

NH Foods Group Integrated Report 2025

Working together
to create value
through protein



A low-angle, motion-blurred photograph of several people in business suits running across a green field at night. The focus is on their legs and feet, suggesting a race or a fast-paced start. The background shows stadium seating and lights, indicating a sports arena setting.

A new start

for the NH Foods Group

**Continuing
commitment to
long-term
value creation
now and in the future**





Commitment to sustainable growth



based on
long-term perspectives



“ We have to change more ”

Editorial policy

Editorial policy

Integrated Report 2025 was published with the aim of informing shareholders, investors, and other stakeholders about the annual results of the NH Foods Group, and about our efforts to take the NH Foods Group forward into a new phase of growth through innovation and challenges. It also provides detailed information about our initiatives to create value over the medium- to long-term future, including the pursuit of Value Based Management (VBM), and the development of a new R&D strategy that will enable us to explore the potential of protein. We hope that stakeholders will use this report to expand their understanding as the basis for a further deepening of dialogue. When preparing this report, we referred to the Integrated Reporting Framework issued by the IFRS Foundation, and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 issued by the Ministry of Economy, Trade and Industry.



Coverage

NH Foods Ltd. and its 71 consolidated subsidiaries in Japan and overseas (as of April 1, 2025)

Period covered

April 1, 2024–March 31, 2025.

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

Notes concerning accounting standards

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

Results for the Ballpark Business, which were previously disclosed in the “Others” category, have been presented as a separate category since the first quarter of the fiscal year ended March 2024. This change reflects the increasing importance of this segment.

Information disclosure structure and the positioning of the integrated report

Financial information Non-financial information

Information disclosed in PDF format

PDF Integrated Report	Financial information Non-financial information	PDF Corporate Governance Report	Non-financial information
PDF Annual Financial Report	Financial information Non-financial information	PDF Progress of Materialities	Non-financial information
PDF Brief Statement of Accounts	Financial information	PDF Medium- to Long-term Environmental Targets	Non-financial information
PDF Medium-Term Management Plan 2026	Financial information	PDF TCFD Report	Non-financial information
PDF Sustainability Report	Non-financial information	PDF TNFD Report	Non-financial information
PDF Data Book	Financial information Non-financial information		

Web (HTML)

Web Investors	Financial information
Web Sustainability	Non-financial information

Forward-looking statements

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

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“We will enhance our sustainability as a company.”

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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



A message from the president

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)

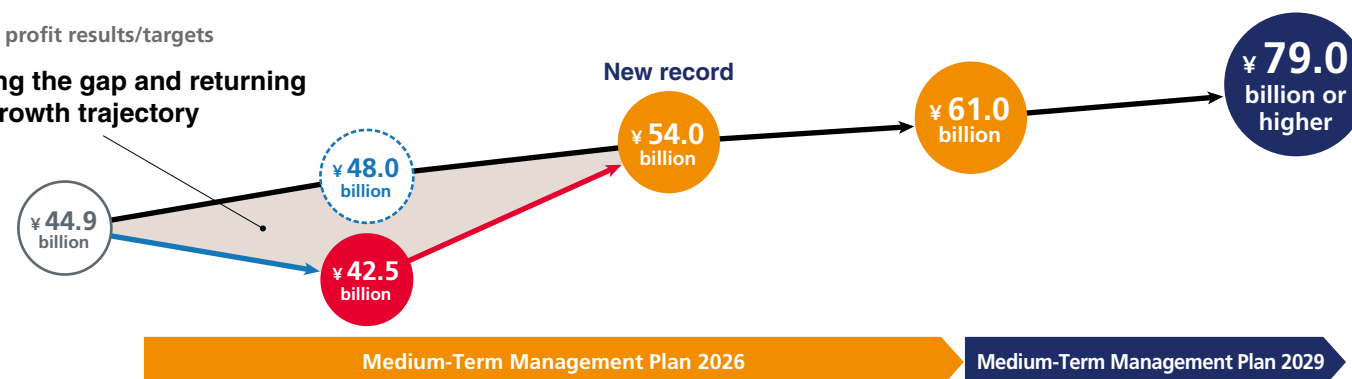
As indicated when Medium-Term Management Plan 2026 was formulated, our numerical targets for the next two fiscal years are ¥54.0 billion in the fiscal year ending March 2026 and ¥61.0 billion in the fiscal year ending March 2027.

	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

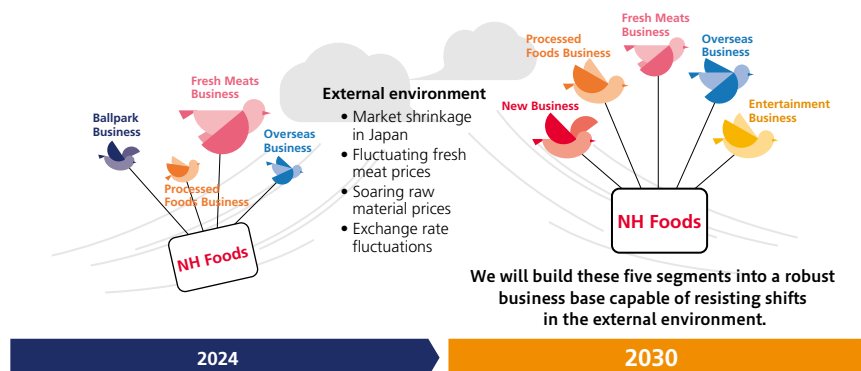
Closing the gap and returning to a growth trajectory



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 "Proteininnovation" R&D Strategy

In June 2025, we formulated the "Proteininnovation" R&D strategy as a way of accelerating our protein-based research and development activities ("Proteininnovation" 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.



A message from the president

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.

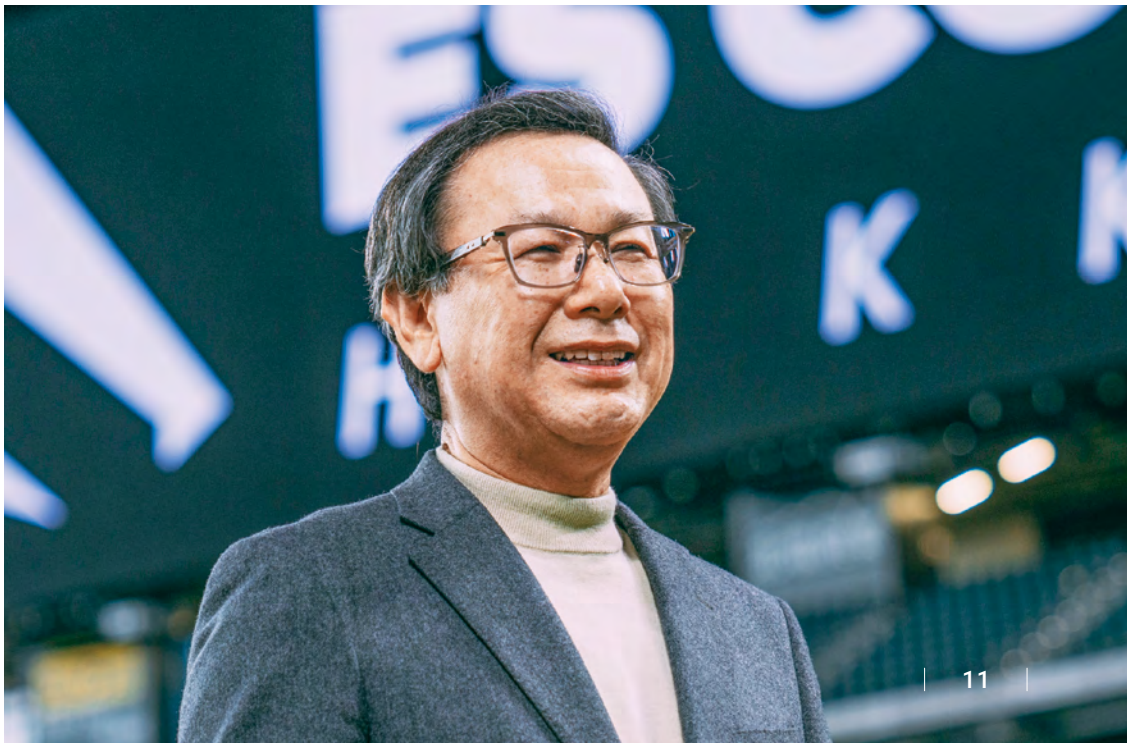
I see the training and recruitment of innovative managers as especially important. In addition to the development of the present management team, we must also prioritize the development of next-generation corporate officers who can play a leading role in the

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.

Hams and sausages



Dairy products



Processed foods



Reliable supply of animal protein

Fresh meats



Processed marine products



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



Providing diversified opportunities
to enjoy animal protein

Creating and providing
new protein choices



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 *Proteininnovation*, 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

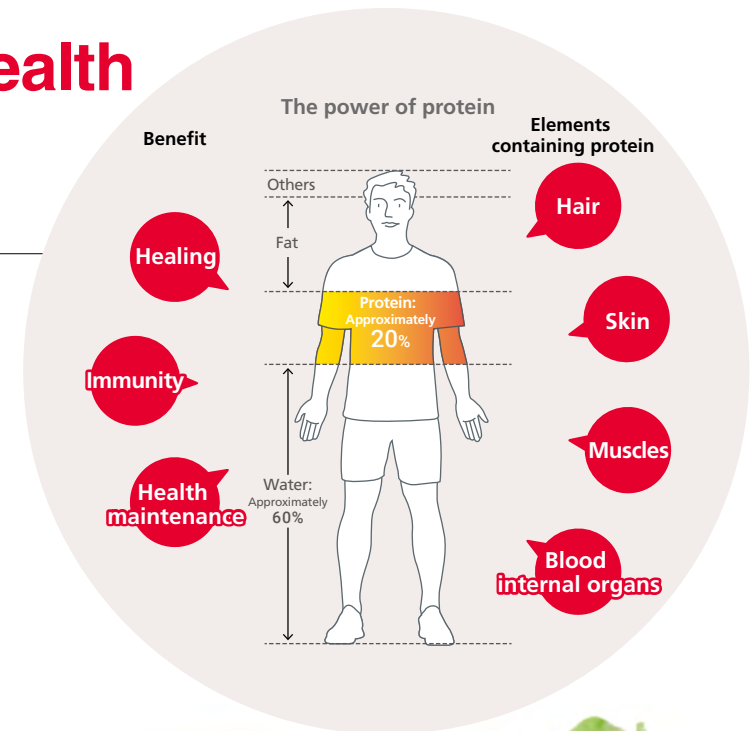
The value provided by protein

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.

