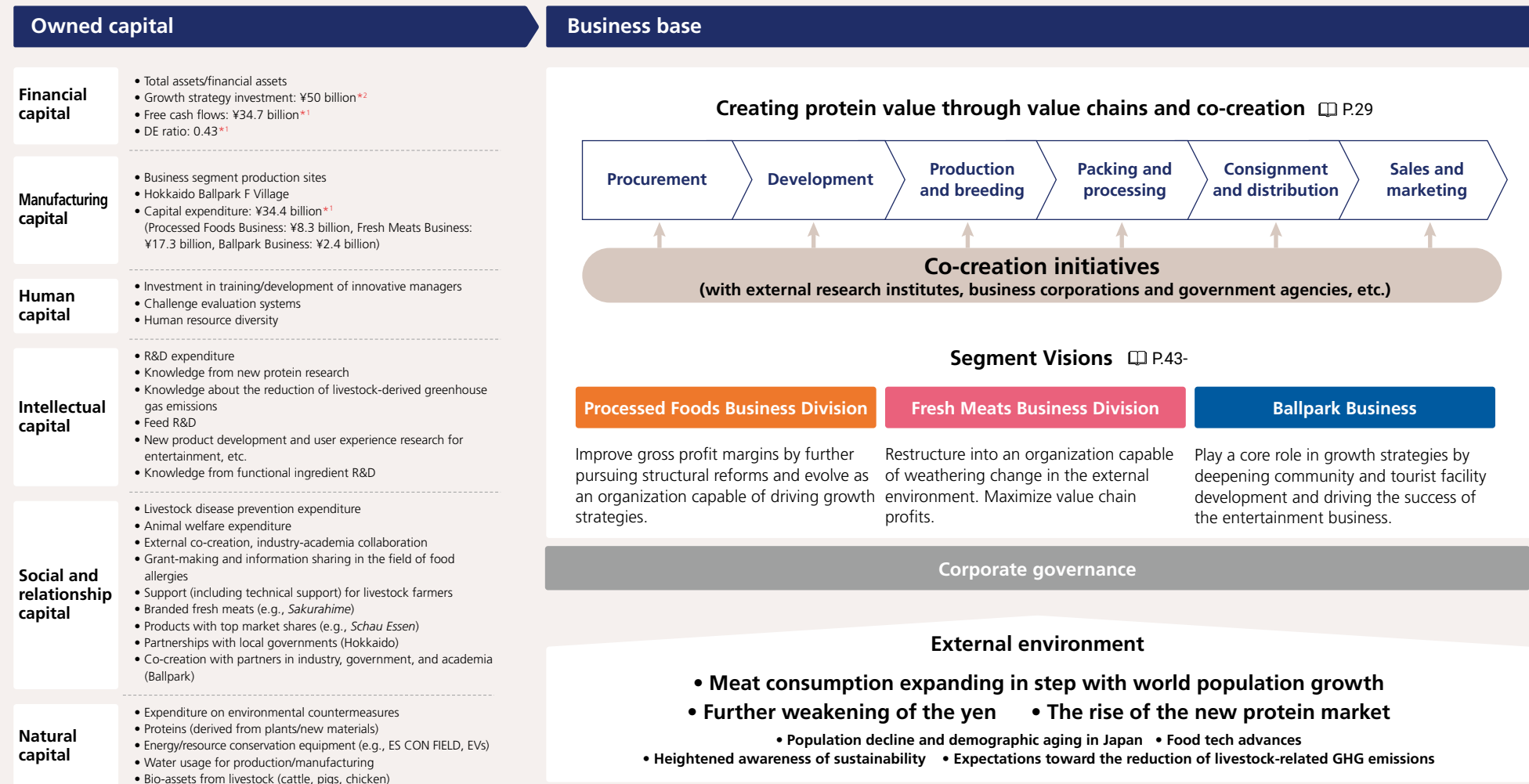


Value creation process

Evolution as a company dedicated to accelerated innovation and working together to create value through protein



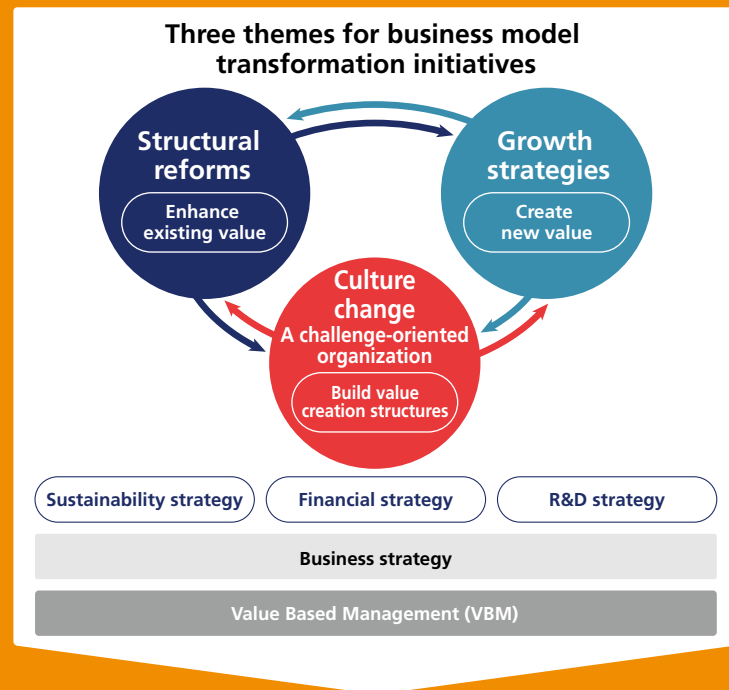
*1 Results for the year ended March 2025 *2 Targets when Medium-Term Management Plan 2026 was formulated

Value creation process

Company-wide strategy

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

□ P.34-



Materialities □ P.57-

- 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

Value creation and long-term vision

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-derived greenhouse gas 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

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	
Financial capital	Operating cash flow: ¥77,400 million (fiscal year ended March 2025)	R&D expenditure: ¥3,147 million (99.7% year on year)	Disease prevention expenditure	- Capital expenditure - Automation investment	
Manufacturing capital	—	Research/inspection centers: 2	Production/breeding sites: 147	- Processing and packaging sites: 83 - Plant specializing in food allergy-related products (Tohoku)	
Human capital	- R&D talent working on the development of new proteins - Training of human resources to ensure the future of livestock farming - Cumulative total of 68 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	- Knowledge about the procurement of key raw materials - Safety and reliability knowledge	- Number of patent applications: 20 (FY2024) - Knowledge from protein research spanning many years - Food allergen detection technology	- Specialized technology and knowledge about livestock - R&D relating to use of biological resources to improve health - Smart pig farming technology	- Specialized technology and knowledge about ham and sausages - Meat processing and packing technology and knowledge	
Social relationship capital	Cooperative relationships with suppliers	- 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 - Co-creation with food sector startups through venture capital investment - Development of alternative proteins through a unique NH Foods approach based on co-creation with food experts	Cooperative relationships with (support for) livestock farmers	Development of meat cuts and processed food products based on the needs of individual customers	
Natural capital	Reducing greenhouse gas emissions	- Plant-derived proteins - New protein resources - Key raw materials	- Reducing greenhouse gas emissions - Use of livestock waste as fuel, composting	- Cooling water - Reducing greenhouse gas emissions - Use of by-products (bones, skin, etc.) as resources	

*1 In April 2023, we amended our quality policy. 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 certified technicians by acquiring advanced skills and passing special exams created by NH Foods. We maintain a cyclical approach to training, whereby certified technicians provide technical guidance and contribute to the development of new certified technicians by acting as instructors for educational programs and basic and advanced training courses.

Capital and value chains

Consignment and distribution	Sales and marketing
Environmental expenditure (reduction of logistics-related GHG emissions)	Business profit: ¥42,500 million
Distribution bases: 29	Sales offices: 202
—	- Specialized customer response skills^{*2} - Original surveys by the Lifestyle Research Office
- 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	- 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: 19.4% (beef: 15.9%, pork: 18.6%, chicken: 21.9%)^{*3}
- Reducing greenhouse gas emissions - Installation of non-CFC freezers / refrigerators using natural coolants	—

^{*2} We have received the top three-star rating in the customer support (telephone) category of the HDI Benchmarking system in seven consecutive years.

^{*3} Domestic market share as of March 2025 (based on NH Foods research)

The NH Foods Group quality policy

The NH Foods Group has identified 3 types of quality required for products and services: Quality for safety, Quality for attraction, and Quality for society. Training our personnel and developing technologies and systems will be advocated to achieve this.

We will contribute to *the joy of eating* and healthier and better lives through safe and high-quality products and services for our customers.

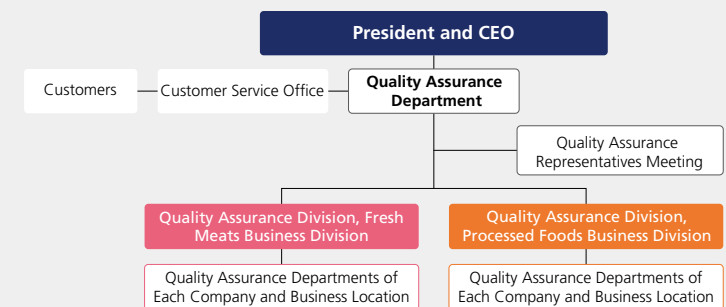
1. We value the communication with our customers and provide products and services that meet their expectations.
2. We will challenge ourselves to impress our customers and create new value through the pursuit of high quality and good eating and free thinking.
3. We will comply with laws and regulations, improve our food safety initiatives from the farm to the table, and provide our customers with the appropriate information.
4. We value the bounty of life, strive to improve the sustainability of our products and services, provide a stable supply of food, and work towards resolving social issues.
5. We consider quality as the most significant value of our group, and we continuously engage all employees in the creation of a culture centered around people, technologies, and systems to strive for safety and superior quality.



The NH Foods Group Quality Assurance System

The NH Foods Group promotes quality assurance activities across the entire group, including the planning of group-wide quality assurance strategies and the formulation and sharing of various policies.

By sharing knowledge and know-how on quality risk information and measures, we aim not only to prevent quality incidents but also to establish a system that can respond swiftly in the event of an accident.



Please visit the following website for details about our quality initiatives. <https://www.nipponham.co.jp/eng/group/quality/index.html>

A message from the executive officer in charge of Value Based Management promotion

Value Based Management decision-making based on long-term perspectives

Atsushi Onishi Executive Officer in charge of VBM Promotion Office and Sustainability Department

Profile Atsushi Onishi joined the Finance and Accounting Department of Aisin Seiki Co., Ltd. (now Aisin Corporation) in 1993. In 1998 he was seconded to the Corporate Financial Strategy Department of the Daiwa Institute of Research Ltd. (DIR). From 2007 onwards, he spent eight years working for Aisin Holdings of America and other three subsidiaries as the chief financial officer. He joined NH Foods Ltd. in November 2023 and has since served as Assistant CFO. He is also a Visiting Professor in the Graduate School of Economics of Nagoya University.



