A message from the president

The NH Foods Group has entered a new growth stage and is on track to achieve further improvement in its corporate value.

Nobuhisa Ikawa
President and Representative Director

Robust start to our company-wide strategy, new KPIs defined for actions to resolve emerging issues

Review of the first year under Medium-Term Management Plan 2026

Launched in FY2024, Medium-Term Management Plan 2026 is focused on structural reform, growth strategies, and cultural reform. We have been working to update our business models through integrated efforts in these three areas.

In the year ended March 2025, our net sales increased by 5.1% year on year to ¥1,370.6 billion, while business profit was 5.3% lower at ¥42.5 billion. The net sales result was in line with our target, but we were unable to offset the full impact of new issues that emerged after the plan was formulated, and business profit was ¥5.5 billion below target. However, progress under our company-wide strategy is largely on track, as evidenced by the gains stemming from structural reform initiatives targeting the Processed Foods Business, and from our brand strategy. I believe that these factors, together with the growth of the Ballpark Business, are leading to the development of a highly robust business structure.

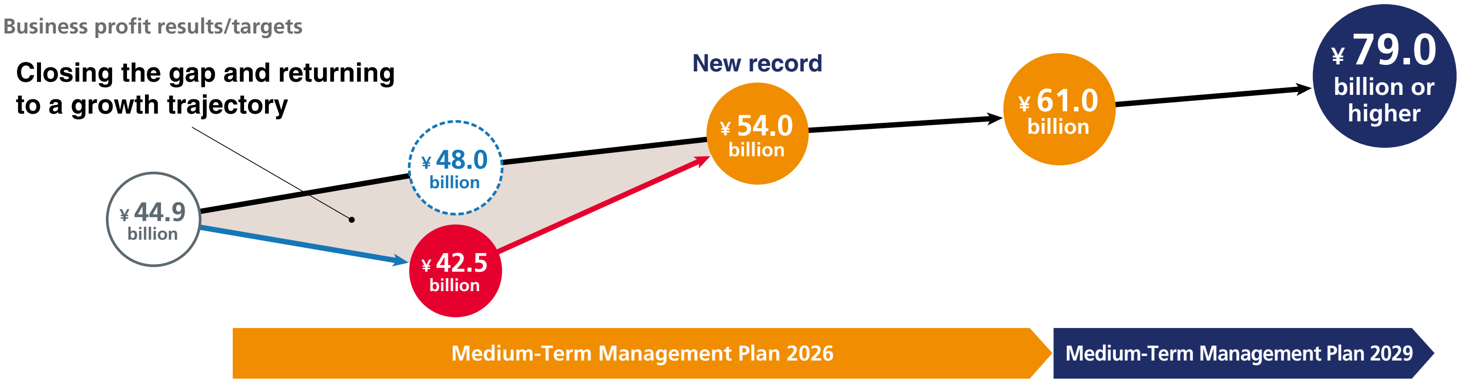
While the numerical results for the year ended March 2025 fell short of our targets, we addressed factors that were hindering profit opportunities and took steps to enable us to reach our targets under the Medium-Term Management Plan, including the revision of key policies and the addition of new KPIs. (P.35)

As indicated when Medium-Term Management Plan 2026 was formulated, our numerical targets for the next two fiscal years are ¥54.0 billion in the fiscal year ending March 2026 and ¥61.0 billion in the fiscal year ending March 2027.

	FY2025/3 Result	FY2026/3 Plan	FY2027/3 Plan*
Net sales (¥ billion)	**1,370.6**	1,400.0	1,380.0
Business profit (¥ billion)	**42.5**	54.0	61.0
Business profit ratio (%)	**3.1**	3.9	4.4
Profit attributable to owners of the parent (¥ billion)	**26.6**	30.0	38.0
ROE (%)	**5.1**	5.8	7-8
ROIC (%)	**3.9**	4.9	5-6

* The targets for the final year of Medium-Term Management Plan 2026 (FY2027/3) are unchanged from the original plan.

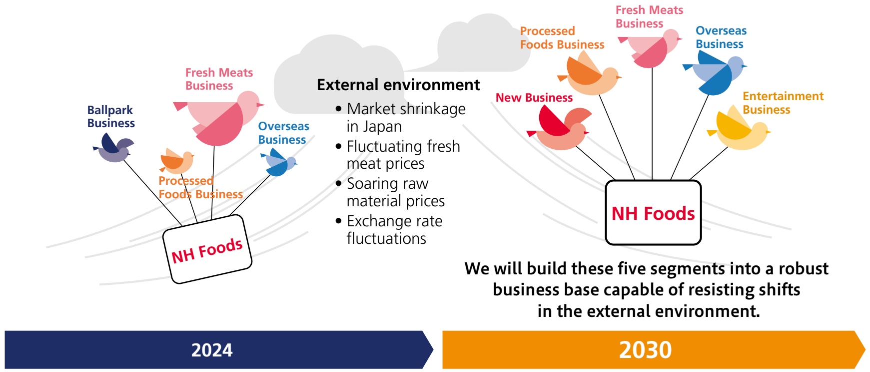
Business profit results/targets



A message from the president

Realizing our vision for the NH Foods Group

Our first step toward ensuring sustainable growth for the NH Foods Group is to reaffirm our raison d'être and renew our awareness of what society expects of us. According to our estimates, the NH Foods Group currently has a 20% share of the total volume of fresh meats sold in Japan and supplies around 6% of all protein consumed by the people of Japan. The NH Foods Group is a key player in the livestock business, which is a primary industry, and has a major influence on Japan's food infrastructure. We have enhanced the Group's corporate value by continually supplying high-quality protein.
Our aspirations for the year 2030 are defined in Vision2030 and encapsulated in the words "Unleash new potentials for protein." We are working to realize that vision under our current Medium-Term Management Plan through initiatives to build a future for the NH Foods Group into a corporate group dedicated to working together to create value through protein. These actions reflect our belief that we can realize our vision and further enhance our corporate value by continuing to take up the challenge of creating new value for protein in a changing environment.



However, with our domestic markets in decline, our business would shrink if we continued to rely solely on our existing business models. To continue to supply proteins and achieve further growth, we urgently need to develop new strategies that are not simply extensions of our existing business approach.

Building a stable business base supported by five pillars

We hold regular top-level meetings with ZEN-NOH to monitor progress, and we are currently making preparations with the aim of disclosing specific numerical targets in FY2026 to provide a clearer picture of progress on the co-creation project.