Top three preferred foods for fatigue recovery

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

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 foods seen as providing fatigue recovery benefits

1st Proteins 52.5% **2nd Vitamin C** 35.5%
3rd 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

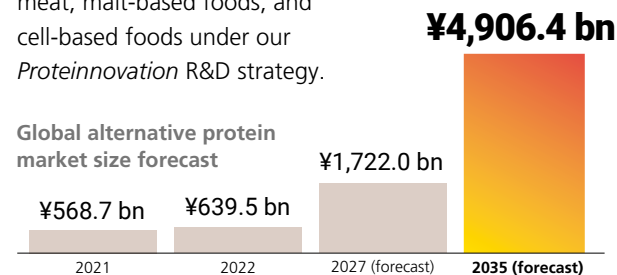
3 Frailty prevention benefits —

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 **Proteininnovation** 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%

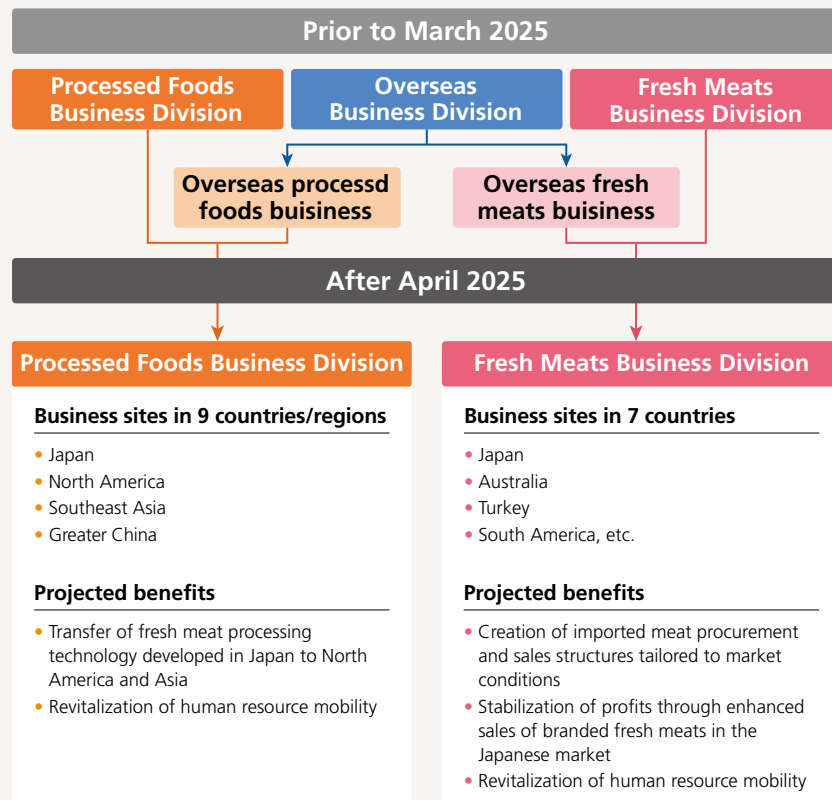
Protein content of the main types of animal protein (g/100g)

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.



* 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



Schau Essen



Sutamina En

Number one in the chilled pizza category



Ishigama Kobo



Vanilla Yogurt

Number one in the Chinese prepared dish category



Chuka Meisai



ROLF smoked cheese

Overseas expansion



[USA] Day-Lee Foods, Inc.

Manufacture and sales of processed foods, especially the Crazy Cuisine brand, importing and exporting of fresh meats and other products



[Thailand] Thai Nippon Foods Co., Ltd

Manufacture of processed foods, especially chicken-based products for export to Japan and domestic sales

*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

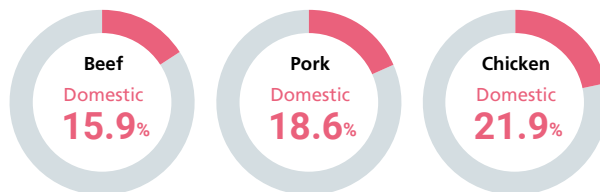
Fresh Meats Business Division

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



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 Şirketi
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

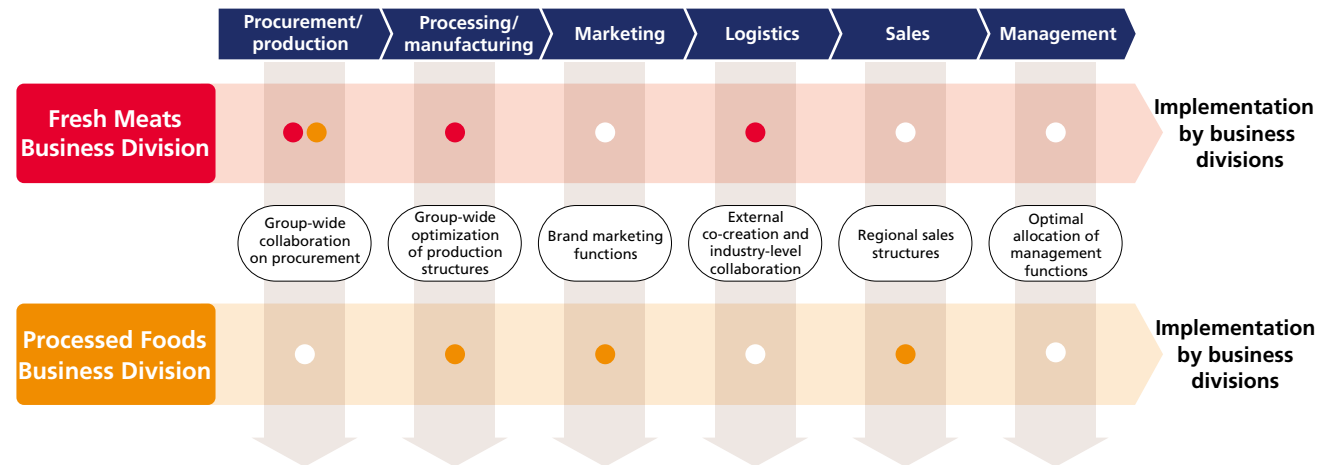
organizational changes will minimize such supply-demand gaps and enhance profitability.

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

● Co-creation with JA ZEN-NOH ● Integration of overseas business segments



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 *Proteininnovation* 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.

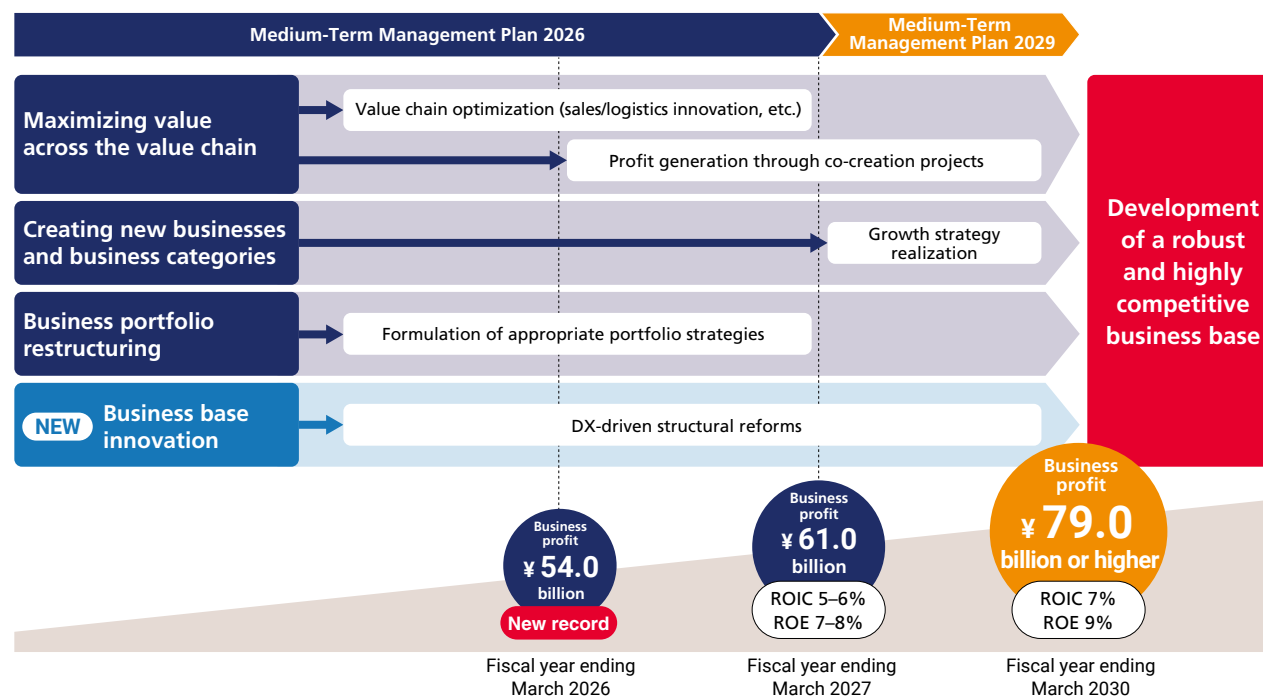
We will continue to pursue our R&D strategy and overseas expansion, both through our own initiatives and

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.

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 *Proteininnovation*, aimed at accelerating research and development centered on proteins.

Through the core concept of *Proteininnovation*, 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.



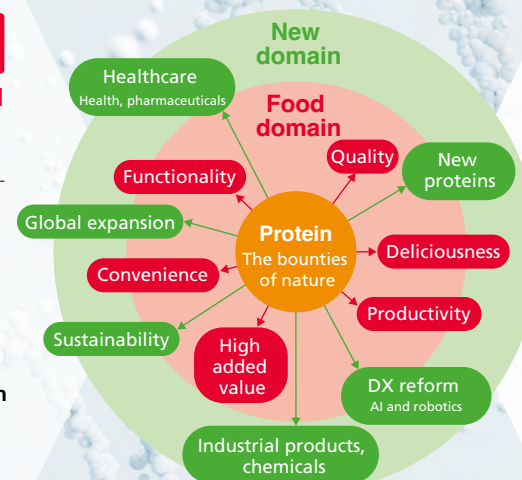
Proteininnovation = protein + innovation

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)

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.)

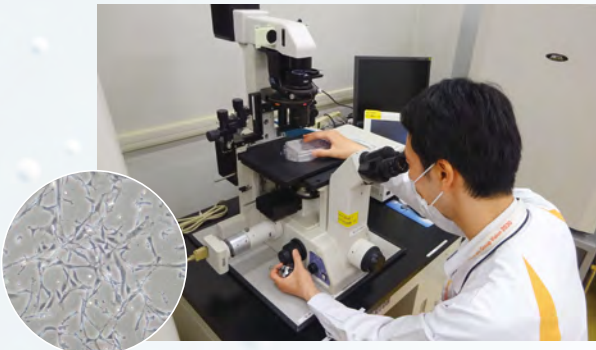
New R&D strategy

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)