Our VBM philosophy

The NH Foods Group established the VBM Promotion Office in April 2025 as the decision-making axis for the creation of multifaceted value from a long-term perspective under our Value Based Management (VBM) philosophy. The most important requirement for the creation of corporate value is to consider ways to ensure sustainable future cash flow growth from a long-term perspective. That concept is the foundation of my philosophy.

Before joining the NH Foods Group, I spent many years assessing company and business value for M&A and business restructuring, and developing capital policies to maximize corporate value. I aim to apply that experience to Value Based Management at the NH Foods Group.

The VBM Promotion Office will change the focus, scope and perspectives of our traditional approach to financial management systems in three ways.

First, we will realign our focus from profit to value. Since the future is built on current profitability, we will of course need to maximize the financial value of existing businesses from a short-term perspective by improving capital efficiency and expanding profit. Return on invested capital (ROIC) will be an important indicator for this. ROIC is already reflected in the management of NH Foods. However, if we look at the current year's results solely in terms of ROIC, there will inevitably be a bias toward short-term perspectives, which could lead to a shift toward business downsizing. The important thing is to strengthen our earning structures by accelerating profit-focused PDCA cycles, while also shifting to a management focus on value creation. Instead of basing decisions solely on short-term performance indicators,

A message from the executive officer in charge of Value Based Management promotion

we will now judge actions according to whether or not they are necessary for value creation.

Second, we will shift our scope from individual optimization to overall optimization at the consolidated level. For the NH Foods Group, which consists of around 70 companies, this means that in addition to pursuing profit maximization for individual group companies through our management actions, we will also need to expand our perspectives and embrace the concept of overall optimization, including whether or not actions contribute to value creation across the entire group. This concept of overall optimization is reflected in our commitment to maximizing value across value chains, which is a core policy under Medium-Term Management Plan 2026.

Third, we will shift our perspective from short-term to long-term, and from the present situation to the future. As I stated earlier, while strengthening corporate fundamentals through the capture of short-term profit is an important management mission, we cannot build

future value if we are too preoccupied with current trends.

As our President & CEO, Nobuhisa Ikawa, has also mentioned, this philosophy calls for a focus on long-term factors. Long-term value creation is achieved through management based on the use of back-casting to identify future goals so that we can work to bridge gaps between the present situation and our vision.

Recently there has also been an increased focus on non-financial value that has a positive impact on society, such as environmental protection, R&D, and contributions to community development, as an extremely important factor for sustainable cash flow growth. I aim to position the VBM Promotion Office as an organization that will be more focused on company-wide value and able to function as a value creation hub linking business divisions and corporate functional units to create value, so that we can continually update the thinking on which our actions are based, while adapting more rapidly and effectively to accelerating environmental changes.

Visualization of financial discipline and earning power

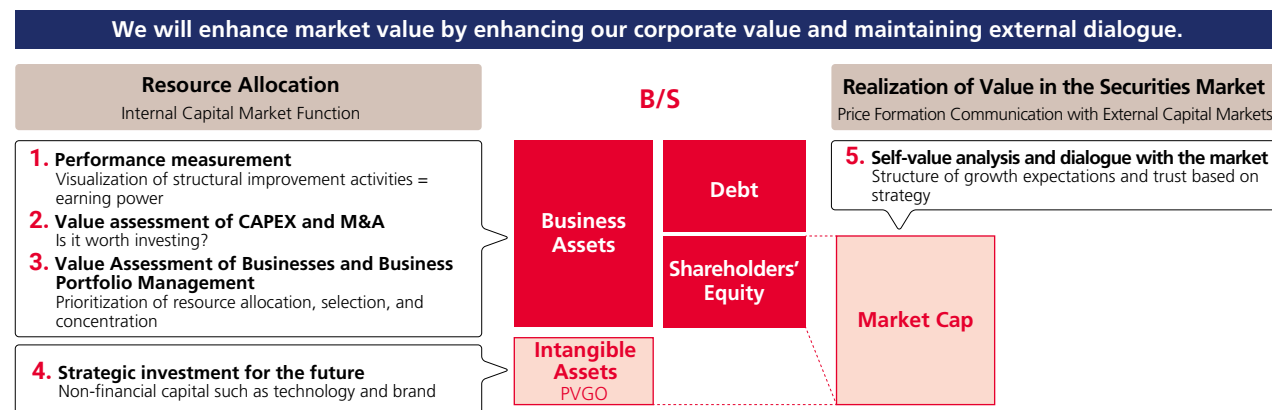
We will strengthen our financial discipline as part of our efforts to drive VBM.

There are only two ways to create corporate value. The first is to generate returns in excess of capital costs on past investments that now exist in the balance sheet as existing businesses. The other is to execute investments in excess capital costs going forward.

To generate value through business consistently, we need to support business activities under an appropriate financial PDCA system. The NH Foods Group has solid product brands, notably *Schau Essen*, but we must still be able to react nimbly to fierce competition and environmental changes. A characteristic of the fresh meats business is the fact that basic earning power can be concealed by fluctuations in trading prices in the beef, pork, and chicken markets and feed prices, which can significantly impact performance. Because substantial amounts of meat are sourced overseas, exchange rates can also have a considerable impact. The ideal financial PDCA is defined as focusing on and supporting frontline improvements and their efforts, excluding external factors. We work to enhance earning power by improving business structures.

The most important aspect of our future investment from a corporate management perspective is to control how much will be invested (or not invested) and in what. We need to choose investments that will generate value and avoid investments that will result in impairment. To achieve this, we decided in the previous fiscal year to treat the ¥50 billion investment in excess of depreciation, which

Our VBM philosophy



A message from the executive officer in charge of Value Based Management promotion

causes the balance sheet to expand, as an investment budget under the control of head office, instead of at the discretion of business divisions. Last year, we also completed the division of capital costs into totals for each business instead of a uniform corporate total. Going forward, we will make value-based investment decisions that take capital costs for each business into account, by formulating investment projects based on visualized earning power.

Business portfolio management and value mapping

The aim of VBM is to improve the structures of existing businesses and execute selected investments, and to manage the shape of our portfolio on that basis. I see value mapping as a useful tool for this purpose, since it provides an overview of our value as a company based on portfolio verification through a comprehensive assessment of the growth potential, attractiveness, and earning power of the business domains in which each business operates. We will combine value mapping with the business portfolio matrix.

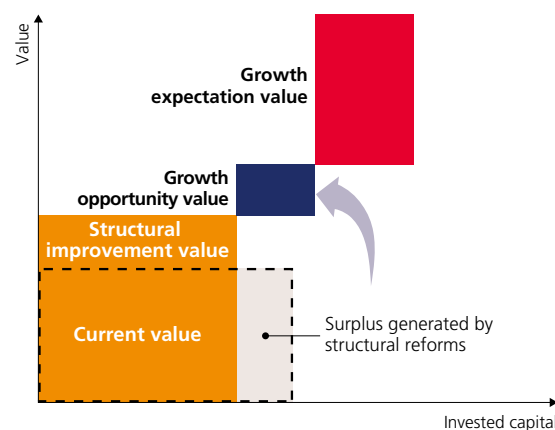
In this way, we will be able to consider our management strategy while thinking comprehensively about individual aspects of each business and long-term factors from a group-wide perspective. For example, how much further value can be enhanced through structural improvements and additional investments, which businesses to focus on for cash recovery, and whether to consider M&A (acquiring external resources to achieve synergies) for the next growth stage.

Value mapping also enables us to visualize the situation now and in the future. Since timelines and non-financial value are also decision-making elements, even if there is a temporary decline in business performance, the perspectives for decisions about the allocation of management resources will also include whether the business concerned is necessary for our core competencies and whether it will contribute to the solution of social issues.

Externally, we disclose information divided into three segments: Processed Foods, Fresh Meats, and Ballpark. Internally, we also analyze 18 business categories, which serve as the units for executing our strategies, to accurately identify growth opportunities across our businesses.

Visualizing value creation through value mapping

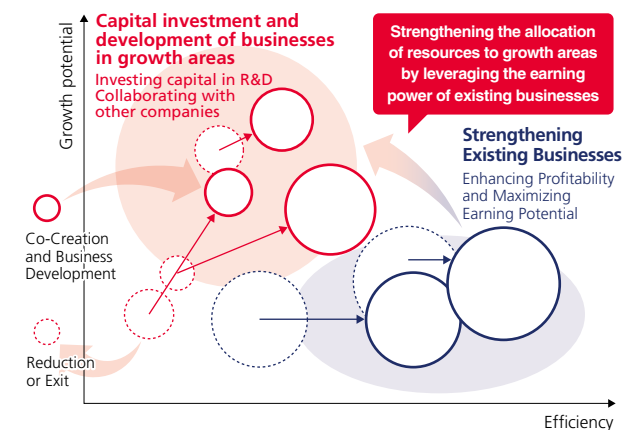
Using value mapping to recognize value creation from a group-wide perspective



Value map
Structural improvement < Growth opportunities < Growth expectation value

In fiscal 2024, we also invested in venture capital with the aim of accelerating co-creation with other companies and open innovation. In addition to the acceleration of R&D based on the *Proteinnovation* R&D strategy that we announced in June 2025, we will also expand our alliances with startups and external research organizations. Initiatives such as these will allow us to create a structure capable of constantly searching for new technologies and know-how that can be used to drive the growth of the NH Foods Group over the next 10 years and the realization of Vision2030.

We identify ROIC and capital costs for each business and allocate management resource to businesses that create value.



Analyzing the competitiveness, growth potential, and market potential of each business and identify businesses to recover cash or expand investment.

