding results includes the fact that the percentage of female managers exceeded 10% in fiscal 2023.

Key aspects of our human resource strategy under Medium-Term Management Plan 2026

One of the major goals under our human resource strategy is to foster an organizational culture focused on new challenges. As under the previous Medium-Term Management Plan, our initiatives to develop our organizational culture center on personal growth, organizational growth, and diversity, equity, and inclusion. We have also prioritized the training and recruitment of innovative managers, and career development for diverse people.

For the purpose of these initiatives, we have broadly divided our corporate organization into three categories: the management team, frontline action leaders at the divisional and department manager levels, and general employees.

We have identified key steps toward fostering an organizational culture focused on new challenges. Above all, the management team needs to show leadership and express their commitment to the employees. Another requirement is effective management and monitoring of progress on these initiatives.

We are moving into an era of increasingly diverse value systems and accelerating social change. To adapt to these environmental changes and achieve growth over the medium- to long-term future, we need to reform our business models and ensure that individual employees can take up new challenges.

To enable employees to take up new challenges, we need to free up time by improving operational efficiency. We will also pursue workstyle reforms so that employees can choose workstyle options according to their life stages.

Motivation is a vital element for personal growth. We will develop environments and systems designed to motivate employees by ensuring that the results of their initiatives are properly recognized.



A message from the executive officer in charge of human resources



We aim to achieve cultural reform under the current Medium-Term Management Plan through a flow of processes. The management team will set the direction for efforts to foster an organizational culture focused on new challenges, while action leaders will assess and approve initiatives that reflect the management team's commitment and create an environment in which people can take up challenges.

In fiscal 2024, we took our first steps toward fostering an organizational culture focused on new challenges by incorporating KPIs relating to innovation, challenge, and career development for diverse people into executive officers' commitment sheets, and by setting targets for the management team through interviews with the president. We will monitor these targets quantitatively and qualitatively while working to maximize our human capital.

From the viewpoint of ensuring our future competitiveness, I feel that in addition to this reform of our organizational culture, we also need to think about changes to our recruitment methods. Traditionally, our recruitment activities have focused primarily on new graduates. Going forward, we will also step up our efforts to attract a diverse range of mid-career recruits. Mid-career recruitment has been a KPI for our human resource strategy since fiscal 2022, and we aim to increase the percentage of mid-career recruits to 15% or higher as we move into 2030. We are initially bringing mid-career personnel into our corporate organization, and we have already appointed mid-career hires to management positions. Going forward, we will also consider mid-career recruitment for positions in business units and the management team. At the same time, we are working to accommodate diverse career aspirations through

changes to our systems for training, transfers, and other processes, and by onboarding mid-career hires.

Implementing and strengthening the human resource strategy

While fostering an organizational culture focused on new challenges will be a priority under Medium-Term Management Plan 2026, personal growth, organizational growth, and diversity, equity, and inclusion will also continue to be important goals. We will link personal growth to organizational growth, while positioning diversity, equity, and inclusion as the foundations for growth.

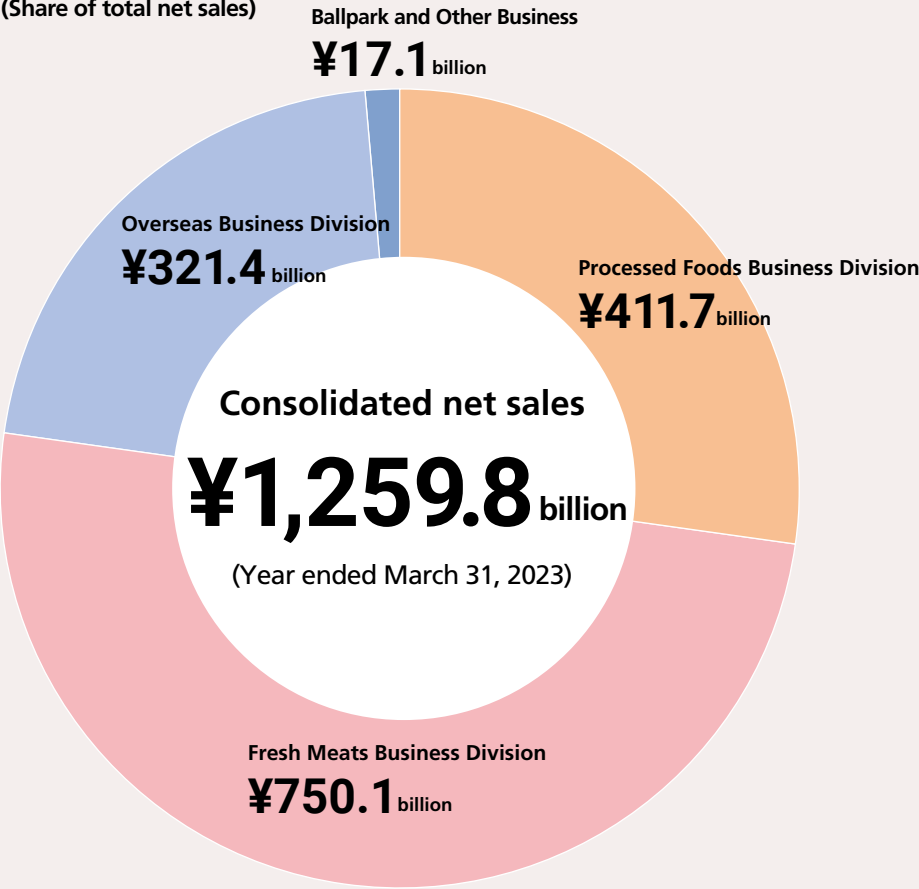
I have two key roles to play in these efforts. First, I will ensure that our systems and mechanisms are consistently administered in ways that contribute to the realization of our vision for NH Foods, as defined in Vision2030. Human resource systems and mechanisms are meaningless unless they are administered effectively. Comprehensive initiatives in this area will enable the management team, action leaders, and general employees to work toward the same goals, leading to the achievement of Vision2030.

My other role is to modify any systems that are found to be unworkable or counterproductive in the context of our efforts to foster an organizational culture focused on new challenges. I aim to create an improvement cycle in which actions will be guided by analyses to determine whether immediate remedial measures are possible, or whether we should prepare for system upgrades to be implemented in the following fiscal year. In fiscal 2024, I will redefine my role as the executive officer in charge of human resources and focus my efforts toward the creation of this cycle.

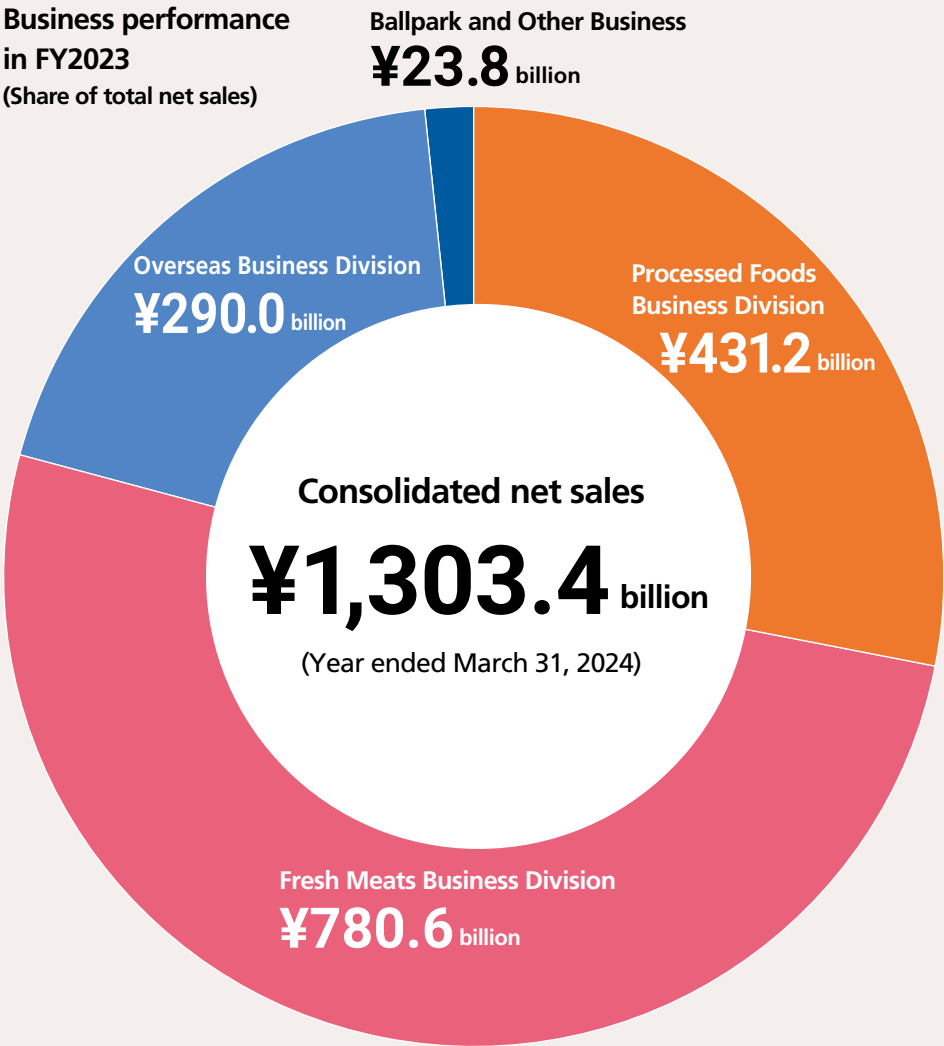


At a Glance

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

Segment data

	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.

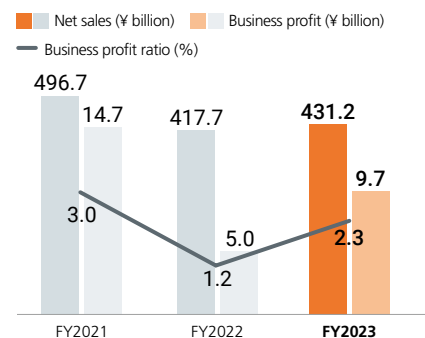
6. External customers

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

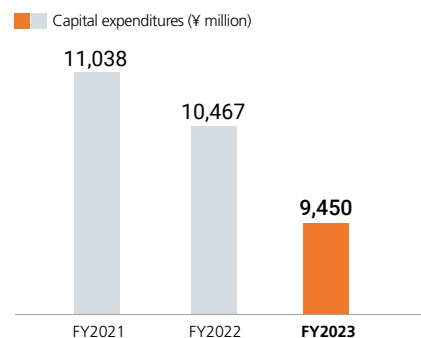
Value provided by the NH Foods Group

- 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.

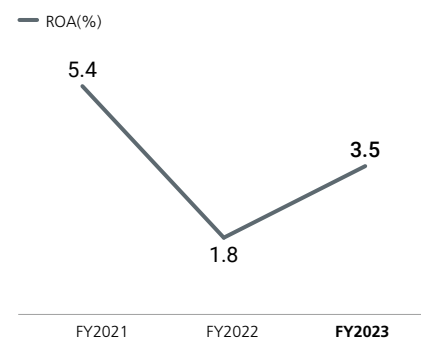
Processed Foods Business Division

Net sales, business profit,
business profit ratio

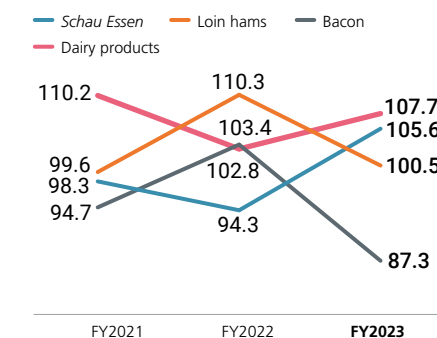
Capital expenditures



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”.)

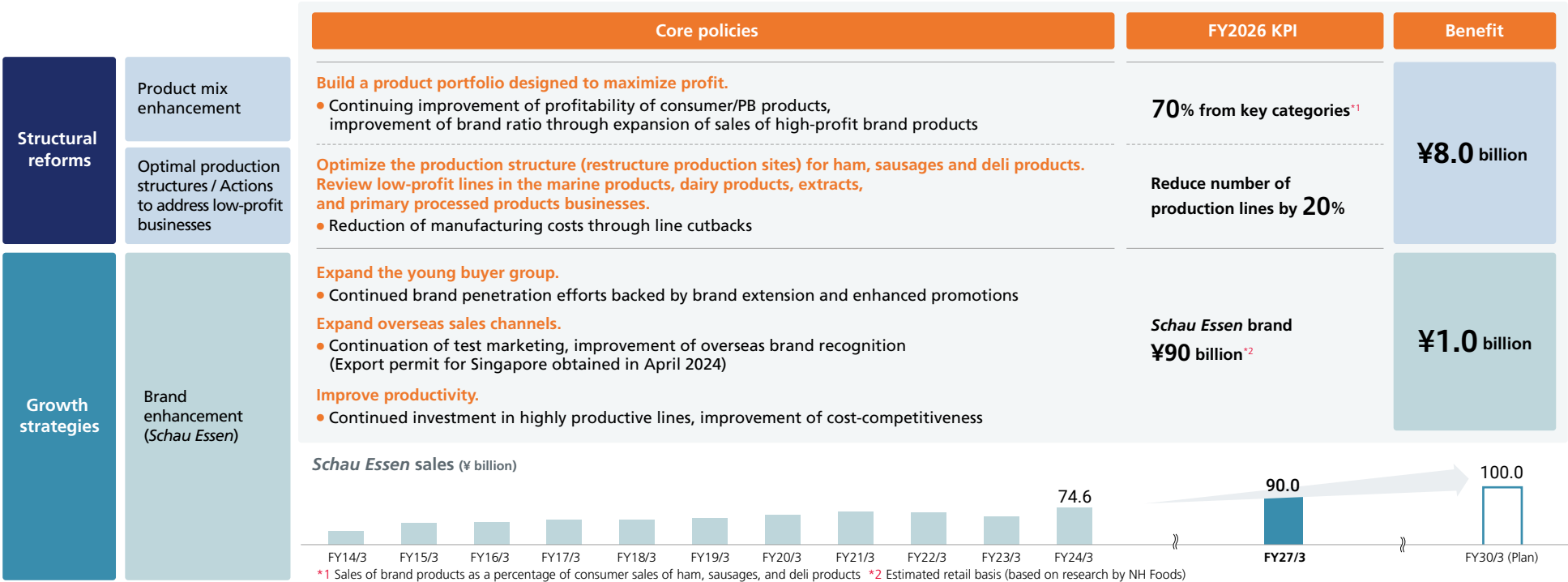
Companies with integrated production and sales systems, such as Nippon Pure Food, Inc., which handles dairy products and extracts, as well as Hoko Co., Ltd., Nippon Luna, Inc., and Premium Kitchen Co., Ltd., also contributed to the improvement of profit by using their ability to integrate all stages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

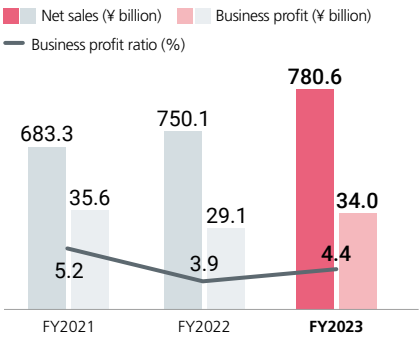
Volume retailers, food stores, butchers, fresh meat wholesalers, processed food sellers, restaurant operators, food manufacturers

Value provided by the NH Foods Group

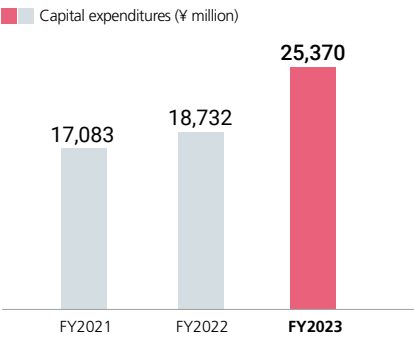
- Development of a domestic food sales network to supply food to Japanese consumers
- Supplies of safe, secure, high-quality fresh meats through an integrated structure linking all stages from production to sales
- Contribution to regional prosperity through collaboration with local producers



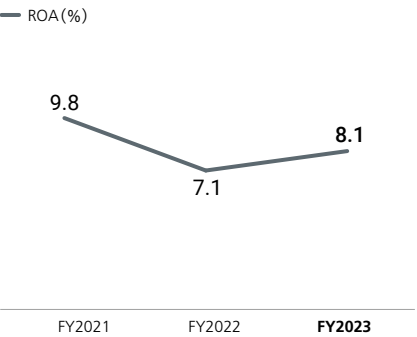
Net sales, business profit,
business profit ratio



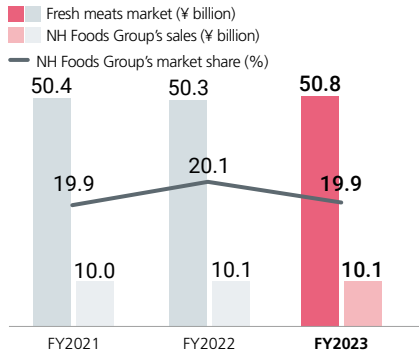
Capital expenditures



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.

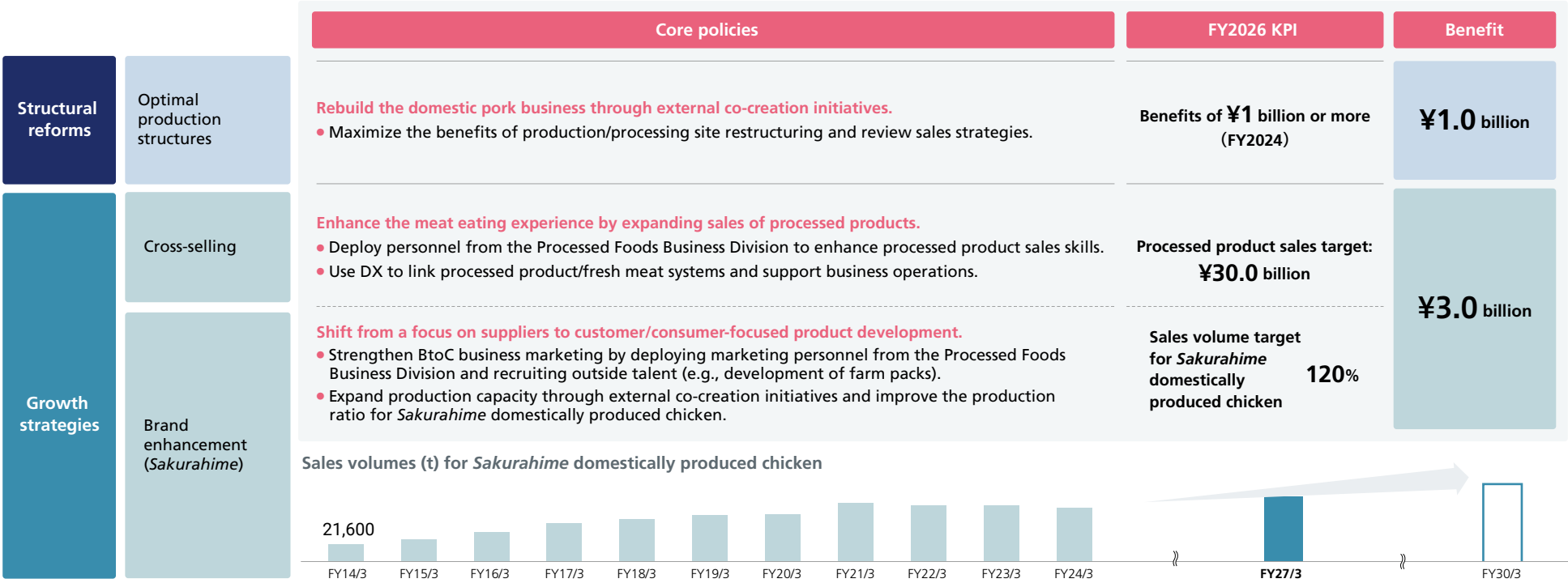
Capital expenditure was higher than under the previous Medium-Term Management Plan, but we did not reach the target level in Medium-Term Management Plan 2023. There is still work to do in order to secure future business continuity through appropriate investment decisions based on our plans.

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.

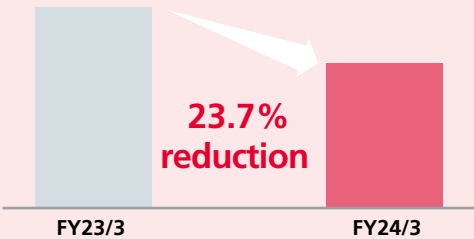


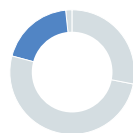
TOPICS

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.