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

For more information on stakeholders, please visit our website

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

Value provided

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

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

Value provided

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

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

Value provided

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

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

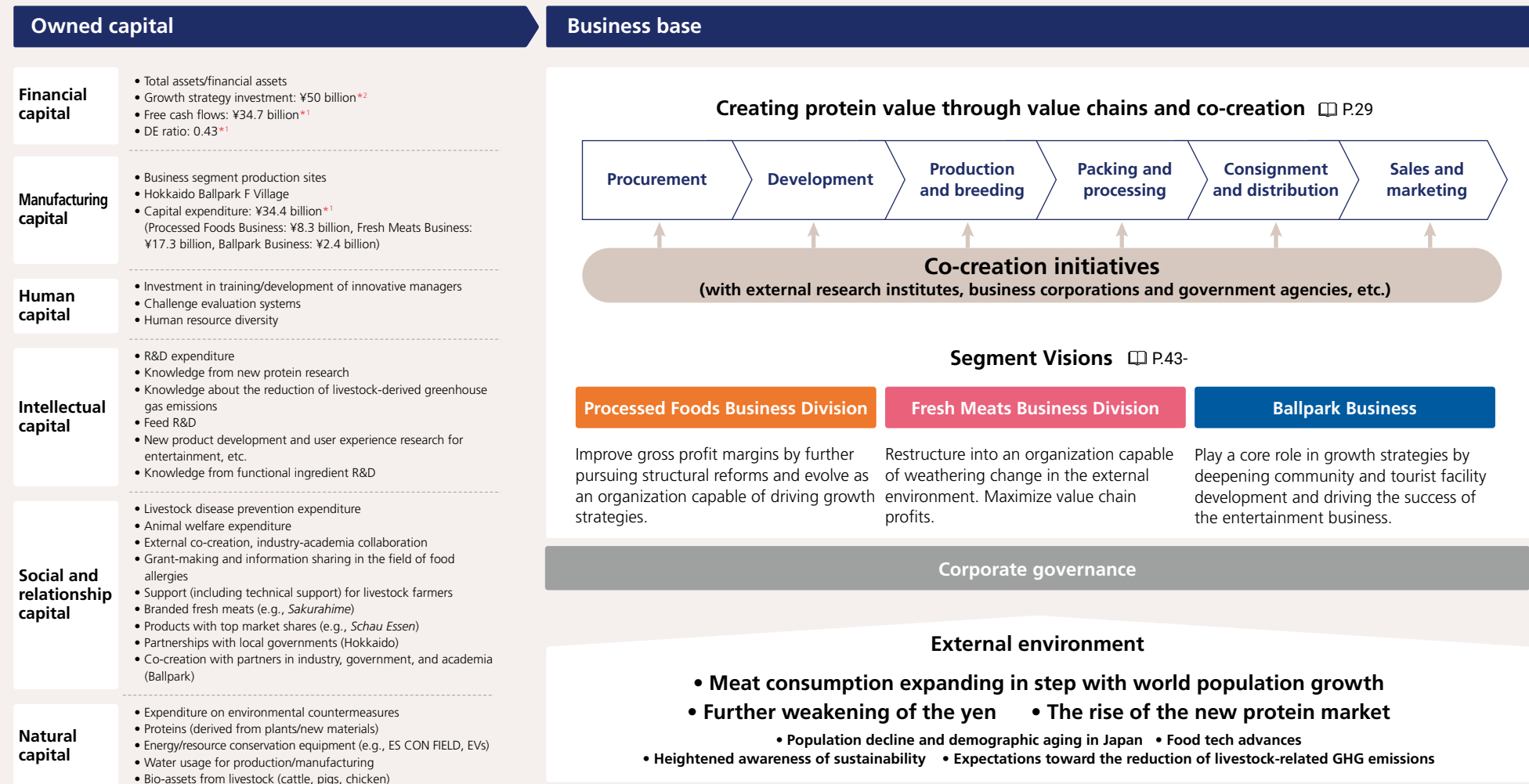
Value provided

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



Value creation process

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



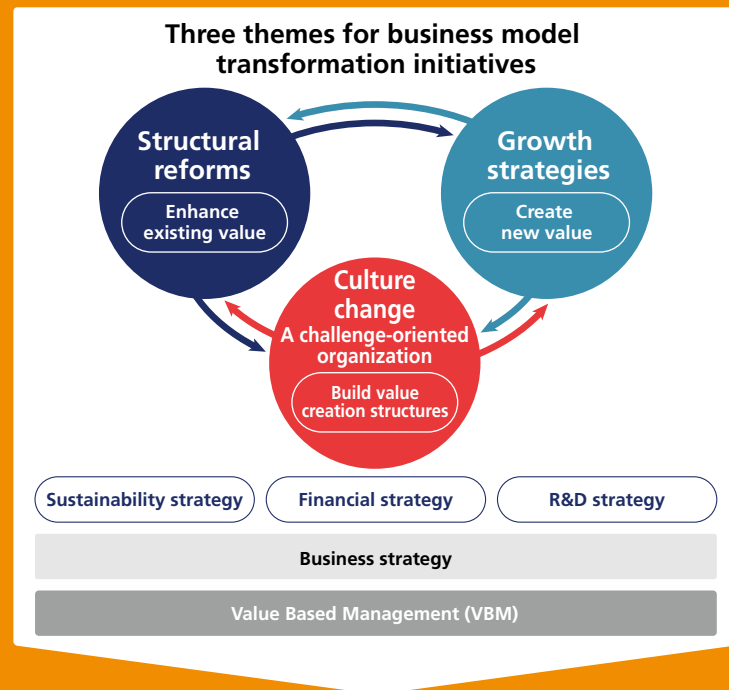
*1 Results for the year ended March 2025 *2 Targets when Medium-Term Management Plan 2026 was formulated

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.

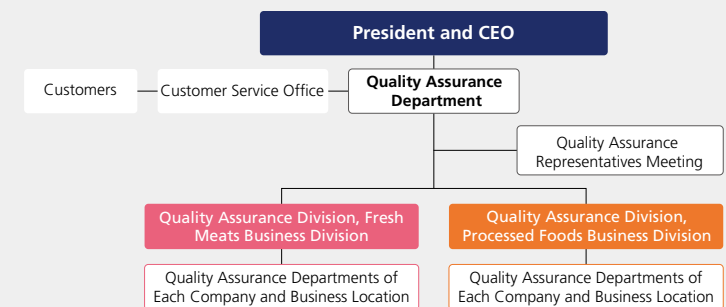
1. We value the communication with our customers and provide products and services that meet their expectations.
2. We will challenge ourselves to impress our customers and create new value through the pursuit of high quality and good eating and free thinking.
3. We will comply with laws and regulations, 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

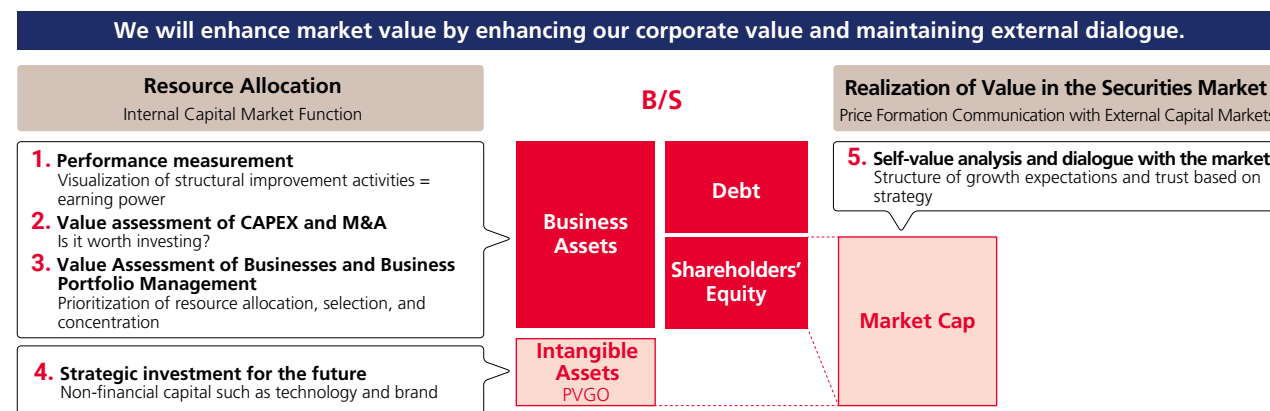
We will strengthen our financial discipline as part of our efforts to drive VBM.

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.

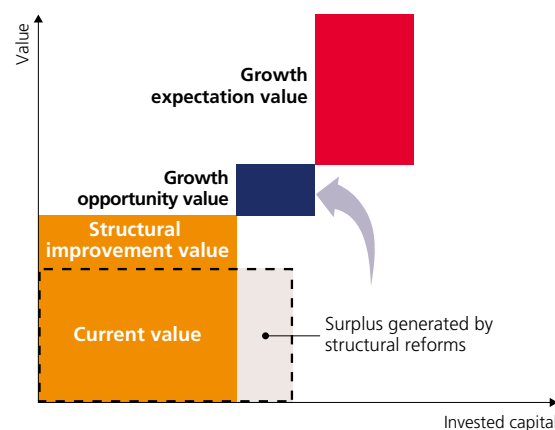
In this way, we will be able to consider our management strategy while thinking comprehensively about individual aspects of each business and long-term factors from a group-wide perspective. For example, how much further value can be enhanced through structural improvements and additional investments, 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

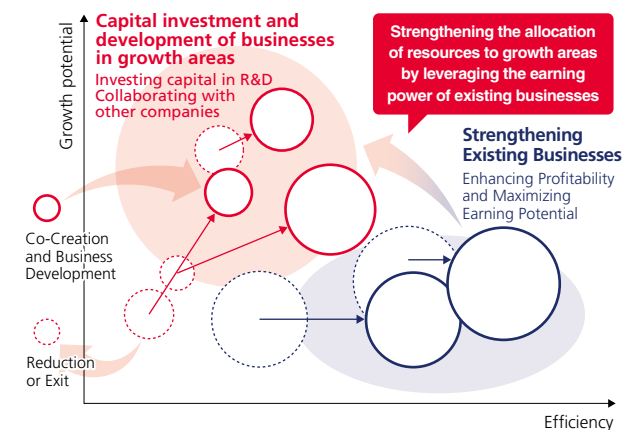
Using value mapping to recognize value creation from a group-wide perspective



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.

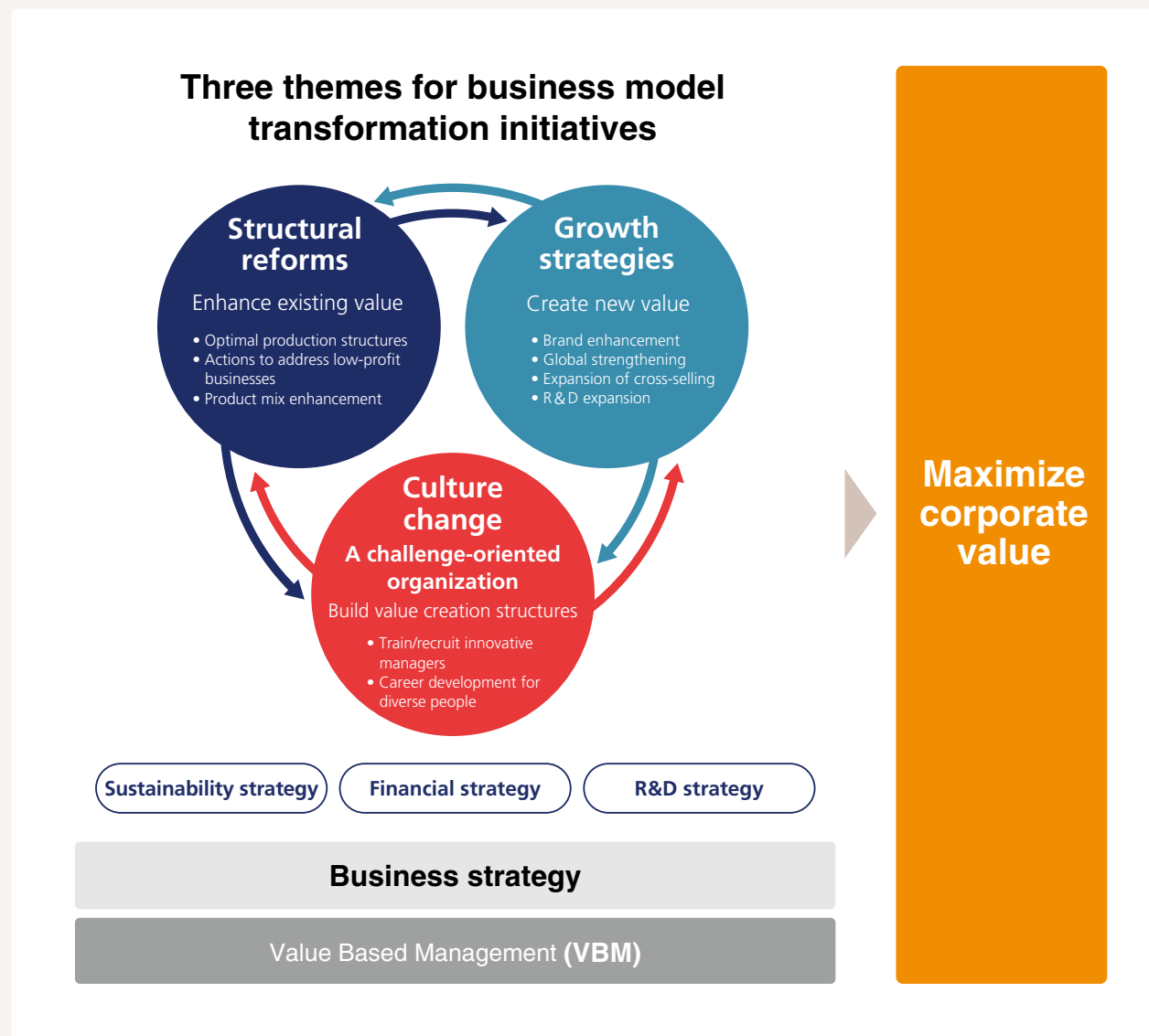
Progress under Medium-Term Management Plan 2026

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%
	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)	Over ¥1.0 billion impact 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.