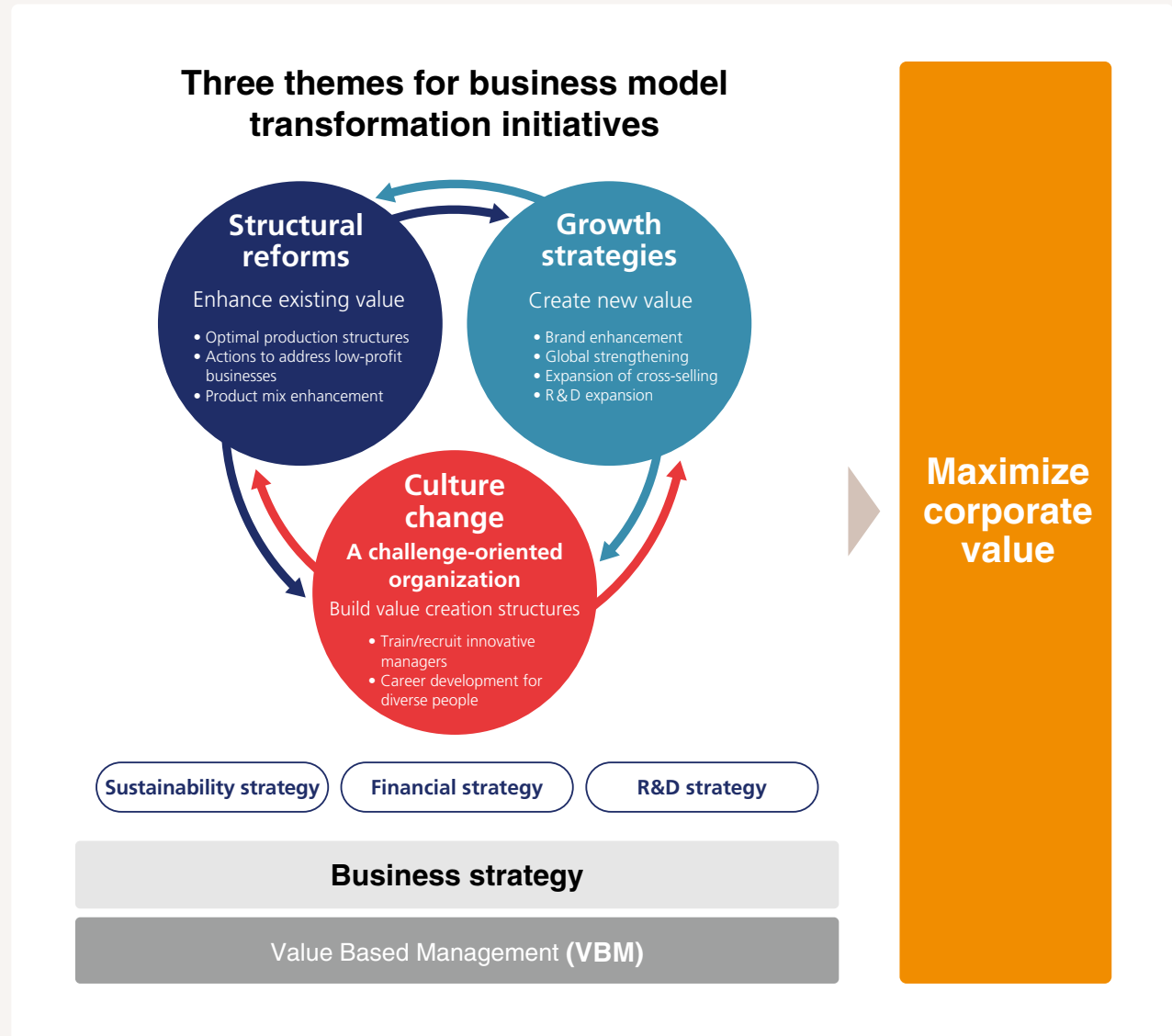
Progress under Medium-Term Management Plan 2026

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

Under Medium-Term Management Plan 2026, we have pursued initiatives centered on structural reform, growth strategies, and cultural reform, as part of our path to the achievement of business profit of ¥79.0 billion in the final year of Medium-Term Management Plan 2029. We have modified key policies and added new KPIs to enhance the achievability of our business profit target of ¥61.0 billion in the final year of the current Medium-Term Management Plan. The Processed Foods Business Division will address the main obstacles to profit opportunities by improving operating rates on its main production lines to allow sales expansion and the addition of new high-margin products. The Fresh Meats Business Division will expand the domestic chicken business and strengthen sales through the Nippon Food companies. The Processed Foods Business Division will also accelerate business growth in the ASEAN region by pursuing synergies with our new organizational structures and co-creation partners, while the Fresh Meats Business Division will implement structural reforms designed to maximize value chain profits. In addition, we have updated KPIs relating to our R&D strategy in order to foster new business creation.

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.

Starting in FY2025, we are accelerating initiatives to strengthen existing value and create new value under our business strategy and our new R&D strategy. We aim to maximize our corporate value and transition to a structure capable of delivering sustainable growth by enhancing our management base, including our sustainability and financial strategies, while also introducing the concept of Value Based Management (VBM), which centers on long-term value creation.



Progress under Medium-Term Management Plan 2026

New Added KPI **Updated** Red: Updated KPI

			Core policies	FY2026 KPI
Structural reforms	Improvement of product mix	Processed Foods Business	Improve the product mix for ham, sausages and deli products	Key category ratio: 70% * Proportion of consumer products (ham, sausages, deli) in total
	Optimal production structures / Low-profit business review		Optimize the production structure (restructure production sites) for ham, sausages and deli products Review low-profit lines in the marine products, dairy products, extracts, and primary processed products businesses	Production lines : 20% reduction
	Profit maximization Introduction of new products and associated increase in line utilization rate		- Improve utilization ratio of priority lines (Priority lines: lines with high contribution to earnings) - New product launches (highly profitable new/renewed products)	New Optimal production volume target ratio by priority line: 100% 109% of production volume in the fiscal year ended March 2024
	Improvement of product mix	Fresh Meats Business	Stabilize profits by strengthening sales of branded beef	New External sales: ¥24.0 billion * Based on estimated retail sales (NH Foods research)
	Optimal production structures		Restructure the domestic pork business	Branded beef ratio: 60% Over ¥1.0 billion impact
	Value chain optimization		Preparing for SAP implementation in the Fresh Meat Business Division beyond the Medium-Term Management Plan 2029 Build an efficient organization through enhancing internal and external co-creation and system optimization (Stabilization of imported fresh meat profits, introduction of SAP, productivity improvement through VC optimization)	New STEP 1: Medium-Term Management Plan 2026: Stabilize profits from imported fresh meats - Strengthen collaboration with overseas group companies and establish a stable and robust procurement and sales structure. - Set KPI for inventory turnover days and execute procurement in accordance with market needs.
Growth strategies	Brand enhancement	Processed Foods Business	Increase sales of flagship brand products (<i>Schau Essen</i>)	Schau Essen: ¥90 billion * Based on estimated retail sales (NH Foods research)
	Global strengthening		Expand the processed foods business in North America and ASEAN	External sales target: ¥200 billion * Total for processed Foods Division and Fresh Meats Division
	Strengthening business in the Americas		Maximize operation acquired factory in the Americas	New Factory operating rate: 100%
	Growth of ASEAN business	Fresh Meats Business	Improve profitability of the ASEAN business (acquire new business partners through external co-creation initiatives)	New Profit improvement in ASEAN area Profit improvement: + ¥1.0 billion (vs. fiscal year ended March 2024)
	Brand enhancement		Increase sales of flagship brand products (domestically produced <i>Sakurahime</i> chicken)	Sakurahime sales volume target: 120%
	Cross-segment sales		Expand sales of processed products	Processed product sales target: ¥30 billion
	Domestic chicken business expansion	R&D	Expansion of domestic chicken production and external procurement	New Nippon White Farm Co., Ltd. volume: 103% New NH Foods Ltd. Consignment Division external procurement volume: 110%
	Strengthening sales force in the fresh meat business		Route sales strategy based on demographics - Urban areas: Supply products that meet needs by increasing the degree of processing - Rural areas: Gain the benefits of remaining in the area by utilizing delivery capabilities	New Nippon Food companies route sales volume: 103%
	R&D expansion		Updated Business creation through R&D strategy (<i>Proteininnovation</i>)	Updated Co-creation proposals in the R&D area: 5
	Ballpark	BP	Further enhance the attractiveness of the ballpark and strengthen the team	Updated Visitor numbers over 4 million

Progress under Medium-Term Management Plan 2026

Financial strategy

Our financial strategy and capital policy under Medium-Term Management Plan 2026

Under the current Medium-Term Management Plan, we will pursue value creation through our capital policy, financial strategy, and strategic IR. 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.

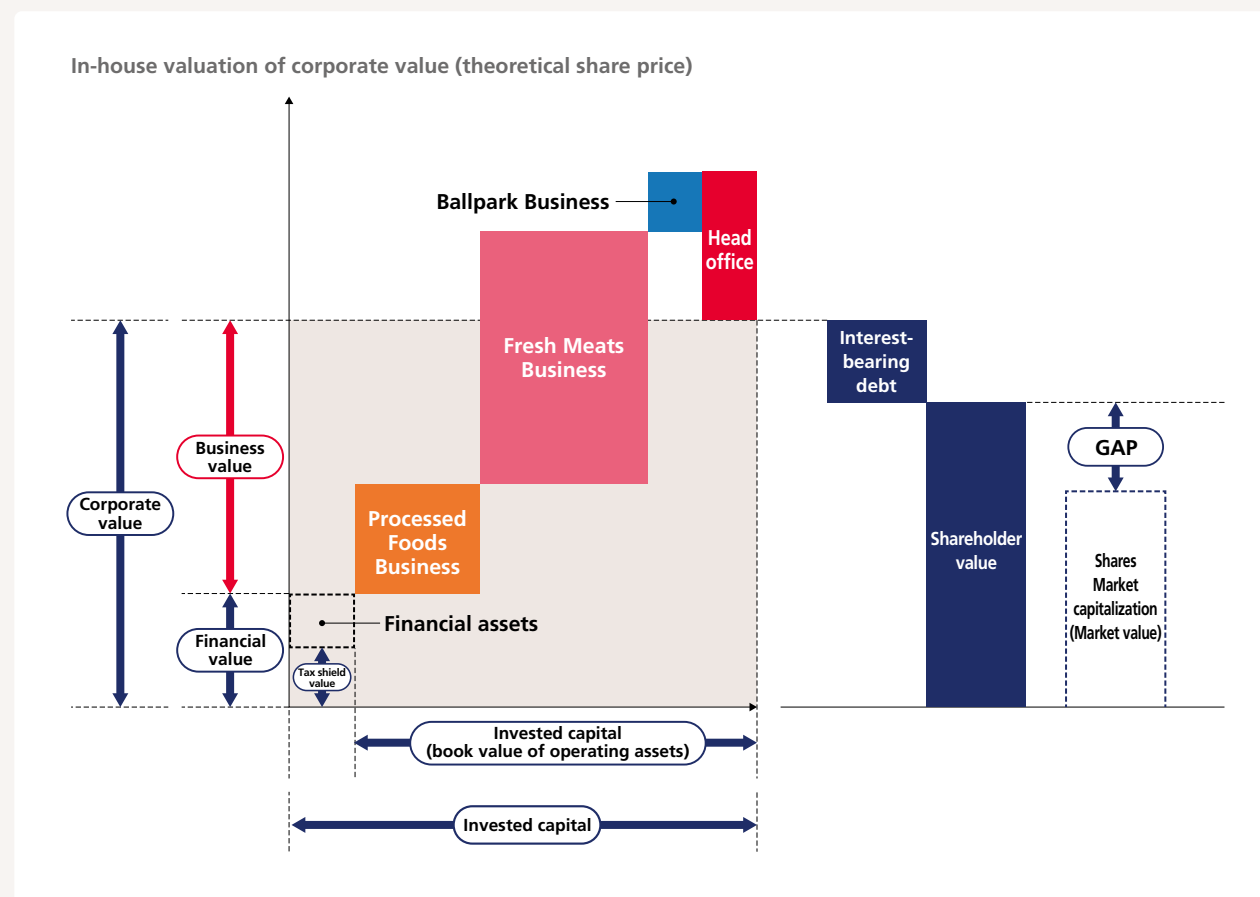
In July 2025, we executed a secondary offering of 9.5 million shares (equivalent to 9.6% of total shares issued) held by our partner financial institutions, primarily to overseas investors. This move is expected to alleviate concerns about future supply and demand in the stock market while enhancing the liquidity of our shares. We have also gained a certain level of recognition for adopting a management stance that welcomes market governance. Going forward, we believe that expanded dialogue with investors will have a positive effect on our standing in the market in terms of market value, which is approximately equivalent to market capitalization.