We will also continue to work on the co-creation projects that we launched in FY2024 with ZEN-NOH and Charoen Pokphand Foods. (P.25)

Another urgent task is the alleviation of bottlenecks in the value chains for our existing businesses. In FY2025, we took the first step in this direction by transferring the Overseas Business Division to the Processed Foods Business Division and Fresh Meats Business Division. By 2030, we aim to expand overseas sales and profits under a two-segment structure based on the Fresh Meats and Processed Foods businesses.

Our concept also calls for the further evolution of the existing Ballpark Business, which will become a core element as the Entertainment Business. We will also add New Business as our fifth core segment alongside Fresh Meats, Processed Foods, Overseas Business, and Entertainment Business, to create a resilient business base that will be able to cope with fluctuations in the external environment.

Accelerating research and development under the "*Proteinnovation*" R&D Strategy

In June 2025, we formulated the "*Proteinnovation*" R&D strategy as a way of accelerating our protein-based research and development activities ("*Proteinnovation*" is a portmanteau word coined from "protein" and "innovation").

A message from the president

Protein, the focus of our activities since the founding of NH Foods Group, still offers enormous undiscovered potential. Through our research and development activities, we are working to meet consumer needs and solve social issues. The dual themes for these efforts are the evolution of existing businesses, and the creation of new businesses. Initiatives to drive the evolution of existing businesses will center on the application of digital transformation (DX) technology to production and the development of new protein products. Our priorities for new business creation are the development of products and services using livestock by-products in the fields of medical and cosmetic products. We hope to achieve benefits from the evolution of our existing businesses at a relatively early stage. (📖 P.23)

Financial strategies and capital policies are vital to the improvement of corporate value. Atsushi Onishi, who joined NH Foods as a mid-career hire, will play a key role in the rapid formulation of strategies to enhance our corporate value. He has been appointed as an executive officer and placed in charge of the newly created VBM Promotion Office. Because many of our executive officers have experience in our business operations, they are sometimes influenced by preconceived notions. That is why we prioritize outside recruitment of people with new perspectives and knowledge. I expect this approach to result in greater success and growth for the NH Foods Group. (📖 P.31)

Turning risks into opportunities through faster management processes

We have appointed younger executive officers to drive the reforms needed to ensure the long-term growth of the NH Foods Group. In the Fresh Meats Business Division, where the need for reform is especially urgent, four of the six officers are newly appointed. We have also laid the groundwork for reform by appointing executives aged in their 50s as presidents of group companies. The new president of Nippon Pure Food, Inc. has achieved tangible results by personally taking on the challenge of raising the company's sales revenues.

Maintaining the status quo is not enough. "We have to change more!"

The past few years have seen rapid changes at many levels—exchange-rate swings, tariff shifts, and surprisingly high inflation. The pace of change in our business environment is exceeding all expectations, and we can no longer keep pace by adapting at the same speed as in the past. Instead of concentrating only on yearly P&L, we must plan backwards from our vision and tackle challenges that can drive disruptive growth. Over the past year, I have visited many of our frontline sites and talked with a variety of people with the aim of fostering the spirit of challenge among frontline workers. In FY2024, I worked to raise awareness through face-to-face dialogue and via the intranet under the slogan "Change is welcome." While there are signs that people are starting to take on new challenges, I sometimes feel that frontline workers are not yet embracing the spirit of challenge on a personal level. I have therefore signaled my determination to move to the next level by changing the slogan to "We have to change more!." If we can build a robust corporate structure capable of adapting to a rapidly changing environment, we will be able to achieve dramatic growth.

I believe that the key to building a commitment to challenge at the frontline level is the training of middle managers and the improvement of their skills. By understanding corporate policies and conveying them to frontline workers in their own words, middle managers will transform behavior and build a culture focused on new challenges. To achieve this, we have modified our management structure and assessment systems. I will continue to communicate directly with our frontline workers and take every opportunity to raise awareness of the importance of taking on new challenges.

Human capital enhancement is a vital part of our efforts to foster an organizational culture focused on new challenges.

Training of next-generation leaders a priority for top management

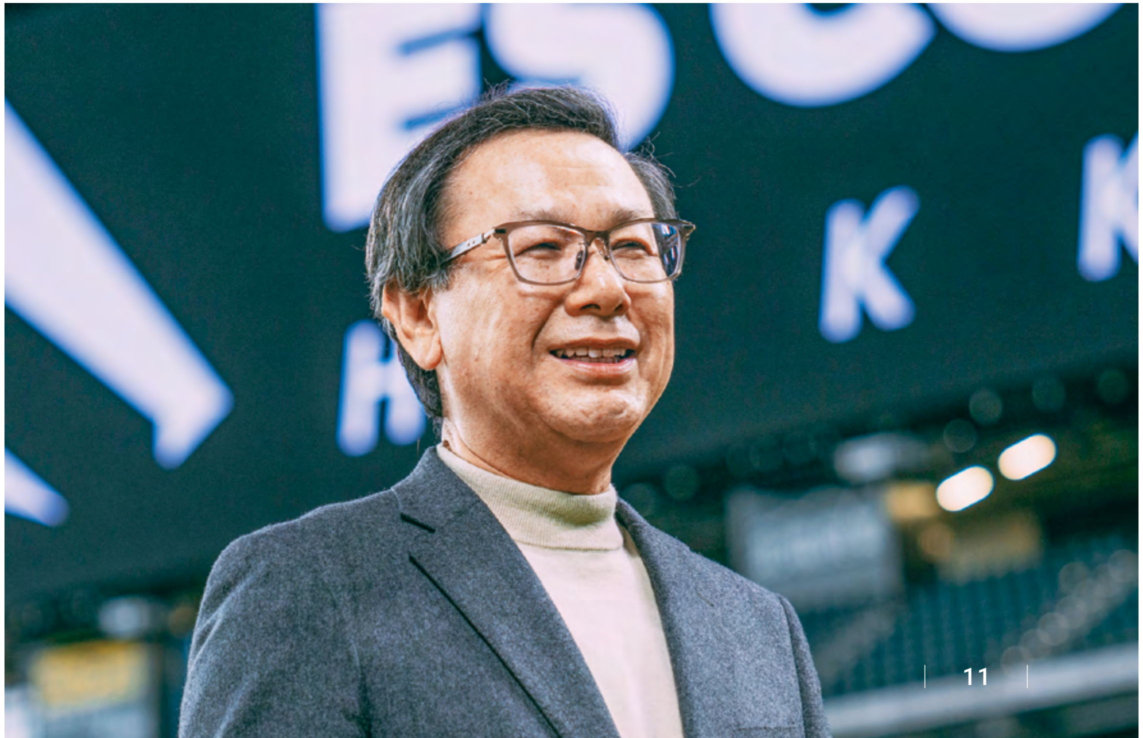
Our efforts to build a culture focused on new challenges will continue to center on the training and recruitment of innovative managers and the promotion of participation by diverse human resources.