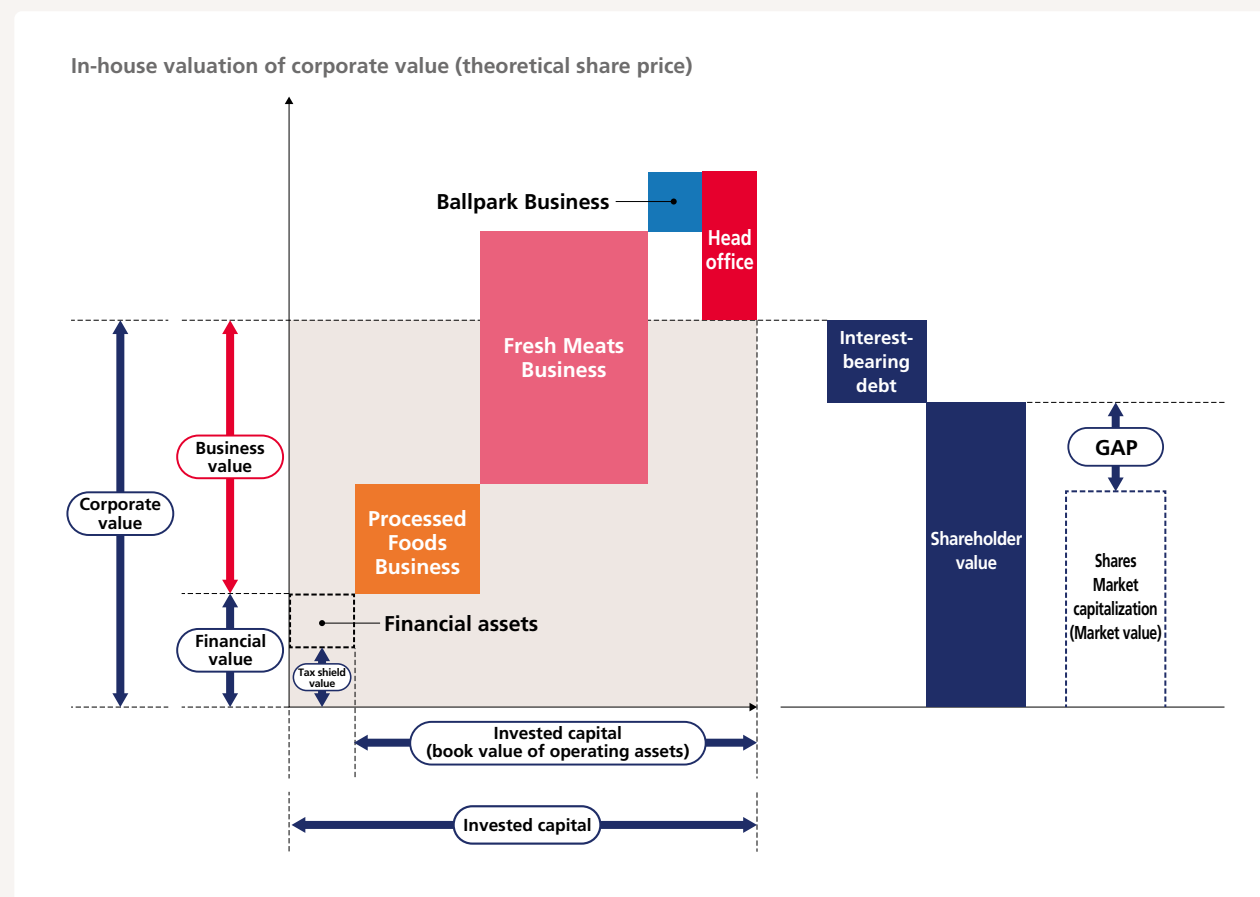
In July 2025, we executed a secondary offering of 9.5 million shares (equivalent to 9.6% of total shares issued) held by our partner financial institutions, primarily to overseas investors. This move is expected to alleviate concerns about future supply and demand in the stock market while enhancing 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.

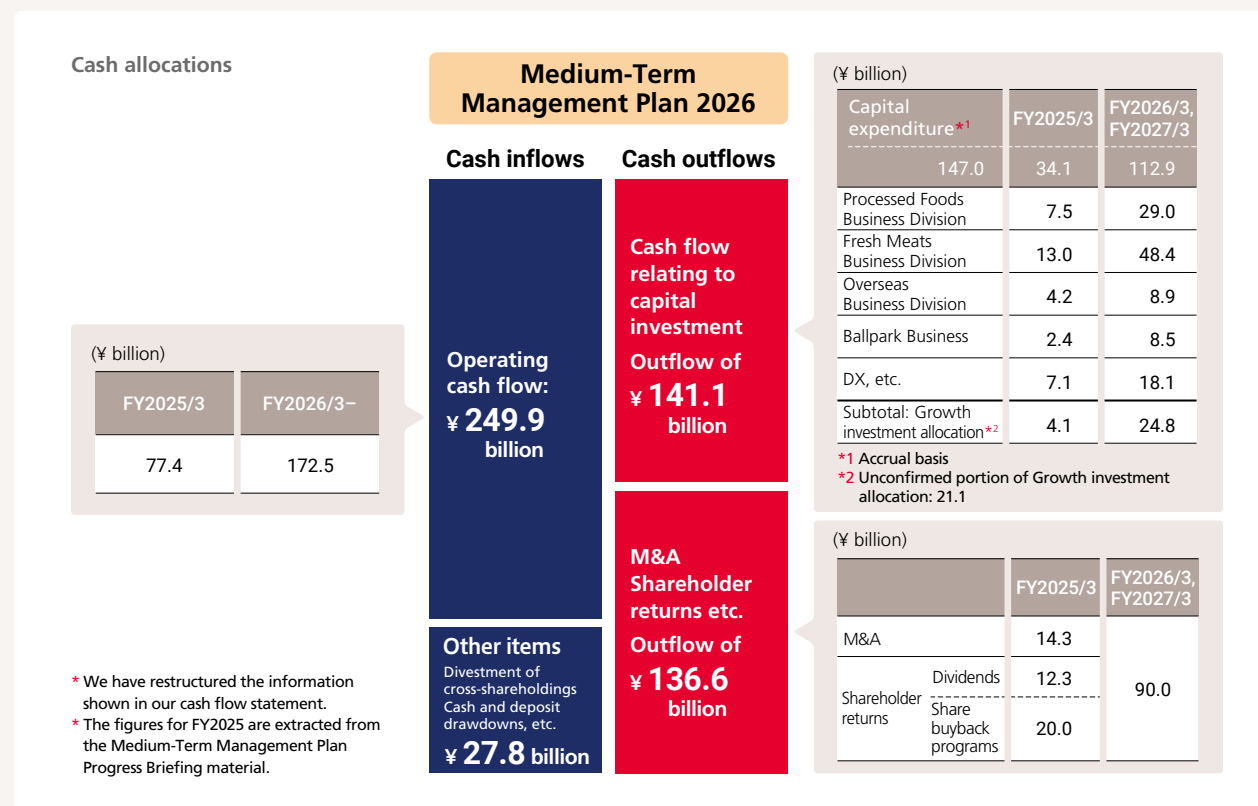
Having secured funds for growth investment, we will enhance shareholder returns. During the period covered by Medium-Term Management Plan 2026, we will work to stabilize the cash dividend and maintain continuous growth. We aim to raise the dividend-on-equity (DOE) ratio from 2.3% to 3.0% and maintain 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

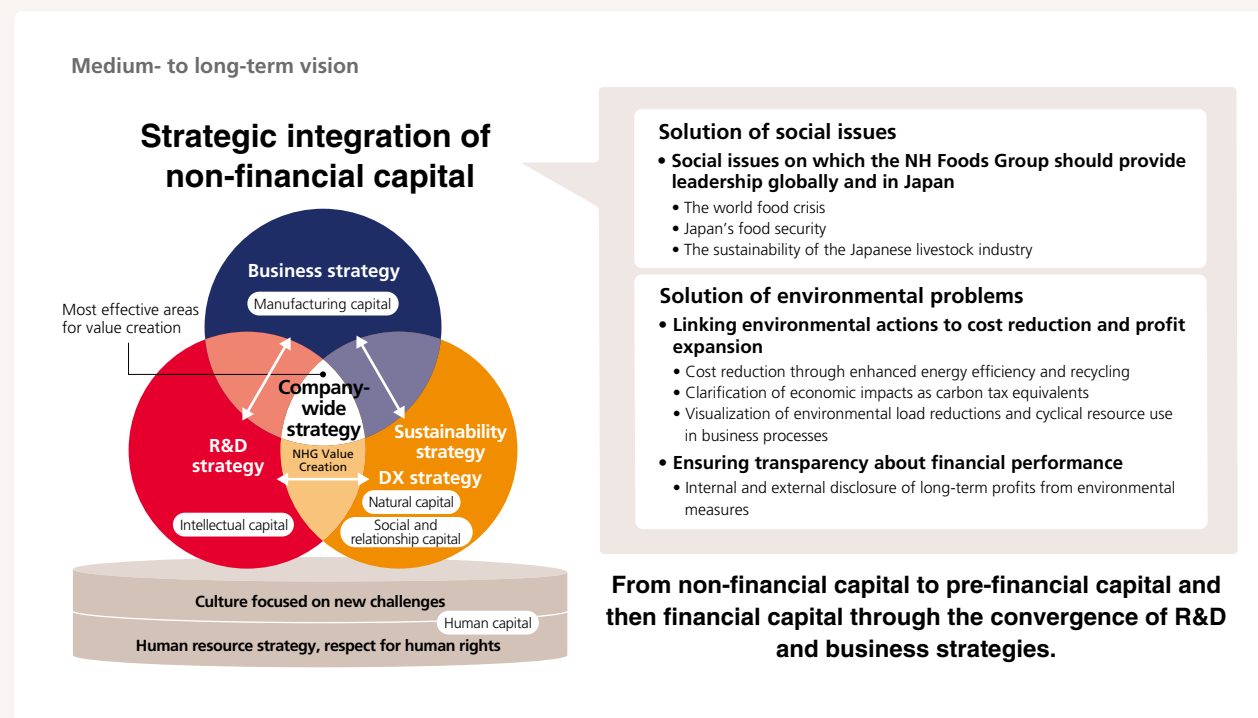
Our business strategy, R&D strategy, and sustainability strategy, can be seen as multiple functional axes needed for value creation by the NH Foods Group. When these functions are combined, they can be positioned as the core of our group-wide strategies for closely related areas in which the Group can 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.