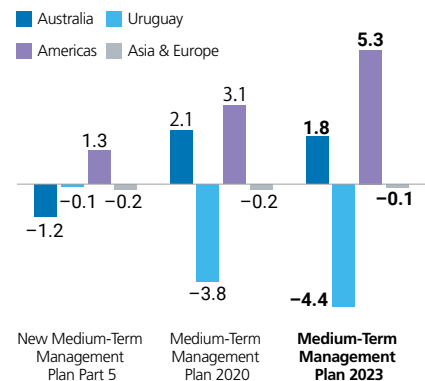
Business structure centered on processed foods, fresh meats, and trading

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

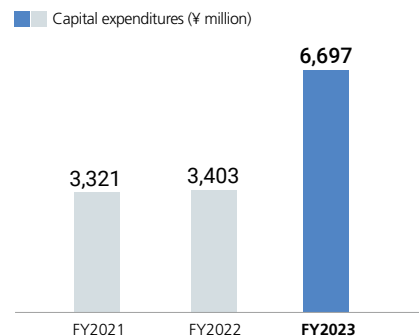
- Supply of products backed by know-how systems developed in Japan ("Taste of Japan")
- Reliable procurement of fresh meats and processed foods for the Japanese market
- Supply of branded beef with the emphasis on added value

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

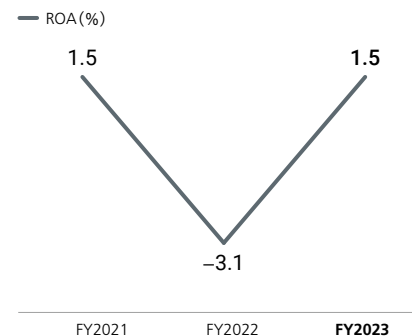


Note: Business sold at the end of August 2023

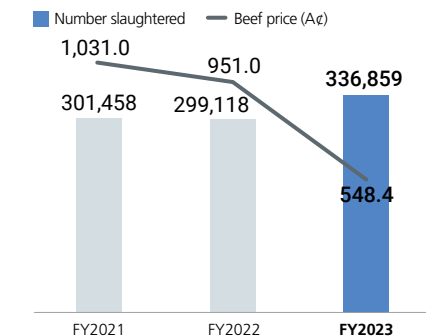
Capital expenditures



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

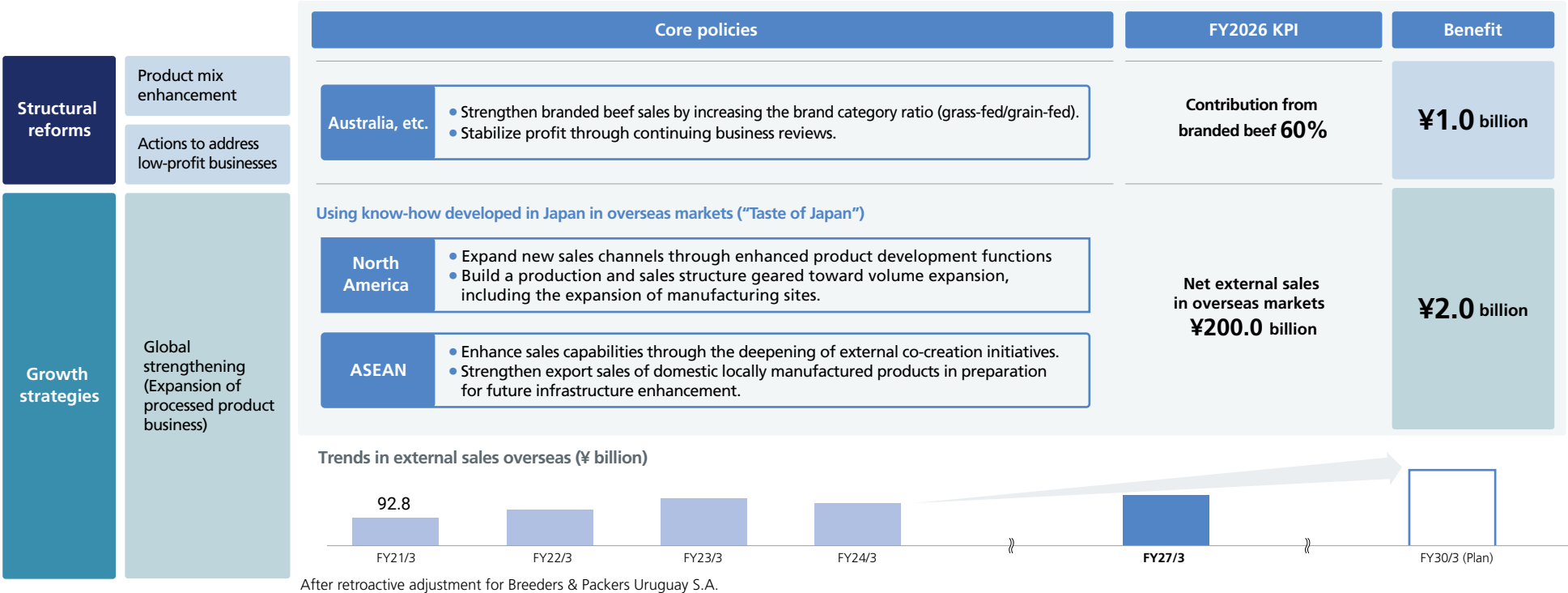
processed and a recovery trend in business performance. We will continue our efforts to stabilize earnings through effective capital expenditure, enhanced branding, and the concentration of production operations.

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.





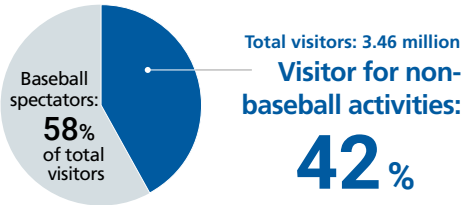
Ballpark Business

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

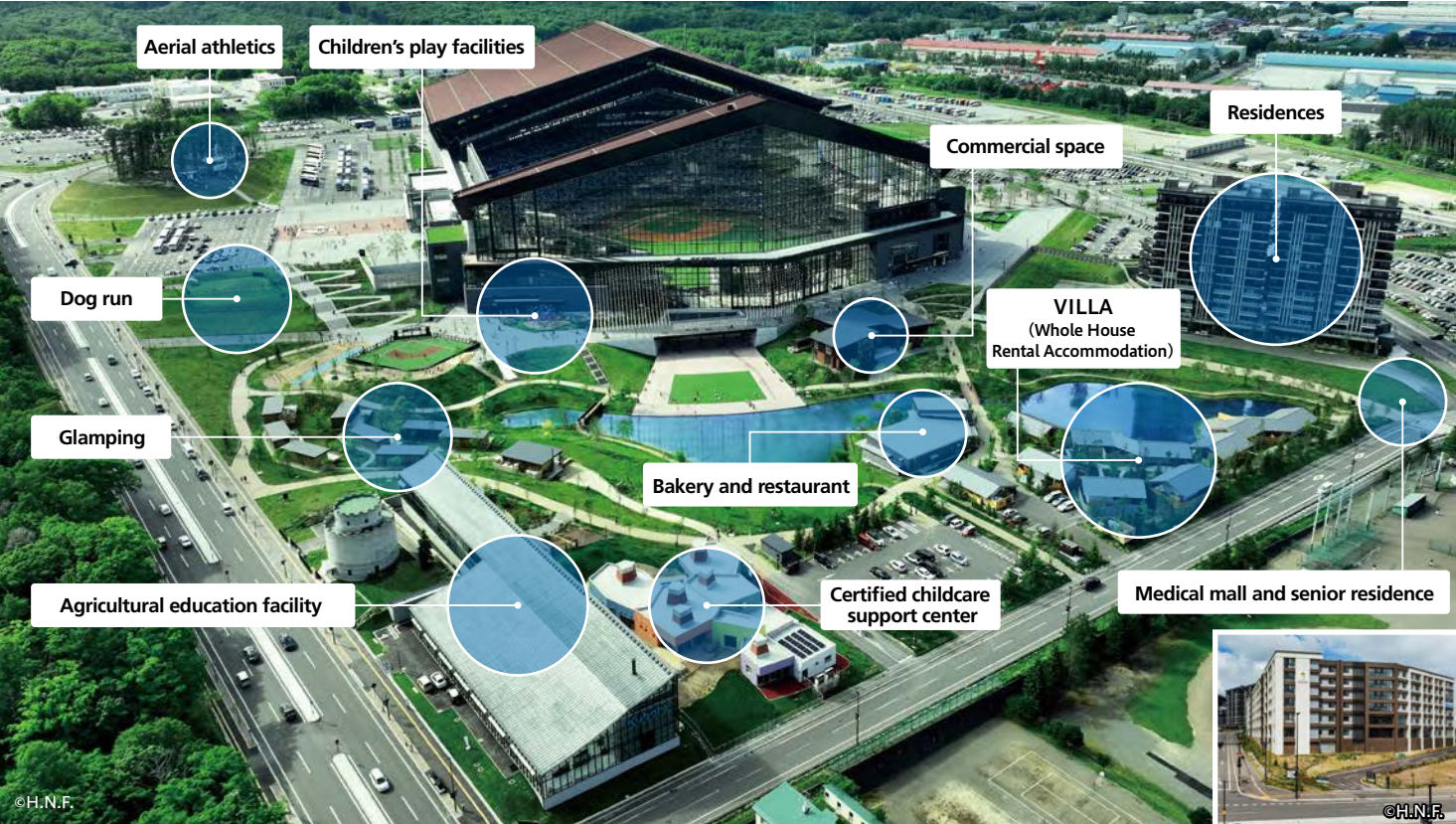
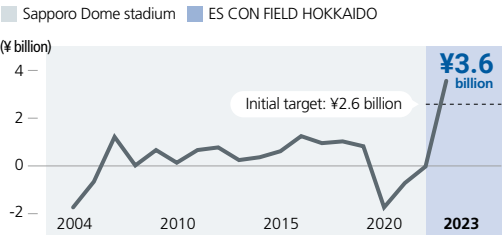
Higher visitor numbers in FY2023 were reflected in net sales of ¥23.8 billion, compared with the ¥23.4 billion figure projected when the ballpark was opened. Operating income was also substantially over target at ¥3.6 billion, compared with the target figure of ¥2.6 billion.

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.

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
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

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)

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.

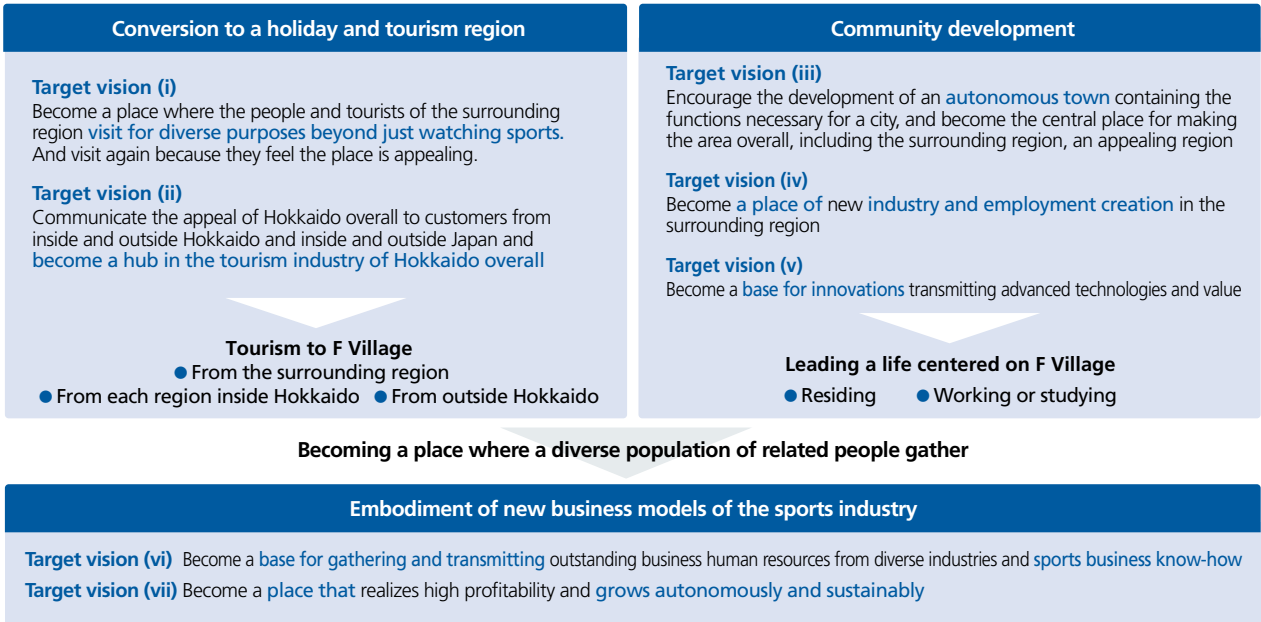


Our vision for F Village

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.



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

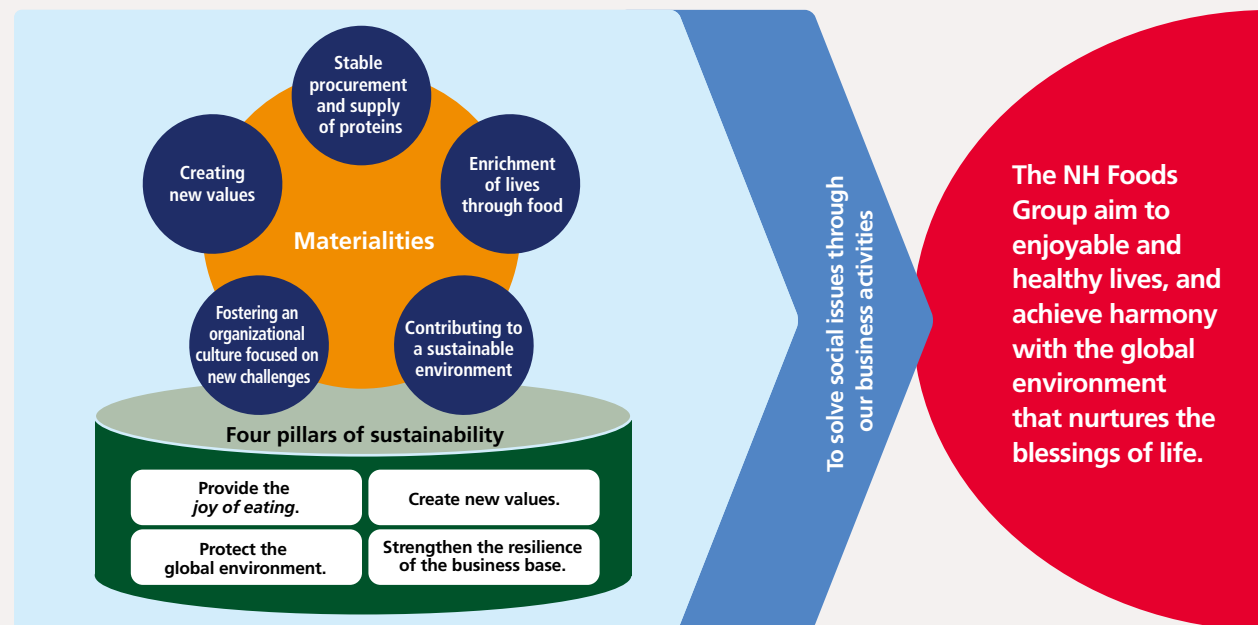
General Manager of Business Planning Department
Planning Division
Business Management Headquarters
Fighters Sports & Entertainment Co., Ltd.





Sustainability management

Overview of our sustainability strategy



and to help people and the Earth to feel good through food, as we unleash ideas to create a new “joy of eating.”

2. Create new values.

Global population growth is expected to make it increasingly difficult to supply proteins. We will work to realize the stable procurement and supply of proteins by developing new products, including plant-derived proteins, cell-based foods made using culturing technology, and products made using malt. We will also create communities through community development at F Village and use food as an avenue for co-creation.

3. Protect the global environment.

We will work to reduced fossil fuel-derived CO₂ emissions and collaborate with academic institutions and other partners to pursue research into decreasing greenhouse gas emissions, including methane from livestock. We will also take measures to use less plastic and protect biodiversity.

4. Strengthen the resilience of the business base.

We will respect human rights throughout our entire supply chain and ensure active roles for diverse human resources. Also, as an enterprise engaged in primary industry, we will be considerate of animal welfare.

We will also revise our five materialities in accordance with changes in the business environment and accelerate initiatives addressing priority issues. For example, in the environmental domain, we have set a target for reducing the amount of plastic use as one of our goals for realizing Vision2030 and are working to achieve it.

We work together with various partners to solve social issues through our business activities so we can contribute to the realization of a sustainable society.

Sustainability strategy

Sustainability initiatives are becoming an increasingly important aspect of corporate management. Companies need to address environmental issues such as climate change, as well as a wide array of social issues, including issues involving human rights and human capital. In the livestock farming industry in particular, international attention is being paid to issues such as livestock-derived greenhouse gas emissions and consideration for biodiversity in relation the use of land for rearing and water usage. Also, in Japan, a solution needs to be found for labor shortages at livestock farms.

In April 2024, in conjunction with the formulation of Medium-Term Management Plan 2026, we formulated a new sustainability strategy in order to solve social issues through our business activities, contribute to enjoyable and healthy lives, and achieve harmony with the global environment.

This strategy comprises the four pillars of sustainability: “Provide the joy of eating”; “Create new values”; “Protect the global environment”; and “Strengthen the resilience of the business base”.

Four pillars of sustainability

1. Provide the joy of eating.

We will aim to respond to diversifying lifestyles and values



Sustainability management

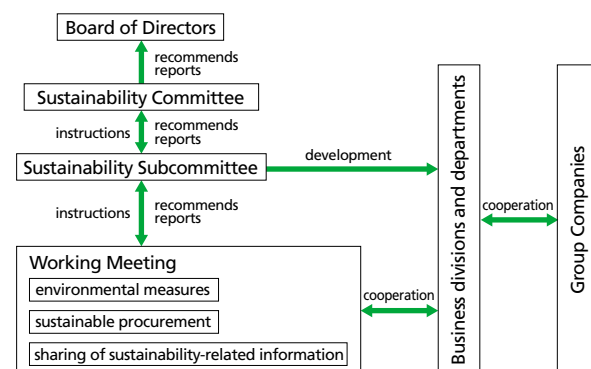
Sustainability promotion system

We have 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 back-office departments.

Sustainability promotion framework



Activities by Organization

Organization entity		Role	Organization	Frequency
Sustainability Committee		<ul style="list-style-type: none"> Formulation of the Group's sustainability policy and consideration of strategy 	<ul style="list-style-type: none"> Directors Outside directors General managers of business divisions Audit & Supervisory Board members / outside experts 	4 times / year
Sustainability Subcommittee		<ul style="list-style-type: none"> Applies strategies decided by upper-level management meetings to business units and Group companies 	<ul style="list-style-type: none"> Director in charge of sustainability Business division general managers Heads of departments and sections 	4 times / year
Working Meeting	Environmental measures	<ul style="list-style-type: none"> Discusses and recommends key themes based on the environmental policy Manages medium- and long-term environmental goals Addresses environmental information-related disclosure regulations (TCFD, TNFD, etc.) 	<ul style="list-style-type: none"> Director and personnel in charge of related departments 	10 times / year
	Sustainable procurement	<ul style="list-style-type: none"> Enhances the sustainability of procurement activities and the effectiveness of sustainable procurement 	<ul style="list-style-type: none"> Managers and personnel in charge of related departments 	7 times / year
	Sharing of sustainability-related information	<ul style="list-style-type: none"> Shares information among corporate related departments to prevent business risk and to build resilient systems Addresses human rights due diligence 	<ul style="list-style-type: none"> Corporate departments 	5 times / year

Composition of the Sustainability Committee (As of June 2024)

Position	Name	Role
Chairperson and Director	Tetsuhiro Kito	Committee chairperson
President and Representative Director (President & CEO)	Nobuhisa Ikawa	Committee member
Director and Vice President (Executive Vice President)	Masahito Kataoka	Committee member
Director and Senior Managing Executive Officer	Fumio Maeda	Committee member
Director and Managing Executive Officer	Kohei Akiyama	Committee member
Director (Outside)	Yasuko Kono*	Committee member
Director (Outside)	Tokushi Yamasaki*	Committee member
Managing Executive Officer	Yukihiro Matsumoto	Committee member
Executive Officer	Tadaaki Ito	Committee member
Director of Sustainability Department	Keiko Haruhata	Committee member
Audit & Supervisory Board Member (Outside)	Shigeru Nishiyama*	Observer
Managing Executive Officer	Nobuo Oda	Observer

* Independent officers

Outside expert's Position, Name of the company	Name	Role
Advisor, CSR & Global Environment Center, Daikin Industries, Ltd.	Satoru Fujimoto	Committee member
Satoshi Okazaki Certified Public Accountant Office	Satoshi Okazaki	Committee member
Department of Preventive Medicine and Public Health, School of Medicine, Keio University part time lecturer	Itsuko Horiguchi	Committee member
President and Representative Director, FREX HOTEL	Tsutomu Nakanishi	Committee member



Strengthen the resilience of the business base

Respect for human rights

Formulating the NH Foods Group Human Rights Policy

The NH Foods Group believes that our people are our most important asset and we recognize that we have a social responsibility to respect their basic human rights.

In December 2020, we formulated the NH Foods Group Human Rights Policy, which is based on the UN Guiding Principles on Business and Human Rights determined by the UN Human Rights Council, in order to reaffirm and demonstrate to society our approach and commitment to respecting human rights and to meet the expectations placed on us.

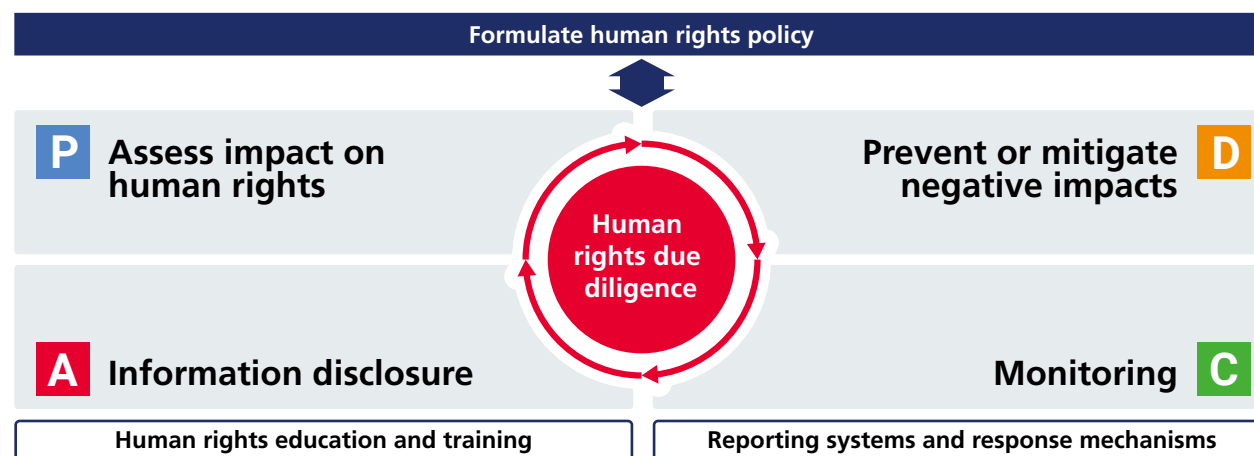
We are implementing human rights initiatives that put this policy into action across the Group as we work to be a corporate group that is trusted by wider society.

Practicing human rights due diligence

In order to implement our human rights policy and respect the human rights of all people that are affected by our business activities, we carry out human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights.

NH Foods carries out an assessment of impact on human rights every three years and the most recent assessment identified harassment, occupational health and safety, and working hours as risks. Identified risks are managed on a Groupwide basis by the Risk Management Committee. Relevant departments also monitor these risks through interviews and audits.

Human rights due diligence cycle



Human rights education and training

The NH Foods Group Action Standards (Japan version) stipulates respect for basic human rights and forbids any discriminatory action or behavior on grounds including gender, age, nationality, religion, creed, social status, or disability. We work to spread respect for human rights among all employees, including by ensuring the standards are read periodically at each workplace.

Training at each level, including new employee training and management training, incorporate a Business and Human Rights program that teaches the necessity of fulfilling the corporate responsibility to respect human rights and implementing initiatives to achieve this.

By continuously advancing these kinds of initiatives, we are fostering a corporate culture that ensures human rights violations will not and cannot occur.

Reporting systems and response mechanisms

We have established three channels for reporting human rights-related issues (including sexual harassment and bullying), both internally and externally. Reports can be made anonymously. We also ensure that employees are aware of these channels by placing posters in each workplace and distributing cards to all employees.