I see the training and recruitment of innovative managers as especially important. In addition to the development of the present management team, we must also prioritize the development of next-generation corporate officers who can play a leading role in the NH Foods Group 10 and 20 years from now. One of the issues affecting the development of next-generation leaders at present is the fact that people's knowledge is limited to the segments in which they built their careers. As part of our training for innovative managers, we hold regular management seminars for officers in group companies and business divisions. This year I personally gave presentations about management mindsets. One of my key messages was the need to develop a cross-segment work approach based on the backcasting concept. I want our next-generation leaders to look to the future and embrace the challenge of innovation.

In the past, the NH Foods Group achieved growth by taking on new challenges without fear of change. However, I feel that our organization has become more rigid due to an increased emphasis on compliance with all laws and regulations since 2002. The transformation of our human resources and organization has become an urgent priority in today's rapidly changing environment. I have a personal duty to train next-generation managers, and I want to share as much as possible of my experience and knowledge.

Additionally, we have made changes to our award system for excellence in workplaces, including the content of the awards and the award ceremonies, with the aim of improving employee motivation and fostering a culture of challenge. Now known as the NHG Awards, this program is designed to provide appropriate recognition for the contributions made by individual workers in organizations that have pursued excellent activities and achieved meritorious results, and to create opportunities for further challenges.

We promote active participation by helping people to feel motivated toward their work. To achieve that, we now refer to our "compliance promotion activities" as "Job Satisfaction and Motivation activities." We have already built a strong commitment to compliance into our corporate culture. Going forward, we will continue to focus on the creation of motivational working environments so that individual workers can take on challenges and reach their full potential.



A message from the president

A sustainability strategy shaped by the NH Foods Group culture

Sustainability initiatives are becoming an increasingly important aspect of corporate management. The NH Foods Group is pursuing a sustainability strategy centered on four pillars: provide *the joy of eating*, create new values, protect the global environment, and strengthen the resilience of the business base.

We will continue to prioritize sustainability activities that reflect our role as manufacturer and supplier of protein products. I believe that by supplying protein, we are also contributing to the future of food. For example, we created a new food culture by popularizing *Schau Essen* coarse-ground sausages, which were previously rare in Japan. My personal dream is to develop additive-free *Schau Essen* sausages so that as many people as possible can experience the delicious flavors.

In Kitahiroshima City, Hokkaido, we contribute to the local community through food education by providing *Schau Essen* sausages once a year for use in school lunches. We are also developing carbon-neutral farms. At Nanporo-cho, Hokkaido, we have installed solar power facilities on our land to supply electric power to our pig farms in Hokkaido.

We will continue to consolidate frontline sustainability activities by using in-house awards and other systems to acknowledge employees and projects that make significant contributions to sustainability. The NH Foods Group remains committed to solving social issues and the creation of a sustainable society.

Working together to overcome issues and barriers and create value through protein

We remain committed to a company-wide strategy centered on structural reform, growth strategies, and cultural reform.

When we formulated Medium-Term Management Plan 2026, we calculated the gap from business profit of ¥61 billion in the fiscal

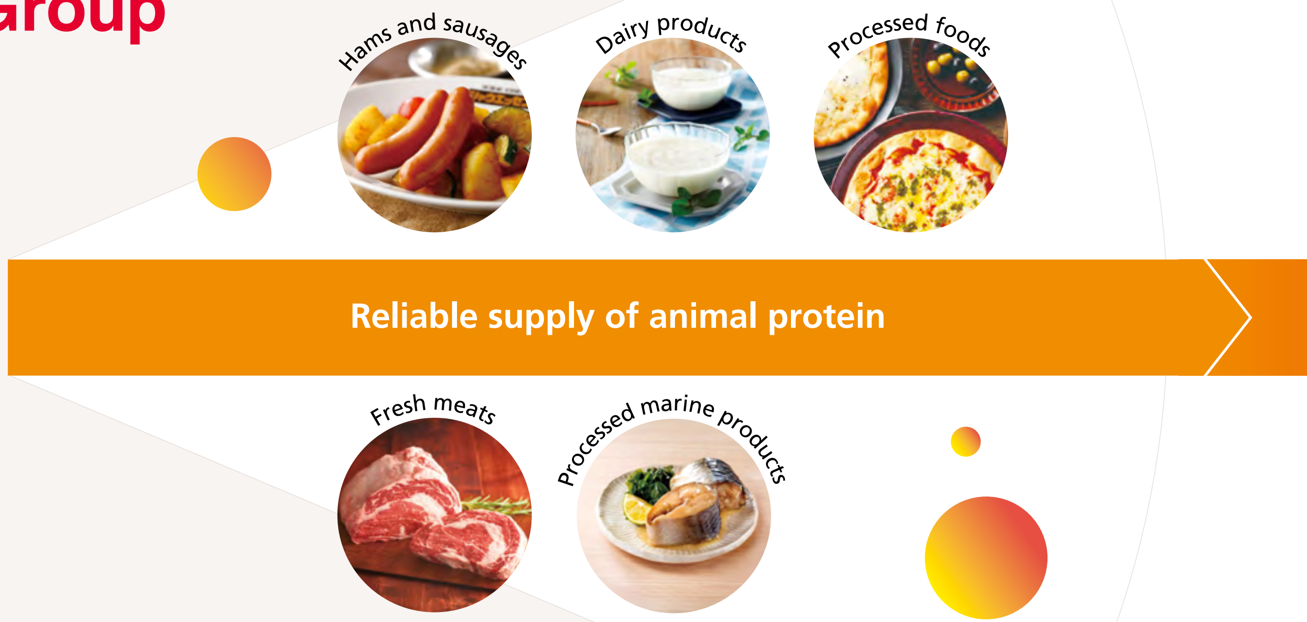
year ending March 2027 and calculated that we would need to generate ¥10 billion through structural reforms and ¥6 billion through growth strategies. Rather than steady accumulation, our current Medium-Term Management Plan involves a series of challenges based on the backcasting philosophy. If the figures start to deviate from our targets, we will revise our policies. If that fails to yield the desired outcomes, we will adopt new policies. I see that approach is the key to achieving the current Medium-Term Management Plan’s goals and, furthermore, to reaching the target business profit of ¥79 billion in the next Medium-Term Management Plan.