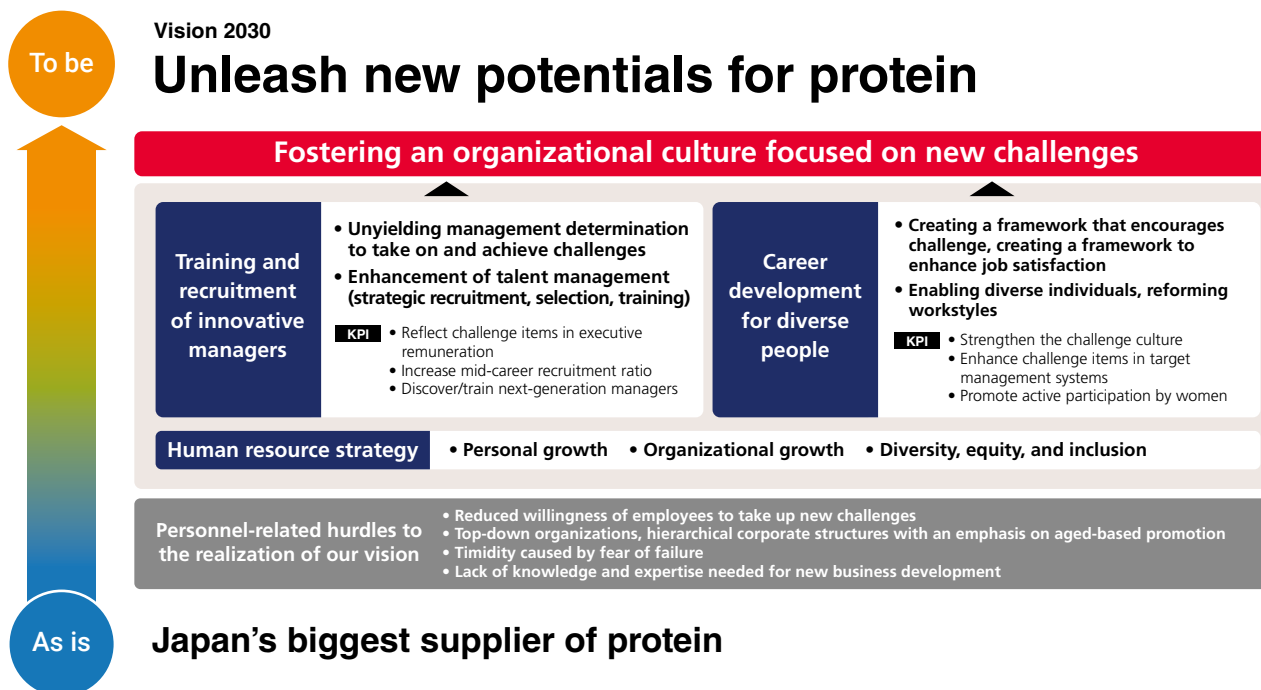
Expansion of overseas human capital to support global business expansion

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

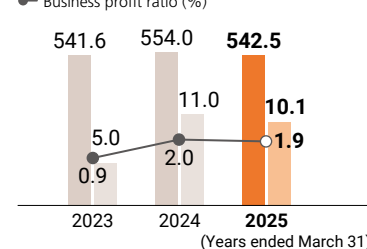
Progress under Medium-Term Management Plan 2026

	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)

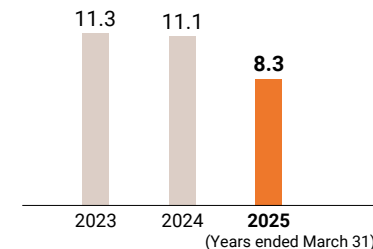
Net sales, business profit, business profit ratio

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



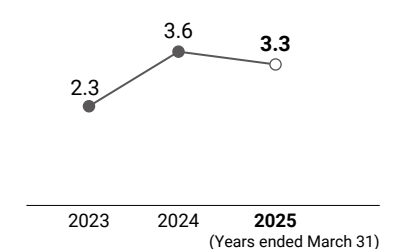
Capital expenditures

■ Capital expenditures (¥ billion)



ROA

● ROA (%)

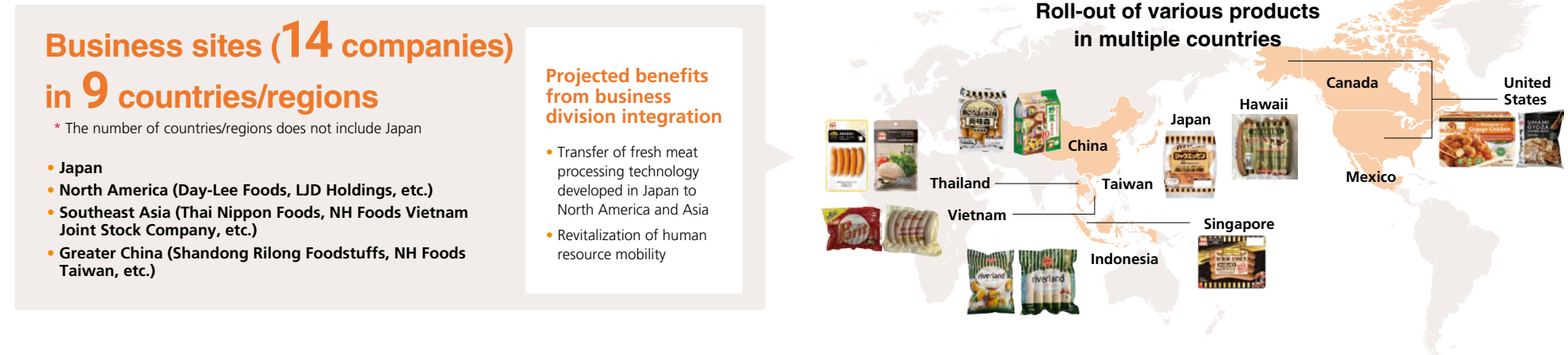


Yukihiro Matsumoto

Managing Executive Officer,
General Manager of Processed Foods Business Division

Processed Foods Business Division

Processed Foods Business Division after April 2025



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.

📖 P.25

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

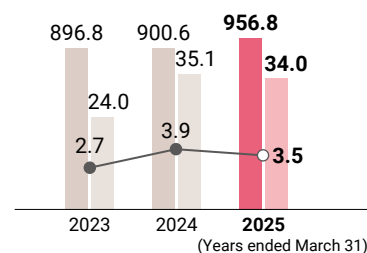
We will pursue restructuring measures to create an organization capable of weathering change in the external environment, while maximizing value chain profits.

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

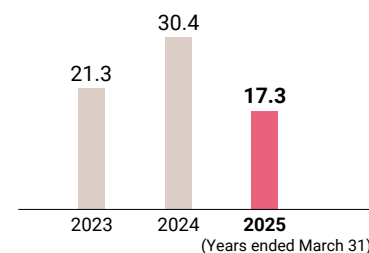
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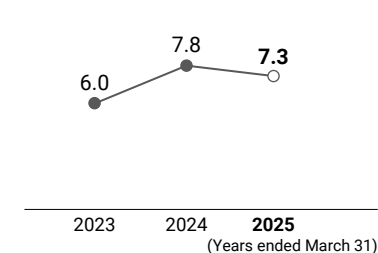
Capital expenditures

■ 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.

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.

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

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.

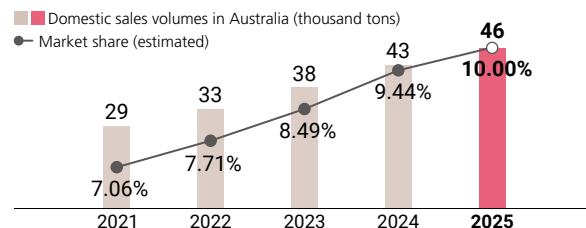
Specifically, we will shift from procurement and sales based on aggregation by individual livestock types to optimizing procurement and sales from a division-wide perspective. In addition to procurement based on sales contracts and thorough inventory management, we are advancing the development of a 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

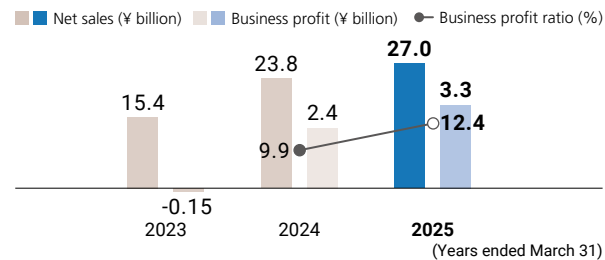
Australia Business
Operations Administrative
Office
Australia Business Division
Fresh Meats Business Division

Ballpark Business

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

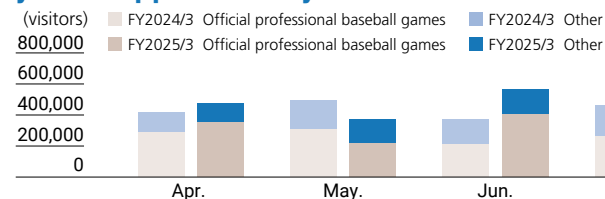
In the fiscal year ended March 2025, the strong performance of the Hokkaido Nippon-Ham Fighters helped to lift attendance numbers at regular-season home games above the previous year's level. A variety of events during the professional baseball off-season also contributed to strong visitor numbers, which 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.

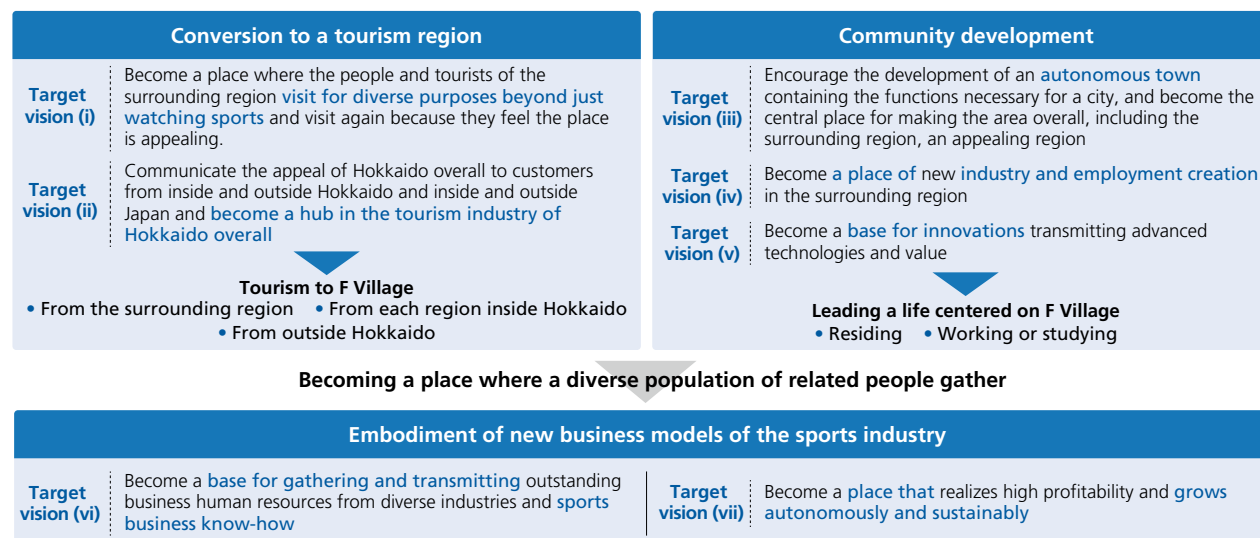
A new station will be opened adjacent to F Village in 2028. The creation of this important transportation hub, together with the development of surrounding facilities, will further energize demand for food, housing, recreation, and education in F Village.