Supplier monitoring

We require suppliers to understand and comply with our Sustainable Procurement Policy and Sustainable Procurement Guidelines. The status of compliance is monitored and investigated through SAQs*. We interpret incomplete or unclear answers within these questionnaires as a potential risk and carry out interviews to look into the matter.

* SAQ: Self-Assessment Questionnaire



Strengthen the resilience of the business base

Materialities

Fostering an organizational culture focused on new challenges

With the aim of fostering an organizational culture focused on new challenges, management is leading by example by modelling change and taking on challenges. This will encourage the personnel responsible for leading management at workplaces (managers and general managers), as well as all other employees, to fulfill the role expected of their respective positions, driving the transformation of the Group's culture.

From fiscal 2024 onward, we are adding innovation and challenge as items for evaluating the performance of officers and monitoring the progress made every six months. We think that the sight of management members taking on and overcoming challenges will encourage change throughout the organization.

In regard to employees, we are cultivating an organizational culture that acknowledges and appreciates each challenge taken on and that supports new initiatives by encouraging each person responsible for promoting change at each workplace to demonstrate behavior that embodies the spirit of taking on challenges.

Innovation and challenge have been set as important themes in Medium-Term Management Plan 2026. We will encourage all employees to challenge conventional wisdom and create new value to increase dynamism and drive growth throughout the entire organization.

Training and recruiting innovative managers and advancing career development for diverse people

Personal growth

Support for career self-direction and taking on challenges

We are shifting the way careers are approached within the Group from seeing them as something provided by a company to seeing them as something that the employee and company build together. We are empowering employees

to envision their own career and to grow accordingly.

We have strengthened the engagement of “challenge” as one of the items in our employee management by objectives system and revised the system so that from fiscal 2024, evaluations will not only assess results, but also challenge processes. Our aim is for the system to encourage employees to take on various challenges and in doing so, feel that they are realizing personal growth.

We have also introduced various career development systems, including career counseling to enable employees to actively design their own career path, as well as an in-house proposal system and the Employee Self-Realization System, which are available to all employees.

In fiscal 2023, in order to support reskilling in a way that facilitates career self-direction, we introduced subscription-based e-learning with content that employees can select freely. We believe that enabling employees to take control of their careers and acquire skills that will help them make an impact within the company will lead to not only individual growth, but also organizational growth. Employees also take career planning seminars for each age group so that they can review their career path so far and receive support for considering and adjusting their future career plans. Other initiatives include establishing career support channels and providing employees with access to career consultants. Employees aged 49 and 54 who have participated in the career planning seminars can meet with external career consultants while employees in their first five years with the company can meet with inhouse career consultants.

Organizational growth

Training and recruiting innovative managers

Training and recruiting innovative managers is a key focus of Medium-Term Management Plan 2026 and we are enhancing the training and recruitment of human resources who can take the lead on organizational transformations and taking on challenges. We are developing next-generation executives through selection, education, and transfer

programs spanning the entire Group. We provide opportunities for selection to each level of employee to provide a diverse range of employees with an early gateway to becoming a next-generation management candidate.

Also, we are working to recruit innovative managers by strengthening the recruitment of mid-career employees with management skills or specialized expertise. Ensuring our workforce contains people with diverse expertise will broaden opportunities for business growth and the creation of innovation and organizational value.

We are also strengthening initiatives that help new employees to hit the ground running, such as onboarding. Going forward, we will continue to hold discussions with the aim of realizing organizations that empower diverse human resources, including establishing systems that help recruits to advance their careers.

Diversity, equity, and inclusion

Career development for women

Women in management positions

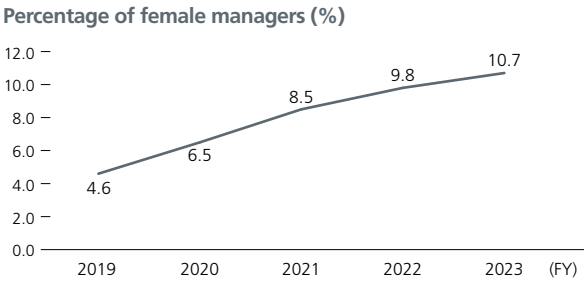
We are working toward achieving the target of a percentage of women in management positions of 20% or higher by fiscal 2030 by fostering a pool of candidates for management and supervisory positions. As part of this, we aim to ensure that at least 40% of new graduate recruits are women. We are also working to prevent employees leaving due to pregnancy, childbirth, and childcare and to respond to feedback from employees who are worried that taking childcare leave will derail their careers by enhancing interviews with employees eligible for childcare leave both before and after taking the leave and by enabling employees to take training and certification exams during the leave period.

We are also aiming to realize the same employee retention rates for women as for men by enhancing career counseling and supporting continued employment and career building. Going forward, we will formulate and further strengthen the implementation of measures that help support the active participation of women.



Strengthen the resilience of the business base

Materialities



Gender wage gap

At NH Foods Ltd., although there is no difference in wages at the time of recruitment, employees who have been with the company for many consecutive years tend to have higher salaries, and a high proportion of these are men. At the same time a high proportion of associate workers, which includes locally employed employees and temp staff, are women. This has resulted in a gender wage gap and the figures for fiscal 2023 are shown in the table to the right.

Please note that figures in the statutory disclosure items section of the table to the right have been calculated based on the Act on the Promotion of Women’s Active Engagement in Professional Life, and the figure for “all employees” includes both career employees and contract employees working full-time hours on an unlimited-term contract. Therefore, in order to provide a picture that more clearly represents the situation at the company, we also calculated figures for the wages of career employees only (as well as a breakdown of managers and general employees) as voluntary disclosure items. For career employees, there are no discrepancies in the wages of employees in the same position, so the gap is due to factors such as the proportion of employees by rank, the proportion that are locally employed, number of consecutive years worked, and number of working hours.

Going forward, we will work to close the wage gap between male and female employees by introducing workstyles that fit different life stages, increasing the percentage of women in management positions, and strengthening career development support for women.

Difference between the wages of male and female employees*1 (%)

Item		FY2023
Statutory disclosure items	All employees*2	60.9
	Full-time employees*3	63.3
	Temp employees*4	69.8
Voluntary disclosure items	Career employees	70.1
	Managers	96.4
	General employees	76.3

*1 Gender pay gap refers to the percentage difference between the wages of male and female employees calculated based on the Act on the Promotion of Women’s Active Engagement in Professional Life
*2 All employees: Employees and temp employees
*3 Full-time employees: Career employees and contract employees working full-time hours on an unlimited-term contract
*4 Temp employees: Part-time employees and non-career employees on a fixed-term contract. Excludes dispatch employees.

Maintaining work environments

In order to recruit and retain human resources, we are working to reduce total working hours, support the balancing of work with childcare, nursing care, and treatment of illness, and realize flexible work styles. In fiscal 2024, we streamlined work processes to improve operational efficiency and created time for employees to take on the challenge of new types of work.

Health management

We are promoting health management under the Health and Safety Declaration made by top management. NH Foods Ltd. is working to help employees avoid

lifestyle-related diseases and prevent mental unwellness through initiatives such as enhancing health guidance by occupational health professionals and using stress checks to improve workplace environments. Specifically, it is putting a greater focus on preventative measures, such as enhancing screening to identify high-risk individuals and revising the implementation of stress checks, and strengthening industrial health staff systems. Going forward, it will further advance health management by working to improve consultations with public health nurses, establish and implement health measures in collaboration with health insurance associations, and raise health literacy (self-care and line-care).

Occupational safety

The NH Foods Group regards the health of each and every employee as an important management foundation. Based on this, we introduce occupational health and safety management systems, especially at manufacturing plants, and strive to maintain and improve occupational health and safety levels.

We also work to strengthen the coordination and improve the knowledge of supervisors on a daily basis through initiatives focused on safety supervisors, including holding study sessions and enabling supervisors from different business locations to tour each other’s workplaces.

In the event of a workplace accident, we share details of what happened and response measures throughout the Group in a timely manner to prevent similar incidents from occurring.

We will continue to raise occupational health and safety levels through study sessions and information sharing with external experts, to foster a safety culture, and to ensure thorough compliance with relevant laws and regulation by strengthening governance concerning occupational safety.

Strengthen the resilience of the business base

Initiatives that take animal welfare into consideration

Animal welfare is an approach that aims to reduce the stress and suffering of livestock and make them more comfortable throughout their entire lifespan, from birth through to processing.

We benefit from the bounty of nature on a daily basis, so we believe that it is important to operate businesses in a way that takes animal welfare into account. We are also aware that reducing stress and controlling illness in our animals by rearing them in comfortable environments can lead to improved food safety.

Formulating core values, guidelines, and targets

We formulated the NH Foods Group Animal Welfare Core Values and the NH Foods Group Animal Welfare Code of Conduct, which firmly sets out the conduct we expect under the core values, to promote business that takes animal welfare into consideration. We have also set targets to be achieved by fiscal 2030.

These provide a foundation for each Group company to organize specific management frameworks and procedure manuals in line with the characteristics of its business. Furthermore, Nippon Clean Farm Ltd., which operates the Group's pig rearing business, is holding internal workshops and has established an animal welfare consultation channel in order to raise awareness of animal welfare among employees and raise the effectiveness of initiatives.

Animal welfare targets

Measures	Indicators	Progress (as of June 2024)
Elimination of gestation crates (pigs)	Complete at all farms* in Japan by fiscal 2030	9.5%
Installation of drinking water facilities in lairage pens at meat processing plants (pigs and cattle)	Complete installation at all meat processing plants* in Japan by fiscal 2023	Cattle: 100% Pigs: 100%
Installation of cameras at farms and meat processing plants to ensure environmental quality	Complete installation at all farms and meat processing plants* in Japan by fiscal 2024	Cattle meat processing plants: 100% Pig farms and meat processing plants: 100% Chicken farms and meat processing plants: 94%

* For companies in which the NH Foods Group holds a majority stake



A free-range sow gestation house (Nippon Clean Farm Ltd.)



Sunshades installed to protect cattle from direct sunlight (Whyalla Beef Pty. Ltd.)

Participation in round table discussions on animal welfare

As part of Group efforts to promote business that is considerate of animal welfare, we participated in a round table discussion hosted by the Laboratory of Applied Ethology in Shinshu University's Faculty of Agriculture. This discussion enabled an exchange of opinions between experts and participants from the private sector and government.

FY2023 round table discussion

Date	April 25, 2023
Place	allia Community Center for Youth and Industry
Host	Kenichi Takeda Professor, Institute of Agriculture, Academic Assembly Shinshu University, and others
Participants	<ul style="list-style-type: none">● Researchers in livestock-related fields● Members of private sector companies, government organizations, and others● NH Foods' Sustainability Department
Main content of discussion	A lecture was held on animal welfare initiatives, followed by an exchange of opinions regarding the latest information concerning animal welfare from Japan and overseas, recent trends, and specific initiatives.

Protect the global environment/Strengthen the resilience of the business base

Making effective use of livestock excretion

The NH Foods Group is engaged in chicken and pig farming in Japan and cattle farming in Australia, handling every step of the process, from rearing through to sale, in-house. The excretion produced when raising livestock accounts for the largest amount of waste generated within the Group. As urine and manure can be effectively used as resources, we are converting it into compost and biofuel for growing vegetables, thereby helping to reduce CO₂ emissions.

Composting initiatives

Chicken, pig, and cattle manure can be fermented to create compost, which is a useful resource for agriculture.

As an example of these initiatives, the Tohoku Business Division of Nippon White Farm Co., Ltd., located in Aomori Prefecture, is selling compost produced from chicken manure to local farmers for cultivating burdock root and Chinese yams.

Nippon Clean Farm Group companies are also using compost made from pig manure as a fertilizer for growing vegetables in-house.

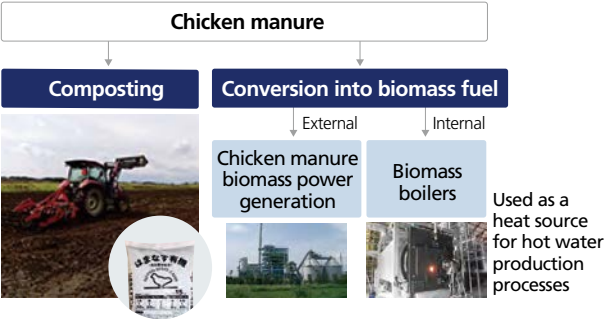
Whyalla Beef Pty. Ltd. in Australia is composting cattle excretions to grow barley and cottonseed for use as cattle feed, some of which it includes in its own feed formulations.

Biofuel initiatives

Some of the poultry manure that is not composted is burned in biomass-fueled boilers which serve as a heat source for the hot water used to heat and clean chicken houses. In Miyazaki Prefecture, we established Japan's first poultry manure biomass-fueled power generation business in 2003 through a joint investment with poultry farmers,

agricultural cooperatives, and other businesses. As part of this effort, we have been working to convert poultry manure into fuel for more than 20 years now. This project was also selected as a recipient for the “2023 Regional Coexistence-type Renewable Energy Project Awards” administered by the Ministry of Economy, Trade and Industry's Agency for Natural Resources and Energy. Additionally, we subject pig manure to anaerobic fermentation and use the methane gas generated during this process as boiler fuel. This approach generates fewer CO₂ emissions compared to kerosene-fueled boilers.

Using chicken excretion effectively



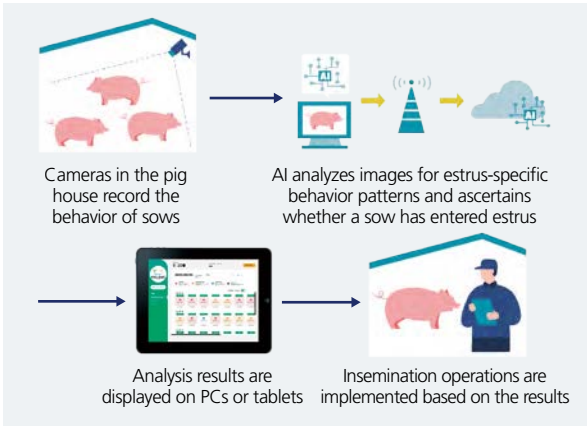
Pioneering the future of livestock farming through digital technology

Materialities

In December 2023, Nippon Clean Farm Ltd. opened Raiman Farm, a new pig breeding facility in Takko, Aomori Prefecture. The farm is the first facility to officially adopt PIG LABO® Breeding Master, an AI-powered pig estrus detection service jointly developed by NH Foods Ltd. and the NTT DATA Group.

The number of farmers engaged in livestock farming in Japan has been declining since 1980 and the aging of skilled, experienced pig handlers and a lack of people to inherit their skills have become issues. PIG LABO® has been created to solve these issues. The first service to be released through this initiative is PIG LABO® Breeding Master, an estrus detection service that uses AI and a number of cameras installed in pig houses to detect estrus in sows. Previously, this task required long hours of observation by an experienced farmer, but AI enables judgment to be made accurately and efficiently, raising pig rearing productivity and improving work conditions.

System overview



Raiman Farm is spread over 10,000 m² of land and contains eight pig houses that are used to farm as many as 3,000 sows. It also uses gestation crate-free systems and takes animal welfare into account.

Provide the joy of eating**Materialities****Leading the future of sustainable food and health**

At the NH Foods Group, we want to continue providing people with “the joy of eating.” For example, we are catering for diverse food needs by delivering food allergy-friendly and health-conscious products. We are also working to provide a stable supply of the proteins that are essential for life by advancing initiatives that lead to the future, such as the development and commercialization of new forms of protein.

Catering for food allergies

We have been tackling food allergies for a quarter of a century so that people with food allergies and people without allergies can enjoy delicious food with peace of mind. We also continue to raise awareness and support research through the Nipponham Foundation for the Future of Food.

Food allergy-friendly products

We develop and sell the *Minna-no-Shokutaku* series as a food allergy-friendly brand. This series includes staple foods such as rice flour bread, in addition to accompanying foods like ham and sausages. All of the products are manufactured at a special-purpose factory where eight specified allergen ingredients (eggs, milk, wheat, buckwheat, peanuts, shrimp, crab, and walnuts) are banned and they undergo strict inspections before being delivered to consumers.



Minna-no-Shokutaku
Loin ham



Minna-no-Shokutaku Soft and
fluffy rice flour bread - slice

Development and sale of allergen test kits

Depending on the patient, food allergies can have life-threatening effects, so proper labelling is essential. The NH Foods Group has been developing and selling allergen test kits for over 25 years and our kits are used by a large number of food manufacturers and public inspection agencies.

Sharing allergy information

We strive to help people who are worried about food allergies by sharing accurate information and carrying out awareness raising activities. *Table for All* for food allergy care is a comprehensive food allergy support website which provides explanations of how to understand allergy labelling, recipes that are free from specified allergen ingredients, and information on allergy-friendly products. Content is posted under the supervision of medical specialists. Furthermore, it also provides free nutritional counseling.

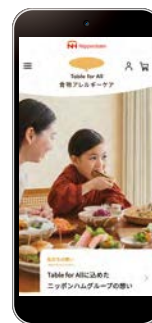


Table for All for food
allergy care

Healthy Living Initiatives**Preventing frailty**

Frailty is the term for the decline in a person's muscle strength and physical and mental functions that accompanies aging. We recognize that protein intake is an effective means for preventing frailty so we are helping people to stay healthy and improve their quality of life by providing meat intake proposals, easy-to-eat food products, and products that enhance physical functions.

Raising awareness through prevention programs

Since 2023, we have been collaborating with Kansai Medical University, Heiwado Co., Ltd., and Koga Software Inc. on a program to prevent frailty in old people, which involves holding seminars on health improvement methods with the potential to reduce physical age by five years. This program encourages practical lifestyle changes by combining protein-rich diets and exercise. This contributes to keeping elderly people healthy and improving their quality of life.

**Developing products that contribute to frailty prevention**

One of the main causes of frailty is undernutrition, so we are providing products that put a particular focus on protein intake. One example is *Tender Sirloin Steak*. We use vacuum cooking to soften sirloin steaks containing plenty of red meat, giving them a texture which elderly people with weaker chewing power can enjoy safely.

Product development that contributes to health

In April 2024, we launched *IMIDEA Energy Mainte* containing imidazole dipeptide and GABA, which are ingredients that help maintain muscle strength. These products support customers in maintaining healthy brains and muscles, fostering a balance of physical and mental health.



IMIDEA Energy Mainte



Provide the joy of eating

Providing products that utilize the bounty of nature

As a Group that utilizes the bounty of nature, we believe it is important to make full use of this bounty without waste. For example, we reuse the bones and skin discarded during processing as a soup ingredients and bag materials, and also as a source of health food ingredients such as collagen. Additionally, we were not making sufficient use of waste such as pig and chicken cartilage and pig placentas previously, so we are now extracting functional ingredients such as collagen, placental extract, and chondroitin from them in order to develop and deliver products that are scientifically proven to be safe and effective.



Providing diverse forms of protein

Materialities

Protein is an essential nutrient for life, it is thought that in the future, supplies will not be able to keep up with the increasing demand for food created by global population growth.

The NH Foods Group is Japan's largest supplier of protein, so we will engage our creativity without being bound by conventional thought to expand the possibilities of the proteins that power life and to create and deliver diverse ways to consume protein.

Expanding plant-derived protein products

As diets become more diverse, there is growing need for a wider selection of protein sources. Therefore, the Group supplies products made from protein-rich soybeans, which are known in Japan as *hatake no niku* ("meat from the soil").

We offer a wide range of products, including cooked processed foods like fried chicken and hamburgers, and seafood substitutes that do not contain fish. These are available as consumer products for retail stores and commercial products for restaurants and convenience stores.

Also, in addition to Japan, we are exporting products to meet high demand for plant-derived protein products from overseas.

In September 2023, we established the Japan Soy Meat Association together with four other food manufacturers that make meat alternatives from soy beans. The association is leading industry collaboration on activities such as promoting soy-based products to regular households and establishing manufacturing rules.



Research and development on cell-based food

With demand for meat growing worldwide, we are developing technologies that use cultured animal cells to manufacture food with the aim of providing a stable supply of animal protein into the future.

As part of this effort, since 2019, we have been conducting joint research on cultivated meat with IntegriCulture Inc., a startup company focused on

cell-based foods. Additionally, NH Foods Ltd.'s Research and Development Center is tackling technological issues, including culturing methods and cell quality to produce cells more efficiently.

In October 2022, we announced that we had succeeded in cultivating bovine and chicken cells by replacing the main components of the culture medium required for culturing cultivated meat cells, which had previously been derived from animals (serum), with those derived from commonly distributed foodstuffs. This success has made it possible to replace animal serum, which accounts for a large proportion of the cost of the culture medium, with foods that can be procured cheaply and stably, furthering progress toward the social implementation of cell-based foods in the future.



Research on malt as an ingredient

The Group is advancing research and development on new foods that use malt as an ingredient. Malt has traditionally been used in the production of fermented products, including uniquely Japanese products such as miso, soy sauce, and sake. It offers excellent nutritional value, including protein and fiber levels comparable to those of soybeans, which are known as "meat from the soil," and it is seen as a potential solution to future shortages of protein.



Protect the global environment

Medium- to long-term environmental targets

Following the formulation of Vision2030—Unleash new potentials for protein—and the five materialities (key issues), the NH Foods Group has set medium- to long-term targets based on the materiality of “contributing to a sustainable environment.” These targets are to be achieved by 2030.

For details regarding fiscal 2023 results and progress regarding these targets, please see the NH Foods Ltd. website.

Medium- to long-term environmental targets (to fiscal 2030)

Priority issue	Target: Year of achievement 2030	Scope	Result in FY2023
Responding to climate change Materialities	Reduce CO ₂ emissions from fossil fuels ● Japan: FY2023 target of 15.9% or higher compared to FY2013 FY2026 target of 29% or higher compared to FY2013 FY2030 target of 46% or higher compared to FY2013 ● Overseas: FY2026 target of 17% or higher compared to FY2021 FY2030 target of 24% or higher compared to FY2021	All business sites in Japan and overseas	● Japan: Reduction rate: 21.3% ● Overseas: Reduction rate: 8.4%
	Promote research and technological development to control and reduce greenhouse gases derived from livestock	—	—
Saving and recycling resources	Reduce waste emissions 5% reduction per production unit compared to FY 2019 in Japan	Product manufacturing plants at the Group's domestic locations, etc.	Reduction rate: 9.5%
	Achieve a waste recycling rate of at least 92% by FY2030	All business sites in Japan	92.2%
	Reduce plastic use Materialities ● Japan: FY2026 target of 17% or higher compared to FY2013 FY2030 target of 20% or higher compared to FY2013 Note: for products subject to the Containers and Packaging Recycling Law in Japan	—	—
	Reduce water consumption per production unit ● Japan: Reduce 5% compared with FY2019 levels ● Overseas: Reduce 5% compared with FY2021 levels	Product manufacturing plants at the Group's domestic locations, etc.	● Japan: Reduction rate: 0.7% ● Overseas: Reduction rate: 2.4%
	Identify which of our business sites in both Japan and overseas are in regions with high levels of water risk, take action to lower this risk in accordance with the situation in each region, and use water resources in a sustainable manner	—	—
Addressing biodiversity	Raise the ratio of RSPO-certified palm oil used (target: 100%, including book & claim)	—	0%

Responsible water usage

Reuse of water through advanced wastewater treatment

Nippon Clean Farm Co., Ltd. is the NH Foods Group's pig rearing company and it ships the largest amount of pig products in Japan. In January 2022, it began operation of an advanced reverse osmosis (RO) filtration unit at its Donan Office which uses RO filtration to filter the impurities from wastewater. As more than 80% of the treated water is reusable, this method can significantly reduce water consumption. The reclaimed water is used for cleaning and other tasks.

