

NH Foods Group
Integrated Report 2024
—Executive Summary—



Main Improvements in the 2024 Report



Because the 2023 report covered a period when the Medium-Term Management Plan was under review, there were issues concerning the reporting of specific information about our medium- to long-term plans, policies, and targets (KPIs).

The <u>2024 report</u> is structured around the theme of our new Medium-Term Management Plan 2026—**Working together to create value through protein**. Its content has been modified to <u>focus more on specific aspects of our efforts to achieve medium- to long-term growth, including business plans, policies, and financial and non-financial value creation.</u>

2023

NH Foods Group Integrated Report 2024

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 We have updated the content of our value creation processes to drive our evolution as a business group dedicated to working together to create value through protein. Co-creation in each value chain



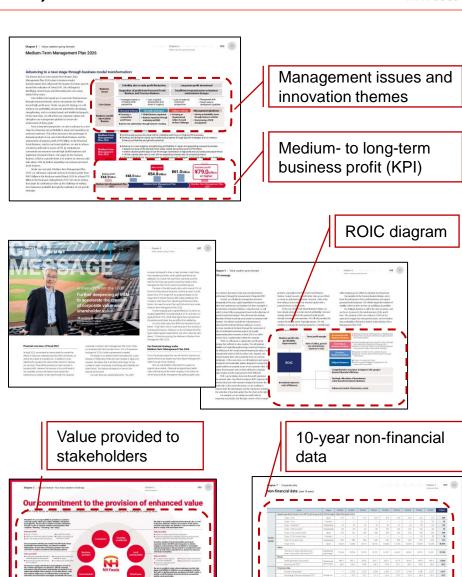
Strategic structure under the Medium-Term Management Plan



Main Improvements in the 2024 Report (Contd.)



- We have disclosed our Medium-Term Management Plan, which identifies management priorities and innovation themes and clearly states our specific policies and medium- to long-term targets (KPIs) for business profit.
- The financial section of the report includes an updated version of the ROIC diagram based on the Medium-Term Management Plan. There is also a message from the Executive Vice President, expressing our commitment to our strategies and vision (KPIs) for each segment.
- In the non-financial section, we have provided a list of ways in which we will provide value to stakeholders. We have also added 10-year non-financial data to our disclosure.

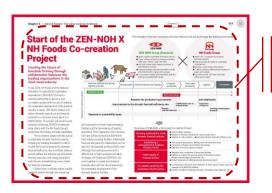


Main Improvements in the 2024 Report (Contd.)



• The theme for the Medium-Term Management Plan is "working together to create value". The report includes several special features focusing on examples of this approach, including a major co-creation project with JA Zen-noh.

• The report also includes a record of discussions with outside directors, including newly appointed directors. The purpose of these discussions was to strengthen and enhance corporate governance. There is also a personal message from the Chairperson about his actions and role as Chairperson of the Board of Directors.



Examples of major co-creation projects



Involvement of new outside directors in the development of recommendations for reforms

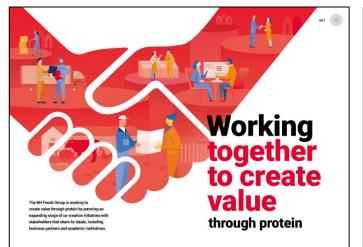
A message from the Chairperson of the Board of Directors

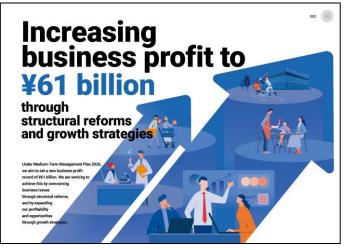
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^{*} The main content and key points of the report are summarized on the following pages.

Introduction











The report begins with a statement of top management's commitment to our vision for the next three years.

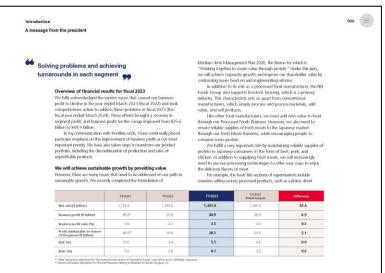
Content of commitment

- Working together to create value through protein
- Increasing business profit to ¥61 billion through structural reforms and growth strategies
- Building a culture and systems that provide recognition for people who take on new challenges

A message from the President





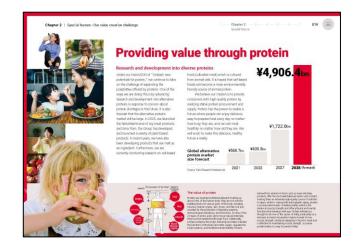


Management's explanation of the specific strategies and initiatives through which the NH Food Group will realize its commitment to new challenges and co-creation

- Our role and value creation activities as a company dedicated to supporting the livestock industry
- The transformation of our business mindset toward a customerfocused philosophy
- The establishment of business schemes designed to achieve our goals
- Our transformation into a culture focused on new challenges— Starting with the management team
- Co-creation—Working together to create value through protein

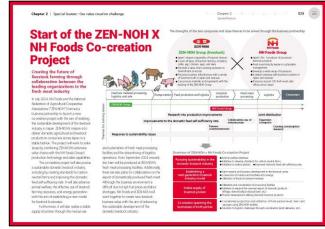
Special feature Our value creation challenge











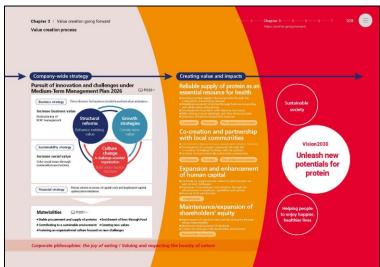
Examples of value creation through diverse products and projects