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

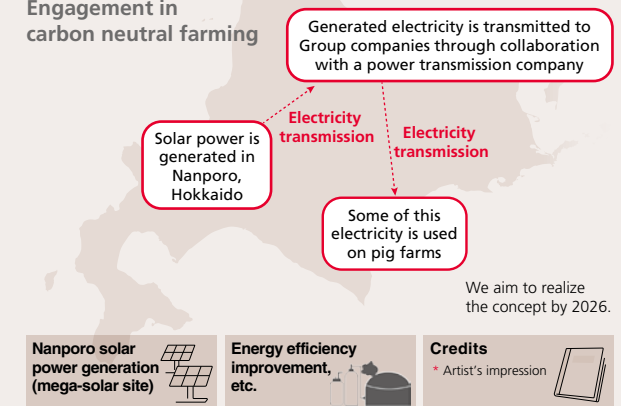


Plastic use reduced
by approximately
49.5% per year
Compared to
previous packaging

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

Sustainability management

The NH Foods Group has established *the joy of eating* as one of our corporate philosophies. This philosophy expresses the way in which food brings the excitement of great taste and the joy that comes from good health, and we believe this is the starting point for people's well-being.

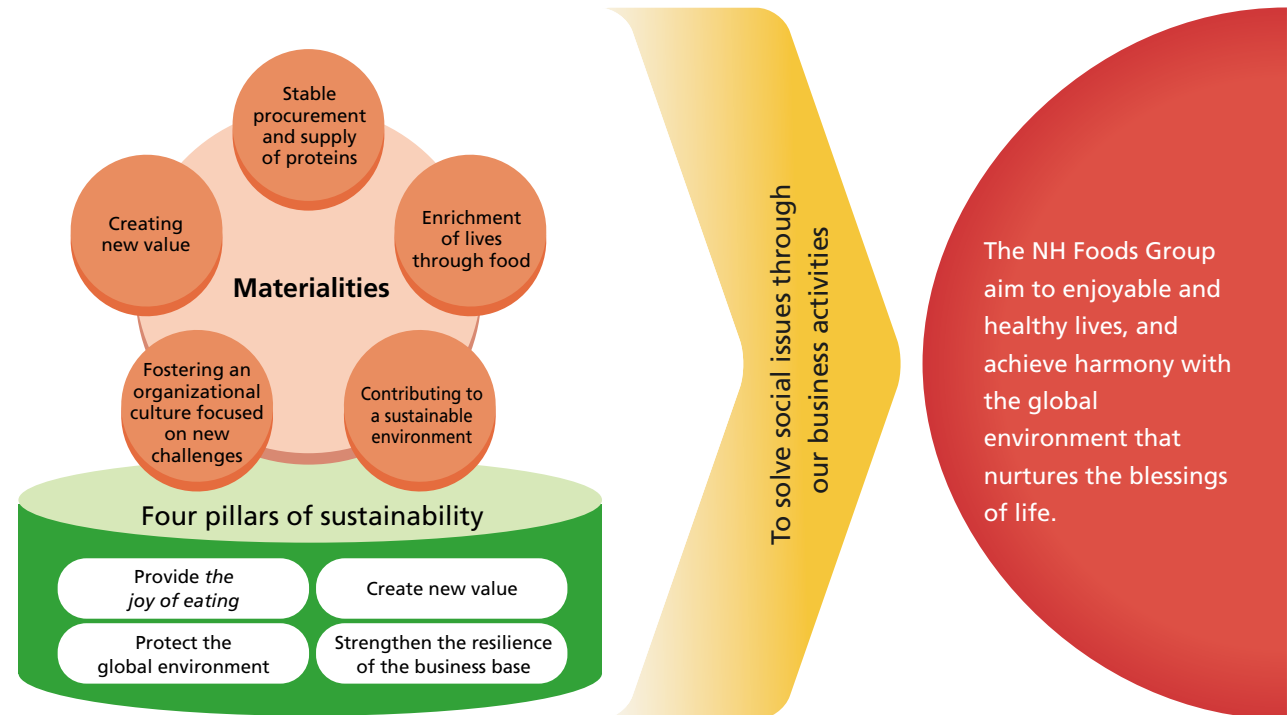
Since our founding, the NH Foods Group has supplied protein, an important nutrient that makes up about one-fifth of people's bodies, through meat, fish, dairy products, and other sources.

However, it has been suggested that food demand will exceed supply in the future due to the effects of global population growth and climate change. There are particular concerns about a shortage of protein, which is essential for the human body, and we face many challenges to ensuring stable supplies.

To address these challenges sincerely and achieve sustainable supplies of protein, we have established a Sustainability Strategy based on four pillars of sustainability.

Through our business activities, we will continue to take on the challenge of solving social issues, aiming to contribute to enjoyable and healthy lives, and achieve harmony with the global environment that nurtures the blessings of life.

Overview of our sustainability strategy



Four pillars of sustainability



Provide *the joy of eating*

We will continue to provide the protein that is essential for making and maintaining strong bodies. Moreover, in response to diversifying lifestyles and values, we will continue to deliver the excitement of great taste and the joy that comes from good health.



Create new value

The NH Foods Group's strength lies in protein. Building on this pillar, we will think with freedom and take on the challenge of creating new businesses with a variety of partners.



Protect the global environment

The global environment is what nurtures the blessings of life, including the vital resources that provide protein. With this in mind, we will reduce the environmental impact of our supply chains in order to protect the global environment.



Strengthen the resilience of the business base

In addition to providing protein, we aim to achieve sustainable business growth and fulfill our social responsibilities by responding quickly and flexibly to changes in society and addressing issues specific to the livestock industry.

Sustainability management

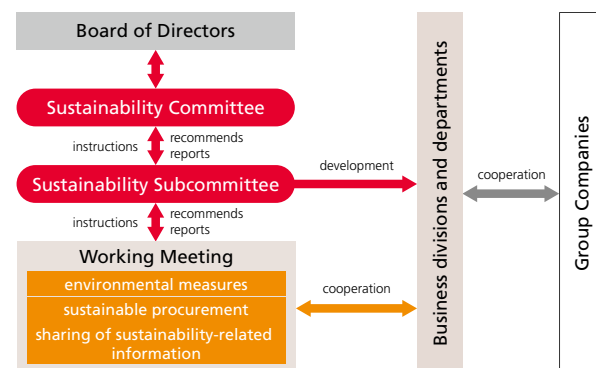
Sustainability promotion system

We have established a Sustainability Committee with the chairperson of the Board of Directors of NH Foods Ltd. serving as chair. In principle, the committee meets at least once every quarter in order to hear the opinions of external experts and outside directors who have expertise in ESG matters and to carry out activities such as formulating sustainability policies and strategies, and checking the progress being made by each Group company. The details of these discussions are reported to the Board of Directors, which makes decisions if necessary.

The Sustainability Subcommittee operates under the committee and comprises the director in charge of sustainability and the heads of major departments and divisions. It has been tasked with formulating specific strategies that correspond to discussions by the committee and developing measures to be carried out by business divisions.

The Working Meeting is a forum for sharing information about environmental measures and sustainable procurement, as well as other sustainability-related information, primarily among corporate back-office departments. It also facilitates the introduction of specific measures and collaboration with business divisions and monitors progress.

Sustainability promotion framework



Activities by Organization

Organization entity		Role	Organization	Frequency
Sustainability Committee		• Considers and formulates the Group's sustainability policy and strategy • Supervises ESG-related initiatives*¹	• Directors • Outside directors • General managers of business division • Outside experts • Audit & Supervisory Board member	4 times / year
Sustainability Subcommittee		• Applies strategies decided by upper-level management meetings to business divisions and Group companies	• Director in charge of sustainability • Business division general managers • Heads of departments and sections	4 times / year
Working Meeting	Environmental measures	• Discusses, recommends, and manages targets related to key themes*² based on the environmental policy • Addresses environmental information-related disclosure regulations (TCFD, TNFD, etc.)	• Heads and personnel in charge of related departments	9 times / year
	Sustainable procurement	• Enhances the sustainability of procurement activities and the effectiveness of sustainable procurement	• Managers and personnel in charge of related departments	5 times / year
	Sharing of sustainability-related information	• Shares information among corporate related departments to prevent business risk and to build resilient systems • Addresses human rights due diligence	• Corporate departments	3 times / year

*¹ Materiality initiatives and progress, environmental management, human rights management, human resource strategies, sustainable procurement, animal welfare, other sustainability-related matters

*² Key themes based on the environmental policy: Climate change, plastic reduction, the reduction of water risks and usage, food loss reduction, waste reduction, biodiversity

Main topics discussed by the Sustainability Committee in FY2024

Themes	Content of discussions
Sustainability strategy and our materialities	We have created a clearly defined future vision and roadmap for the NH Foods Group by formulating the four pillars of sustainability and visualizing our overall strategy, including related materiality items.
Disclosure based on TCFD and TNFD guidelines	Topics discussed by the Sustainability Committee included scenario analysis and business impact assessment. In addition to identifying and prioritizing risks and opportunities, the Committee also explored future response measures.
Review of medium- to long-term environmental targets	We created the Eco-Cycle concept as an environmental protection vision for the NH Foods Group. We are working toward the realization of this concept by formulating a 2050 roadmap and revising our medium- to long-term environmental targets.
Disclosure strategy for non-financial information	The Sustainability Committee discussed a disclosure strategy designed to enhance our messaging and external evaluations in non-financial areas.

Materiality targets and progress

Materialities	Issues	Measures	Our vision	FY2024
Stable procurement and supply of proteins	Ensure the stable procurement and supply of meat	- Expansion of stable supply of livestock meat - Continued efforts to prevent the outbreak of diseases	Domestic meat product sales volume growth rate 104% compared to FY2023 (FY2026)	103%
	Achieve sustainable livestock production	- Support and co-create with farmers - Provide technical guidance for PIG LABO® and the poultry production business - Develop and utilize new technologies such as smart livestock farming		
Enrichment of lives through food	Address diversifying lifestyles and value sets	- Develop and provide products that meet diverse needs - Provide food experiences that bring about smiles - Spread the knowledge gained in Japan to other countries and regions	50% of the main consumer products in the ham and sausage, processed food category, including Mealin'Good products. (FY2026) - Overseas processed product business sales growth rate: 200% compared to FY2013 (FY2026)	19.5%
	Contribute to solutions for food issues	Develop and provide products that contribute to the development of healthy bodies		112.8%
Contributing to a sustainable environment	Climate change response	Reduction of CO₂ emissions from fossil fuels (SCOPE 1, 2)	Domestic: -29% compared to 2013 (FY2026)	-24.1%
			Domestic: -46% compared to 2013 (FY2030)	
			Overseas: -17% compared to 2021 (FY2026)	-5.7%
			Overseas: -24% compared to 2021 (FY2030)	
		- Reducing livestock-derived greenhouse gas emissions - Implementation of measures at our own farms	—	Joint research - Cattle methane gas (Hokkaido University) - Pig methane gas (Tokushima University)
	Promotion of resource conservation	Reduce plastics use Scope: Packaging materials derived from fossil fuels among those products subject to the Containers and Packaging Recycling Law in Japan	Domestic: -17% compared to 2013 (FY2026)	-34.2%
Creating new value	Provide new value through food and sports	Plan urban area centered on the food and sports businesses around HOKKAIDO BALLPARK VILLAGE	Increase the number of visitors and permanent residents by enhancing facilities and services in the F VILLAGE (FY2030)*1	Number of visitors: Approximately 4.19 million people*2 Resident population: —
	Create businesses that expand the potential of protein	- Create value by strengthening R&D - Explore various possibilities for protein	Launch and monetize businesses (FY2030)	Formulate a company-wide R&D strategy linked to business strategy.
			Establish technology for commercialization (FY2030)	Promoting research into koji (mycoprotein) and cellular foods
Fostering an organizational culture focused on new challenges	Train/recruit innovative managers	Review executive evaluation items and enhance the management succession plan	Progress of transformation, challenges, and employee engagement initiatives (FY2030)	1. Strategic recruitment, selection, and training - Formation of candidate pool - Strengthening of selection and training systems
	Promote the participation of a diverse range of human resources	- Reinforce and embed systems that encourage and recognize each individual's efforts - Creating an environment in which a diverse range of individuals are respected and can thrive	Progress of Priority Management Items (FY2030)	2. Promotion of individual growth - Appropriate evaluation and treatment according to results - Career autonomy and career enrichment - Partial revision of overseas personnel system

*1 Number of visitors is calculated on a calendar year basis. Resident population is for Kitahiroshima City in FY2030 (vs. October 2023).