Reusing coolant water

At food products plants operated by the Nippon White Farm Group which is in charge of the production, treatment, and processing of chicken, 10% of water consumed is reused water. Most of this reused water is water kept at a temperature of between 2 and 5°C which is used for refrigerating carcasses after processing. Carcass refrigeration has two stages, precooling and main refrigeration. Some of the water used for main refrigeration is mainly reused for precooling. Overflow water used for precooling is mainly reused as cleaning water at the showers during the preprocessing stage.

Making effective use of rainwater

In November 2022, Nipponham Southwest Ltd. installed rainwater filtration equipment for collecting and reusing rainwater on parts of the roofs of some of its plants. As of August 2024, it has contributed to the effective use of water resources by collecting 2,240 m³ of rainwater and reusing it, primarily for the automated cleaning of sludge dehydrating equipment in its waste water treatment facilities and for dissolving chemicals. As the rainwater filtration equipment cannot be operated during longer spells of good weather, research was carried out into ways



to raise operating rates. This led to the idea of connecting the equipment to nearby facilities so that it can also collect waste coolant water, thereby increasing the amount of water reuse.

Rainwater filtration equipment



Protect the global environment

Responding to climate change

Materialities

In 2020, the Group endorsed the proposal presented by the Task Force on Climate-related Financial Disclosures (TCFD)*, and since May 2022, we have been disclosing information such as the results of our scenario analyses.

* The Task Force on Climate-related Financial Disclosures (TCFD) was disbanded in October 2023. Since 2024, its role has been taken over by the International Financial Reporting Standards (IFRS).

Information Disclosure Based on the TCFD Framework

Details regarding governance, strategy, risk management, indicators and targets, and scenario analysis are being disclosed through the Company's website.

This report mainly focuses on fiscal 2023 changes and developments regarding identified risks and progress on handling these.

Risks and opportunities identified based on scenario analysis and current status of response

Major risks and opportunities			Occurrence timeframe*1	Impact on business	Financial impact 1.5/2°C to 4°C	Status of response
Physical risks	Rising breeding costs due to increase and instability in feed costs	Hogs and chickens bred in-house	Medium to long term	Financial impact: No impact to 5.3 billion yen ● Instability in the procurement of raw materials ● Rising costs for meat production	Large (No impact to 5.3 billion yen)	● Efforts to improve feed conversion ratio (*2,3) ● Collaborations with feed companies to develop feed using locally produced raw materials ● Securing grain through recycling-oriented agriculture using in-house hog manure
		Processed food ingredients (pork)	Medium to long term	Financial impact: No impact to 2.2 billion yen ● Rising costs for processed food production	Large (No impact to 2.2 billion yen)	● Taking climate change into consideration, developing new business partners and expanding procurement sources in and throughout countries and regions ● Improving manufacturing costs and revising product prices
	Effect of rising temperatures on livestock growth		Medium to long term	● Decrease in meat production ● Rising costs for meat production	Medium	● Implementation of heat control measures
	Higher risk of disasters at sites		Short to long term	● Damage to owned facilities ● Decline in manufacturing activity, delayed shipments	Small	● Strengthening equipment against flood risks ● Strengthening product supply systems in times of disaster
	Greater water stress at sites		Short to long term	● Decline in manufacturing activity	Small	● Efficient use of water resources at sites with high water stress risks
Transition risks	Rising energy costs from the introduction of a carbon tax		Medium to long term	Financial impact: 13 to 20 billion yen ● Rising production costs	Large (13 to 20 billion yen)	● Efficient energy use and fuel conversion in processing and manufacturing processes ● Expanding use of renewable energy ● Reducing logistics emissions by converting to low-emission vehicles and improving logistics efficiency
Opportunities	Increase in environmentally conscious consumption trends		Short to long term	● Reduction of packaging costs ● Future market acquisition	Medium	● Developing products with high sustainability value ● Product development using new proteins
	Growth of the market for new proteins		Short to long term	● Future market acquisition	Large	● Research and development of new proteins

*1 Occurrence timeframe: Short term: Less than 3 years, Medium term: 3–10 years, Long term: Over 10 years *2 Indicates that adjusting the composition of grains, etc., in a compound feed to be suitable for growth and promote efficient weight gain.

*3 The results of the scenario analysis for feed conversion ratio suggest that there may be a partial impact but not a major impact.

Indicators and targets

Indicator	FY2030 target	Subject	FY2022 results
Fossil fuel-derived CO ₂ emissions	Reduce by 46% or more (compared to FY2013)	All sites in Japan	Amount of increase / decrease: -102,828 t-CO ₂ Progress rate: 40.6%
	Reduce by 24% or more (compared to FY2021)	All sites overseas	Amount of increase / decrease: -2,809 t-CO ₂ Progress rate: 8.2%

Indicator	FY2030 target	Subject	FY2022 results
Water consumption per unit of production	Reduce by 5% (compared to FY2019) FY2030 target reduction: 0.8 m ³ /t	Processing and production sites in Japan	Amount of increase / decrease: +0.2 m ³ /t Progress rate: -25.0%
	Reduce by 5% (compared to FY2021) FY2030 target reduction: 0.6 m ³ /t	Overseas processing and production sites	Amount of increase / decrease: +0.5 m ³ /t Progress rate: -83.3%



Protect the global environment

Increase and instability in feed costs (Physical risk)

The Group is engaged in livestock production business, so there is concern that the price of grain feed might increase due to population growth, rising temperatures, droughts, and competition from enterprises wanting to use grain as a biomass fuel. In the scenario analysis, it was predicted that procurement costs will increase under the 4°C scenario. We are continuing to analyze risk by livestock type and region. Additionally, rising instability in grain exporting countries is also driving feed prices upward.

To counter this, we are revising product prices, working to improve feed conversion ratios, and advancing the development of technologies to reduce feed costs. Also, in response to cost rises and shortages, we are working to build a stable procurement network by cultivating new suppliers.

Effect of rising temperatures on livestock growth (Physical risk)

Livestock growth is greatly affected by temperature and humidity. The results of analysis of the Group's production sites in Japan, Australia, and Turkey show that daily weight gain may deteriorate as temperatures rise. Rising temperatures also pose a potential long-term risk in regard to meat procurement costs.

Status of response

Livestock	Country	Main measures
Chickens	Japan	Cooling pads, misting equipment
	Turkey	Cooling pads
Hogs	Japan	(All areas) Shading nets (Some areas) Spot coolers, cooling pads, roof sprinklers, additional airflow and exhaust fans
Cattle	Australia	Installation of sunshades per section

Rising energy costs from the introduction of a carbon tax (Transition risk)

Under the 1.5°C/2°C scenario, the introduction of a carbon tax on fossil fuel-derived CO₂ emissions is possible. This would have a significant financial impact on business. Furthermore, the application of a carbon tax on emissions from livestock is also a possibility, so we are considering measures to reduce these emissions. If the price of fossil fuels also continues to rise due to the impact of the international situation, electricity prices in Japan could be affected by about one to two billion yen per year up to 2030.

Currently, we are carrying out the following measures.

Reduction of fossil fuel-derived CO₂ emissions

- Promote the introduction of solar power generation on Company premises, etc.
- Use waste oil boilers that utilize used frying oil as well as recovered oil in wastewater as fuel
- We are aiming to operate a carbon neutral farm by 2026 by supplying electricity generated by a solar power generation facility with an annual capacity of approximately 3,000 MWh to be installed in the town of Nanporo, Hokkaido, to the Group's hog facilities, as well as by improving the efficiency of energy use and offsetting through biogenic GHG credits
- Installation of a wastewater-derived biogas plant in Australia
- Introduction of energy-saving equipment
- Incorporation of the concept of Internal Carbon Pricing (ICP) when installing and updating equipment that costs more than a certain amount, and raising awareness of CO₂ costs

Reduction of livestock-derived greenhouse gas emissions

- The domestic hog farming business uses biogas generated from waste and wastewater treatment as energy
- Research to reduce methane emissions from livestock

Reason for identification

Scenario	Geographic area	Item	2030	2050
Assuming 2022 emissions	Domestic	Carbon tax impact (hundreds of millions of yen)	84	161
		Emissions (thousand t -CO ₂)	459	459
	Overseas	Carbon tax impact (hundreds of millions of yen)	26	49
		Emissions (thousand t -CO ₂)	141	141
Assuming achievement of reduction targets (Horizontal drop from 2030)	Domestic	Carbon tax impact (hundreds of millions of yen)	54	104
		Emissions (thousand t -CO ₂)	297	297
	Overseas	Carbon tax impact (hundreds of millions of yen)	20	38
		Emissions (thousand t -CO ₂)	109	109

* Financial impact is calculated using FY2022 emissions vs. if FY2030 reduction targets are achieved.

* Carbon tax pricing reference: Net Zero by 2050 scenario from the IEA World Energy Outlook 2021 (equivalent to 1.5°C target)

Set price: FY2030: 130 USD/t-CO₂, FY2050: 250 USD/t-CO₂, \$1 USD = 140 yen

Growth of the market for new proteins (Opportunity)

In the future, the meat market and the market for new proteins are forecast to grow as demand for protein increases due to global population growth. Increased health consciousness and movement toward a decarbonized society are also expected to grow the market for new proteins. In a decarbonization scenario, the market is expected to exceed several tens of trillions of yen, which represents a major long-term business opportunity. In response, we are developing the *NatuMeat* series of plant-based products, as well as seafood substitute products, and we are also considering overseas expansion. Additionally, we are engaged in research into cultivated meat made from livestock-derived cells and the development of culture media that can reduce costs.

Biodiversity initiatives

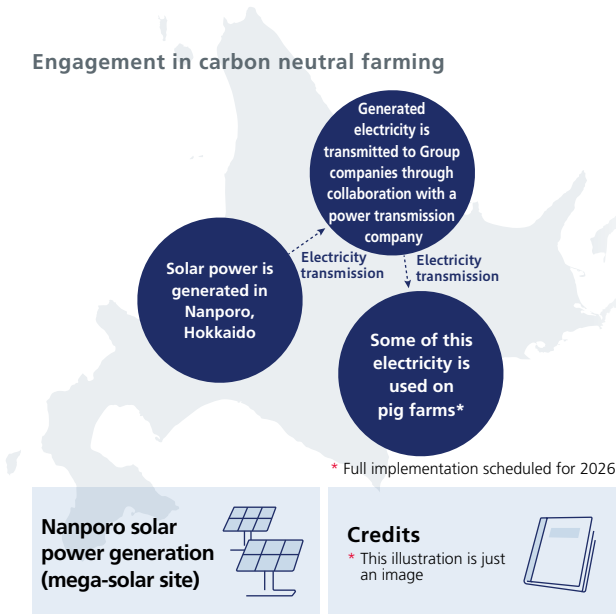
As a Group engaged in livestock farming and the manufacture of meat products, we recognize that our business activities are both largely dependent and have a significant impact on biodiversity and natural capital. Therefore, we think it is important to analyze business risks and opportunities emerging from changes in the external environment, identify issues that are a priority, and then implement a response.

Accordingly, we have endorsed the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and in fiscal 2023, we carried out an evaluation using guidance on the LEAP approach recommended by the TNFD. This evaluation identified risks and opportunities associated with our manufacturing plants, farms, and across the whole supply chain.

One of these risks was the growing intensity of natural disasters due to climate change and the deterioration of land-based ecosystems. We are responding to this through measures such as making energy usage more efficient and visualizing livestock-derived greenhouse gas emissions, and going forward, we will aim to make farm operations carbon neutral. Furthermore, we have been working for over 20 years to reduce the amount of plastic in product packaging and we will continue striving to realize further reductions.

Details regarding information disclosure based on the TNFD framework are available on our website.

Engagement in carbon neutral farming



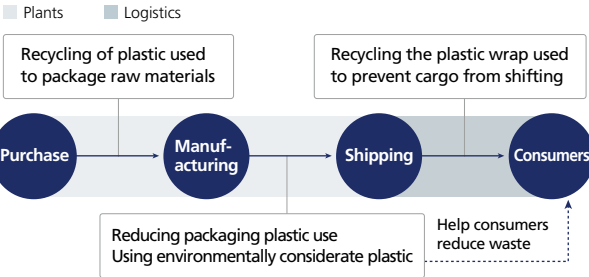
We will reduce CO₂ emissions generated by farms, primarily by self-supplying solar power and making energy usage more efficient.

Reducing plastic in product packaging

Materialities

Due to their excellent hygienic, sealing, and other properties, plastics play an important role in protecting food quality, yet there are concerns about the issue of marine plastics and their other impacts on the global environment. Since the NH Foods Group uses plastics at various stages, from purchasing raw materials to manufacturing and delivering products to customers, we have positioned plastics as a key issue, and are taking the following approaches under the premise that product safety is a top priority.

Initiatives for reducing plastic waste



Reducing plastic use by changing packaging

We have reduced the amount of plastic used in the *Schau Essen* series*¹ by 28% by switching from drawstring-style bags to eco-friendly pillow-type packaging. For the *Kanade* series*² of chilled pizzas, we reduced plastic usage by 37% by switching from plastic to paper trays. For The *Chuka Meisai* series*³, we reduced plastic usage by about 21% by removing plastic trays from the packaging. Additionally, we are using recyclable PET plastic for ham and wiener products, as well as a plant-derived biomass film for the lids of products in the *Sakurahime* chicken farm pack series.

*¹ Compared to the previous *Schau Essen* 127g double pack

*² Comparison with conventional products

*³ Calculated based on the number of units shipped for 10 out of 15 items in the 2021 *Chuka Meisai* series.



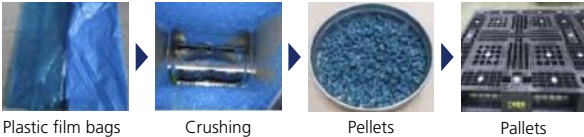


Protect the global environment / Creating new values

Materialities

Recycling packaging materials

The Hyogo Plant of Nipponham Factory Ltd., which engages in the production of hams and sausages, is working to recycle the film used in its packaging materials for raw meat. This film cannot be recycled without processing, as it has been in direct contact with food products, so it is crushed and then washed at the factory to convert it into a recyclable material. This material is currently undergoing testing as part of a collaboration with a plastic material recycling company and a pallet manufacturing company to see if it can be made into pallets for the transportation of goods.



Issuing sustainability bonds and allocating funds

Hokkaido Ballpark F Village has acquired a five-star rating under the DBJ Green Building certification system. Administered by the Development Bank of Japan, this system was established to support environmentally and socially responsible initiatives by real estate developers and businesses.

This support enabled us to raise finance through a sustainability bond issue. The funds were used to cover the cost of constructing the new ballpark, and for refinancing. Sustainability bonds can only be used for projects designed to mitigate environmental and social issues and provide positive outcomes.

Fund allocation

Item	Amount raised ^{*1}	Amount raised ^{*2}	Unallocated balance
Amount	¥29,813 million	¥29,813 million	¥0 million

^{*1} The amount raised from the bond issue after deduction of issuance costs
^{*2} This amount was allocated to expenditure on the construction of the new ballpark through refinancing and investment and loans to affiliated companies.

Impact reporting (April 2023–March 2024)

Green project
<p>Eligibility category: Green building</p> <p>Environmental certification: 5-star rating under the DBJ Green Building certification system</p> <p>Energy usage: 13,764,750 kWh[*]</p> <p>CO₂ emissions: 10,391 t-CO₂[*]</p> <p>Water usage: 42,197 m³[*]</p> <p>[*] Net emissions and usage for the NH Foods Group, excluding ES CON FIELD HOKKAIDO partner companies</p>
Social project
<p>Eligibility category: Improvement of access to essential services</p> <p>The following facilities have been provided.</p> <ul style="list-style-type: none">• Multipurpose toilets (4 on 1F, 4 on 2F, and 2 on 3F)• 118 disability parking spaces• 154 spaces for spectators in wheelchairs• Spaces for spectators with guide dogs (access to all areas)• 6 wheelchair slopes• 2 escalators in the main stairwell on the third base side• Stockpiles of emergency provisions[*]• 11 free amusement facilities for children (5 swings, 2 ziplines, 1 fixed-site car ride, 1 fixed-site ladybird ride, 1 slide, log steps)• Multilingual signage within the urban park area (5 locations) <p>[*] The quantities of stockpiles are not disclosed, since they are the property of the Hokkaido Government.</p>

Upcycling

As part of our efforts to utilize the bounty of nature without waste and to realize a sustainable society, we are aiming to find applications for unused resources within the Group and to build businesses in new fields outside of foods.

There are many body parts of the livestock we farm in Japan and overseas that are not used in fresh or processed meat products. This includes chicken feathers and pig and cattle bones and skin. Although the majority of these parts are reused as fertilizer or feed, we recognize that they each have unique structures and constituents that have other significant potential uses. Going forward, we will make use of these characteristics to solve various social issues and we are launching joint research with universities and external companies accordingly.

As the world changes and consumers look toward the future, we will not be tied down by conventional wisdom and customs as we seek to create new value that meets the needs of consumers, society, and the world.

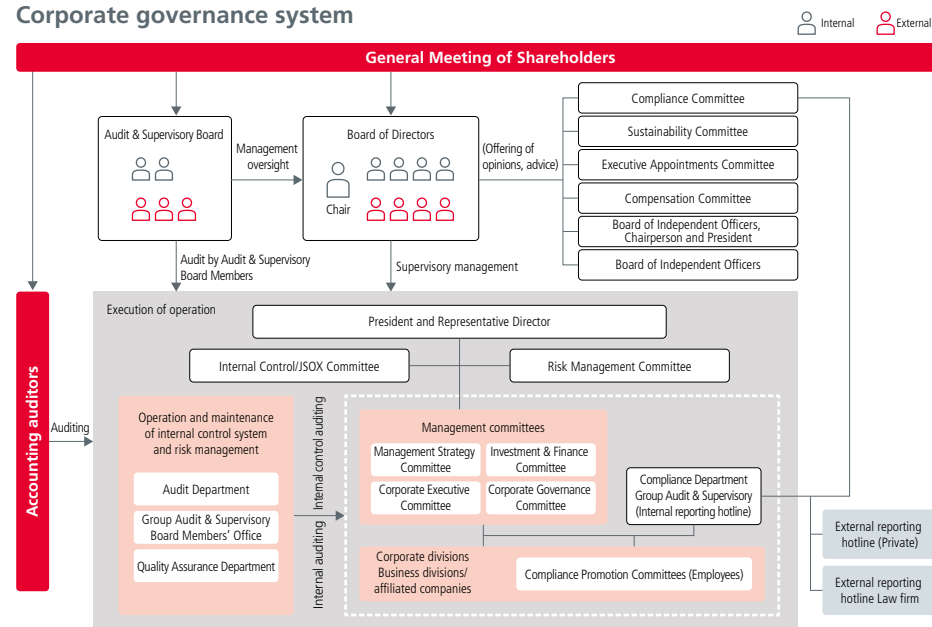


Corporate governance

Achievements in reinforcing the corporate governance system

The NH Foods Group is working to fulfill its social responsibilities as a company and achieve the Group's Corporate Philosophies by building the most appropriate governance structure for the Group based on the NH Foods Group Fundamental Policy on Corporate Governance. The application of this structure aims to enhance management transparency and efficiency across the entire Group, to ensure timely and proper decision making as well as appropriate business operations, to enable proactive and courageous business judgments, and to clarify responsibilities.

Corporate governance system



Achievements in the reinforcement of corporate governance

Medium-term management plan	Number of directors ^{*1} (Outside directors)	Number of Audit & Supervisory Board members ^{*1} (Outside Audit & Supervisory Board members)	Main efforts to strengthen corporate governance
FY2003-2005 New Medium-Term Management Plan Part 1	11 (2)	5 (4)	2003 • Established the Management Strategy Committee, Investment and Finance Committee, and Corporate Executive Committee
	10 (2)	5 (4)	• Established the Compliance Committee, Compensation System Committee (now Compensation Committee), and Crisis Management Committee (now Risk Management Committee)
	11 (2)	5 (4)	2004 • Established the Corporate Governance Committee
FY2006-2008 New Medium-Term Management Plan Part 2	10 (2)	5 (3)	2006 • Established the Corporate Value Evaluation Committee ^{*2}
	10 (2)	5 (3)	2008 • Established the JSOX Committee (now Internal Control / JSOX Committee)
	10 (2)	5 (3)	
FY2009-2011 New Medium-Term Management Plan Part 3	10 (1)	5 (3)	2011 • Established the Executive Nomination Committee
	12 (2)	5 (3)	
	12 (2)	5 (3)	
FY2012-2014 New Medium-Term Management Plan Part 4	10 (2)	5 (3)	
	10 (2)	5 (3)	
	10 (2)	5 (3)	
FY2015-2017 New Medium-Term Management Plan Part 5	10 (2)	5 (3)	2016 • Established the Board of Independent Officers and Representative Directors, and Board of Independent Officers
	10 (2)	5 (3)	
	10 (2)	5 (3)	
FY2018-2020 Medium-Term Management Plan 2020	10 (2)	5 (3)	2018 • Established the CSR Promotion Committee ^{*2}
	9 (3)	5 (3)	2020 • Established the Sustainability Committee ^{*2}
	8 (3)	5 (3)	• Introduced the Performance-Based Stock Compensation Plan
FY2021-2023 Medium-Term Management Plan 2023	8 (3)	5 (3)	2021 • Established the Group Audit & Supervisory Board Members' Office
	8 (3)	5 (3)	• Revised the Fundamental Policy on Cross-Shareholdings
	8 (3)	5 (3)	2023 • Reformed officer compensation and evaluation systems
FY2024-2026 Medium-Term Management Plan 2026	9 (4)	5 (3)	2024 • Reformed officer compensation and evaluation systems

^{*1} Number after the Ordinary General Meeting of Shareholders

^{*2} The Corporate Value Evaluation Committee was renamed as the Corporate Value Enhancement Committee. In 2020, the Corporate Value Enhancement Committee and CSR Promotion Committee were merged to form the Sustainability Committee.