We look forward to the continuing support of our stakeholders.

Nobuhisa Ikawa
President and Representative Director

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 *the 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.

A history of challenging new frontiers

1942

Founding, the challenge begins

Our founder, Yoshinori Okoso, opened the Tokushima Meat Processing Plant in the city of Tokushima in 1942. Okoso's dream was to provide abundant meat to build up the physical health of the Japanese people, who faced severe food shortages and poor nutritional conditions in the postwar era. His establishment of a company to supply protein in this environment epitomized his philosophy of "Tenacious pursuit of progress and success in the face of adversity" and was the starting point for our history of challenging new frontiers.

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.

Corporate philosophies and history

Halal-compliant products

Food allergy-friendly products

Reduced salt, low-salt

Providing diversified opportunities to enjoy animal protein

Creating and providing new protein choices

Soy meat

Malt

Cell-based food

Vision2030

Unleash new potentials for protein

Throughout its history, the NH Foods Group has dedicated itself to the reliable supply of protein as an essential nutrient for human health. However, the supply of protein is expected to fall short of demand in the future because of world population growth and climate change. Under Vision2030, we are determined to fulfill our social mission and our essential role in food infrastructure as one of Japan's biggest suppliers of protein by maintaining reliable supplies of protein even in this changing environment.

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. The range includes sausages made from plant-based ingredients, such as soybeans and konjac, instead of meat. The latest addition to the lineup is plant-based tuna produced from konjac, dietary fiber, and other ingredients. We are also accelerating the development of diversified protein products, such as Gras Foie, a foie gras alternative made from chicken livers. We are also engaged in R&D relating to the production of protein from malt using culturing technology, and cell-based food. In addition, we are helping to ensure reliable supplies of high-quality protein by building a sustainable future for livestock farming, and in 2018 we launched a project to develop smart pig farming systems based on AI and the IoT.

2025

R&D strategy targeted toward creating New Values and the Future of Proteins

We formulated a new R&D strategy called *Proteinnovation*, aimed at accelerating research and development centered on proteins, in order to realize our corporate philosophy and Vision 2030, which states, "Unleash new potentials for protein."

P.23

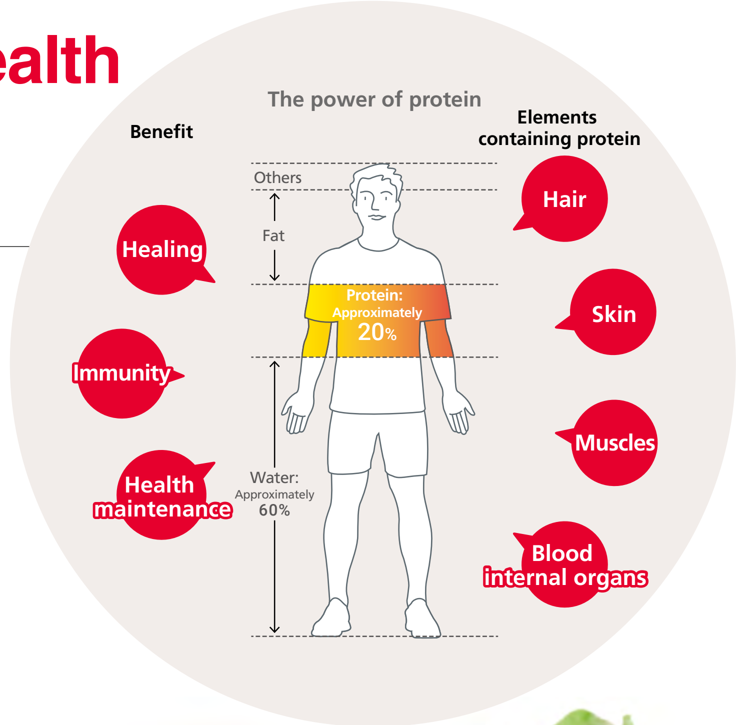
The value provided by protein

Support for human mental and physical health Contributing to prosperity

1 An essential nutrient

Proteins are substances created by linking together 20 types of amino acids. They are essential nutritional elements that make up approximately one-fifth of the human body. In such forms as cell components and collagen, proteins are building blocks for various parts of the body, including muscles, internal organs, skin, bones, and hair. Proteins are also essential for body growth and internal production of digestive enzymes and immunological substances, and hormones. Nine of the 20 types of amino acids cannot be produced internally and must be replenished through food in order for human beings to remain alive. These are known as essential amino acids.

Proteins derived from animals in such forms as meat and milk are especially beneficial because of their well-balanced essential amino acid content.



2 Promoting physical recovery

The Lifestyle Research Team of the Customer Service Department of NH Foods conducted a nationwide survey of the benefits sought from meals and diet by males and females aged 20 and older.

The results of this survey showed that meat (pork) is ranked first as the food that people want to eat for fatigue recovery, while proteins are seen nutritional element offering the greatest fatigue recovery benefits.

Top three preferred foods for fatigue recovery

1st Meat (pork) 56.0%
2nd Meat (chicken) 49.8%
3nd Eggs 45.9%

Top three foods seen as providing fatigue recovery benefits

1st Proteins 52.5%
2nd Vitamin C 35.5%
3nd Amino acids 26.3%

Source: Extracted from the results of a fixed point survey of health benefits Survey period: September 2024 Participants: General monitors* (n = 259)
*The survey covered people who selected "fatigue recovery" as one of the benefits that they sought from meals and their diet during the screening process.

The value provided by protein

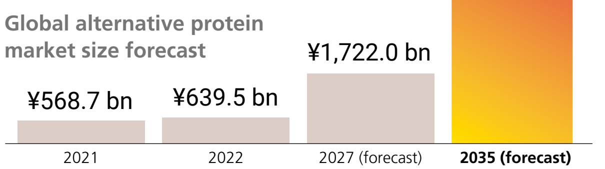
3 Frailty prevention benefits

Frailty is a condition that occurs when aging causes a gradual decline in a person's physical functions until they approach the stage of requiring care. Measures to address this issue have become an urgent priority because of ongoing demographic aging in Japan. A key preventive measure from a dietary viewpoint is to ensure that people have an adequate protein intake. It has been reported that consumption of imidazole dipeptide contained in meat strengthens the leg muscles in middle-aged and elderly people, as evidenced by the ability to stand on one leg for longer periods during frailty tests*. This suggests that adequate consumption of meat is an effective way to prevent frailty.