*2 Number of visitors from January to December 2024

ESG initiatives in our value chains



The NH Foods Group is helping to solve social issues through its business activities by implementing ESG initiatives across all of its value chains.

Our main Environmental, social, and governance initiatives

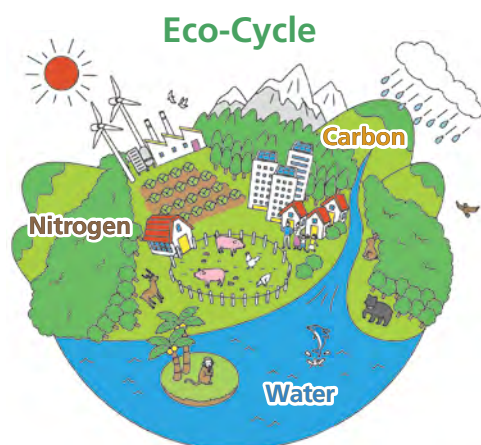
		Procurement	Development	Production and breeding	Packing and processing	Consignment and distribution	Sales and marketing
Environmental	Greenhouse gas emissions	P.61 - Promoting decarbonization of energy at our facilities - Promoting the reduction of livestock-derived greenhouse gas emissions - Local production and consumption of energy from unused resources generated in the production process (e.g., manure)					
	Plastic					P.61 - Reducing petroleum-based plastic packaging materials - Expanding environmentally friendly packaging materials	
	Water				P.61 - Minimize water consumption - Risk reduction in water-stressed areas		
	Food loss					P.62 - Extension of best-by dates - Upcycling of processing offcuts - Food donations	
	Waste			P.62 - Reduction of resource input and final disposal - Creation of a regional recycling model			
Social	Sustainable livestock farming	P.63 - Addressing labor shortages in the livestock industry - Addressing animal welfare issues - Disease control					
	Healthier minds, healthier bodies					P.64 - Provide useful information on proteins - Food education - Nutrition support and sports	
	Human rights	P.65 - Practicing human rights due diligence - Human rights education and training - Supplier monitoring					
	Health management, and occupational health and safety			P.66 - Health management promotion - Maintaining work environments - Strengthening occupational safety			
	Human resource initiatives			P.41 - Train/recruit innovative managers and promote career development for diverse people - Diversity, equity, and inclusion			
Governance	Corporate governance	P.67					

Environmental conservation

“Eco-Cycle”: A harmonious relationship between people and the planet

Carbon, water, nitrogen, and other substances that form all life on Earth — including humans and livestock — are regenerated and circulate through natural processes. However, population growth and corporate activities have led to the excessive use of fossil fuels and resources, surpassing the limits of the Earth's natural cycles and causing environmental issues such as climate change and pollution of air and water.

The NH Foods Group envisions a future in which resource use and emissions from our business activities are integrated into a natural material cycle in harmony with nature, supported by coexistence with local communities and business partners (ecosystem). We are actively advancing environmental protection initiatives under this vision, which we call the “Eco-Cycle.”



1 Water

The water cycle is a global process that supports all life through the evaporation of water into the atmosphere, from where it falls back to Earth as rain. However, population growth, urbanization, and climate change are causing water shortages and pollution.

The NH Foods Group is continuously improving its production processes to prevent waste by using water resources efficiently. To minimize the environmental load, all water used is cleansed before being returned to the natural environment.

2 Nitrogen

Nitrogen is an essential component of proteins. It circulates around the Earth as it is used by plants, which capture it from the atmosphere via the soil, and animals. However, this natural nitrogen cycle has been disrupted by environmental pollution since the Industrial Revolution, including large-scale waste emissions and excessive use of chemical fertilizers.

Through its business activities, the NH Foods Group is working to mitigate environmental impacts by reducing food losses and composting livestock waste.

3 Carbon

Carbon circulates around the Earth through its use by plants, which absorb carbon dioxide from the atmosphere, and animals. However, in modern times, economic development has been accompanied by a rise in CO₂ levels, leading to the acceleration of warming. The effects of this climate change include floods, droughts, and heat waves.

The NH Foods Group is working to mitigate climate change by reducing CO₂ emissions through energy-saving measures and the use of solar power.

Compliance with TCFD/TNFD frameworks

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

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



In September 2024, the Group pledged support for the philosophy of the Taskforce on Nature-related Financial Disclosures (TNFD). We are now using the LEAP* approach based on the TNFD framework to assess dependencies and impacts on nature in the Group's business activities and identify risks and opportunities.

* LEAP is an acronym for “Locate, Evaluate, Assess, Prepare”.



Through these analyses, we have determined that there are many overlaps between natural capital risks and climate change risks.

We will continue to reassess future risks and opportunities in relation to society and the environment, and to take appropriate actions and disclose information for each of these categories.

Environmental conservation

Medium- to long-term environmental targets

The NH Foods Group has established environmental targets aimed at reducing environmental impacts through its three-year medium-term management plans.

In April 2025, the NH Foods Group announced its “Eco-Cycle” vision for environmental protection. In each of our focus areas, we revised priority items with high environmental significance in our supply chains and added food loss to the list. We now have five priority items based on the Group’s business activities. They are greenhouse gases, plastics, water, food loss, and waste.

We also formulated a long-term roadmap for the period to 2050 and reviewed our qualitative targets for 2030 and 2050. Those qualitative targets are shown in the table on the right.

Details of the FY2024 results and progress toward each target can be found on our website.

Web Environmental targets and results:
<https://www.nipponham.co.jp/corporate/sustainability/management/progress.html>
 Roadmap to 2050: <https://www.nipponham.co.jp/corporate/sustainability/environment/goal.html>

Medium- to long-term environmental targets

Priority item	FY2026 target	FY2030 target	FY2050 target
 Greenhouse gas emissions	Reduction of fossil fuel-derived CO ₂ (Scope 1, Scope 2) Domestic: 29% reduction compared to FY2013 Overseas: 17% reduction compared to FY2021 Reduction of supply chain emissions (Scope 3) Domestic targets set	Reduction of fossil fuel-derived CO ₂ (Scope 1, Scope 2) Domestic: 46% reduction compared to FY2013 Overseas: 24% reduction compared to FY2021 Reducing livestock-derived greenhouse gas emissions Implementation of measures at our own farms	Going carbon neutral
 Plastic	Reduce use of petroleum-based containers and packaging plastics (Products subject to the Containers and Packaging Recycling Law) Domestic: -17% compared to FY2013	Reduce use of petroleum-based containers and packaging plastics (Products subject to the Containers and Packaging Recycling Law) Domestic: -20% compared to FY2013	Petroleum-based plastics minimization through the supply chain
 Water	—	Water consumption per production unit Domestic: 5% reduction compared to FY2019 Overseas: 5% reduction compared to FY2021 Implementation of water risk reduction measures in water-stressed areas	Minimize water use and reduce risk in water-stressed areas Addressing water risks in key supply chains
 Food loss	—	Food loss reduction Domestic: 20% reduction compared to FY2020	Food loss minimization through the supply chain
 Waste	—	Improvement of resource recycling rate Domestic: 98% or more	Sustainable development of circular use through regional collaboration

Priority items for environmental impacts in our supply chains

			Processes of the NH Foods Group		Supply chain upstream/downstream areas		Blue text: Items with especially high outflows		
			Growers, suppliers	Farms	Processing plants	Production plants	Logistics/sales	Commercial customers/consumers	
Our priority items Our supply chain initiatives will be based on three focus areas and five priority items.	Response to climate change	Climate change	Greenhouse gas emissions	Livestock-derived, fossil-derived	Livestock-derived, fossil-derived	Fossil-derived	Fossil-derived	Fossil-derived	
		Chemical substances	Plastic	Use, discharge	Use, discharge	Use, discharge	Use, discharge	Discharge	
	Resource conservation and efficient use	Changes in freshwater usage	Water	Use, discharge	Use, discharge	Use, discharge	Use, discharge	Use, discharge	
		Organic substance cycles (carbon, nitrogen)	Food loss	Food residues (edible portion)	Food residues (edible portion)	Food residues (edible portion)	Product waste	Product waste	
	Circular use	Organic substance cycles (nitrogen, phosphorus)	Waste	Livestock manure/wastewater sludge	Livestock manure/wastewater sludge	Wastewater sludge/non-edible portion	Wastewater sludge/non-edible portion	—	

Environmental conservation

Our main initiatives for each priority item are outlined below. Detailed reports are available on our website.

Priority items	Main initiatives
 Greenhouse gas emissions	• Solar power generation • EVs, waste cooking oil boilers • Waste heat recovery, carbon neutral farms • Utilization of energy from chicken manure • Energy conservation activities, etc.
 Plastic	• Recycling of raw material packaging • Reduction of product packaging used (e.g., thickness reduction, tray size changes, use of environmentally friendly packaging) • Recycling of logistics packaging, etc.
 Water	• Water conservation, wastewater recycling (e.g., reverse osmosis membrane filtration, reuse for farmland irrigation) • Reuse of coolant water • Effective use of rainwater, etc.
 Food loss	• Food donations • Extension of best-by dates • Effective utilization of by-products • Upcycling of processing offcuts, etc.
 Waste	• Effective use of livestock excreta • Local production for local consumption • Effective utilization of unused parts • Processing of inedible parts into products • Food residue recycling, etc.

<https://www.nipponham.co.jp/corporate/sustainability/environment/goal.html>

TOPIC | 01 Reduction of greenhouse gas emissions

Introduction of waste cooking oil boilers

We primarily use heavy oil and gas to fuel our boilers. However, we have reduced CO₂ emissions by installing waste cooking oil boilers fueled by waste animal and vegetable oil from food manufacturing processes at six of our plants.

We are working with local businesses to recover, process, and reuse waste cooking oil not only from our own business operations, but also from other businesses, including NH Foods Group companies.



A waste cooking oil boiler

TOPIC | 02 Reduction of plastic use

Use of environmentally friendly packaging

The NH Foods Group is actively introducing environmentally friendly packaging materials. We are helping to promote the recycling of plastic resources by using recycled polyethylene terephthalate (PET) and plant-derived biomass film for some of our packaging materials.