The capital policy of the NH Foods Group is basically designed to keep interest-bearing debt and shareholders' equity balanced within certain limits. In other words, our

goals are to develop an optimized capital structure that will ensure capital efficiency and maintain our credit rating for debt financing, and to achieve a D/E ratio of 0.5-0.6.

Based on this policy, we established a share buyback program with an upper limit of ¥30 billion in FY2025. When implementing buybacks, we will take into account

an appropriate theoretical share price (see chart) based on in-house valuations using value mapping. We will issue market signals at appropriate times. We will also revise the appropriate leverage level as required to reflect the external environment and our earning power.



Progress under Medium-Term Management Plan 2026

Policy on capital allocation and shareholder returns

Our approach to capital allocation is to strategically allocate funds, providing cash for investment in human resources, capital expenditure, and R&D expenses, while also working to enhance shareholder returns.

Under Medium-Term Management Plan 2026, we have reserved ¥50 billion for investments aimed at future growth as part of our efforts to create corporate value and shareholder returns.

We will execute capital investment in a number of areas, including production capacity expansion for our flagship processed food brands, the expansion of chicken production businesses, the enhancement of our fresh meat sales network in Japan, production capacity expansion at our beef business in Australia, community development for the ballpark business, and the updating of our backbone systems.

In addition, we plan to use cash flows from operating activities temporarily to provide funds for M&A investment as a source of future growth opportunities. In the fiscal year ended March 2025 we acquired three companies based in North America under this framework, and we will continue to explore potential pathways towards achieving disruptive growth in our core businesses.

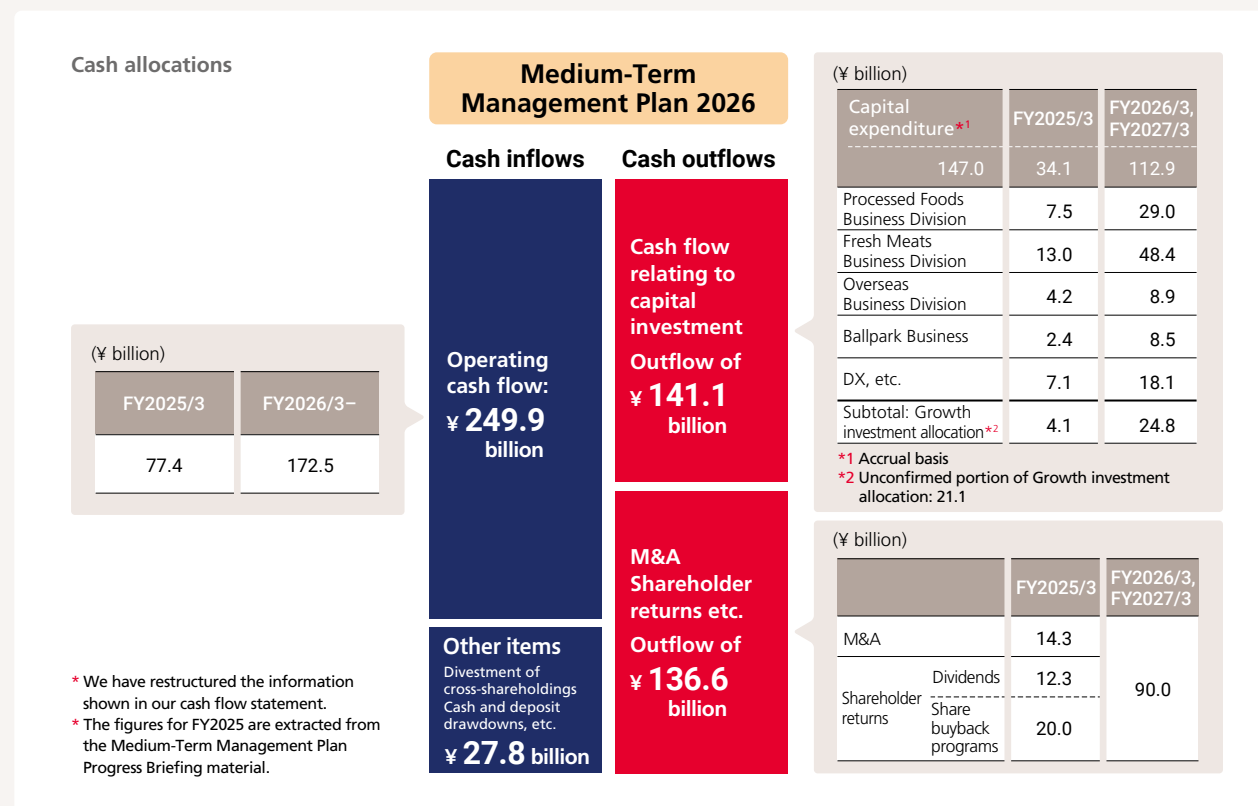
Having secured funds for growth investment, we will enhance shareholder returns. During the period covered by Medium-Term Management Plan 2026, we will work to stabilize the cash dividend and maintain continuous growth. We aim to raise the dividend-on-equity (DOE) ratio from 2.3% to 3.0% and maintain a payout ratio of 40% or higher. By integrating our DOE and payout ratio policies, we will be able to ensure a level of financial discipline in relation to retained earnings, thereby mitigating any agency problems. We will also continue to utilize share buyback schemes to

optimize shareholders' equity to a level deemed to be most efficient from a capital cost perspective.

In the fiscal year ended March 2025, the Group conducted its first share buyback in several years. This resulted in an increase in earnings per share (EPS) by reducing the total number of shares outstanding. In line with our shareholder return policy, which is not limited just to dividends, we will continue our efforts to increase EPS, including the use of additional share buyback schemes.

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.



Progress under Medium-Term Management Plan 2026

Sustainability initiatives

Creation of financial value through the strategic integration of non-financial capital

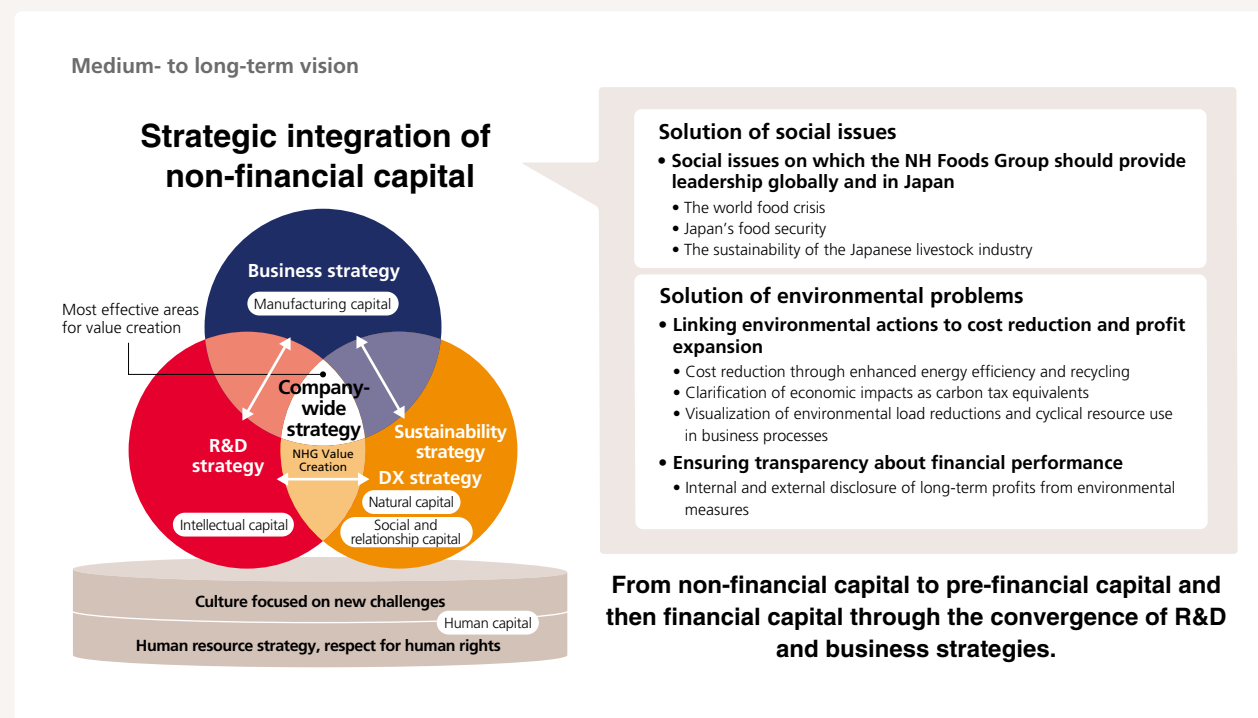
Our business strategy, R&D strategy, and sustainability strategy, can be seen as multiple functional axes needed for value creation by the NH Foods Group. When these functions are combined, they can be positioned as the core of our group-wide strategies for closely related areas in which the Group can create unique value. The realization of each of these strategies is also supported by non-financial capital. While non-financial capital is not as visible as other types of capital, it is not simply a complementary element. By combining our non-financial capital with various strategies, we can generate chemical reactions that create new value. The most obvious examples of this approach are open innovation and co-creation. By integrating non-financial capital with our strategies, we aim to turn non-financial capital into pre-financial capital and ultimately into financial capital.

Activities guided by awareness of social impacts

Our sustainability activities affect society on two levels. First, we are working to mitigate negative social impacts through initiatives to address climate change and other issues. In addition to our efforts in such areas as environmental protection, respect for human rights, and occupational safety and health, we also prioritize animal welfare because of our involvement in the livestock industry. We will continue to make the mitigation of negative impacts on society the core focus of our sustainability activities.

Second, we pursue initiatives that have a positive impact on society. Our R&D strategy is expressed in the word “*Proteininnovation*,” a portmanteau of “protein” and “innovation.” We are creating a new protein-based businesses in various areas, including not only food, but also healthcare, medicine, livestock by-products, and waste upcycling. By setting long timeframes for initiatives to address social issues and bring benefits to society, we facilitate co-creation and innovation and enhance our value as a company that meets the needs of society.

The NH Foods Group is one of the biggest company in the Japanese food industry. I believe that we have a duty to work with determination, commitment, and high aspirations to transform not only Japan but the world. This perception is especially important to our sustainability initiatives. As the NH Foods Group moves forward to a new stage of transformation and challenges, we will continue to work actively to contribute to the solution of social issues.



A message from the executive officer in charge of human resources

Our evolution as people and organizations ready to take up the challenge of group-wide transformation

Kohei Akiyama Director and Managing Executive Officer



Human capital strategy centered on fostering a culture of challenge

FY2024 was the first year of Medium-Term Management Plan 2026, under which we have adopted a growth strategy characterized by a shift to a more aggressive stance. Linked to this is a human capital strategy that centers on fostering an organizational culture focused on new challenges. This stance reflects our belief that business transformation and proactive management are the cumulative outcomes of bold challenges by all executives and employees in the NH Foods Group.