Corporate governance

Corporate governance system overview (No. of meetings in FY2023)

Body	No. of members (male/female)	Chair	Objective and other details
Directors and the Board of Directors [18]	8 ● 5 inside officers (5/0) ● 3 outside officers (2/1)	Chairperson	We have set the number of directors to at least three but no more than 12 to ensure prompt and proper decision making in consideration of the scope of liability of that body. We also appoint more than one outside director to ensure transparency. It meets once a month and makes decisions on matters set forth in laws, regulations, and the Articles of Incorporation, as well as other important matters.
Audit & Supervisory Board [18]	5 ● 2 inside officers (2/0) ● 3 outside officers (3/0)	—	We have set the number of members to at least three but no more than five to enable it to fully perform its supervisory function toward the Board of Directors and half of the members should be outside Audit & Supervisory Board members. There should also be at least one member who has appropriate knowledge of finance and accounting in particular. It meets at least once a month and discusses important matters concerning auditing.
Compliance Committee [4]	11 ● 9 inside officers (9/0) ● 2 outside officers (0/2)	Chairperson	To ensure thorough compliance and raise society's trust in the Group by comprehensively confirming and reviewing Groupwide compliance and making proposals to the Board of Directors and management committees.
Executive Nomination Committee [5]	4 outside officers (3/1)	Outside director	To strengthen the supervisory function of the Board of Directors by enhancing the transparency and objectivity of decisions on the selection of candidates for the positions of representative director, director, and Audit & Supervisory Board member, as well as discussions regarding the dismissal and/or removal of the President and Representative Director and other management members (executive directors and executive officers).
Compensation Committee [4]	4 ● 1 inside officer (1/0) ● 3 outside officers (2/1)	Outside director	To strengthen the supervisory function of the Board of Directors by enhancing the transparency and objectivity of decisions regarding compensation for corporate officers (including executive officer.)
Board of Independent Officers, Chairperson and President [2]	8 ● 2 inside officers (2/0) ● 6 outside officers (5/1)	—	Convenes as the Board of Independent Officers, Chairperson and President to facilitate exchanges of opinion among independent officers, chairperson and president as a forum for making proposals regarding improvements to the Group's corporate value and reforms to corporate culture.
Board of Independent Outside Officers [2]	6 outside officers (5/1)	Outside director	To facilitate discussions between independent directors and Audit & Supervisory Board members as a forum for exchanging information and sharing understandings from an independent and objective perspective.
Sustainability Committee [4]	15 ● 8 inside officers (8/0) ● 7 outside officers (4/3)	Chairperson	To comprehensively review the sustainability initiatives of the Group, and report and make proposals to the Board of Directors.
Internal Control/JSOX Committee [3]	18 ● 18 inside officers (17/1)	Officer appointed by the President and Representative Director	To evaluate the effectiveness of internal controls at all Group companies and internal controls concerning business processes, as well as to report the results of these evaluations to the Board of Directors and members of management as a basis for manager evaluations.
Risk Management Committee [4]	12 ● 12 inside officers (11/1)	Officer appointed by the President and Representative Director	To discuss issues and measures concerning risk management (risk prevention and rapid response to business emergencies) and to report matters under consideration by the Committee and the results of discussions to the Board of Directors or at Management Strategy Committee with the aim of contributing to the management of the Group.



Officers

Directors

①	Tetsuhiro Kito	Chairperson and Director Chairperson of the Board of Directors
②	Nobuhisa Ikawa	President and Representative Director President and CEO
③	Masahito Kataoka	Director and Vice President Executive Vice President In charge of Accounting & Finance Department and Sustainability Department
④	Fumio Maeda	Director Senior Managing Executive Officer General Manager of Fresh Meats Business Division
⑤	Kohei Akiyama	Director Managing Executive Officer In charge of Human Resources Department, Legal Affairs Department, General Affairs Department, Public & Investor Relations Department and Secretarial Office
⑥	Yasuko Kono	Outside Independent officer Director
⑦	Hideo Arase	Outside Independent officer Director
⑧	Tokushi Yamasaki	Outside Independent officer Director
⑨	Hiroko Miyazaki	Outside Independent officer Director



Audit & Supervisory Board Members

10	Sadanori Miyagai	Audit & Supervisory Board Member (full-time)	13	Shigeru Nishiyama	Outside Audit & Supervisory Board Member
11	Nobuyuki Tazawa	Audit & Supervisory Board Member (full-time)	14	Katsumi Nakamura	Outside Audit & Supervisory Board Member
12	Masayuki Kitaguchi	Outside Audit & Supervisory Board Member			



Managing Executive Officers

Nobuo Oda

In charge of Business Development & Strategy Division, Corporate Planning Department, General Manager of Tokyo Branch Office; in charge of Growth Strategy Project

Yukihiro Matsumoto

General Manager of Processed Foods Business Division

Yoshitaka Hasegawa

In charge of Audit Department and Compliance Department; General Manager of Group Audit & Supervisory Board Members' Office

Executive Officers

Tadaaki Ito

General Manager of Overseas Business Division; General Manager of Operations Management Division

Akio Wakita

General Manager of Product Management Division, Processed Foods Business Division

Yasuyuki Oishi

General Manager of Quality Assurance Department; in charge of Customer Service Department and Research & Development Center

Hideki Fujii

In charge of North America, Operations Management Division, Overseas Business Division; President and Director of Day-Lee Foods, Inc.

Toyotake Imon

General Manager of Domestic White Meat Division, Fresh Meats Business Division

Nobuhiro Hosoya

General Manager of Sales Management Division, Fresh Meats Business Division

Takao Seki

General Manager of Sales Management Division, Processed Foods Business Division

Seiji Inatomi

In charge of Australia, Operations Management Division, Overseas Business Division; Managing Director of NH Foods Australia Pty Ltd

Masashi Kabayama

General Manager of Administrative Division, Processed Foods Business Division

Shuichi Toda

General Manager of Imported Fresh Meats Sales Division, Fresh Meats Business Division

Sakae Kishimoto

General Manager of Marketing Management Division, Processed Foods Business Division

Naomi Koga

General Manager of Administrative Division, Fresh Meats Business Division

Hirohide Fujiwara

In charge of DX Promotion Department, IT Strategy Department and Sports Business Department

* See the Notice of the 79th Ordinary General Meeting of Shareholders on our website for bios, positions, responsibilities, and important concurrent positions.



Discussion with outside directors

What is your evaluation of the NH Foods Group as it strives for transformation and how will you support it going forward?

—A conversation with four outside directors.

Q1. What is your evaluation of the past year?

Kono I think the main topics to address concerning the previous fiscal year are the turnover in top management positions and launch of a new management framework following a downturn in business performance, the formulation of Medium-Term Management Plan 2026, and the redefining of our materialities.

Corporate growth requires an accurate understanding of the demands and expectations of not only shareholders, but also a wide range of stakeholders, including consumers, employees, and local communities, and it is essential that this understanding is reflected in strategy formulation. I have been involved in the activities of consumer organizations for many years and I have participated in decision making concerning government policy on food safety and food education. I have leveraged this experience in my activities with the Compliance Committee, as well as the Consumer Delegate Committee, which interacts directly with consumers, to facilitate active discussions from a consumer-oriented perspective that focus



Yasuko Kono

Tokushi Yamasaki

Hiroko Miyazaki

Hideo Arase



Corporate governance

on non-financial matters, including the utilization of human capital and response to climate change.

As chairperson of the Executive Nomination Committee, I have made recommendations regarding potential members of the Board of Directors and worked to further develop succession plans that consider the sustainability of the Group. I think this focus on enhancing corporate value and business continuity has been reflected in the content of discussions at committee meetings.

Yamasaki My background is in securities analysis, so I was able to provide recommendations and advice, and to share opinions with individuals, in a way that incorporated the perspectives of the stock and capital markets. An area I particularly focused on was management speed. I felt that the speed of the Company's management was a little slow compared to other companies listed on the Prime Market. Structural reforms were being mentioned at Board of Directors meeting three years ago but from the outside, it looked like no action had been taken. However, over the past year there has been a clear change. The Company's human resource strategy and its capital and finance strategies have been clarified and from a governance perspective, progress has been made on setting agendas for Board of Directors meetings and delegating authority regarding reporting items. I feel the Company is approaching a significant turning point.

Arase I have worked in the healthcare field for over 40 years and also have experience of corporate management overseas. I provided advice on business strategy from various perspectives based on this experience. This fiscal year, we formulated the medium-term management plan and we incorporated keywords that differentiate us from other companies into this plan to showcase our strengths to shareholders in an easy-to-understand manner. I also

proposed that we include clear, specific behaviors that employees at business sites within the Company should be practicing. In addition to this, I advised that decisions regarding the M&A of overseas companies should be based on a specific process that focuses on whether the target can raise the overall corporate value of the Company.

Miyazaki I worked as an attorney at law for law firms in Japan and the US, providing legal advice to companies. Following this, I led the legal departments of three foreign-owned companies and then served as a representative director. When I was appointed as an outside director of NH Foods in June 2024, I spoke with members of the Executive Nomination Committee and came to understand that I am expected to actively provide recommendations for raising corporate value with a focus on transformation.

Over the next year, I want to provide advice and oversight that helps business managers to take appropriate risks. In times of transformation, it is especially important to take risks in the right way. I will oversee and support various initiatives by facilitating discussion between our outside directors, who each have their own area of specialization, and the executive team in a way that focuses on specific details regarding risk, rather than abstract concepts.

Q2. How do you evaluate the Group's organizational and governance frameworks and what issues have you noticed?

Yamasaki The major theme of the evaluation of effectiveness of the Board of Directors was separating oversight and executive functions, and this was also recognized as an issue among directors. One of the challenges to address was management speed, which has seen rapid improvement over the past year. Over the last

four to five years, the management speed of companies listed on the TSE Prime Market has been rising considerably due to the increase in companies adopting a Company with Nominating Committee structure, which fully separates oversight and execution, and there was concern that the gap between us and these companies was widening. However, as I mentioned above, improvements have been made over the past year. Discussions are underway as to whether the gulf in management speed is the result of corporate governance structure or management methodology, and I hope that progress will be made on Going forward, we need to continue to deepen discussion concerning the separation of the oversight and executive functions to raise the Company's management speed and greatly enhance corporate value.

Another issue was that there was not enough discussion of management strategy. Going forward, I think it will be important to thoroughly discuss both business and



Hiroko Miyazaki

Ms. Hiroko Miyazaki took office as Outside Director in June 2024. She has broad business experience as an attorney at law firms in Japan and abroad and also has experience in corporate management through serving as legal director and president and representative director at global companies.



Corporate governance

sustainability strategy, and to clarify what the Board of Directors and executive team should be doing.

Arase Separating oversight and execution makes the Board of Directors responsible for deciding and supervising important policy, enabling directors to get an overview of every aspect of management. This means transitioning to a monitoring style of governance. While it is important for the Board to make decisions on short-term business matters, I would like to see more discussion on growth strategy that is rooted in management from a medium- to long-term perspective.

Kono The approach of Medium-Term Management Plan 2026 is to continue providing households with a stable supply of safe animal proteins while properly respecting the bounty of nature. This resonates with consumers. Gaining the understanding of stakeholders will be essential for promoting this message. Even though the people involved in formulating the plan have a full understanding, unless we can get the employees who will actually be implementing



Hideo Arase

Mr. Hideo Arase took office as Outside Director in June 2019. He has abundant experience of and deep insight into global-scale corporate management. He serves as chairperson of the Compensation Committee, and as a member of the Executive Nomination Committee, the Compliance Committee, and the Sustainability Committee.

measures and the management teams at subsidiaries to take ownership of it, our efforts will come to nothing. Sharing information with stakeholders is key to encouraging understanding, and our communications efforts to date have been insufficient. Over the past year, I have consistently asked for improvements to be made, such as having the matters discussed by the Board of Directors disclosed immediately through the Company's website, and there are signs that it is becoming easier to provide information.

Yamasaki The Company has the management resources to become leaders in various fields, including governance, ESG, and the meat industry, so I want to showcase this more strongly. If we can leverage our strengths to demonstrate leadership in each field, it will raise our brand value.

Recently, President Ikawa has been sharing policies and thoughts through various media channels. If he continues with these efforts, I think it will raise the brand value of the Group in the medium to long term.

Miyazaki A key step in providing recommendations for raising corporate value is to provide the Board of Directors with appropriate information at the right time. I will actively propose the way that information should be circulating.

Q3. Please tell us about the issues and achievements concerning each strategy and your thoughts on future initiatives.

Arase In regard to overseas strategy, I think it is important that head office and the business frontlines can share opinions with each other freely and both develop through this process. Employees on the frontlines are always thinking about the who, when, what, and how of marketing, so I think a challenge is for the management of business divisions to come up with clearer policies and direction and then



Yasuko Kono

Ms. Yasuko Kono took office as Outside Director in June 2018. She has extensive knowledge and experience concerning consumer issues. She serves as chairperson of the Executive Nomination Committee, as well as a member of the Compensation Committee, the Compliance Committee, and the Sustainability Committee.

communicate these to the frontlines in a way that will translate into action and results. It is also key that progress is measured not just in terms of qualitative aspects, but through a framework that also adds quantitative evidence. Value is created on the frontlines, so I think the management of each division should let the frontlines lead the way and engage in finding ways to provide robust support.

The steps for developing business in a new country are as follows. First you create a vision which contributes to that country, then you gauge unmet needs, and finally you come up with plans and strategy. The business will not be on track to succeed until these three steps have been taken. I will leverage my experience and knowledge to help find solutions to issues from a frontline perspective.

Yamasaki Looking at the Company's 80-year history, we are reaching a long-term turning point in terms of financial and capital strategy. By accurately gauging capital cost and then categorizing this cost by business to improve ROIC and



Corporate governance

ROE, we will be practicing substantive ROIC management. In regard to investment discipline, which includes M&A, it is important to make decisions on whether to push forward or pull back after carrying out a precise evaluation of risk versus return based on objective data. This is especially true for NH Foods, as our four main businesses each have a different business model. There needs to be an accurate assessment of where to prioritize cash allocation and to what extent returns will surpass costs. However, over the last year, we have built a framework for investment discipline, so I anticipate that in the medium to long term, we will have lean financial and profit structures in place that enable cash to be moved efficiently to where it is needed.

Kono In our human capital strategy, we already have a system in which personnel are rotated between the Fresh Meats, Processed Foods, and Overseas business divisions, which steadily develops human resources that can engage in



Tokushi Yamasaki

Mr. Tokushi Yamasaki took office as Outside Director in June 2022. He has also served as a securities analyst in the food sector for a major securities company, and possesses professional knowledge and abundant experience of food companies in general. He serves as a member of the Executive Nomination Committee, the Compensation Committee, and the Sustainability Committee.

business operations. On the other hand, the current business environment requires human resources who can make appropriate judgment concerning social issues and wield decision-making authority, and I feel we need to strengthen in this area, including in our corporate units. Our top management team has been working on this issue for five years but it is not an area where it is easy to produce results.

Diversity and inclusion has become a priority across the globe and the Corporate Governance Code requires stewardship of human capital. I think having a balanced composition in terms of gender is essential and this is a big part of discussions concerning succession planning at meetings of the Executive Nomination Committee.

While it is difficult to produce results in the short term, we now have Ms. Miyazaki onboard as an outside director, and she brings even greater knowledge of gender in organizational management from the perspective of both a lawyer and corporate manager. I expect this will be of huge benefit to the Group. I think it will also improve our effectiveness.

Miyazaki I will continue doing my best to exceed expectations. In addition to addressing diversity within the Group, I also want to realize more dynamic collaboration with our many partner companies. Combining the strengths of people with completely different backgrounds generates innovation. As the first step to achieving this, I think it is important that we properly communicate our strengths and ensure everyone shares aspirations and operates under the same code of conduct.

Q4. What are your future aims and objectives toward increasing corporate value?

Yamasaki Over the past five years, I have listened to the

opinions of investors and analysts and turned this into feedback for the Company. I think my most important job is to clarify the gaps between the information gathered by the Company and the information that I can gather from the industry using my experience as an analyst. At the same time, I will also showcase the appeal of NH Foods. I think we still have plenty of growth potential.

Arase Innovation requires diversity combined with networks. I have experience of managing in different cultures and I have also built up a network in academia. I think I can be useful in many ways, including in the food industry and in new businesses. I have also experienced many failures in regard to the actual application of DX. I believe that I can use these experiences both in an oversight function and to provide advice from an independent position.

Miyazaki Our role as outside directors is not to address short-term or surface issues, but to provide a vision of what the Group should be. This will be achieved through discussion that inherently questions what the Group wants to do and what its DNA is. When the field of vision of people on the frontline or executives becomes too narrow, I want to provide advice that expands their perception. I want to contribute to the realization of an NH Foods where the perspective of the Board of Directors and the perspective of the executive team rub against each other to find a middle ground and produce deeper insight.

Kono I evaluate the overall Company by looking at whether it can take a leap forward as a sustainable enterprise in the medium to long term. The Group will continue to take on challenges while remaining fully conscious of various issues. I want our stakeholders to see the hard work the Group is putting in to make progress.



Reasons for election and attendance of directors (FY2023)

Attendance is based on the number of relevant meetings attended in fiscal 2023, while the positions shown are positions held from June 2024 onward.

Name	Reasons for election	Committees serving on ●Committee chairperson ○Committee member								
		Board of Directors	Audit & Supervisory Board	Management Strategy Committee	Compliance Committee	Sustainability Committee	Executive Nomination Committee	Compensation Committee	Board of Independent Officers, Chairperson and President	Board of Independent Outside Officers
Tetsuhiro Kito	Mr. Tetsuhiro Kito has been in charge of the field of Processed Foods Business, group sales management and the Group Sales Planning Department and has served as General Manager of the Overseas Business Division. He has also served as Vice President and Representative Director, General Manager of the Fresh Meats Business Division and officer in charge of cross-business strategy. Since April 2023, he has chaired Board of Directors meetings as Chairperson and Director of the Company, during which he has encouraged Outside Directors to actively contribute with opinions and advice, and he has contributed to the further development of the Group by overseeing various initiatives based on Medium-Term Management Plan 2026 toward the realization of the NH Foods Group "Vision2030," which was established as a milestone for achieving the Group's corporate philosophy. In this way, he has fulfilled his role as a Director.	● 18/18 (100%)	—	Observer	● 4/4 (100%)	● 4/4 (100%)	—	—	○ 2/2 (100%)	—
Nobuhisa Ikawa	Mr. Nobuhisa Ikawa has served as General Manager of the Processed Foods Business Division, Vice President and Representative Director, General Manager of the Corporate Planning Division and officer in charge of the Research & Development Center, new business development, and the Hokkaido Project. Since April 2023, he has led business operations as President and Representative Director of the Company and he has contributed to the further development of the Group by advancing various initiatives based on Medium-Term Management Plan 2026 toward the realization of the NH Foods Group "Vision2030," which was established as a milestone for achieving the Group's corporate philosophy. In this way, he has fulfilled his role as a Director.	○ 18/18 (100%)	—	●	○ 4/4 (100%)	○ 4/4 (100%)	—	○ 4/4 (100%)	○ 2/2 (100%)	—
Masahito Kataoka	Mr. Masahito Kataoka has served as Executive Officer in charge of the Accounting & Finance Department, Quality Assurance Department, Customer Service Department and Lifestyle Research Office. Since April 2024, he has led business operations as the Director and Executive Vice President in charge of the Accounting & Finance Department and Sustainability Department and he has contributed to the further development of the Group by advancing various initiatives based on Medium-Term Management Plan 2026 toward the realization of the NH Foods Group "Vision2030," which was established as a milestone for achieving the Group's corporate philosophy. In this way, he has fulfilled his role as a Director.	○ 18/18 (100%)	—	○	—	○ 4/4 (100%)	—	—	—	—
Fumio Maeda	Mr. Fumio Maeda has served as General Manager of the Corporate Planning Division, Executive Officer in charge of the Research & Development Center and the Hokkaido Project, and General Manager of the Processed Foods Business Division. Since April 2023, he has led business operations as General Manager of the Fresh Meats Business Division and he has contributed to the further development of the Group by advancing various initiatives based on Medium-Term Management Plan 2026 toward the realization of the NH Foods Group "Vision2030," which was established as a milestone for achieving the Group's corporate philosophy. In this way, he has fulfilled his role as a Director.	○ 18/18 (100%)	—	○	○ 4/4 (100%)	○ 4/4 (100%)	—	—	—	—
Kohei Akiyama	Mr. Kohei Akiyama has led business operations as the person in charge of Human Resources Department, Legal Affairs Department, General Affairs Department, Public and Investor Relations Department, and Secretarial Office of NH Foods Ltd. He has contributed to further development of the Group by implementing various measures based on the "Medium-Term Management Plan 2026," to realize the NH Foods Group "Vision 2030," a milestone for achieving the corporate philosophy.	○ 13/13 (100%)	—	○	○ 4/4 (100%)	○ 4/4 (100%)	Observer	Observer	—	—



Corporate governance

Name	Reasons for election	Committees serving on ●Committee chairperson ○Committee member								
		Board of Directors	Audit & Supervisory Board	Management Strategy Committee	Compliance Committee	Sustainability Committee	Executive Nomination Committee	Compensation Committee	Board of Independent Officers, Chairperson and President	Board of Independent Outside Officers
Yasuko Kono Outside Independent officer	Since Ms. Yasuko Kono has rich experience and knowledge concerning consumer issues, we expect her to provide us with valuable suggestions regarding promotion and implementation of structural reform and growth strategies to transform the Company under the theme of “working together to create value through protein” for the “Medium-Term Management Plan 2026.”	○ 18/18 (100%)	—	—	○ 4/4 (100%)	○ 4/4 (100%)	● 5/5 (100%)	○ 4/4 (100%)	○ 2/2 (100%)	● 2/2 (100%)
Hideo Arase Outside Independent officer	Mr. Hideo Arase has served as a Director in charge of overseas business at a major manufacturer of medical equipment, and possesses abundant experience and deep insight in global-scale corporate management that may cope with changes. Therefore, we expect him to provide us with valuable suggestions regarding promotion and implementation of structural reform and growth strategies to transform the Company under the theme of “working together to create value through protein” for the “Medium-Term Management Plan 2026.”	○ 18/18 (100%)	—	—	—	○ 4/4 (100%)	○ 5/5 (100%)	● 4/4 (100%)	○ 2/2 (100%)	○ 2/2 (100%)
Tokushi Yamasaki Outside Independent officer	Mr. Tokushi Yamasaki has professional knowledge and abundant experience as a securities analyst. Therefore, we expect him to provide us with valuable suggestions regarding promotion and implementation of structural reform and growth strategies to transform the Company under the theme of “working together to create value through protein” for the “Medium-Term Management Plan 2026.”	○ 18/18 (100%)	—	—	—	○ 4/4 (100%)	○ 5/5 (100%)	○ 4/4 (100%)	○ 2/2 (100%)	○ 2/2 (100%)
Hiroko Miyazaki Outside Independent officer	Ms. Hiroko Miyazaki has broad business experience as an attorney at law firms in Japan and abroad and also has experience in corporate management through serving as legal director and president and representative director at global companies. We expect her to provide us with valuable suggestions regarding promotion and implementation of structural reform and growth strategies to transform the Company under the theme of “working together to create value through protein” for the “Medium-Term Management Plan 2026” by using her rich experience and deep insight.	—	—	—	—	—	—	—	—	—

Reasons for election and attendance of Audit & Supervisory Board members (FY2023)

Attendance is based on the number of relevant meetings attended in fiscal 2023, while the positions shown are positions held from June 2024 onward.