*Source: Mikako Sato, Kimihiko Maemura, Yoshihisa Takahata, Fumiki Morimatsu, Yuji Sato, [The Effect of Chicken Extract Consumption on Muscle Strength in Middle-aged and Elderly People], Journal of the Japanese Society for Food Science and Technology 59, 4, 182-185, 2012

Continuing growth in protein demand

The market for alternative protein is expanding rapidly amid concerns about future protein shortages. The NH Foods Group will continue to respond to global protein demand by accelerating research in such areas as soy meat, malt-based foods, and cell-based foods under our *Proteinnovation* R&D strategy.



Source: Yano Research Institute Ltd.

A leading supplier of protein in Japan

The NH Foods Group was founded to manufacture ham and sausages from the bounties of nature. Since then, we have expanded our activities to include processed foods, processed marine products, and dairy products. In the fresh meats category, we are able to supply high-quality products reliably from our own pig and chicken farming operations in Japan, as well as from our dependable partners in Japan and overseas.

With a history of supplying protein in various forms for over 80 years, we are today one of Japan's leading suppliers of protein products.

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

Protein content of the main types of animal protein (g/100g)

Beef	16.6g	Eggs	12.3g
Pork	15.6g	Milk	3.3g
Chicken	20.7g		

* 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

Business overview

We aim to realize the growth strategy defined in Medium-Term Management Plan 2026 by accelerating value maximization across our value chains and strengthening our global activities. As part of this process, all overseas subsidiaries and affiliated companies under the jurisdiction of the Overseas Business Division were transferred to the Processed Foods Business Division and Fresh Meats Business Division in April 2025. As a result, there are three business segments in the fiscal year ending March 2026: the Processed Foods Business Division, the Fresh Meats Business Division, and the Ballpark Business.

Prior to March 2025

- Processed Foods Business Division
- Overseas Business Division
- Fresh Meats Business Division

Overseas processd foods buisiness → Processed Foods Business Division
Overseas fresh meats buisiness → Fresh Meats Business Division

After April 2025

Processed Foods Business Division

Business sites in 9 countries/regions

- Japan
- North America
- Southeast Asia
- Greater China

Projected benefits

- Transfer of fresh meat processing technology developed in Japan to North America and Asia
- Revitalization of human resource mobility

Fresh Meats Business Division

Business sites in 7 countries

- Japan
- Australia
- Turkey
- South America, etc.

Projected benefits

- Creation of imported meat procurement and sales structures tailored to market conditions
- Stabilization of profits through enhanced sales of branded fresh meats in the Japanese market
- Revitalization of human resource mobility

* The above diagram does not include the Ballpark Business. The number of countries/regions does not include Japan

Processed Foods Business Division

The Processed Foods Business Division adds to the *joy of eating* by maintaining a diverse product range and creating new hit products.

NH Foods Group was founded as a manufacturer of processed foods. Today we offer a wide variety of products, especially protein-related items such as ham, sausages, processed foods, processed marine products, dairy products, and extract seasonings. Our development capabilities have enabled us to create hit products that reflect consumer perspectives and offer diversified value in response to 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.

We are exploring the possibility of launching *Schau Essen* sausages in overseas markets with the aim of developing these products into a global brand.

Main products

Number one in the wiener sausage category

No.1 *1

Schau Essen

Number one in the chilled pizza category

No.1 *2

Ishigama Kobo

Number one in Chinese prepared dish category

No.1 *3

Chuka Meisai

Sutamina En

Vanilla Yogurt

ROLF smoked cheese

Overseas expansion

[USA] Day-Lee Foods, Inc.
Manufacture and sales of processed foods, especially the Crazy Cuizine 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

*1 Macromill QPR data: Number 1 in Japan in terms of the value of purchases in the wiener sausage brand category, April 2024-March 2025, nationwide
*2 Macromill QPR data: Number 1 in Japan in terms of the value of purchases in chilled pizza brand category, April 2024-March 2025, nationwide
*3 Number 1 in Japan in terms of Chinese prepared dish purchases, January-December 2024 (CODE Purchase Data (Kailog))

Business overview

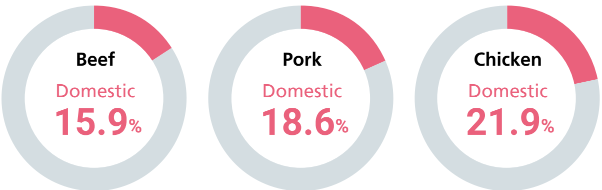
Fresh Meats Business Division

As the fresh meats infrastructure company with the number one share of the Japanese fresh meats market, the NH Foods Group is ensuring reliability of supply for the people of Japan by building production and procurement structures that far surpass those of its competitors.

The Fresh Meats Business contributes over 50% of the net sales of the NH Foods Group. Our production operations are especially effective. We respond to market needs by producing high value-added fresh meats at our own farms, while also using external procurement to strengthen our resilience to risks in the external environment. The NH Foods Group controls a 20% share of the Japanese market for fresh meats. We also produce beef in Australia and chicken in Turkey. By expanding collaboration with our overseas business sites, we are building a robust procurement system that is responsive to demand trends.

Fresh meats procured through these systems are supplied to consumers via a nationwide network of sales outlets operated by the Nippon Food companies.

Domestic market share*



* As of March 31, 2025 (based on NH Foods research)

Branded fresh meats

Beef	Pork	Chicken
Domestically produced beef *GENMAI GYU*	*Mugikomachi* Domestically produced pork	*Sakurahime* Domestically produced chicken
Australian-produced beef *Omugi-gyu ANGUS*	American-produced pork *Toumorokoshi Buta*	Thai-produced *Herb Soiku Chicken*

Overseas expansion

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

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

Ballpark Business

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 managing the Hokkaido Nippon-Ham Fighters, a professional baseball team, and in 2023, we opened Hokkaido Ballpark F Village and 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.

Hokkaido Ballpark F Village

A message from the vice president

Transformation to a business base with enhanced portfolio quality

Fumio Maeda
Director and Vice President, Executive Vice President

Strategy for the fiscal year ending March 2026

The NH Foods Group operates in a rapidly changing business environment, but we do not anticipate any shift away from the current trend toward a weaker yen. Compared with the era when Japan was the price leader, we now face a global market environment in which it is becoming increasingly difficult to purchase raw materials and other goods at low prices. Feed and energy costs are also soaring, and we are concerned about the future effects of the tariff relationship between Japan and the United States. Since the Japanese livestock industry is heavily reliant on imported feed, we see feed procurement as a potential source of issues in the future.