The NH Foods Group traditionally had a culture of taking up challenges without fear of change. However, an increased emphasis on compliance after 2002 resulted in a shift to a more defensive organizational culture. We became concerned that this change had weakened our ability to take up new challenges. The goal of our human capital strategy is to rebuild an aggressive organizational culture on a foundation of compliance.

We have adopted two approaches to the development of a challenge-focused organizational culture. The first is the training and recruitment of innovative managers. Cultural transformation begins with the willingness of the management team to take up challenges and transform themselves. All officers, including the President, have declared their own challenges and created mechanisms to reflect progress toward those commitments in executive evaluation systems. We have also prioritized strategic hiring, selection and training.

The other approach is the promotion of career development for diverse people. We have created structures within which people can recognize and support each other's challenges, and we have designed systems and mechanisms from the perspective of engagement and motivation. In FY2024, we began to measure our progress on these initiatives based on 30 KPIs.

We are also revising its systems to ensure that they are administered in ways that result in appropriate assessment and treatment and are conducive to motivation and growth.

A message from the executive officer in charge of human resources

From mindset transformation to action under the leadership of the management team

Many of our 30 KPIs point to steady improvement in the working environment, including career advancement for women, the reduction of total working hours, and the promotion of mental and physical health. However, a key challenge going forward will be the enhancement of employee motivation. That is why we have prioritized initiatives to create a framework that encourages challenges and a framework to enhance job satisfaction. We are using the results of our annual employee survey (□ P.42) as a KPI for this process. We aim to achieve a positive response ratio of 80% or higher by FY2030.

The results of our FY2024 survey showed a year-on-year improvement in the result for creating a framework that encourages challenge. However, the score for creating a framework to enhance job satisfaction was unchanged. Over the past year, management has issued messages designed to encourage challenges and transformation and modified various systems and mechanisms. For example, we added “challenges” to our evaluation items and created a system that recognized the process of taking up challenges, irrespective of the outcomes. Changes such as these are starting to raise employee awareness about the direction the company is aiming for.

We have decided to make FY2025 a year in which the management team will fully commit to action on the concepts of “challenge” and “motivation.” We will also implement specific measures in all workplaces to ensure that the management team’s commitment is reflected in the actions of division and department managers as the officers responsible for promoting these concepts. When considering how to create an environment where all employees can truly feel the impact of change, we need to move beyond incremental thinking and instead focus on generating fresh ideas and insights. We strongly encourage executives and divisional and department managers to challenge goals identified through back-casting rather than as extensions of past practices. We will also work to deepen our

culture by combining top-down initiatives led by management with encouragement for bottom-up efforts by employees and support for the implementation of those initiatives.

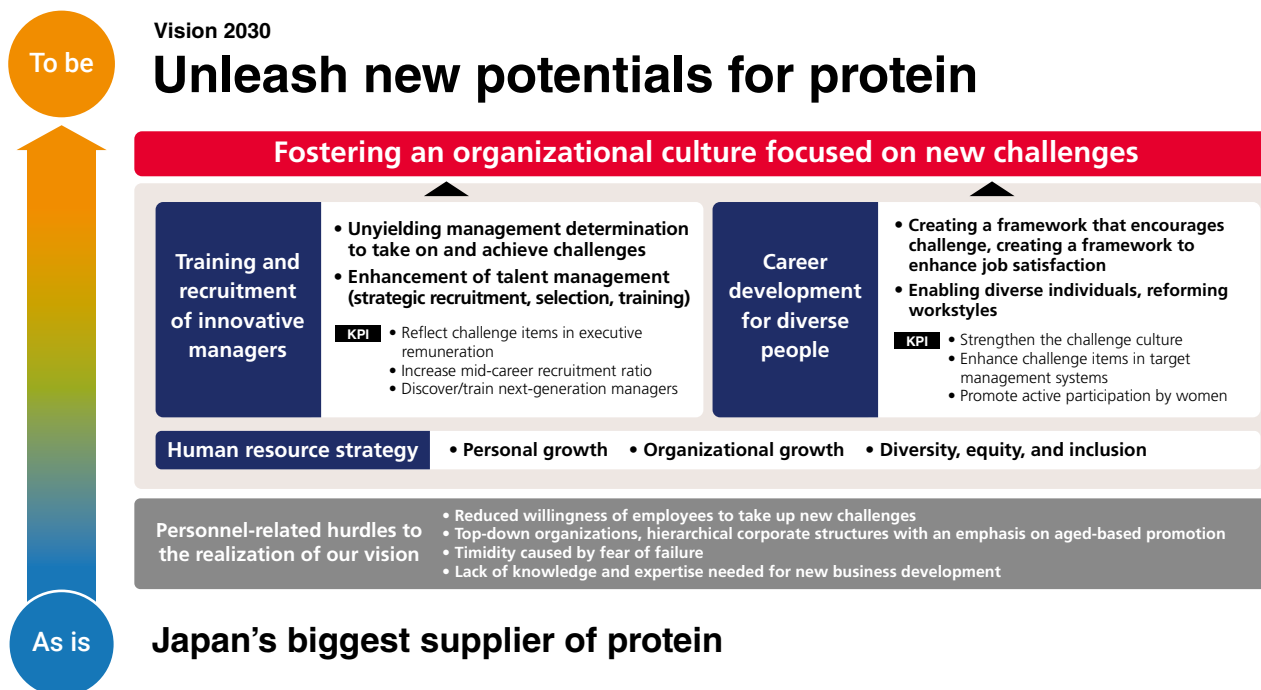
Expansion of overseas human capital to support global business expansion

The NH Foods Group has identified global business expansion as one of its growth strategies under Medium-Term Management Plan 2026. The recruitment and training of talent to lead this strategy are urgent priorities. We are currently increasing our

pool of management talent and specialist staff, especially in the United States, Australia, and Asia. We also plan to step up mid-career and overseas recruitment of people willing to work overseas. In addition, we aim to build a pool of overseas talent.

Going forward, we are determined to achieve our goals under the Medium-Term Management Plan and realize Vision 2030, including global business expansion, by further clarifying the human capital portfolio needed to drive our management strategies, and by deploying the right people to the right positions across the entire NH Foods Group.

Overview of our human resource strategy



Human resource strategy

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 organizational culture.

Since fiscal 2024, we have implemented policies designed to foster workplace environments in which the management team can lead by example and employees feel motivated. This will require commitment, decisiveness, and good communication on the part of the management team, as well as a willingness to change and take on new challenges. At the same time, we are working to identify human resource issues that could impede the realization of our management strategy, while also setting quantitative KPIs for our vision and pursuing initiatives that will lead to improvements.

Specific measures include the addition of innovation and challenges 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. In addition to top-down measures to promote this culture, we also aim to improve engagement by revitalizing bottom-up systems based on personal participation by employees in each workplace.

Innovation and challenges 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 promote reciprocal growth for individuals and organizations.

Training and recruitment of innovative managers and promotion of participation by diverse human resources

Personal growth

Support for career self-direction and taking on challenges

We are shifting the way careers are approached within the NH Foods Group from seeing them as something provided by a company to seeing them as something that the employee and company build together through reciprocal alignment. We are empowering employees to envision their own career and to grow accordingly.

We have strengthened the engagement of "challenges" 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.

In fiscal 2024, we also established the NH Foods Group Individual Award System. By directly acknowledging novel initiatives by individual employees and teams, this system is helping to heighten motivation and foster an organizational culture in which there is positive recognition for those willing to take up new challenges.

We have also introduced various career development systems, including career counseling, so that employees can actively engage in the development of their own careers, as well as an in-house proposal system and the Employee Self-Realization

System. For employees who aim to shape their own careers and achieve greater growth, we offer various opportunities for self-selection and development, including voluntary training activities, correspondence courses, and lunchtime seminars.

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. By enhancing the diversity of knowledge and experience, this approach provides our organizations with new ideas and insights and drives the creation of enhanced value. We are also strengthening initiatives to help new employees hit the ground running, including the provision of networking opportunities.

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

Human resource strategy

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. In addition, we offer post-leave transition seminars for those returning from childcare leave.

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.

Gender wage gap

Although we do not apply different wage levels 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 2024 are shown in the table on the top right. Please note that the statutory disclosure items for “all employees” include both regular 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 regular employees only (as well as a breakdown of managers and general employees) as voluntary disclosure items. For regular 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. In fiscal 2024, we changed the calculation method to cover persons who were employed continuously during the period concerned.

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		FY2024
Statutory disclosure items	All employees* ²	69.7
	Full-time employees* ³	70.9
	Temp employees* ⁴	78.0
Voluntary disclosure items	Regular employees	70.9
	Managers	98.0
	General employees	77.8

*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. In fiscal 2024, we changed the calculation method to cover only persons who were employed continuously during the period concerned.

*² All employees: Employees and temp employees

*³ Full-time employees: Regular 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.

Human resource strategy indicators (human resource KPIs)

We have adopted human resource KPIs as indicators for human resource strategies designed to foster an organizational culture that focuses on new challenges. We use these KPIs, which consist of 30 items relating to human capital, as a mechanism for facilitating initiatives and enhancing their effectiveness through KPI management.

Two KPIs that are considered especially important are monitored regularly through employee surveys. The percentage of positive responses for “Creating a framework that encourages challenge” improved by 3.5% year on year to 68.8%, while that for “Creating a framework to enhance job satisfaction” was 0.3% higher at 66.9%.

We will continue to use initiatives based on human resource KPIs to drive PDCA cycles leading to sustainable growth for both individuals and organizations.

FY2024 results and FY2030 targets for human resource KPIs (excerpt) (for NH Foods Ltd.)