- The necessity and value of protein
- The product value and potential of Schau Essen
- Creating new value with branded chicken and pork
- Start-up of major co-creation projects

Value creation process





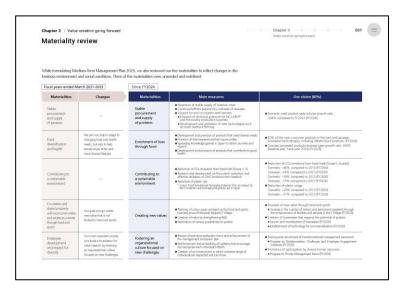


Overview of value creation through invested capital, business models, and strategies

- Business models based on the pursuit of co-creation at each stage of value chains
- Three themes for business model transformation initiatives: structural reforms, growth strategies, culture change
- Overview of the value and impacts to be created

Materiality review







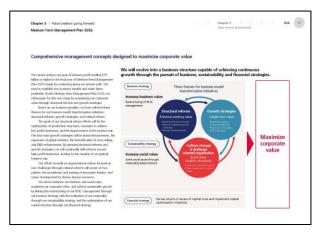
Introduction to changes in the external environment and the revision of the Materialities to reflect Medium-Term Management Plan 2026

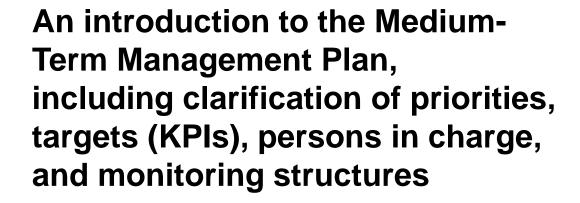
- Changes to three of the Five Materialities
- Shift to materialities encompassing a broader range of fields
- Shift to a focus on key issues in the current environment
- Assessment and views of outside experts

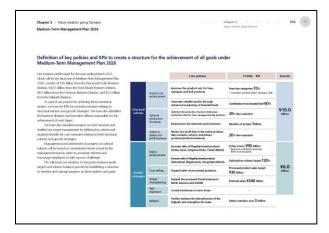
Medium-Term Management Plan 2026











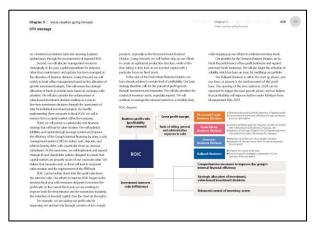


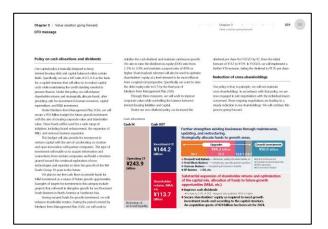
- Clarification of core issues, establishment of business models and innovation themes
- Maximization of corporate value through the realization of three strategies and three themes
- Definition of core policies and KPIs,
 visualization of progress, creation of structures
 for success

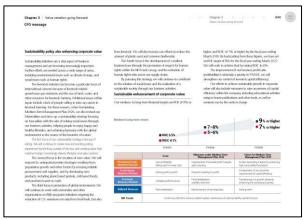
A message from the CFO











Introduction to financial strategies and policies to support deeper management of value creation

- Financial PDCA system, strategic allocation of management resources, capital policies and financial strategies
- Pursuit of ROIC in each business segment
- Policy on cash allocations and dividends
- Sustainability strategy and enhancement of corporate value

A message from the executive officer in charge of human resources





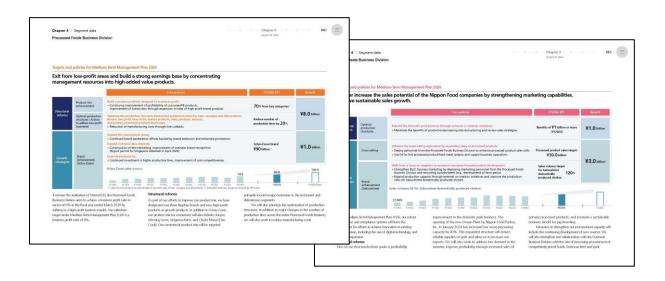


Description of human resource strategies to enhance human capital under Medium-Term Management Plan 2026

- Fostering an organizational culture focused on new challenges
- Training and recruitment of innovative managers
- Career development for diverse people
- Actions to drive and strengthen our human resource strategy

Segment data (Processed Foods / Fresh Meats / Overseas / Ballpark)





Advocating for business model transformation through structual reforms, growth strategy, and cultural change

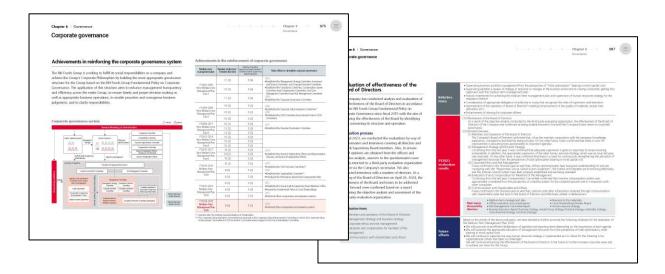
- Clarifying strategies for each business to improve integrated value
- Clarification of core policies and KPIs in each business segment
- Non-financial topics for each segment



Sustainability / Corporate governance







Information about our sustainability strategy and initiatives, and our corporate governance

- Provide the joy of eating.
 Create new value.
 Protect the global environment.
 Strengthen the resilience of the business base.
- Evaluation of effectiveness of the Board of Directors, officer compensation, risk management, information security

Discussion with outside directors











The four members, including the newly appointed outside director, present their assessment of the current state of the Group, future support measures

- Assessment of current initiatives toward transformation, comments on perceived issues
- Recommendations for the solution of issues
- **■** Roles as outside directors, future outlook

Ending message