Domestic consumption trends are also shifting rapidly. Rising prices are reflected in heightened consumer frugality, and finding ways to simulate purchase intentions has become a challenge. I have formulated the following three policies to equip the NH Foods Group for success in this environment.

A message from the vice president

1. Maximizing value across the value chain from a company-wide perspective

The NH Foods Group has value chains for each business division. These have expanded and changed in step with growth, from the era of mass consumption to the current focus on quality. We realized that we could not adapt to these environmental changes without changing the scale of our value chains.

One of our unique strengths is our vertical integration system, which encompasses all stages from the procurement and production of livestock products to processing, manufacturing, marketing, logistics, and sales. I have an important responsibility to match our advantages at each stage of the value chain with contemporary needs.

Until now we have achieved business growth by using horizontal connections across our value chains to differentiate ourselves from our competitors. Going forward, we plan to restructure our value chains to reflect the current environment by actively incorporating co-creation with other companies alongside our own operations. We have already announced several moves toward this transformation of our value chains, including a partnership with JA ZEN-NOH, the acquisition of LJD Holdings, Inc., and the signing of a comprehensive business partnership with Charoen Pokphand Foods, the biggest food company in Thailand.

We believe that there is still room for improvement along the vertical axes of our value chains when viewed from a cross-segment perspective. In the past, some aspects of optimization across multiple business divisions were difficult because of differences in practices and systems. However, the Business Strategy Division is now acting as a hub for the cross-segment implementation of these changes.

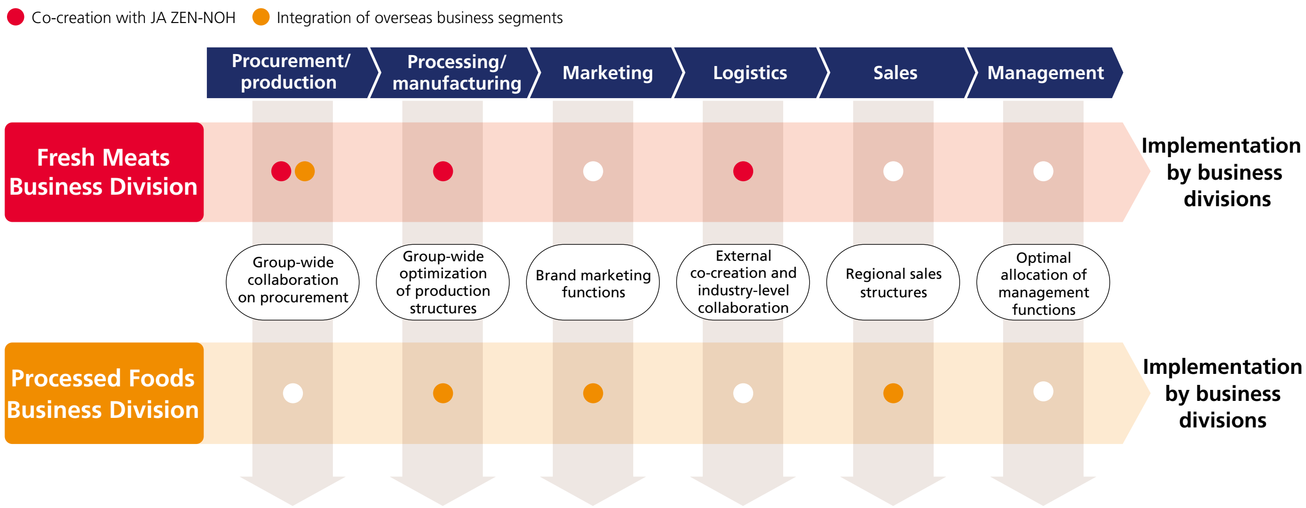
We recently carried out major structural reforms that resulted in the transfer of functions and personnel from the Overseas Business Division to the Fresh Meats Business Division and Processed Foods Business Division. This restructuring is already yielding benefits, including the cross-organizational deployment of know-how and personnel, as well as processing technologies developed in Japan. Other benefits include faster collaboration with overseas operations in the fresh meats segment.

Soaring beef prices in the second half of the fiscal year ended March 2025 led to a shift in demand from beef to pork. This resulted in supply-demand gaps, since our procurement activities are based on plans that anticipate needs several months into the future. Frontline sales personnel were aware of this shift in consumers' meat preferences, but this information was not shared quickly enough with our procurement networks and overseas production units, and our profits were impaired as a result. We believe that our organizational changes will minimize such supply-demand gaps and enhance profitability.

We have expanded joint purchasing activities by procurement units in the Fresh Meats Business Division and the Processed Foods Business Division. This is expected to result in enhanced earnings for the Processed Foods Business Division. We are also working on collaborative production activities involving plants that are in close proximity to one another. In addition, we are exploring the possibility of using the Processed Foods Business Division's processing technologies to create primary processed fresh meat products.

One of the NH Foods Group's strengths in the area of logistics is our transportation capacity for chilled products. We will further enhance this advantage by pursuing

Value Chain Changes



By optimizing our activities from both the value chain and cross-organizational perspectives, we will maximize value throughout our value chains and strengthen our business base.

A message from the vice president

cross-segment strategies. In May 2024, we introduced palletized shipping, which has not been used extensively in the fresh meat industry in the past. We will continue to lead the industry in introducing this palletized shipping. We will also explore the possibility of transporting other companies' products alongside our own.

Through these initiatives, we aim to achieve both horizontal and vertical optimization, leading to value enhancement across entire value chains. If we encounter issues that we cannot resolve solely through our own efforts, we will pursue solutions through co-creation with other companies.

2. Creation of new profit opportunities through new business creation

While our frontline employees intuitively understood the changes taking place in the Japanese consumption environment. However, we still faced many challenges, including our inability to reflect these changes in our product commercialization and marketing strategies quickly enough. We need to adapt our marketing systems to a market environment characterized by accelerating change, while also speeding up our product development activities.

In June 2025, we formulated the *Proteinnovation* R&D strategy. As a company dedicated to the supply of protein, we will work not only to ensure reliable supplies of protein, but also to develop and provide new types of protein. By exploring the potential of protein in new areas, we are confident that we can develop ways to meet customer needs while also addressing social issues, leading to sustainable growth for the NH Foods Group.