Name	Biography, etc.	Committees serving on ●Committee chairperson ○Committee member								
		Board of Directors	Audit & Supervisory Board	Management Strategy Committee	Compliance Committee	Sustainability Committee	Executive Nomination Committee	Compensation Committee	Board of Independent Officers, Chairperson and President	Board of Independent Outside Officers
Sadanori Miyagai	Mr. Sadanori Miyagai has rich work experience and knowledge gained by overseeing departments in the Corporate Management Division and serving as General Manager of the Administrative Division, Fresh Meats Business Division. He serves as chairperson of the Audit & Supervisory Board.	○ 18/18 (100%)	● 18/18 (100%)	Observer	—	—	—	—	—	—
Nobuyuki Tazawa	Mr. Nobuyuki Tazawa possesses rich work experience and knowledge related to business management gained while serving as General Manager of the Administrative Division, Processed Foods Business Division and in other positions.	○ 18/18 (100%)	○ 18/18 (100%)	Observer	—	—	—	—	—	—
Masayuki Kitaguchi Outside	Mr. Masayuki Kitaguchi possesses a professional standpoint and abundant experience as a certified public accountant and attorney at law. He serves as an observer on the Executive Nomination Committee.	○ 18/18 (100%)	○ 18/18 (100%)	—	—	—	○ 5/5 (100%)	—	○ 2/2 (100%)	○ 2/2 (100%)
Shigeru Nishiyama Outside	Mr. Shigeru Nishiyama possesses a professional standpoint and abundant experience as a certified public accountant and a professor of a graduate school. He serves as an observer on the Sustainability Committee.	○ 18/18 (100%)	○ 18/18 (100%)	—	—	Observer	—	—	○ 1/2 (50%)	○ 2/2 (100%)
Katsumi Nakamura Outside	Mr. Katsumi Nakamura possesses a professional standpoint and abundant experience as an attorney at law. He serves as an observer on the Compliance Committee.	○ 13/13 (100%)	○ 12/13 (92%)	—	Observer	—	—	—	○ 1/1 (100%)	○ 1/1 (100%)



Skills of directors (FY2024)

Formulation and use of the skill matrix

Using the long-term vision, the medium-term management plan, the NH Foods Group Fundamental Policy on Corporate Governance and other policies as a base, we plotted a skill matrix to provide a visual representation of core and fundamental skills related to overall management, as well as the Company’s unique skills for realizing its long-term vision, such as a “consumer viewpoint.” The Board of Directors is composed of human resources that have been selected through deliberation by the Executive Nomination Committee because they satisfy the requirements of each skill item in a well-balanced manner, while diversity is also taken into account.

Name	Areas of experience and expertise					
	Corporate management	International experience	Global environment / Sustainability	Consumer perspective / Marketing / R&D	Finance / Accounting	Legal affairs / Quality management / Risk management
Tetsuhiro Kito	○	○		○		
Nobuhisa Ikawa	○			○		
Masahito Kataoka			○		○	○
Fumio Maeda	○		○	○		
Kohei Akiyama	○					○
Yasuko Kono Outside Independent officer			○	○		
Hideo Arase Outside Independent officer	○	○				
Tokushi Yamasaki Outside Independent officer			○		○	
Hiroko Miyazaki Outside Independent officer	○	○				○

Corporate governance

Diversity of the Board of Directors

Using the long-term vision, the medium-term management plan, the NH Foods Group Fundamental Policy on Corporate Governance and other policies as a base, we plotted the skills and experience required by members of the Board of Directors onto a skill matrix to provide a visual representation of core and fundamental skills related to overall management, as well as the Company's unique skills for realizing its long-term vision, such as a "consumer viewpoint." The Board of Directors is composed of human resources that have been selected through deliberation by the Executive Nomination Committee because they satisfy the requirements of each skill item (corporate management, international experience, global environment / sustainability, consumer perspective / marketing / R&D, finance / accounting, legal affairs / quality management / risk management) in a well-balanced manner, while diversity is also taken into account.

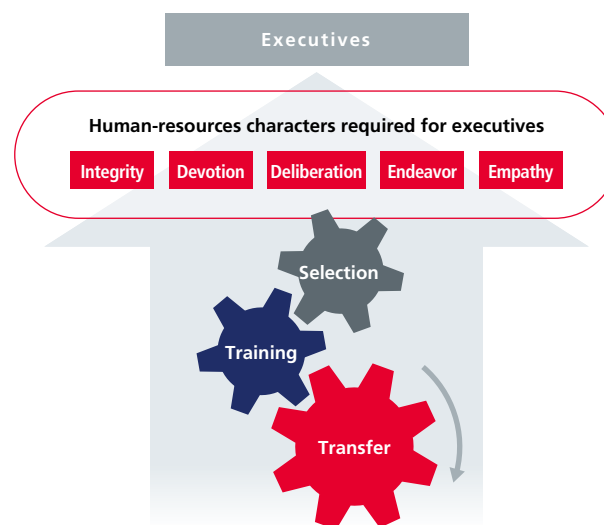
Developing next-generation executives

Human-resources characters required for executives

The Group is working to continuously enhance corporate value by establishing the Plan for the Development of the Next-Generation Executives and defining five "Human Resources Characteristics Required for Executives" (integrity, devotion, deliberation, endeavor, and empathy). NH Foods Ltd. is working to cultivate the next-generation of human resources who possess the five requirements by introducing programs such as a selection, training, and transfer program and an executive behavioral characteristic analysis program

on a company-wide basis.

Additionally, we will expand pathways for diverse talent to become potential next-generation leaders as early as possible through "selection, education, and transfer programs" that provide employees at each level with opportunities to be selected.



Developing next-generation executives

The Group implements next-generation executive planning initiatives in accordance with the process in the Guidelines for Strategic Development of Managerial Human Resources to Improve Corporate Value released by the

Ministry of Economy, Trade and Industry. Our plan started in fiscal 2018 and we are currently engaged in Phase 4—"Evaluation of the results of development, and reassessment and reevaluation of related measures." Young executive officers participate in young managers forums with a view to cultivating next generation executive experience and creating useful contacts outside of the Group.

In order to educate newly appointed officers, we provide learning opportunities at meetings of the Board of Directors and Corporate Executive Committee (such as talks on the latest trends in corporate governance and by experienced managers). We are also introducing a voluntary program for officers run by an external educational institution so that officers can continue to improve their abilities after being appointed and can maintain and further develop the five requirements of our executives.

Additionally, we conduct 360-degree evaluations for members of Group management (at NH Foods Ltd. this includes heads of major departments and divisions or above), which incorporate feedback from superiors, peers, and people working under them. These are useful for self-development.

We are carrying out succession planning for CEO and management positions through measures such as disclosing our requirements of executives, applying various external assessment systems, and carrying out education and training. Each year we make improvements, and the details of these improvements are discussed by the Executive Nomination Committee and confirmed by the Board of Directors.

Evaluation of effectiveness of the Board of Directors

The Company has conducted analysis and evaluations of the effectiveness of the Board of Directors in accordance with the NH Foods Group Fundamental Policy on Corporate Governance since fiscal 2015 with the aim of improving the effectiveness of the Board by identifying issues concerning its structure and operation.

Evaluation process

In fiscal 2023, we conducted the evaluations by way of questionnaires and interviews covering all directors and Audit & Supervisory Board members. Also, to ensure candid opinions are obtained from the officers and objective analysis, answers to the questionnaires were directly returned to a third-party evaluation organization and not via the Company's secretariat. We also conducted interviews with a number of directors. At a meeting of the Board of Directors on April 26, 2024, the effectiveness of the Board and issues to be addressed going forward were confirmed based on a report containing the objective analysis and assessment of the third-party evaluation organization.

Evaluation items

- (1) Members and operation of the Board of Directors
- (2) Management strategy and business strategy
- (3) Corporate ethics and risk management
- (4) Evaluation and compensation for members of the management
- (5) Communication with shareholders and others

Initiative items

- Supervising business portfolio management from the perspective of “total optimization” bearing in mind capital costs
- Supervising whether a review of strategy in response to changes in the business environment is being conducted, getting into alignment with the medium-term management plan
- Human investments for achieving the medium-term management plan and supervision of human resources strategy for the realization thereof
- Consideration of appropriate delegation of authority in a way that recognizes the roles of supervision and execution
- Improvement of the operation of Board of Directors’ meetings (improvement of the quality of materials, proper time allocation, etc.)
- Enhancement of training for corporate officers

FY2023 evaluation results

- (1) Effectiveness of the Board of Directors
As a result of the objective analysis conducted by the third-party evaluating organization, the effectiveness of the Board of Directors of the Company was confirmed as being suitably ensured in line with the Company's basic views on corporate governance.
- (2) Itemized Overview
 - (1) Members and Operation of the Board of Directors
The Company's Board of Directors confirmed that, it has the member composition with the necessary knowledge, experience, competence and diversity being ensured. On the other hand, it also confirmed that there is room for improvement in allocating time appropriately to important agendas.
 - (2) Management Strategy and Business Strategy
Continuing from the last year, it was confirmed that adequate supervision is given to responses to issues involving sustainability. In addition, the appropriate supervision of the ideal human resource strategy, which was an issue last year, was improved. On the other hand, it was confirmed that there is a need for continuously strengthening the allocation of management resources from the perspective of total optimization bearing in mind capital cost.
 - (3) Corporate Ethics and Risk Management
It was confirmed in this financial year as well that, officers and employees have had good understanding on and are complying with the “Nipponham Group Global Action Guidelines”, the hotline and helpdesk are functioning effectively, and the internal controls system have been properly established and are being operated.
 - (4) Evaluation of and Compensation for Members of the Management
Continuing from the last year, Compensation Committee confirmed the incentive compensation system was appropriately considered from the perspective of a healthy system for the sustained growth and in comparison with other companies.
 - (5) Communication with Shareholders and Others
It was confirmed in this financial year as well that, opinions and other information obtained through communication with shareholders were fed back to the Board of Directors and effectively utilized in deliberations.

Main topics discussed by directors

- Medium-term management plan
- Officer evaluation and compensation
- Risk Management Committee Report
- Business Execution Report (business strategy, overall Group strategy, financial strategy, materiality strategy, cross-divisional strategy, functions strategy)
- Revisions to the materiality
- Cross-Shareholdings Review Report
- Human resource strategy

Future efforts

Based on the results of the above evaluation, we have decided to further promote the following initiatives for the realization of the Medium-Term Management Plan 2026:

- We will promote more efficient deliberation of agendas and reporting items depending on the importance of each agenda.
- We will supervise the appropriate allocation of management resources from the perspective of total optimization, while bearing in mind capital costs.
- We will continue to supervise the way human resources strategy is implemented as it is critical for the fostering of an organizational culture that takes on challenges.

We will continue enhancing the effectiveness of the Board of Directors in the future to further increase corporate value and to achieve our vision for the Group.

A message from the chairperson of the Board of Directors

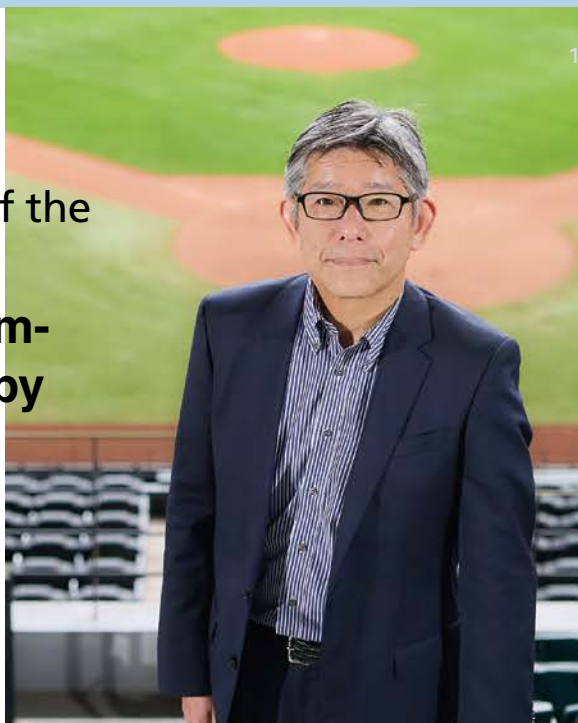
We are aiming to raise medium- to long-term corporate value by improving the effectiveness of the Board of Directors.

Please share your review of the past year and your thoughts about the evaluation of the Board of Directors' effectiveness.

The overall score of the evaluation of the effectiveness of the Board of Directors in fiscal 2023 was positive, rising by 4.6 percentage points, which shows that improvements are being made. In particular, we received high scores for corporate ethics and risk management for a third consecutive year. On the other hand, the scores for management strategy and business strategy were low, and within this, I think it is clear that we must make improvements concerning the separation of oversight and execution of duties, and the total optimization of management resource allocation in a way that is conscious of capital cost.

I was appointed as chairperson of the Board of Directors in April 2023. Although I am an inside director, I have carried out activities over the past year with a focus on managing Board operations from a perspective that is neutral toward both the executive and oversight sides.

Before my appointment, five objectives were set in regard to the operation of the Board of Directors. The first is to improve the setting of agendas for Board meetings. It was assessed that these meetings were generally running a little long compared to other companies, so we have worked to



Tetsuhiro Kito

Chairperson and Director Chairperson of the Board of Directors

streamline meetings and make the content more appropriate by being more selective regarding agenda items and streamlining reporting items.

The second objective is to make discussion of management strategy more dynamic. The fiscal 2023 evaluation has flagged that discussion of management strategy feels inadequate.

The third is to ensure the quantity and quality of information provided. We have requested that people responsible for giving reports make these reports compact in terms of both format and content. In the past, quarterly reports on the activities of each business division were sometimes dozens of pages long, but now we are asking that they become more compact, containing just the necessary information. I feel that there has been improvement on this point since the third quarter.

The fourth objective is to strengthen communication between the executive and oversight functions. We have

worked to create opportunities for communication between inside and outside directors not only at Board meetings, but also within everyday business operations.

The fifth is to monitor and supervise the progress being made on management strategies. We are putting a particular focus on progress being made in terms of the total optimization of management resource allocation in a way that is conscious of capital cost, which was a concern highlighted in the evaluation of the effectiveness of the Board of Directors.

What are your plans for raising corporate value going forward?

If we are to make discussion at Board of Directors meetings more dynamic, I think it is important to approach discussions and decision-making from a wide range of angles to encourage realizations and cross-checking. I want both inside and outside directors to participate in discussions and decision-making to make use of diversity and their respective knowledge.

Also, the Group's business is grounded in agriculture and livestock farming, so it is closely linked to primary industry, and we are Japan's largest provider of animal-derived protein. I think ensuring our employees have a firm understanding of our significance to society is important for realizing our Vision2030 "Unleash new potentials for protein." The key to achieving this will be to raise the job satisfaction and loyalty of employees, facilitating the fostering of an organizational culture focused on new challenges.

Also, to improve corporate value, we need to make decisions that consider the interests of all stakeholders, including consumers and communities, and not just shareholders and employees. I recognize that my role in achieving this will be to build bridges, and I will strive to make further improvements to the effectiveness of the Board of Directors.



Officer compensation

Basic policy

At a meeting of the Board of Directors held on February 12, 2021, policy was established for determining the content of individual compensation for directors. Additionally, at a meeting of the Board of Directors held on April 8, 2024, partial amendments were made to the policy (partial amendments to the method for calculating performance-based stock compensation) on condition of approval at the 79th Ordinary Shareholders' Meeting held on June 25, 2024.

The officers compensation system provides compensation to individual executive directors and executive officers who have been selected from among the finest management talent and nurtured and promoted by the Company. Its purpose is to further clarify the linkage between officers, compensation and the Company's business

performance/shareholder value and to provide an incentive for enhancing corporate value over the medium-to long-term with the aim of realizing the corporate philosophy.

System development, compensation levels, system operation, etc., are to be deliberated on by the Compensation Committee, with an independent outside director acting as chairperson, and with the final decision to be made by the Board of Directors.

Regarding compensation levels for each individual officer, the reasonableness of these levels is verified every year with reference to the investigation results, etc., of third-party organizations.

Summary of director compensation

Compensation for directors (excluding outside directors) comprises monetary compensation (basic compensation and performance-based compensation) and performance-based

stock compensation. The ratio of each of these (assuming a standard performance achievement level of 100%) is 55% basic compensation, 28% performance-based compensation, and 17% performance-based stock compensation. Outside directors receive only basic compensation in consideration of their role. Additionally, retirement benefits are not paid to any directors.

Monetary compensation comprises basic compensation and performance-based compensation. Basic compensation is paid on a monthly basis and comprises a fixed amount which is determined in accordance with position. Performance-based compensation is a variable compensation (a specified amount paid on a monthly basis) that is dependent on annual business performance (consolidated net sales, consolidated business income, ROE, and ROIC) and achievement in regard to management issues

Breakdown of officer compensation

	Basic compensation 55%	Performance-based compensation 28%		Performance-based stock compensation 17%
Positioning	Fixed compensation	Short-term incentive compensation		Long-term incentive compensation
Recipients	<ul style="list-style-type: none">• Directors• Executive officers• Audit & supervisory board members	<ul style="list-style-type: none">• Directors (excluding outside directors)• Executive officers		<ul style="list-style-type: none">• Directors (excluding outside directors)• Executive officers
Delivery form	Money	Money		Stock (BIP Trust)
Evaluation indicators	—	Financial <ul style="list-style-type: none">• Annual performance<ul style="list-style-type: none">• Consolidated net sales• ROE• Consolidated business income• ROIC	Non-financial <ul style="list-style-type: none">• Management issues<ul style="list-style-type: none">• Innovation and challenge^{*1}• Career development for diverse people^{*2}• Materialities^{*3} <p>^{*1, 2} Linked to the key focuses of Medium-Term Management Plan 2026</p> <p>^{*3} Linked to key focuses (materiality) of sustainability strategies</p>	Financial <ul style="list-style-type: none">• Consolidated net sales• Consolidated business income• ROE• TSR^{*4} <p>^{*4} Added in fiscal 2024 with the aim of further clarifying the correlation between business results and share prices</p>
Delivery method	Payment of standard amounts established by position	If the standard performance achievement level is 100%, the payment will vary within a range of 0 to 200%, according to the level of achievement.		Points will be granted according to the level of achievement of the target values of the performance indicators set in the medium-term management plan. If the standard performance achievement level is 100%, the payment will vary within a range of 0 to 150%.



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determined on an individual basis. If the standard performance achievement level is 100%, the payment will vary within a range of 0 to 200%.

The three evaluation indicators are 1) overall company business results, 2) organizational business results (business division/department) and 3) management issues, and performance evaluations consider each of these independently. Regarding business performance indicators, ROE was adopted in fiscal 2012 to raise consolidated net sales toward sustainable topline growth and to raise consolidated business income and capital efficiency toward the sustainable growth of Group business. ROIC was adopted in fiscal 2015 as an indicator for business division performance to improve the efficiency of capital investment.

Summary of Performance-Based Stock Compensation

Based on a resolution of the 75th Ordinary General

Meeting of Shareholders held on June 25, 2020 (number of officers at the time of the resolution: 22), the Company introduced a performance-based stock compensation scheme for directors (excluding outside directors) and executive officers. The scheme grants recipients shares of the Company or an amount of money equivalent to the disposal value of shares of the Company in accordance with medium- to long-term business performance. The effective start date of the scheme was August 3, 2020.

The purpose of this compensation is to provide an incentive for enhancing corporate value over the medium to long term. Points are granted to each director (excluding outside directors) and executive officer based on their position, an evaluation of total shareholder return (compared to TOPIX), and the level of achievement of performance targets (consolidated net sales, consolidated business income, ROE) described in the Company's

medium-term management plan. Recipients are then issued with a number of shares of the Company equivalent to the number of points they have accumulated, which are issued while the recipient is in office or on retirement. Note that shares are not transferred until at least one year has passed after the recipient's retirement.

The Company's performance-based stock compensation includes malus (reduction of an amount of rights granted but yet to be exercised) and clawback (return of an amount of rights that have been exercised) provisions. These provisions can be exercised in the event of one of the predetermined triggers that include certain wrongdoings, such as a serious breach of duties or material violation of the internal rules. The stock-based compensation subject to return under these provisions shall be the whole or a part of compensation for the fiscal year in which such wrongdoing takes place.

Aggregate amount of compensation by officer category, aggregate amount of each type of compensation, and eligible officers

Type of officer	Aggregate amount of compensation, etc. (millions of yen)	Aggregate amount of compensation, etc., by type (millions of yen)			Number of eligible officers
		Basic compensation	Appraisal compensation	Performance-based stock compensation	
Directors(excluding outside directors)	202	147	30	25	6
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	50	50	—	—	2
Outside Officers	78	78	—	—	7

*1 The aggregate amount of compensation, etc., includes compensation for one director and one Audit & Supervisory Board member who retired at the conclusion of the 78th Ordinary General Meeting of Shareholders held on June 27, 2023.

*2 The maximum amounts of compensation (basic compensation and appraisal compensation) for directors are ¥42 million per month (as resolved at the 51st Ordinary General Meeting of Shareholders held on June 27, 1996), and the number of directors was 25 at the time of this resolution. Meanwhile, NH Foods Ltd. introduced, by the resolution at the 75th Ordinary General Meeting of Shareholders held on June 25, 2020, the performance-based stock compensation plan for directors (excluding outside directors) and executive officers of NH Foods Ltd., separately from the aforementioned maximum amounts of compensation, etc., for Directors. Under the Plan, NH Foods Ltd. shall contribute trust funds not exceeding ¥220 million per fiscal year for fiscal years covered by the medium-term management plan (the initial coverage period of four fiscal years from the fiscal year ended March 31, 2021 to the fiscal year ending March 31, 2024) of NH Foods Ltd. The shares of NH Foods Ltd. shall be acquired through the trust, and the delivery, etc. of the shares, etc. of NH Foods Ltd. shall be made through such trust, in accordance with the position and degree of achievement with respect to the target value of the performance indicators in the medium-term management plan. The number of directors was five at the time of the aforementioned resolution. The aggregate amount of the performance-based stock compensation in the above table represents the amount recorded as expenses, etc., under Japanese GAAP in related to the share delivery points clarified by the estimated amount to be granted for the fiscal year under review based on the Plan. Note that compensation in the form of stock acquisition rights was discontinued in July 2020 following the introduction of the performance-based compensation plan.