	Measures	Indicators	FY2024 results	FY2030 targets
Personal Growth	Creating a framework that encourages challenge	Employee survey favorable response rate	68.8%	At least 80%
	Creating a framework to enhance job satisfaction		66.9%	At least 80%
Organizational Growth	Strategic recruitment (new graduates/mid-career hires)	Ratio of mid-career recruitment	26.5%	At least 25%
DE&I	Promoting women's participation in the workplace	Percentage of female managers	12.0%	At least 20%
		Percentage of female supervisor and above	25.2%	At least 35%
	Promote employment of people with disabilities	Employment rate of people with disabilities	2.6%	At least 2.7%
	Reduction in total working hours	Total working hours	1,948 hours	1,870 hours
		Overtime hours	204 hours	200 hours
	Mental and physical health	Rate of follow-up action after physical examinations	80.1%	100%
		Ratio of smokers	22.6%	12%

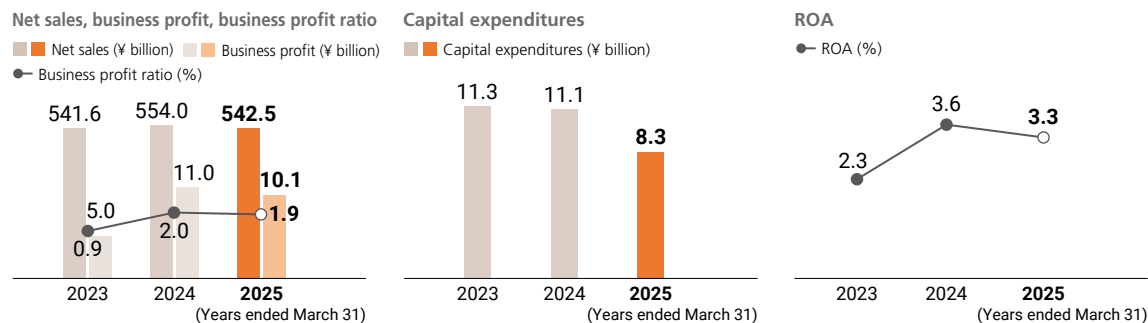
Processed Foods Business Division

Steady progress on structural reforms, moving toward a business profit ratio of 4% through brand enhancement

Progress under Medium-Term Management Plan 2026

	Targets and KPIs	Progress	Results and priorities
Structural reforms	Improvement of product mix Key category ratio: 70%*	67.6%	Efforts toward the elimination of low-margin products are on track, and the progress ratio has climbed from 64% in the fiscal year ended March 2024 to 68%.
	Optimal production structures / Low-profit business review Production lines : 20% reduction in the number of lines	Number of lines reduced by 22	We are making progress toward production structure optimization, and we have already achieved one-third of the KPI target for capacity reduction.
Growth strategies	Increase sales of flagship brand products <i>Schau Essen</i> : ¥90 billion * Based on estimated retail sales (NH Foods research)	107%	- The benefits of marketing initiatives and production line investment are driving steady quantitative expansion - Brands other than <i>Schau Essen</i> stagnated.
	Expand the processed foods business in North America and ASEAN Global strengthening External sales target: ¥200 billion (Total for processed Foods Division and Fresh Meats Division)	¥192.4 billion (14.5% increase)	M&A in North America and external co-creation initiatives in ASEAN have created an environment for major growth in overseas sales of processed foods.

* Consumer products (ham, sausages, deli)



Yukihiro Matsumoto

Managing Executive Officer,
General Manager of Processed Foods Business Division

Processed Foods Business Division

Processed Foods Business Division after April 2025

Business sites (14 companies) in 9 countries/regions

* The number of countries/regions does not include Japan

- Japan
- North America (Day-Lee Foods, LJD Holdings, etc.)
- Southeast Asia (Thai Nippon Foods, NH Foods Vietnam Joint Stock Company, etc.)
- Greater China (Shandong Rilong Foodstuffs, NH Foods Taiwan, etc.)

Projected benefits from business division integration

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

Roll-out of various products in multiple countries



Our strengths and business strategies for each value chain

	Our strengths	Business strategies
Raw material procurement	Our domestic and overseas procurement networks enable us to supply products reliably	
Product development and marketing	Our ability to develop products that match consumer needs is backed by unique consumer monitor systems and advanced R&D capabilities.	Japan Transition to structures capable of supporting marketing and product development from a customer perspective in ways that reflect market changes North America Expansion of Asian-taste brands, especially processed chicken products ASEAN Exploration of potential to market <i>Schau Essen</i> products in each country as part of a global brand roll-out
Manufacturing	Our manufacturing systems combine advanced quality management expertise with sophisticated production methods capable of recreating delicious flavors.	Japan Realization of planned production line cuts North America Stabilization of operations at three newly acquired companies, creation of more advanced production structures through the lateral sharing of processing technology
Logistics	Our logistics networks extend throughout Japan.	Japan Transition to optimal logistics structure
Sales	In addition to our diverse sales channels, our sophisticated proposal, sales, and marketing capabilities also contribute to enhanced customer satisfaction.	Japan Rapid product development and market launches, with a focus on profitability and brand value ASEAN Introduction of processed foods into the Japanese market in collaboration with CPF, enhancement of domestic sales in Thailand
Value provided by the NH Foods Group	• We help to create new food culture by introducing products that enhance mealtime enjoyment. • From our origins in meat processing, we have evolved into a supplier of a diverse range of processed protein products. • Our manufacturing systems ensure that all products supplied to consumers are safe and reliable.	

Processed Foods Business Division

Processed foods business in Japan

Creation of mechanism to support structural reforms and growth strategies

Structural reforms to support growth strategies targeted toward the creation of a business structure capable of reliably delivering high profits

The Processed Foods Business Division is working toward the targets set down in Medium-Term Management Plan 2026 through a combination of structural reform and growth strategies. Structural reform measures have focused on the concentration of resources into high-profit categories with the aim of improving the product mix. Initiatives to reduce production costs include the elimination of duplicated production lines. We will continue to implement these structural measures, which are resulting in steady improvements in profitability.

Under our growth strategies, we are working to achieve growth with profitability by raising the operating rates of priority production lines. Further growth will require continuous expansion of and new product development for key brands. Our target for *Schau Essen* is ¥90 billion (based on estimated retail prices). To achieve that target, we have introduced new marketing



methods and enhanced branding. For example, we are using social media and YouTube to raise awareness and expand the target consumer profile to include young people as well as seniors. We have also added *Oichiizu* (cheese flavor) and *Pawa-Kara* (hot flavor) as brand extensions. *Yoru-Aji* (spicy flavor) has been especially popular and has helped to expand consumption settings to include dinner.

Other examples of initiatives by the Processed Foods Business in Japan to bring new value to the dining table include dairy products, such as cheese, yogurt, and a variety of protein products, including meat-derived extracts and processed fresh meats.

Adapting to changing markets through product development under an integrated production and marketing structure

The NH Foods Group is adapting to a changing external environment by increasing its focus on profitability and brand value in its product development activities. We are also deepening our development systems to reduce the time needed to bring new products to market. For example, Nippon Pure Food, Inc. has accelerated cross-organizational communication on the solution of issues by visualizing production line operating rates and integrating product development with sales and manufacturing. We aim to achieve further growth through similar cross-organization integration of manufacturing and sales in other business areas.

We are making steady progress toward our goals under Medium-Term Management Plan 2026. We will continue our efforts to expand sales through continuing structural reforms, while maintaining profit improvements.

A message from the business frontline

Challenges arising from work experience

I am currently engaged in the marketing of products, especially extracts, to the restaurant industry. I was previously involved in the development of soups and sauces. Thanks to my background in both sales and development, I can respond efficiently to the quality requirements of markets and customers, and I have been able to take on a variety of challenges.

For example, I have been able to transform our production structures by using data to show customers the benefits of switching from weekly to monthly ordering of extracts. I also proposed the establishment of the Extract Sales MVP award. That idea, designed to raise in-house awareness of sales, was adopted. On multiple occasions, I have been involved in verification processes to ensure that product quality requirements are met when plants are merged as part of structural reforms. This work has enabled us to meet customers' quality requirements, resulting in commendations.

I will continue to take up new challenges within and outside of the NH Foods Group from a problem-solving perspective. My goal is to create new business opportunities that will contribute to society.



Masaki Ota

Restaurant Department 1,
External Sales Division
Nippon Pure Food, Inc.

Processed Foods Business Division

Processed foods business in other countries

Leveraging the full potential of domestic and overseas group assets to expand overseas markets

Reflecting area characteristics in strategies

Our area strategies for ASEAN and North America are focused toward the expansion of the top line for our overseas processed foods business.

In North America, we anticipate population growth and increasing interest in Asian-taste foods. Day-Lee Foods is currently preparing to expand its range of processed chicken products by rapidly stabilizing operations at three companies newly added to the group. Another priority is brand enhancement through the development of new products based on development technology from Japan, and the expansion of the *Crazy Cuisine* brand.

In ASEAN, we have commenced a global roll-out of the *Schau Essen* brand, starting with Vietnam and Indonesia. We also plan to expand sales in individual countries by stepping up development and marketing of products that embody local food culture and customs. In Thailand,

we aim to expand our collaboration with Charoen Pokphand Foods under the comprehensive strategic partnership agreement signed in December 2024.

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New organization dedicated to synergy creation in Japan and overseas

The integration of the processed foods business in Japan and overseas since April 2025 has further energized cross-organizational deployment of personnel and expertise. In addition, we have formed a new task team to expand markets through the optimal use of our group assets. This team will provide support not only for exporting of strategic processed food products from Japan, but also product development using Japanese processing technology. In addition, it will support internal sales and marketing to Japanese-owned companies in other countries. We have started to work toward our goal of integrated production and sales and taken our first steps toward the future creation of a global platform for the Processed Foods Business. We aim to raise awareness of the NH Foods Group brand, and to provide global access to products embodying Japanese technology.

Priority strategies for overseas processed foods business

North America	Growth strategy based on business development within the NH Foods Group Future population growth, expansion in regions where interest in Asian-taste products is high United States - Production capacity expansion and reciprocal access to sales channels following the acquisition of three North American companies - New product development and brand enhancement through the use of Japanese development technology
ASEAN	Expansion through co-creation with other companies Rapid business expansion through partnering with local companies that have excellent management resources Thailand - Reinforcement of supply chains within the ASEAN region through co-creation with other companies - Redevelopment of value chains for exports to Japan Indonesia - Channel expansion (convenience stores and food service businesses) through the use of joint venture partners' value chains

A message from the business frontline

Building cross-cultural dialogue

As Chief Communications Officer of Day-Lee Foods, I lead the development of integrated internal and external communication and co-creation strategies and help to enhance corporate value through consistent brand management and messaging. I have also contributed to the integration of three companies acquired in January 2025 by developing a communication structure spanning sales operations, governance, and HR processes.

Our challenge at present is to build dialogue and bridge gaps in culture and practice between the United States and Japan. I am working to foster dialogue, while developing templates for information sharing between Japan and the United States, and introducing training programs focused on cross-cultural understanding. These efforts are gradually yielding improvements.

One of my priorities going forward will be the creation of strategies to improve employee engagement, including the implementation of digital platforms to streamline cross-cultural messaging and dialogue.



Jeffrey Shimamoto

Corporate Communications
Day-Lee Foods, Inc.

Fresh Meats Business Division

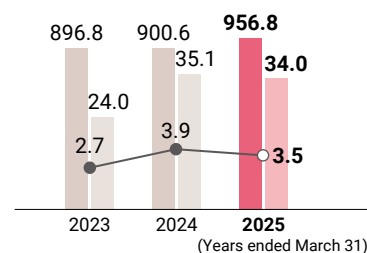
We will pursue restructuring measures to create an organization capable of weathering change in the external environment, while maximizing value chain profits.