I believe that in addition to the initiatives outlined in Medium-Term Management Plan 2026, we also need to prioritize the development of a growth strategy that will enable us to achieve medium- to long-term growth. That will require the creation of a "new business" segment as our fifth business pillar. We aim to map out a specific strategic direction and specific themes for our growth areas before the end of the current fiscal year.

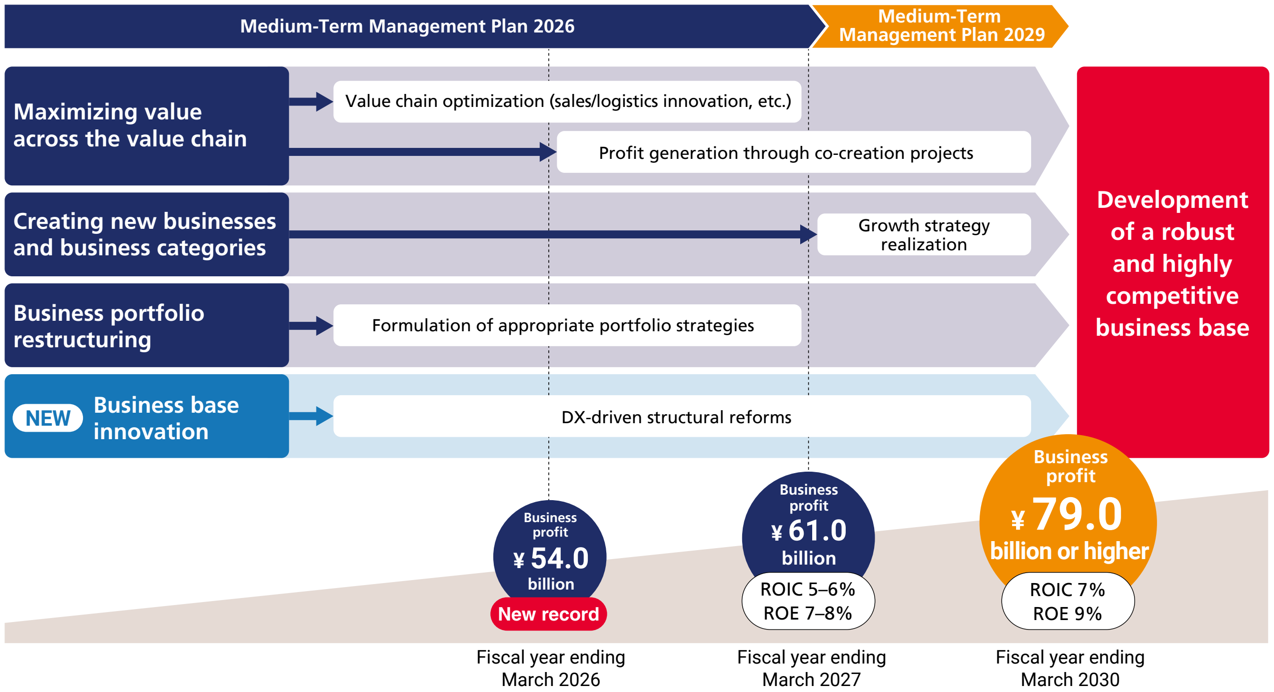
Another key focus will be expansion into overseas markets. We will transform the NH Foods Group into a business structure capable of achieving growth through expansion into growing overseas markets and the global roll-out of our brands.

We will continue to pursue our R&D strategy and overseas expansion, both through our own initiatives and also through external co-creation activities. Where necessary, we will also actively engage in M&A, while allocating funds appropriately in response to opportunities for growth, leading to further value chain optimization.

3. Transforming our business base with DX

Business base enhancement through digital transformation (DX) initiatives will play a vital role in maximizing the income generated by all of our business processes. The NH Foods Group's DX strategy centers on the concept of enhancing the value of existing businesses and creating new value

The growth story of the NH Foods Group



A message from the vice president

through operational innovations and the transformation of digital platforms.

In April 2025, the Processed Foods Business Division began to introduce SAP technology to enhance its operational efficiency and improve the accuracy of supply and demand forecasting. We initially experienced teething problems due to a lack of familiarity with the new systems. However, we have completed the development of a structure that supports centralized data management, and we are now transitioning to the operational phase.

We also plan to introduce SAP technology in the Fresh Meats Business Division, starting in FY2028. By learning from the issues encountered when the technology was introduced in the Processed Foods Business Division as part of the preparatory process, we aim to ensure a smooth transition for the Fresh Meats Business Division.

At the same time, the NH Foods Group will move forward with the use of AI to generate economic value. Over the past two years, we have been trialing an AI-based supply-demand forecasting system for our imported chicken procurement operations. Using data collected through this system, we forecasted demand two months and four months ahead and then used AI to support purchasing decisions. This initiative has already delivered measurable benefits. While it will be difficult to adapt the system for other types of meat because of differences in the timing of procurement and the number of different meat cuts, we intend to apply knowledge and experience gained from its use for imported chicken procurement in other areas. We will continue explore various improvements, including the use of AI-based forecasting for our beef and pork procurement activities.

Achieving sustainable growth

The NH Foods Group owns Japan's leading sausage brand, *Schau Essen*, and has a nationwide fresh meat distribution network with around 1,300 trucks. Our other strengths include an excellent logistics network, quality assurance systems to ensure product safety, and production capabilities that enable us to meet the needs of our customers. Through our Ballpark Business, we are also a leader in the Japanese sports content industry. While these strengths put us ahead of our competitors, we believe that there is always room for further improvement.

To achieve further growth and meet the expectations of our stakeholders, we need to leverage these strengths to enhance our competitiveness and profitability. To achieve that, we must take on the challenge of achieving real change rather than just pursuing improvements and upgrades along our existing trajectory. I believe that I have a personal responsibility to develop strategies that will help our employees to take on new challenges along a unified vector leading to the realization of our vision. By harnessing the integrated strengths of the NH Foods Group, we can overcome challenges in the external environment and achieve sustainable growth.

01 SPECIAL FEATURE New R&D strategy

Toward New Values and the Future of Proteins A unique R&D strategy for the NH Foods Group

In June 2025, NH Foods Ltd. formulated a new R&D strategy called *Proteinnovation*, aimed at accelerating research and development centered on proteins.