*3 Appraisal compensation is monetary compensation that varies in accordance with the level of achievement of targets concerning the Company's business performance for the fiscal year (consolidated net sales, consolidated business income, ROE, and ROIC) and targets concerning management issues that have been set on an individual basis. Its purpose is to provide an incentive for enhancing corporate value over the medium to long term. Performance-based stock compensation is a compensation plan that also provides an incentive for enhancing corporate value over the medium to long term. Points are granted based on the level of achievement of performance targets (consolidated net sales, consolidated business income, ROE) described in the Company's medium-term management plan. Recipients are then issued with a number of shares of the Company equivalent to the number of points they have accumulated, which are issued while the recipient is in office or on retirement. Looking at business performance for fiscal 2023, consolidated net sales were ¥1,303,432 million, consolidated business income was ¥44,939 million, and ROE was 5.5%. As results concerning individual business divisions are not disclosed, we are unable to disclose the result for ROIC, but there was year-on-year improvement for each indicator.

*4 The maximum amounts of compensation, etc., for Audit & Supervisory Board members are ¥8 million per month (as resolved at the 53rd Ordinary General Meeting of Shareholders held on June 26, 1998), and the number of Audit & Supervisory Board members was five at the time of this resolution.



Summary of Audit & Supervisory Board member compensation

Audit & Supervisory Board members receive only basic compensation in consideration of their role. Additionally, retirement benefits and performance-based stock compensation are not paid to Audit & Supervisory Board members.

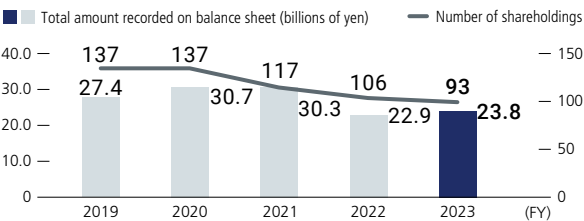
Reducing cross-shareholdings

In principle, the Company does not hold shares in cross-shareholdings. However, we may hold shares in cross-shareholdings in cases where it is recognized that cross-shareholding is essential to the sustainable growth of the Group or to improving corporate value, such as for reinforcing alliances in order to maintain business transactions and expand our business, and for smooth fund raising. Once a year, we review all cross-held shares and closely examine whether factors such as the benefit of holding these shares, the risk of stock price fluctuations, and the credit risk of the issuing company are worth the capital cost, and then comprehensively determine whether holding such shares is appropriate or not.

If we determine that holding certain shares has become less necessary, we will dispose of such shares in an appropriate manner, taking into consideration matters such as stock price and market trends. There are also cases where even though the holding of certain shares has been recognized as significant, they may be disposed of based upon an agreement with the issuing company. As of the end of March 2024, the total market value of our cross-shareholdings was approximately ¥23.8 billion. This amounts to around 2.5% of consolidated assets, which we recognize is not a large proportion, but we will continue to review and shrink all our current investments.

When exercising voting rights attached to cross-held shares, we closely examine the proposed agendas of each company and respect their proposals as long as they do not disregard the interests of shareholders. However, if any misconduct (including misconduct by a management member) or any antisocial behavior occurs at a company in which we have a cross-shareholding, we will exercise our voting rights in a way that contributes to the improvement of the company's corporate governance.

Number of shareholdings and balance sheet amount



Dialogue with shareholders

We encourage meetings with shareholders, investors, and companies that provide advice on the exercise of voting rights with the aim of realizing constructive dialogue that contributes to the sustainable growth of the NH Foods Group and a medium- to long-term increase in corporate value.



Individual meeting with an institutional investor in the US (August 2024)



Investors tour facilities of Australian business (June 2024)

FY2023 activities

Category	Number
Individual meetings with institutional investors	283 times
Overseas IR meetings (in-person overseas IR activities resumed from 2023)	8 locations
Facility observation tours for institutional investors * In-person observation tours resumed from 2023	2 times
Business result presentations for institutional investors	4 times
Medium-term management plan progress reports for institutional investors	2 times
Small-number meetings with institutional investors	7 times
Sustainability small meeting	1 time
Engagement meetings	16 times
Business briefings (IR Days)	1 time
Online company introductions for individual investors	1 time
Online briefings for individual shareholders	1 time

Audits by Audit & Supervisory Board members

Audit & Supervisory Board members attend meetings of the Board of Directors, Management Strategy Committee, and other boards and committees in order to confirm business execution by directors. Each quarter, Audit & Supervisory Board members also exchange opinions and proposals with the President and Representative Director, and exchange opinions with outside directors. Also, in order to monitor the status of business execution, in principle, at least one full-time Audit & Supervisory Board member and one outside Audit & Supervisory Board member attend interviews with directors twice per year, and executive officers and the heads of major departments and divisions



Corporate governance

once per year. These interviews last around an hour and a half and confirm the situation regarding matters such as business execution, internal controls, response to material risks, and initiatives to improve workplace environments.

In principle, audits of domestic and overseas Group companies are conducted annually at key business sites mainly selected based on an audit plan formulated each fiscal year, and biannually at other sites. During these audits, interviews are held regarding matters such as the progress of business execution, response to material risks, initiatives to improve workplace environments, the status of workstyle reforms and human resources development, and requests for the Group.

Audit & Supervisory Board members receive a report from the accounting auditor and internal audit departments once per month with the accounting auditor and the internal audit departments, and observe audits by the internal audit departments and audits by the accounting

auditor (including the year-end inventory audit). The Group Audit & Supervisory Board Members' Office, which was established in April 2021, regularly holds meetings to exchange information, as well as biannual exchanges of information between the Audit & Supervisory Board, accounting auditor, and internal audit departments that bring together all relevant departments.

Accounting audits

The Company has concluded an auditing contract with Deloitte Touche Tohmatsu LLC, to carry out audits in accordance with the Companies Act of Japan and the Financial Instruments and Exchange Act. In addition, the department in charge of accounting holds discussions with accounting auditors as necessary with the aim of improving the transparency and correctness of accounting procedures.

Names of CPAs who performed audits	Name of Auditing Firm
Takashige Ikeda	Deloitte Touche Tohmatsu LLC
Naoki Kawai	Deloitte Touche Tohmatsu LLC
Yuya Minobe	Deloitte Touche Tohmatsu LLC

Notes: Assistants who helped with accounting audits included 19 CPAs, 16 CPA-certified individuals, and 31 other individuals.

Internal audits

The implementation of internal audits has been assigned to 19 employees of the Audit Department (as of March 31, 2024) and includes audits of business operations in Japan and overseas, enterprise risk management support, and audit quality management. In regard to audit methodology, audits of business processes, risk management, compliance, information security, and other areas at each head office division and Group company are carried out from a risk-oriented perspective based on an audit plan, and then the audited organization is provided with suggestions and advice toward improvements.

Audit results are compiled into a report document, but extremely urgent and important matters are also reported orally. The Audit Department implements audit procedures under the direct jurisdiction of the President and Representative Director and the results of audits are compiled into an audit report which is presented to both the President and Representative Director and the Board of Directors. We have also established an audit quality management framework to confirm the effectiveness of internal audits. This incorporates audit guidance within the department and Computer Assisted Audit Techniques (CAAT) to ensure audits are being carried out based on broader and more varied data sets.

Additionally, the Audit Department coordinates with the Audit & Supervisory Board members and accounting auditors to evaluate the accounting and business operations of the entire Group. When the accounting auditor evaluates the effectiveness of internal controls, it coordinates with the Audit Department to mutually share results.

Main roles and duties of the Audit & Supervisory Board and its members

Item/audit target	Details	Full-time	Outside
Oversight and auditing of the Board of Directors	Attended Board of Directors meetings (18 times)	✓	✓
Auditing of business execution by directors	Exchanged opinions with the President and Representative Director (4 times, 2 hours each time)	✓	✓
	Exchanged opinions with outside directors (4 times, 2 hours each time)	✓	✓
	Exchanged opinions with the chairperson of the Board of Directors (2 times, 2 hours each time)	✓	✓
	Interviewed executive directors, executive officers, and general managers of major divisions, excluding the above (33 times)	✓	✓
Important meetings other than Board of Directors meetings	Full-time Audit & Supervisory Board members attended and shared opinions at meetings	✓	—
Various Committees	Audit & Supervisory Board members attended meetings of committees and other bodies they are responsible for	✓	✓
Internal audit departments	Received audit reports (12 times)	✓	✓
Accounting and finance departments	Quarterly financial results, accounting auditor activities reports, etc. (7 times)	✓	✓
Compliance Department	Report on the number of consultation cases, etc. (2 times)	✓	✓
Accounting auditor	Received accounting audit plans, accounting audit reports, reviews of quarterly financial results, etc. (12 times)	✓	✓
Group companies	Interviewed representatives of Group companies and thoroughly reviewed documents based on an audit plan as an audit of the Group of companies (33 business locations, including companies that only submitted documents)	✓	✓
	Held meetings to exchange opinions with the Group Audit & Supervisory Board Members' Office and full-time Audit & Supervisory Board members of Group companies (12 times)	✓	△ Note

Note: Information exchange meetings of outside auditors with the Group Auditors' Office and full-time auditors of Group companies are held on an irregular basis.

Compliance promotion framework

Additionally, the Compliance Committee, which is responsible for verifying compliance status and considering compliance policies across the Group, the Compliance Promotion Committees, which advance compliance initiatives at each Group company and business division, and the Compliance Leader Conference, which comprises representatives from the Compliance Promotion Committee of each Group Company and considers specific measures, all coordinate to share the latest information and to work thoroughly toward better compliance management. In fiscal 2023, the Compliance Committee and Compliance Leader Conference met four times each.

Scandal prevention activities

In order to ensure scandals like the 2002 meat mislabeling scandal do not occur again, we carry out the following three activities each year in August. First, the chair of the Compliance Committee shares a message. Second, we hold discussion sessions in which people involved in the scandal share what they learned. Third, we encourage employees to learn more about the incident through a digital archive containing newspaper articles from the time. Through these activities, we are fostering employee-friendly workplaces.

Ensuring corruption prevention

We formulated the NH Foods Group Action Standards (Japan version) for Group companies in Japan and the NH Foods Group Overseas Governance Policy for Group companies overseas with a particular focus on preventing bribery. We also prohibit the provision of entertainment or gifts to public officials with the purpose of unjust profit, either directly or indirectly through agents or the like.

Identifying potential risks through regular visits to business sites

Members of the Compliance Department regularly visit our business sites and solicit feedback from employees. The goal is to identify potential risks, in order to detect problems these risks early, and then solve, avoid, or prevent them.

Working with employees to prevent compliance violations

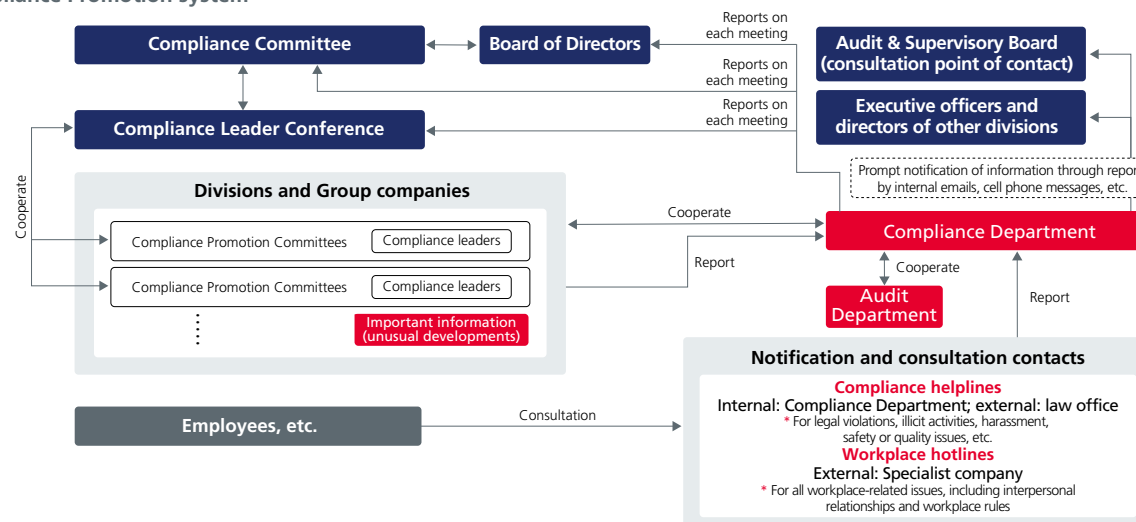
The NH Foods Group works with employees to prevent compliance violations by creating various opportunities for awareness-raising activities.

Each year we run compliance e-learning programs and other activities for employees at each level of seniority. These initiatives help participants to learn about human rights, which are the focus of growing public concern, and to acquire risk management knowledge.

Also, we hold Compliance Competitions Forums for all employees held at each business location and Group company, in order to foster compliance awareness which include compliance study sessions for all employees and other events.

Additionally, each office holds office study groups that aim to prevent harassment and vitalize workplace communication using video materials and case studies.

Compliance Promotion system





Corporate governance

Consultation channels

We have established consultation channels which all Group employees can access freely in order to share opinions, whistle blow, or seek advice about workplace issues. This includes one in-house channel and two external channels. In 2018, we also established the Auditor Consultation Channel to facilitate the reporting of illegal and illicit activities by Group officers. Additionally, the NH Foods Group Whistleblowing Rules clarify that the identity of whistleblowing individuals should be protected and that unfair treatment toward these individuals is strictly prohibited. All Group employees are made thoroughly aware of these regulations. Employees can also consult or make reports through these channels anonymously.

Risk management

Risk management structure

The risk management systems adopted by the Company are based on the “Risk Management Rules” outlining basic policies and management systems concerning risk management, with the President and Representative Director as the highest management executive.

The Board of Directors considers responses to important risks that the Risk Management Committee thinks may have a significant impact on the Group’s business activities. When an important risk is recognized to be manifesting, a crisis task force is established to carry out an emergency risk response. This involves taking

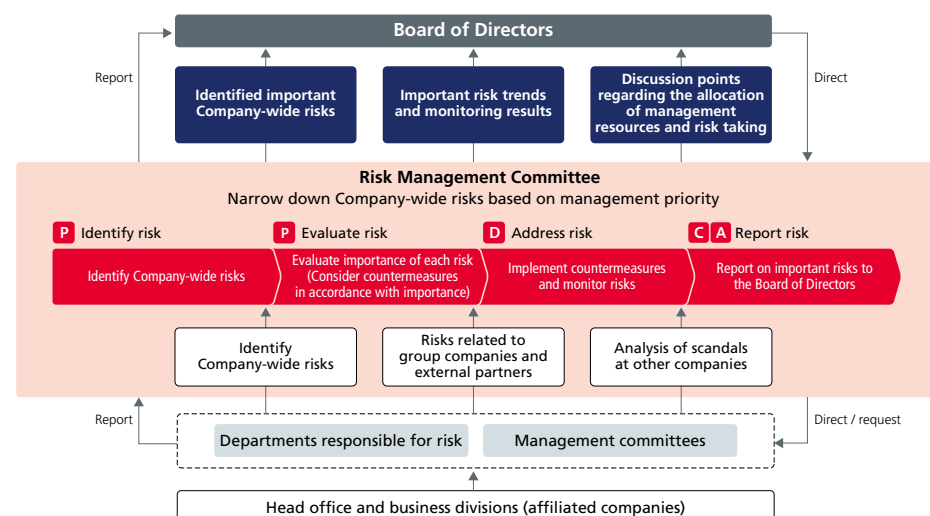
countermeasures tailored to the specifics and expected severity of the crisis in a prompt and appropriate manner.

In addition to the above, product market risks arising from daily business activities are handled by individual business divisions, and financial risks by the Accounting & Finance Department and related business divisions.

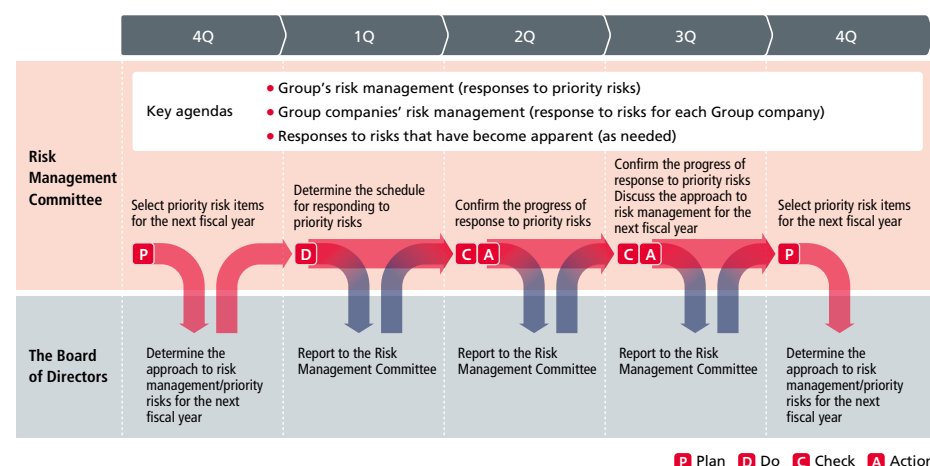
Business continuity plan (BCP)

The Group periodically enhances and revises its disaster prevention and BCP manuals, and establishes measures to enable key operations to continue even in the event of a crisis, with employee safety positioned as the highest priority. We are also strengthening countermeasures that anticipate damage caused by cyberattacks.

Functions and positioning of the Risk Management Committee



Annual risk management schedule



P Plan D Do C Check A Action



Information security

The Group recognizes that information security is a major issue affecting operations, and it conducts risk assessments for the Group as a whole, and implements appropriate information security measures in a deliberate manner. In recent years cyberattacks targeting companies and organizations have become more sophisticated and diverse, and the threat to information security has increased. Use of smart devices and cloud services is also rising, meaning the scope of information security considerations has grown.

As comprehensive information security measures that cover an entire network are now essential, we have established a joint system with a security partner company that can provide comprehensive support covering every aspect of IT security and we will continue to strengthen information security. Also, cyberattacks are spreading wildly across the globe and as it is difficult to prevent 100% of these attacks, we are building a framework to detect unauthorized access at an early stage and respond under the assumption that our defenses have already been violated.

We conduct cyberattack response planning on an ongoing basis and are strengthening BCP in preparation for cyberattacks.

1. Detecting and responding to suspicious behavior and introduction of a management system

- Installed software (EDR^{*1}) to detect and respond to suspicious behavior on Group PCs and servers in Japan
- In addition to the above, installed a security management service (MDR^{*2}) that includes network devices and a cloud service

^{*1} Endpoint Detection & Response: Security software that detects and responds to suspicious behavior and threats within a device.

^{*2} Managed Detection & Response: A managed service that swiftly detects and responds to threats invading a network.

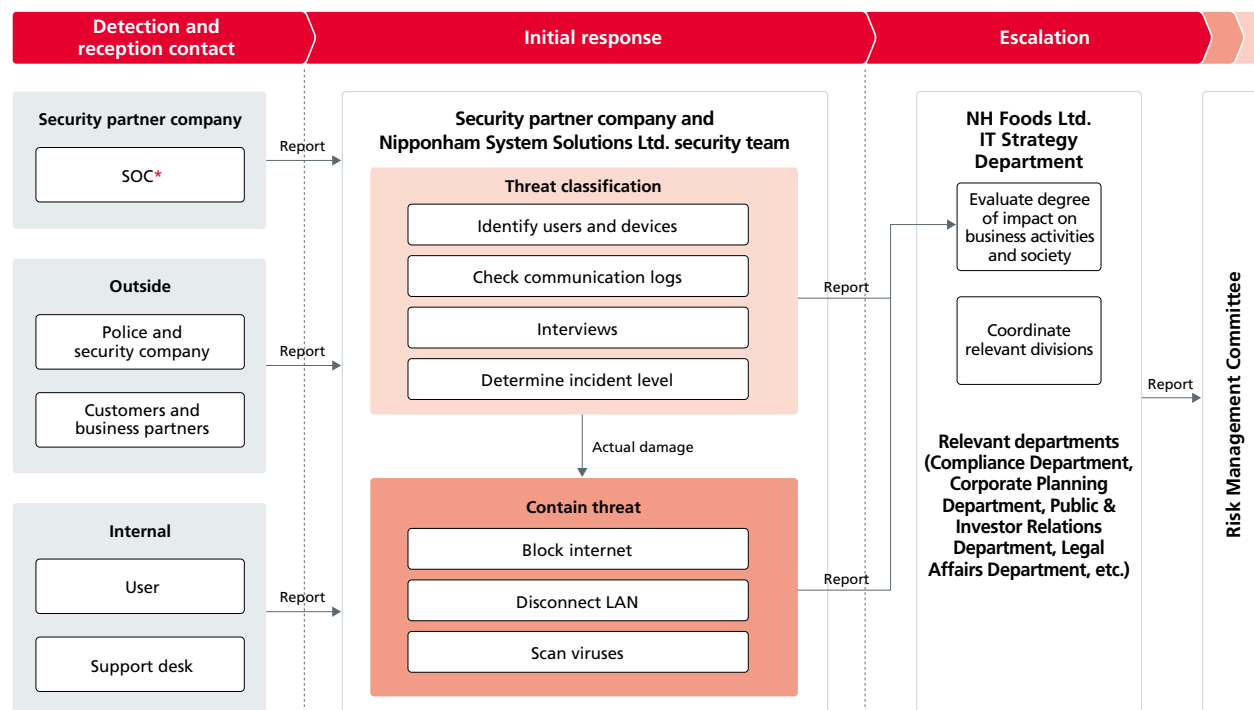
2. Evolving response frameworks and flow for security incidents

- Built a 24-hour, 365-day security monitoring and response framework
- Clarified the response flow for security incidents
- Increased security personnel

3. Revising backup methods

- Introduced a backup method that enables data recovery in the event of a ransomware attack

Basic flow of response to information security incident



* SOC (Security Operation Center) : An expert organization that detects and analyzes cyberattacks and provides advice on how to respond



CORPORATE DATA

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Consolidated financial statements (past 10 years)