Progress under Medium-Term Management Plan 2026

	Targets and KPIs	Progress	Results and priorities
Structural reforms	Optimal production structures: Benefits in excess of ¥1.0 billion from the restructuring of the domestic pork business	Target not met	Although progress has been delayed in some areas, we have made solid progress, including the improvement of production performance and the development of sales channels.
	Improvement of product mix: Branded beef ratio: 60%	Progress in line with plan 55%	Expansion of feedlot in Australia
Growth strategies	Cross-segment sales: Processed product sales target: ¥30 billion	Target not met	6% year on year increase in the value of processed food sales
	Brand enhancement: domestically produced <i>Sakurahime</i> chicken sales volume target:120%	Target not met	2% year on year increase in domestically produced <i>Sakurahime</i> chicken sales volume - Creation of mechanisms to strengthen brand sales, including the training of marketing professionals

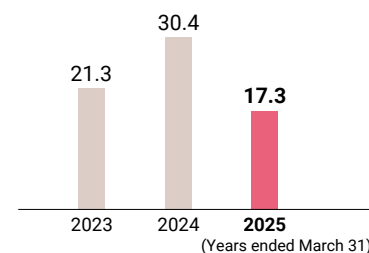
Net sales, business profit, business profit ratio

■ Net sales (¥ billion) ■ Business profit (¥ billion) ■ Capital expenditures (¥ billion)
● Business profit ratio (%)



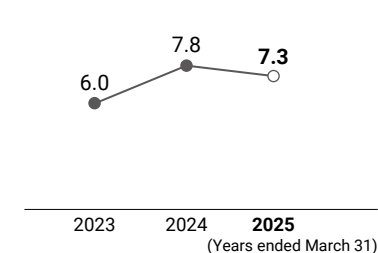
Capital expenditures

■ Capital expenditures (¥ billion)



ROA

● ROA (%)



Nobuhiro Hosoya

Managing Executive Officer
General Manager of Fresh Meats Business Division

Fresh Meats Business Division

Fresh Meats Business Division after April 2025

Business sites (12 companies) in 7 countries/regions

* The number of countries/regions does not include Japan

- Japan
- Australia (NH Foods Australia, Whyalla Beef, etc.)
- Asia & Europe (Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Sirketi, NH Foods U.K., NH Foods Thailand, etc.)
- Americas (NH Foods Chile, NH Foods Brazil)

Projected benefits from business division integration

- 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

Exporting of beef from Australia to Japan and other countries Importing of fresh meats from various countries into Japan



Our strengths and business strategies for each value chain

	Our strengths	Business strategies
Production	By operating our own farms in Japan and Australia, we are able to ensure reliability of supply and stringent quality management.	Japan Domestic pork: Expand the number of pigs produced through the operation of new farms Domestic chicken: Expand profits by increasing <i>Sakurahime</i> chicken sales volumes.
Packing and processing	We satisfy customer needs by supplying extremely fresh meats processed at our own plants to meet a variety of requirements.	Overseas Stabilize earnings through feedlot expansion and an increase in the branded meat ratio. Common Maintain our production operations by reducing labor inputs and implementing labor-saving measures.
Consignment	Our product lineup covers a wide 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.	Japan Expand external procurement. Imports Enhance procurement management structures. Reduce sales opportunity losses through in-depth management of meat types. Common Create growth businesses from a long-term perspective through R&D and restructuring brand strategies in order to strengthen profit bases.
Sales and logistics	We have built an optimized sales structure system based on Japan's largest meat distribution centers and a nationwide food sales network.	Develop human resources with the ability to carry out value-added sales using IDPOS. Build logistics structures capable of maximizing profits in urban and rural areas.
Value provided by the NH Foods Group	• Supplies of safe, secure, high-quality fresh meats through an integrated structure linking all stages from production to sales • Reliable supplies of protein, including fresh meats and processed foods, through a nationwide food sales network • Contribution to regional prosperity through collaboration with local producers	

Fresh Meats Business Division

Transition to a change-resilient value chain

Value chain restructuring through optimization measures focused on the creation of horizontal links

The NH Foods Group has built an integrated structure encompassing all stages from production to sales. We currently handle around 20% of all fresh meats sold in Japan on a volume basis.

However, our business environments in Japan and overseas are changing rapidly under the impact of soaring production and logistics costs, changing consumer preferences, and other factors. To ensure the continuing reliability of protein supplies, we need to modify our value chains. We will optimize our value chains with an emphasis on horizontal links, in order to avoid waste and duplication.

Increasing sales opportunities for processed food products

The Nippon Food companies previously focused primarily on fresh meats but are now also prioritizing processed food sales.

We will make optimal use of our nationwide sales networks to ensure the availability of NH Foods Group products, even in regions affected by changes in food procurement environment due to population decline, a falling birthrate, demographic aging, and other factors.

Expanding production volumes

We have initiated structural reforms at farms supplying our domestic pork business, which is a core element of our Fresh Meats Business. In September 2024 Nippon Clean Farm Ltd. introduced a system under which breeding and fattening are divided into separate sites at its newly completed farm in the Tohoku region. Compared with the traditional integrated production system, which included all stages from mating to shipment, this new system is expected to improve productivity by lowering the risk of disease transmission chains. Other anticipated benefits include a 20% increase in meat production per sow. In addition, the number of pigs that can be processed is expected to rise following a 40% increase in processing capacity at the Donan Plant of Nippon Food Packer, Inc. Going forward, we plan to explore opportunities for collaboration with ZEN-NOH on processing facility innovation.

Another pillar of our Fresh Meats Business is the domestic chicken business. We will pursue volume growth in production and sales of *Sakurahime* domestically produced chicken, which is one of our flagship brands. By stepping up efforts to expand the number and weight of chickens produced, we aim to increase production to 79 million birds by the fiscal year ending March 2030, and 86 million by the fiscal year ending March 2034.

Expanding gross profit through the elimination of duplication and waste from value chains

	Production	Processing	Consignment	Logistics	Sales
Japan	Expanding gross profit - Increased production of branded chicken and pork - Production efficiency improvement - Co-creation with ZEN-NOH		Reduction of selling, general, and administrative expenses - Value chain hub functions - Securing reliable profits	Securing gross profit - Efficiency improvement - Passing on costs through appropriate pricing	Expansion of volumes and margins - Enhancement of marketing - Optimization of meat sales mix
Overseas	Expanding gross profit and reducing volatility Expansion of Australia feedlot				Expanding volumes and reducing volatility Stabilization of customer base

A message from the business frontline

Dual approach based on fresh meats and processed foods

The Nippon Food companies, which previously specialized primarily in fresh meat sales, are now also selling processed foods as a result of business restructuring in recent years. Our challenge now is to move forward under this new structure by expanding sales of processed foods. To achieve that, I am providing the sales department with information on best-selling products tailored to customers such as retailers and restaurant chains, and implementing company-wide sales initiatives involving all employees.

Another new challenge for the Nippon Food companies is the development of new products based on detailed knowledge of meat consumption situations and consumer needs. We aim to explore and pursue a variety of strategies and measures.



Toshiki Funakoshi

Processed Foods Sales Promotion Team
Management Strategy Department
Nishi Nippon Food, Inc.

In recent years, the fresh meat industry has been impacted by rapid fluctuations in market prices caused by a wide range of factors. It is difficult to maintain stable profits in this situation. As we work to market processed food products, which represents a new challenge in this environment, we are keenly aware of the need to maintain stable profits and differentiate ourselves from competitors. Our entire organization is united in this sales initiative.



Toru Tabuchi

Fukuoka Sales Department,
First Kyushu Business Division
Nishi Nippon Food, Inc.

Fresh Meats Business Division

Expanding sales of branded fresh meats

Our initiatives to expand sales of *Sakurahime* domestically produced chicken include the launch of the *Sakura Jokamachi* website for *Sakurahime* fans. Sales of *Sakurahime* chicken increased by 2% year on year in volume terms in the fiscal year ended March 2025. We also achieved steady growth in sales of *Mugikomachi* domestically produced pork and Australian-produced *Omugi-gyu* ANGUS beef.

We have also prioritized sales of processed food products based on our branded fresh meats. In the fiscal year ended March 2025, we leveraged the potential of the nationwide sales and logistics networks of the Nippon Food companies to develop market-focused products. We have made progress on the creation of sales infrastructure, and we will continue to expand our marketing activities with the aim of increasing sales of products with enhanced added value.

Enhanced marketing of *Sakurahime* chicken



Customer-specific proposals and development of value-added products through data marketing

We are focusing on data marketing driven by research capabilities and consumer insights to expand our lineup of high value-added products, develop new products, and create branded meat offerings. Specifically, we are using purchasing data (POS/ID-POS) to analyze activities in in-store sales areas and offer suggestions. Within the NH Foods Group, we are developing the NH-Link system. Equipped with an AI engine, this system is creating an environment that enables rapid analysis of vast amounts of customer data. Through these activities, the Fresh Meats Business Division aims to create value by leveraging data.

Updating procurement management structures to stabilize profit from the imported fresh meat business

We have begun to build a flexible procurement framework capable of adapting flexibly to demand trends. This framework will also include closer collaboration with overseas companies that have been reassigned since the fiscal year ending March 2026.

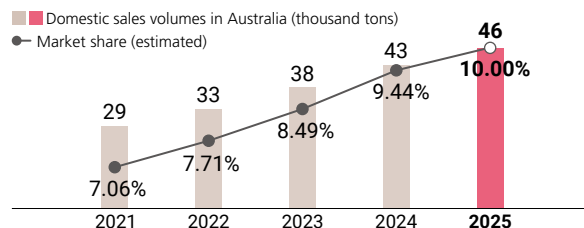
Specifically, we will shift from procurement and sales based on aggregation by individual livestock types to optimizing procurement and sales from a division-wide perspective. In addition to procurement based on sales contracts and thorough inventory management, we are advancing the development of a system that visualizes risk-taking. Another priority will be the improvement of supply-demand forecasting accuracy using the AI technology introduced in the fiscal year ended March 2025.

At the same time, we will develop a flexible mix of meat types based on domestic demand trends and train personnel with the abilities needed to enhance marketing sales of branded fresh meats.

Changes to revenue structure of Australian business

We aim to optimize the production structure of our Australian business and expand sales channels. Our focus on growth in domestic sales of products with high added value is reflected in a rising market share.

Domestic sales volumes and market share in Australia



A message from the business frontline

Building internal control systems that will support business operations

In April 2025, the Australian business made a new start following its transfer from the Overseas Business Division to the Fresh Meats Business Division. I work in the Australia Business Management Department, where I am responsible for internal control systems in the Australia Business Division. Our current priority is the development of business process rules and the creation of infrastructure to support and assess the administration of those rules. We aim to create an environment that will enable us to detect and address risks early.

In this new environment, we have integrated control functions, which were previously spread across multiple units within the Overseas Business Division, under a single department. My impression is that closer collaboration under this structure is resulting in positive changes. The assignment of additional staff from Japan is indicative of the growing significance of internal control systems as we complete our preparations for business growth.

My challenges for the future will be to enhance my professional skills and build a robust internal control structure to support sustainable business growth.