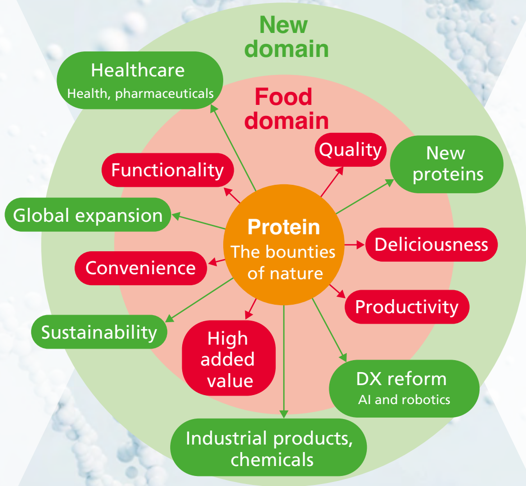
Through the core concept of *Proteinnovation*, our R&D strategy aims to maximize the potentials of proteins using technology and innovation, creating new value and a bright future in both existing food businesses and new domains. In our existing businesses, R&D priorities include customer value creation and high productivity, focusing on four areas “Production DX (Digital Transformation),” “New protein development,” “Deliciousness & wellness” and “Global expansion.” For new ventures, centered on healthcare and social issue solutions, the focus areas are “Healthcare/Medical domain” and “Upcycling domain”. By pursuing both “evolution of existing businesses” and “creation of new businesses,” we aim to realize our corporate philosophy and Vision2030.

Evolution of existing businesses

Customer value creation and pursuit of high productivity

Priority areas

- **Production DX domain**
  (high-production and labor-saving production using AI/IoT/robotics technologies)
- **New protein domain**
  (securing next-generation protein sources)
- **Deliciousness & wellness domain**
  (providing new food value)
- **Global expansion domain**
  (global brand creation)



Creating new businesses

Healthcare and solving social issues

Priority areas

- **Healthcare / medical domain**
  (entry into new areas using livestock byproducts)
- **Up-cycling domain**
  (taking on challenges in non-food domains including up-cycling of livestock byproducts and waste)

proteinnovation プロテイノベーション

Proteinnovation = protein + innovation

Accelerating commercialization under an integrated R&D structure

Under this R&D strategy, we will strengthen collaboration across the NH Foods Group and accelerate commercialization of research outcomes.

Our goal is to develop innovative technologies and products through activities at all levels from basic to applied research.

* Corporate Departments (including Corporate Planning Department, VBM Promotion Office, Affairs Department, Sustainability Department, IT Strategy Department, etc.)

The NH Foods Group continuously explores the potentials of protein

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.

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.

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.

Presentation of New-Era Food based on new ingredients at Expo 2025 Osaka, Kansai, Japan

The NH Foods Group participated in events hosted by the Health and Medical Care Department of the Osaka Prefectural Government in a demonstration kitchen in the Food and Culture of the Future Zone of the Osaka Healthcare Pavilion at Expo 2025 Osaka, Kansai, Japan.

The *Soy Meat Kushikatsu* (*soy meat cutlets on skewers*) supplied were created using fiberization technology developed by the NH Foods Group to recreate the pull-apart texture of real meat in soy-based products. This new type of ingredient offers many advantages as a source of both protein and fiber.

Tonkotsu-fu Ramen (*tonkotsu-style ramen*) provides the delicious flavors associated with *tonkotsu* without using pig bones. Thickened with soy milk and rice, the broth is enhanced with the *umami* flavor of mushrooms and flavored oils. We will continue to fulfill our mission to ensure the reliable procurement and supply of protein, while also pursuing new potentials for protein through our long-term commitment to research and development.

Soy Meat Kushikatsu
(Example of cooking)

Tonkotsu-fu Ramen
(Example of cooking)

02 SPECIAL FEATURE Evolution and expansion of co-creation

CO-CREATION :01

Expansion into Asia through our evolving co-creation activities

Comprehensive strategic partnership with Thailand's biggest food manufacturer

In December 2024, NH Foods Ltd. concluded a comprehensive strategic partnership with Charoen Pokphand Foods Public Company Limited ("CPF"), one of Asia's leading diversified food manufacturers.

We will further expand our food business in Asia in partnership with CPF, which has robust sales channels in Asia as Thailand's top food manufacturer. NH Foods Group and CPF will collaborate on initiatives in the following four areas.

1. **Joint procurement of raw materials and joint development of processed foods in Thailand**
2. **Expansion of products by Thai Nippon Foods Company Limited, a subsidiary of NHF that manufactures processed food products in Thailand, to CPF's sales channels in Asia**
3. **Exporting processed foods manufactured by NHF from Japan and selling them in Thailand, Singapore, Hong Kong, etc.**
4. **Importing CPF's processed foods from Thailand and selling them in Japan**

The two companies will leverage each other's strengths to strongly promote our processed livestock product business in overseas, primarily in Asia.

CO-CREATION :02

Deepening our co-creation with ZEN-NOH

Ensuring reliable supplies of protein while improving business efficiency

In July 2024, NH Foods Ltd. announced a business agreement with the National Federation of Agricultural Cooperative Associations ("ZEN-NOH"). The agreement covers a co-creation project targeting the sustainable development of the Japanese livestock industry.

The NH Foods Group's *Irodori Kitchen Roast Ham* range is partially manufactured under contract at the Takasaki Ham plant operated by JA ZEN-NOH Meat Foods Co., Ltd. The NH Foods Group and ZEN-NOH are also engaged in multiple projects designed to leverage their respective strengths in such areas as management resources, networks, information, and know-how, including the exploration of future uses for obsolescent meat processing facilities, a packaging material recycling business, and the sharing of logistics systems.

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

Pursuing sustainability in the domestic livestock industry	• Initiatives targeted toward the sustainable development of the Japanese livestock industry • Creation of sustainable models for packaging materials • Improved domestic feed self-sufficiency rate
Establishing a next-generation livestock industry model	• Joint research and business development in the livestock sector • Development of biogas utilization models • Utilization of livestock-derived materials
The Stable supply of livestock protein	• Development of domestic and overseas supply-demand structures through the utilization and coordination of processing facilities • Collaboration on the development and production of packaged fresh meats and processed products using Japanese livestock products at NH Foods Group and ZEN-NOH facilities
Co-creation spanning the businesses of both parties	• Solutions to logistics challenges through coordination

Stakeholder communications

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
- Conscientious payment of taxes
- Contribution to industry development in partnership with various organizations

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

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

For more information on stakeholders, please visit our website