NH Foods Ltd. and Subsidiaries
For the Years Ended March 31

	USGAAP				IFRS						
	3/15	3/16	3/17	3/18	3/18	3/19	3/20	3/21	3/22	3/23	3/24
Net sales	1,199,956	1,229,324	1,202,293	1,269,201	1,258,463	1,234,180	1,229,826	1,106,351	1,151,886	1,259,792	1,303,432
Operating income	47,770	49,207	53,802	49,218	—	—	—	—	—	—	—
Profit before tax [Net profit for the period from continuing operations before income taxes, etc.]	43,797	35,309	49,112	50,455	52,798	30,267	27,039	47,604	51,760	22,162	40,599
Profit attributable to owners of the parent [Net profit attributable to owners of the parent]	31,048	21,779	35,004	37,147	37,552	19,561	19,214	32,616	48,049	16,637	28,078
Business profit	—	—	—	—	50,589	38,311	43,772	52,426	48,116	25,596	44,939
Total assets	661,567	682,855	720,276	755,076	734,528	741,388	768,861	825,405	909,213	937,155	958,237
Total equity attributable to owners of the parent	353,664	356,353	404,126	440,793	417,982	401,014	404,414	433,595	479,069	492,913	527,503
Interest-bearing liabilities	136,758	154,583	138,284	110,948	111,401	147,009	176,493	193,750	211,407	242,055	214,852
Cash flows from operating activities	29,681	52,535	65,254	54,626	53,284	30,844	65,464	82,518	33,387	11,331	86,586
Cash flows from investing activities	(31,517)	(49,139)	(38,271)	(49,006)	(48,194)	(45,110)	(36,728)	(57,827)	(22,837)	(63,677)	(39,224)
Free cash flow	(1,836)	3,396	26,983	5,620	5,090	(14,266)	28,736	24,691	10,550	(52,346)	47,362
Cash flows from financing activities	(17,187)	8,182	(11,439)	(27,508)	(27,110)	2,932	(3,077)	(14,934)	(12,162)	28,417	(53,189)
Capital expenditures	35,694	36,799	43,765	41,466	41,201	47,820	35,759	67,161	57,537	59,124	44,157
Depreciation and amortization	18,951	19,445	19,765	21,234	20,714	22,417	23,961	21,679	23,623	25,472	26,686

Notes:

- NH Foods Ltd. has voluntarily applied International Financial Reporting Standards (IFRS) to consolidated financial statements for the first quarter of the fiscal year ended March 31, 2019. Where items differ from the USGAAP or IFRS standards, the corresponding USGAAP item is shown in [].
- Figures have been rounded to the nearest unit.
- As of April 1, 2018, NH Foods Ltd. carried out a share consolidation at a ratio of one share for each two shares of common stock. Total NH Foods Ltd. shareholders' equity per share, basic earnings per share attributable to NH Foods Ltd. shareholders and diluted earnings per share attributable to NH Foods Ltd. shareholders were computed on the assumption that the share consolidation was carried out at the beginning of the fiscal year ended March 31, 2015. Cash dividends represent the actual payment prior to the relevant share consolidation.
- Operating income represents net sales less cost of goods sold and selling, general and administrative expenses.
- Starting from the fiscal year ended March 31, 2020, NH Foods Group discloses business profit (calculated by deducting the cost of goods sold, and selling, general and administrative expenses from net sales, and making adjustments of currency gains and losses as determined by the Group, adjustments in accordance with IFRS, and adjustments of non-recurring items) in place of the operating income results disclosed previously. The purpose of this change is to provide a clear indication of profit earned through business activities. The figures for the fiscal years ended March 31, 2018 and March 31, 2019 have been restated retroactively.
- Interest-bearing liabilities under USGAAP consists of short-term bank loans, current maturities of long-term debt and long-term debt, less current maturities (including zero coupon convertible bonds) in the consolidated balance sheets.
- Capital expenditures represent additions to tangible and intangible fixed assets. Because it has been decided not to include increases in right-of-use assets in capital expenditures, the figures for the fiscal years ending March 2020 through March 2023 have been retroactively adjusted.
- Depreciation and amortization consist of depreciation of tangible fixed assets and amortization of intangible fixed assets. Because it has been decided not to include amortization of right-of-use assets in depreciation and amortization, the figures for the fiscal years ending March 2020 through March 2023 have been retroactively adjusted.
- ROE (%) = Profit attributable to owners of the parent / Average total equity attributable to owners of the parent × 100 Free cash flow (million yen) = Cash flows provided by operating activities + Cash flows used in investing activities Total equity attributable to owners of the parent ratio (%) = Total equity attributable to owners of the parent / Total assets × 100 Interest-bearing liabilities/equity ratio (times) = Interest-bearing liabilities / Total equity attributable to owners of the parent Interest coverage ratio (times) = Cash flows provided by operating activities / Interest paid
- In the fiscal year ended March 2022, we sold our entire shareholding in Marine Foods Corporation, a consolidated subsidiary. As result, Marine Foods Corporation and its subsidiaries, etc., are now classified as non-continuous businesses. The ratio of business profit to net sales was calculated using business profit after adjustment for discontinued operations (¥50,532 million in the fiscal year ended March 31, 2021). Please refer to Note 11 for business profit after adjustment for discontinued operations in the fiscal year ended March 31, 2022.
- In the fiscal year ended March 31, 2023, we decided to sell our entire shareholding in our consolidated subsidiary, Breeders & Packers Uruguay S.A., to Minerva S.A. As a result, Breeders & Packers Uruguay S.A. is now classified as a discontinued operation. Net sales and profit for the period before income tax for the fiscal years ended March 31, 2023 and March 31, 2022 are therefore shown as the amounts for continuing operations, excluding discontinued operations. The ratio of business profit to net sales was calculated using business profit after adjustment for discontinued operations (¥45,987 million in the fiscal year ended March 31, 2024, ¥28,191 million in the fiscal year ended March 31, 2023, ¥46,222 million in the fiscal year ended March 31, 2022).



Consolidated financial statements (past 10 years)

	USGAAP				IFRS						
	3/15	3/16	3/17	3/18	3/18	3/19	3/20	3/21	3/22	3/23	3/24
Per share amounts											
Basic earnings per share [Basic net profit per share attributable to owners of the parent]											
Continuing operations (¥)	¥ 297.70	¥ 245.56	¥ 343.59	¥ 348.46	¥ 352.26	¥ 183.21	¥ 186.70	¥ 311.13	¥ 381.91	¥ 176.27	¥ 273.70
Discontinued operations (¥)	¥7.16	(¥31.72)	(¥0.12)	—	—	—	—	¥ 6.84	¥ 88.01	(¥ 13.83)	¥ 1.00
Total (¥)	¥ 304.86	¥ 213.84	¥ 343.47	¥ 348.46	¥ 352.26	¥ 183.21	¥ 186.70	¥ 317.97	¥ 469.92	¥ 162.44	¥ 273.70
Diluted earnings per share [Diluted earnings per share for the period attributable to owners of the parent]											
Continuing operations (¥)	¥ 279.50	¥ 230.61	¥ 322.66	¥ 342.07	¥ 350.00	¥ 181.48	¥ 186.64	¥ 311.05	¥ 381.82	¥ 176.25	—
Discontinued operations (¥)	¥6.72	(¥29.72)	(¥0.12)	—	—	—	—	¥ 6.84	¥ 87.99	(¥ 13.83)	—
Total (¥)	¥ 286.22	¥ 200.89	¥ 322.54	¥ 342.07	¥ 350.00	¥ 181.48	¥ 186.64	¥ 317.89	¥ 469.81	¥ 162.42	—
Total equity per share attributable to owners of the parent (¥)	¥ 3,472.37	¥ 3,498.72	¥ 3,832.95	¥ 4,100.70	¥ 3,888.48	¥ 3,896.64	¥ 3,929.43	¥ 4,243.70	¥ 4,681.82	¥ 4,808.70	¥ 5,138.81
Cash dividends (¥)	¥ 46.00	¥ 33.00	¥ 52.00	¥ 53.00	¥ 53.00	¥ 90.00	¥ 90.00	¥ 94.00	¥ 102.00	¥ 110.00	¥ 119.00
Financial indicators											
Business profit ratio (%)	—	—	—	—	4.0	3.1	3.6	4.6	4.0	2.2	3.5
Operating profit ratio (%)	4.0	4.0	4.5	3.9	—	—	—	—	—	—	—
Return on equity (ROE) (%)	9.2	6.1	9.2	8.8	9.4	4.8	4.8	7.8	10.5	3.4	5.5
Return on invested capital (ROIC) (%)	6.4	6.5	7.0	6.2	6.6	4.9	5.3	5.9	5.0	2.4	4.1
Total equity attributable to owners of the parent ratio [Total equity ratio] (%)	53.5	52.2	56.1	58.4	56.9	54.1	52.6	52.5	52.7	52.6	55.0
Interest-bearing liabilities / Equity ratio [Equity ratio] (Times)	0.39	0.43	0.34	0.25	0.27	0.37	0.44	0.45	0.44	0.49	0.41
Interest coverage ratio (Times)	24.2	35.1	57.4	44.7	43.1	24.2	40.6	61.6	27.9	6.3	41.1
Payout ratio (consolidated) (%)	30.2	30.9	30.3	30.4	30.1	49.1	48.2	29.6	21.7	67.7	43.5



Non-financial data (past 10 years)

Item		Scope	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Environmental	Greenhouse Gas Emissions from NH Foods Group and Its Entire Supply Chain (thousand t-CO ₂)											
	Scope 1 CO ₂	Japan	213	211	221	220	216	215	220	222	213	203
	Scope 1 CO ₂	Overseas	—	—	—	—	—	—	—	52	55	53
	Scope 1 Methane ^{*1}	Company-wide	23	28	28	30	30	31	28	116	134	122
	Scope 1 Nitrous oxide ^{*1}	Company-wide	96	95	92	98	103	102	101	102	99	52
	Scope 2 CO ₂ Location base	Japan	313	332	343	298	303	290	276	267	246	243
	Scope 2 CO ₂ Location base	Overseas	—	—	—	—	—	—	—	92	86	78
	Total CO ₂ Location base	Company-wide	645	666	684	646	652	638	625	851	833	751
	Scope 3 CO ₂	Japan	9,823	9,449	9,717	10,157	10,948	11,134	10,576	10,503	10,258	10,475
	Water											
Transition of water withdrawal and water consumption (thousand m ³) ^{*2}	Manufacturing plant in Japan	13,544	13,564	13,729	15,152	14,797	14,820	14,820	14,721	14,261	13,796	
Waste												
Waste generation (thousand t)	Manufacturing plant in Japan	395.7	402.1	416.6	423.1	434.7	411.3	402.5	397.6	380.2	378.0	
Recycling rate (%) ^{*3}		94.9	94.9	94.6	94.3	93.6	92.1	94.7	96.9	96.6	96.3	
Social	Employee data											
	Number of employees ^{*4}	NH Foods Ltd.	—	2,358	2,372	2,384	2,403	2,137	2,149	2,160	2,077	1,977
	Percentage of female employees (%) ^{*5}		—	16.5	19.2	21.3	20.4	26.7	27.4	28.4	30.3	32.3
	Percentage of female managers (%)		—	3.4	3.4	3.3	3.8	4.6	6.5	8.5	9.8	10.7
	Hiring of Personnel with Disabilities											
	Employment rate (%)	NH Foods Ltd.	—	1.7	1.7	1.6	1.7	2.4	2.5	2.7	2.6	2.6
	Utilization of Child and Nursing Care-Related Systems											
	Number of childcare leave takers	NH Foods Ltd.	—	52	63	76	70	73	96	108	115	121
	Male		—	5	5	8	4	5	12	18	37	33
	Female		—	47	58	68	66	68	84	90	78	88
Support for Physical and Mental Health												
Stress check rate (%)	Japan	—	96.1	93.9	93.0	91.5	90.3	91.6	92.8	94.5	95.5	

*1 Calculations are based only on enteric fermentation and manure management of livestock

*2 Water withdrawal and Water consumption figures include estimates from production departments

*3 Recycling rate: (Waste recycled in-house + Valuable materials sold + Recycled waste)/(Waste generation - in-house reductions) × 100 (Unit: %)

*4 Full-time employees + transferees + partners

*5 Regular employees



Corporate data (As of April 1, 2024)

Corporate data

Corporate name	NH Foods Ltd.
Established	May 30, 1949
Capital	¥36,294 million
President	Nobuhisa Ikawa
Employees	Consolidated 25,912 Non-consolidated 2,078 Note: Including the average number of temporary employees
Main businesses	<ul style="list-style-type: none">• Manufacture and sale of processed meats (hams and sausages, etc.) and cooked foods (retort-packed foods, pre-prepared foods, etc.)• Breeding of livestock, and processing and sale of fresh meats• Production and sale of dairy products and marine
Head office	18F Breezé Tower, 4-9, Umeda 2-chome, Kita-ku, Osaka 530-0001, Japan
Telephone	+81-6-7525-3026

Main companies of the Group

Production and Breeding	Nippon White Farm Co., Ltd. Nippon Clean Farm Ltd. Whyalla Beef Pty. Ltd. (Australia)
Packing and Processing of Fresh Meats	Nippon Food Packer, Inc. Usune Co., Ltd. Miyazaki Beef Center Co., Ltd. Nippon Pure Food, Inc. Oakey Beef Exports Pty. Ltd. (Australia) Wingham Beef Exports Pty. Ltd. (Australia) Thomas Borthwick & Sons Pty. Ltd. (Australia) Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Sirketi (Turkey)
Sales of Fresh Meats	Higashi Nippon Food, Inc. Kanto Nippon Food, Inc. Naka Nippon Food, Inc. Nishi Nippon Food, Inc. NHJF Corporation Minami Nippon Fresh Foods Co., Ltd. NH Foods Australia Pty. Ltd. (Australia) Beef Producers Australia Pty. Ltd. (Australia) Day-Lee Foods, Inc. (USA) Nippo Food (Shanghai) Co., Ltd. (China)
Production and Sales of Hams and Sausages	Nipponham Factory Ltd. Nipponham Hokkaido Factory Ltd. Nipponham Northeast Ltd. Kyodo Foods Co., Ltd. Nipponham Southwest Ltd. Kamakura Ham Tomioka Co., Ltd. NH Foods Vietnam Joint Stock Company (Vietnam) Redondo's, LLC (USA)
Production of Processed Foods	Nipponham Processed Foods Ltd. Nipponham Delicatessen Ltd. Premium Kitchen Co., Ltd. Shandong Rilong Foodstuffs Co., Ltd. (China) Thai Nippon Foods Co., Ltd. (Thailand) PT NH Foods Diamond Indonesia, Ltd. (Indonesia)

Sales of Hams and Sausages, and Processed Foods	NH Foods Marketing Ltd. Nipponham Customer Communications Ltd.
Production and Sales of Processed Marine Products	Hoko Co., Ltd.
Production and Sales of Fermented Milk, Lactic Acid Probiotic Beverages, and Dairy Products (Cheese)	Nippon Luna, Inc. The Hoko Co., Ltd. (ROLF Division)
Production and Sales of Extract Seasonings	Nippon Pure Food, Inc. Pure Food Asia, Inc. (Taiwan)
Production and Sales of Freeze-Dried and Frozen Foods	Nipponham Frozen Foods Ltd. Hoko Co., Ltd.
Professional Sports	Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd. Fighters Sports & Entertainment Co., Ltd.
IT, Services, and Other Businesses	Nipponham System Solutions Ltd. Nipponham Business Associe Ltd. Nipponham Career Consulting Ltd. Nipponham Engineering Ltd.
Logistics and Trading	Nippon Chilled Logistics, Inc. Nippon Logistics Center, Inc. Nippon Daily Net Co., Ltd. Nippon Route Service Co., Ltd. Japan Food Corporation NH Foods Chile Y Compania Limitada (Chile) NH Foods Mexicana S.A.DE C.V. (Mexico) NH Foods Singapore Pte. Ltd. (Singapore) NH Foods Thailand Ltd. (Thailand) Thai Nippon Cold Storage Co., Ltd. (Thailand) NH Foods Taiwan Ltd. (Taiwan) NH Foods U.K. Ltd. (The United Kingdom)



Stock information

Share Data (As of March 31, 2024)

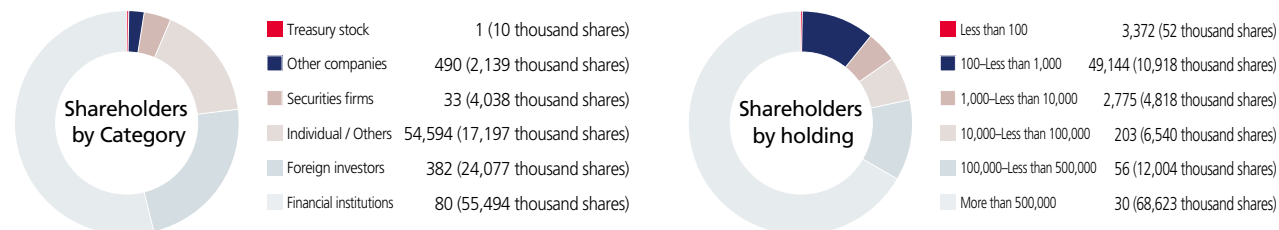
Authorized shares	285,000,000
Issued and outstanding	102,958,904
Shareholders	55,580

Major Shareholders (Leading 10 by holding)

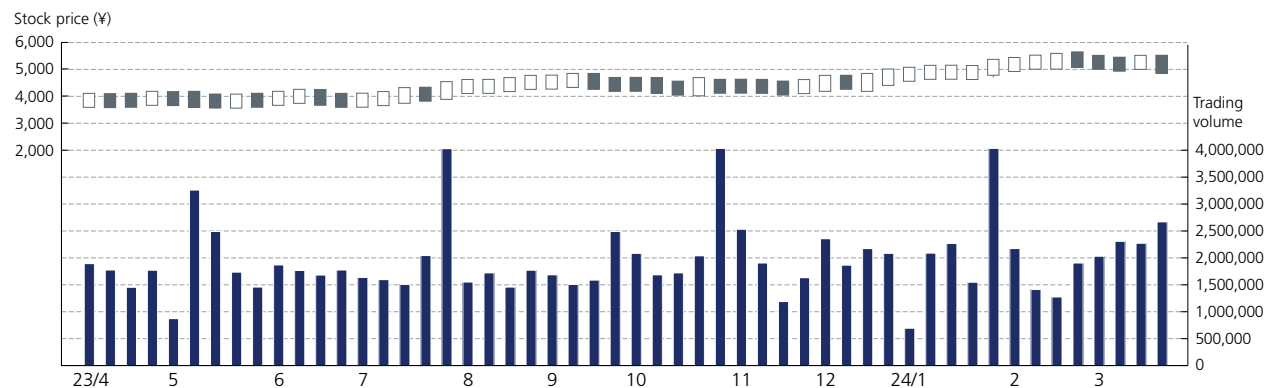
Name of shareholder	Holding (1,000s of shares)	Sharehold- ing ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	20,825	20.23
Custody Bank of Japan, Ltd. (Trust account)	9,356	9.09
The Hyakujushi Bank, Ltd.	3,708	3.60
Meiji Yasuda Life Insurance Company	3,677	3.57
Nippon Life Insurance Company	2,785	2.71
STATE STREET BANK AND TRUST COMPANY 505001	2,416	2.35
The Norinchukin Bank	2,370	2.30
JPMorgan Securities Japan Co., Ltd.	2,072	2.01
SSBTC CLIENT OMNIBUS ACCOUNT	1,828	1.78
MUFG Bank, Ltd	1,653	1.61

Note: Shareholding ratio is calculated by deducting the number of treasury stock.

Distribution of Shares



Stock Price Trend



Main initiatives and organizations of which the Group is a member

United Nations Global Compact (UNGC)

The world's largest sustainability initiative which is being jointly advanced by the UN and the private sector (corporations and organizations) with the goal of building a healthy global society.

RSPO (Roundtable on Sustainable Palm Oil)

An international non-profit organization which has built and operates a certification system that has become the standard for sustainable palm oil, and which encourages the production and distribution of such oil.

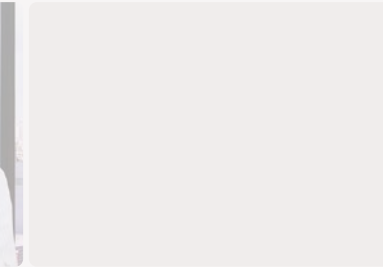
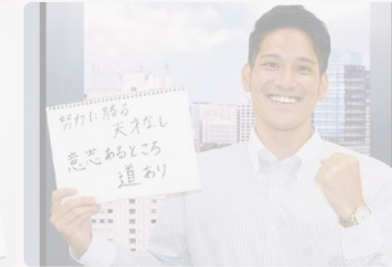
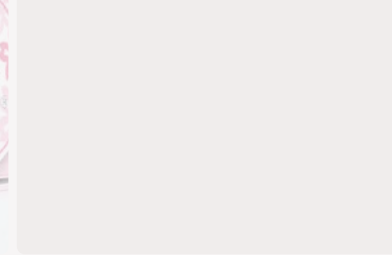
TCFD Consortium

An organization established with the aim of facilitating discussion between companies regarding effective information disclosure and appropriate initiatives in relation to the Task Force on Climate-related Financial Disclosure (TCFD)

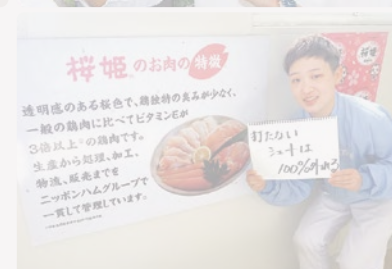
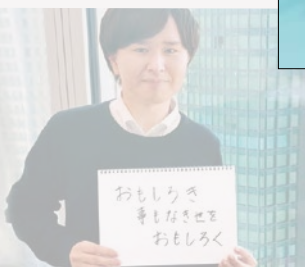
CGF (The Consumer Goods Forum)

An international industry association for major manufacturers of foods and consumer goods and major retailers. As of July 2021, it has around 400 member companies from over 100 countries.

Ending message



Taking on challenges and making change happen,
the NH Foods Group works together to create value through protein.





Unleash new potentials for protein NH Foods Group Vision 2030

Reference material (Japanese only)



NH Foods Map for the Future of Protein

An introduction to the various initiatives being implemented by the NH Foods Group to support the future of food in Japan by supplying and enhancing the value of a wide range of proteins.



Table for All Food Allergy Care

A website with a food allergy perspective that provides the latest information gathered from ongoing research, together with easy-to-understand meal ideas based on our unique insights as a food manufacturer



Rotary

An online magazine sharing the latest information from the NH Foods Group, while also exploring food from a variety of angles, such as trending food topics and recipes, and the relationship between food and health



Mealin' Good

A business brand shaped by new initiatives to create a future where everyone can choose foods that are compatible with their diverse ethics and values



Let's Enjoy Delicious Meat!

A website with information and expert cooking advice to help as many people as possible enjoy the great tastes of meat



NH Foods Group official X (formerly Twitter) account

A source of timely access to recipes and useful information via the official account for the NH Foods Group



<https://www.nipponham.co.jp/eng/>