Cha KyungJin

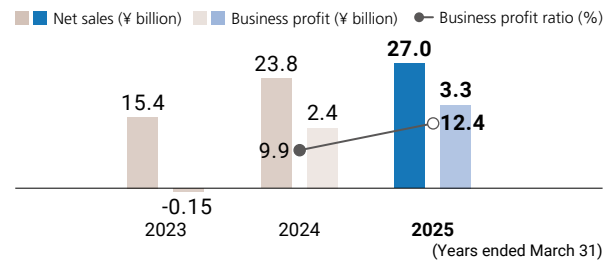
Australia Business
Operations Administrative
Office
Australia Business Division
Fresh Meats Business Division

Ballpark Business

Deepening tourist facility and community development and driving the success of the entertainment business

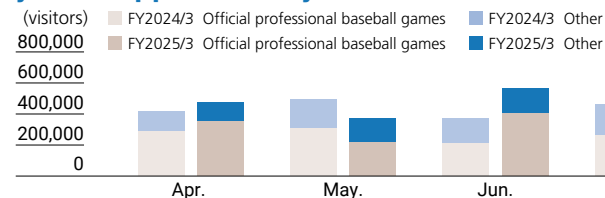
In the fiscal year ended March 2025, the strong performance of the Hokkaido Nippon-Ham Fighters helped to lift attendance numbers at regular-season home games above the previous year's level. A variety of events during the professional baseball off-season also contributed to strong visitor numbers, which increased by 21% year on year to approximately 4.32 million. As a result, sales were 13.5% higher year on year at ¥27 billion, while business profit climbed 41.6% to ¥3.3 billion.

Net sales, business profit, business profit ratio



Hokkaido Ballpark F Village Visitors

Visitor numbers 21% higher year on year at approximately 4.32 million



* B.League: A professional men's basketball league established in Japan in 2016



We used various initiatives, including information sharing within Japan and overseas, to increase visitor numbers during the professional baseball off-season. Total visitor numbers during the off-season

increased by 49% year on year to approximately 1.16 million



Ballpark Business

Growth strategy centered on business structure transformation

Promoting ES CON FIELD HOKKAIDO as an attractive hub for sports and entertainment

Our goal for the Ballpark Business is to use ES CON FIELD HOKKAIDO as a hub for tourism development, community development, and the creation of new business models for the sports industry.

As in the previous fiscal year, we worked to enhance the value of F Village as an entertainment space in the fiscal year ended March 2025. In December 2024 we hosted B.League official games for the first time, attracting around 30,000 visitors over a two-day period. The infield has been converted to artificial turf to allow the staging of diverse events that go beyond existing concepts.

In June 2025, we opened the SUNNY TERRACE, a new dining and commercial facility where visitors can enjoy refreshments and participate in various activities before and after games. Four businesses, including restaurants and a gym, are located on the first level. A hot bath facility is planned for the second level. These facilities are expected to provide an additional boost to visitor numbers.



SUNNY TERRACE

A second growth driver—a new station opening in 2028

Going forward, we will increase our focus on tourism development and community development as pillars for the NH Foods Group's growth strategy.

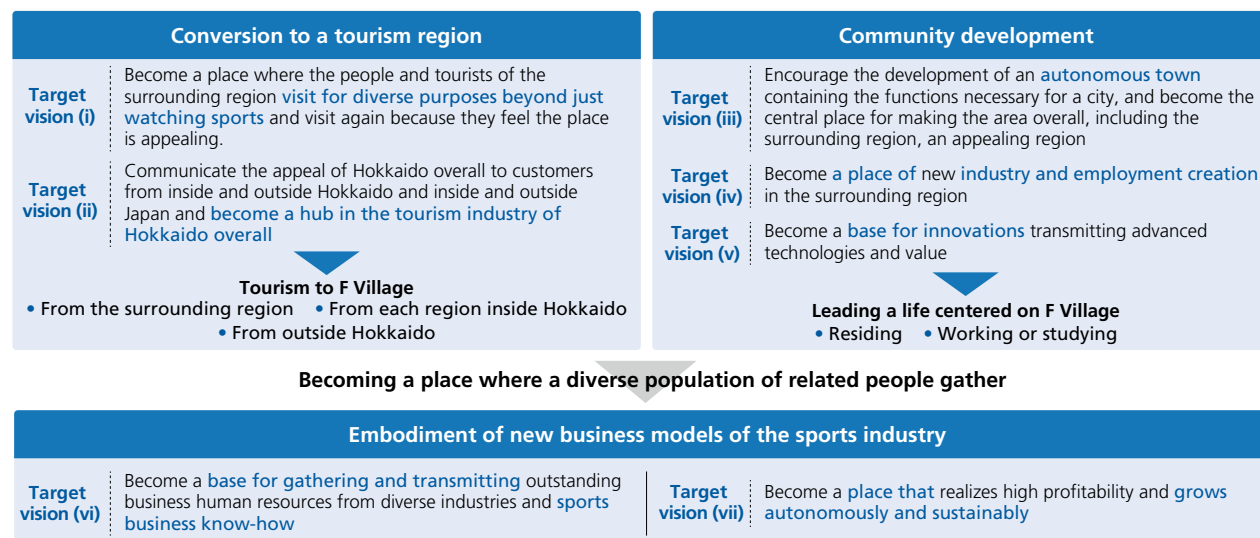
A new station will be opened adjacent to F Village in 2028. The creation of this important transportation hub, together with the development of surrounding facilities, will further energize demand for food, housing, recreation, and education in F Village.

Also in 2028, the Health Sciences University of Hokkaido will relocate its campus to F Village. This move is expected to generate synergies spanning sports and medicine. F Village is attracting a wide range of facilities, including a university campus, office buildings, hotels,

restaurants, and commercial facilities. By expanding our collaboration with private sector businesses and local government, we aim to increase visitor numbers to 7 million per year by 2028.

In July 2025, Hokkaido Nippon-Ham Fighters Co., Ltd. and Fighters Sports & Entertainment Co., Ltd. launched a study in preparation for a project named “One Base Hokkaido—Creation of a New Base.” This project will involve relocating farm facilities that we own in Chiba Prefecture to Hokkaido. In addition to making Hokkaido a center for the development of sports talent, the companies will also take on the challenge of creating a new townscape through the development of accommodation and other commercial facilities in the area around the stadium.

Our vision for F Village



Source: Created by Mitsubishi UFJ Research & Consulting

Ballpark Business

A message from the business frontline

Contributing to community revitalization through hardware-software convergence

The greatest attraction of F Village is its ability to combine the hardware value embodied in the ballpark with the value of the diverse services offered on both match and non-match days, and the continuous improvement of service quality. The growing attractiveness of the operational assets will help to draw development into the surrounding area, reciprocally generating value and leading to further improvement in the value of the entire area.

The core focus of the new business model created by Fighters Sports & Entertainment Co., Ltd. is the ultimate convergence of hardware (facilities) and software (operations). In addition to the proposal, implementation, and realization of development plans that will create value, we will maintain an integrated approach encompassing both hardware and software by targeting the overall optimization of operations and area management and contributing to the evolution of a diverse and energetic community.



**Yutaro
Masuyama**

Sales Division
Fighters Sports &
Entertainment Co., Ltd.

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

	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 2024–March 2025)

Green project	
Eligibility category	Green building
Environmental certification	5-star rating under the DBJ Green Building certification system
Energy usage	12,286,476 kWh ^{*1}
CO ₂ emissions	9,815t-CO ₂ ^{*1}
Water usage	39,256m ³ ^{*1}

^{*1} Net emissions and usage for the NH Foods Group, excluding ES CON FIELD HOKKAIDO partner companies

Social project	
Eligibility category	Improvement of access to essential services
The following facilities have been provided.	
• 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^{*2} • 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)	

^{*2} The quantities of stockpiles are not disclosed, since they are the property of the Hokkaido Government.

Segment Topics

TOPIC | 01 New business initiatives

Enrichment of lives through food

The Processed Foods Business Division has developed *Fitein*, a new plant-based protein product. Containing more protein than meat, this new ingredient is also low-fat and a good source of fiber. We are also continuing the development of rice flour bread as a food allergy care product. We remain committed to the expansion of protein options to enable more people to experience *the joy of eating*.



New brand based on
new fiber-rich protein



Creating new value

Working in collaboration with the NH Foods Ltd.'s Research & Development Center, the Fresh Meats Business Division pursued new value creation through R&D initiatives spanning over 10 themes in the fiscal year ended March 2025. One example was an initiative to develop new products and services based on livestock-derived materials. The Fresh Meats Business Division also aims to open up new business fields by utilizing by-products from its production operations.

Another initiative sought to explore new value for meat by visualizing its flavor quality. We believe that by visualizing the inherent flavor quality of fresh meats, it will be possible to propose new products and sales environments.

TOPIC | 02 Materiality-related initiatives

Contributing to a sustainable environment

One of our materialities is contribution to a sustainable environment. The Processed Foods Business Division is working to reduce the amount of plastic used by modifying product packaging.

For example, in the *Kiwamiyaki* series of products, we eliminated the inner pouch used to package hamburger steak by adjusting the manufacturing process. When combined with other plastic reductions from changing other packaging materials, we successfully reduced annual plastic use by approximately 49.5%, equivalent to approximately 69 tons*. We will continue to prioritize both the environment and resources in our product development and improvement activities.

We are also reducing CO₂ emissions through the installation of solar power generation systems at our plants and business sites. A solar carport installed at Nippon Pure Food's Isesaki Plant in March 2025 allows effective use of the space above the car park to generate solar power without reducing the number of parking spaces. This initiative will reduce CO₂ emissions and electricity consumption and cut electricity use during peak demand hours. We will continue to expand the use of renewable energy going forward.

* Compared to previous packaging, based on sales results for April 1, 2023-March 31, 2024

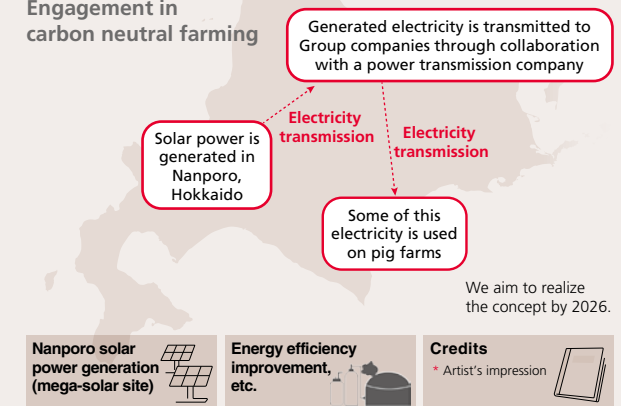


Plastic use
reduced
**by approximately
49.5% per year**
Compared to
previous
packaging

The Fresh Meats Business Division aims to achieve carbon neutrality at its farms.

In December 2024, we took our first step toward developing carbon-neutral farms when Nippon Clean Farm Ltd. installed a solar power generation system in Nanporo, Hokkaido and began supplying electricity to its company-owned pig farms within the region. By using renewable energy from this solar facility, which has a generating capacity of 2,600kW, Nippon Clean Farm aims to reduce annual CO₂ emissions from all of its Hokkaido pig farms by approximately 1,000tons. Going forward, it will work to achieve energy self-sufficiency and improve energy efficiency through solar power, while also exploring the use of carbon credits and other mechanisms related to livestock and agriculture in Japan to address greenhouse gas emissions from livestock. Through these efforts, the company hopes to establish a carbon-neutral farm with net zero greenhouse gas emissions by 2026, as part of its commitment to sustainable livestock production.

Engagement in carbon neutral farming



Carbon-neutral farm: A farm with net zero emission of greenhouse gases derived from Scope 1/2 fuels, electric power, and livestock