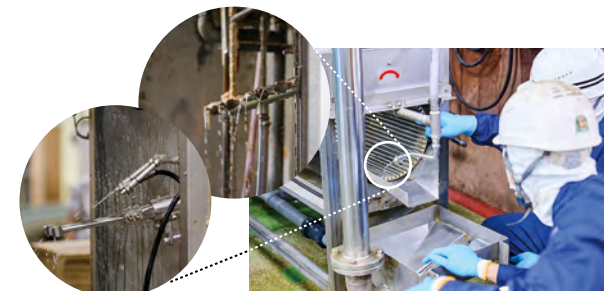


* Upper seal only in all cases

TOPIC | 03 Reducing water consumption

Efficient water use through conserving food processing water

Nippon Food Packer, Inc. has reduced its water consumption by identifying locations with high water usage, improving refrigerator defrosting devices, modifying cleaning nozzles, and raising employee awareness.



Inspections and adjustments achieve more efficient cleaning

Reusing wastewater as irrigation water

Whyalla Beef and Oakey Beef Exports return treated wastewater from their plants to farmland through as irrigation water for feed grains.



Irrigation sprinklers (Oakey Beef Exports Pty. Ltd.)

Environmental conservation

TOPIC | 04 Food loss reduction

Food donations

We donate unsaleable food products from our manufacturing processes to local *Kodomo Shokudou* (children's cafeterias), social welfare organizations, and other recipients. We ensure that all items donated are safe to eat and within use-by dates.

Food donated to *Kodomo Shokudou* (children's dining rooms) (Nippon Pure Food, Inc.)

Since December 2024, the Iseaki Plant has been providing food products to these facilities through the Iseaki City Social Welfare Council's Iseaki Food Network Project. The Funabashi Plant has been continuing similar efforts since 2019, and the Nishinomiya Plant began similar efforts in fiscal 2024.



A special Christmas donation of NH Foods Group products

Food bank donations (Japan Food Corporation)

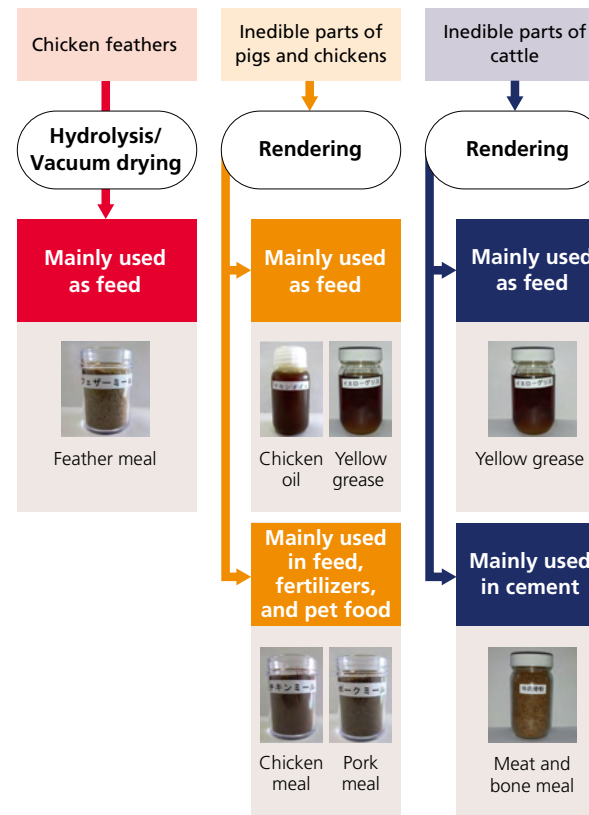
Customs clearance procedures for imported products cause changes in the quantities of the products used for inspections. In the past, the affected products were disposed of as waste, even though they were safe to consume. We have now started to donate these products to foodbanks after ensuring their safety.

TOPIC | 05 Reducing waste

Processing of inedible parts into products

Inedible by-products from our pork, chicken, and beef processing plants are used effectively through processing into feed, fertilizers, fuels, and industrial raw materials.

Processes

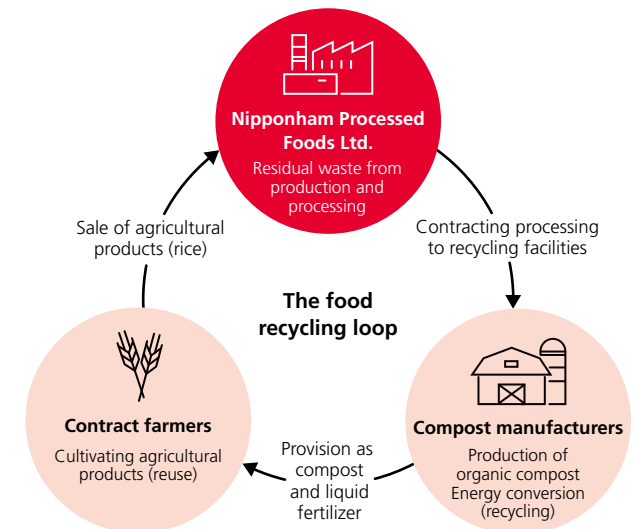


Food residue recycling

Nipponham Processed Foods Ltd. has contracted with a local compost producer to process food residues from manufacturing processes at its Kuwana Plant into compost and heat energy. The compost and liquid fertilizer produced are supplied to contracted farm in the area for use in rice production. Some of the rice produced is supplied to the employee cafeteria at the company's plant.

This initiative has been certified by the Minister of Agriculture, Forestry and Fisheries and the Minister of the Environment as a Recycling Business Plan (Food Recycling Loop).

Food residue recycling process



Sustainable livestock farming

Basic philosophy

To achieve sustainable livestock farming, the NH Foods Group is conducting research on methane reduction to cut livestock-derived greenhouse gas emissions, developing carbon neutral farming, and ensuring animal welfare. Additionally, we are supporting efforts to address labor shortages and disease control across the entire livestock industry. Please visit our website for detailed reports about initiatives by the NH Foods Group to address issues relating to livestock farming.

<https://www.nipponham.co.jp/corporate/sustainability/social/issue-resolution.html>

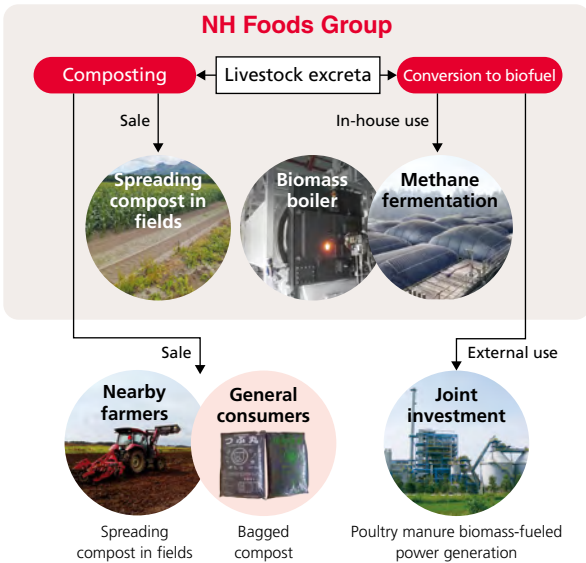
Livestock farming issues	Main initiatives
Greenhouse gas emissions	• Solar power generation • Use of biomass fuel • Research into methane reduction • Development of carbon-neutral farms
Livestock excreta	• Effective utilization of livestock excreta to produce fertilizer and biofuel.
Labor shortages	• Development of PIG LABO® smart pig farming system • Courses for next-generation workers • Technical support for contract farmers
Animal welfare	• Elimination of gestation crates in pig pens • Installation of cameras at farms and meat processing plants to ensure environmental quality • Sunshades installed to protect cattle from direct sunlight • Installation of drinking water facilities in lairage pens
Disease control	• Development and sale of foot-and-mouth disease antigen detection kits

TOPIC | 01 Initiatives relating to livestock excreta

Effective utilization of livestock excreta to produce fertilizer and biofuels

We have consistently engaged in the production, rearing, and sale of pigs and chickens in Japan and cattle in Australia. The excreta produced when raising livestock accounts for the largest amount of waste generated within the Group, and though it has high environmental impact, it can be effectively used as a resource. Our Group effectively utilizes all manure by converting it into compost or biofuel depending on its intended use, and treats urine to purity levels beyond standards set by wastewater regulations before discharging it into rivers and the sea.

Effective utilization of livestock excreta



TOPIC | 02 Addressing labor shortages

AI-driven contributions to the improvement of pig farming productivity

The transfer of pig farming skills to future generations is a major focus of concern. To address this issue, the NH Foods Group has developed the PIG LABO® system, which provides comprehensive support from sow breeding to piglet rearing and shipment. As the first phase, we developed an AI-based estrus detection system called PIG LABO® Breeding Master and introduced it at Nippon Clean Farm Ltd.'s Raiman Farm in December 2023. Since October 2024, we have also launched pilot sales of the second phase, PIG LABO® Growth Master, developed in collaboration with a research group from the University of Miyazaki's Faculty of Engineering. This system uses 3D cameras mounted on cables installed within pig pens to capture images, which are then analyzed by AI to estimate pig weight, calculate the weight distribution of the herd, and determine the average weight. Since there is no need to move pigs during weight measurement, stress on the pigs is reduced, contributing to both animal welfare and improved productivity.

Outline of PIG LABO® smart pig farming system



Healthier minds, healthier bodies

Basic philosophy

The NH Foods Group's commitment to health

We aim to build a brighter future by addressing challenges to human mental and physical well-being and finding solutions for social issues.

Our vision is to unleash new potentials for protein. Under that vision, we will fully mobilize our group resources to explore all possible uses for proteins.

Working primarily with proteins, we will work to enhance physical well-being while providing experiences that bring emotional fulfillment. For society as a whole, our goal is to build an environment in which people can enjoy better lifestyles.

That is the NH Foods Group's commitment to health.



Contributing to well-being

The NH Foods Group has been providing nutritious and delicious meals under the basic theme of its corporate philosophy to provide the "joy of eating." With the increasing focus on well-being, a concept as much about mental health as physical health, the dual themes for our initiatives going forward will be to supply high-quality protein while providing hands-on opportunities.

Themes	Main initiatives
Providing proteins	• Provide proteins that meet diverse needs. • Develop and provide products that contribute to healthy lives. • Provide useful information on proteins.
Providing hands-on opportunities	• Food education • Community coexistence and events • Nutrition support and sports

<https://www.nipponham.co.jp/corporate/sustainability/human/well-being.html>

TOPIC | 01 Providing proteins

Provide useful information on proteins

The NH Foods Group provides not only protein-related products, but also a wide range of information.

We have launched the NH Foods Map for the Future of Protein website as information media for everyone to think about the future of protein. This website introduces our efforts to provide a diverse supply of proteins and research that expands the possibilities of protein beyond food, and also includes content that allows you to check the amount of protein you need with a self-service calculator.

We also provide an extensive range of protein-related information, including recipes, meat cooking techniques, and basic data, primarily through our websites.



NH Foods Map for the Future of Protein

TOPIC | 02 Providing hands-on opportunities

Food education Decorative cutting classes

Nipponham Customer Communication Ltd., which oversees the Group's department store and service promotion businesses, holds cooking classes that use products such as ham and sausages and decorative cutting classes. The content of food education lectures and the level of practical education are adapted according to the participants.

Through these activities, participants learn about healthy eating and the enjoyment of food.



A decorative cutting class experience

Nutrition support and sports

Supporting the development of athletes from the perspective of food

The NH Foods Group helps people to stay mentally and physically healthy through food and support for sports activities. The Group also creates new value through food and sports, while contributing to regional and community development and the promotion of sports. That is why our registered dietitians and certified sports nutritionists employed by NH Foods Ltd. provide sports nutritional support to sustain and nurture professional athletes and share the knowledge gained from this widely through classes and lectures, food education, and other activities.

Sports nutrition support



Human rights

Respect for human rights

Formulating the NH Foods Group Human Rights Policy

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

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

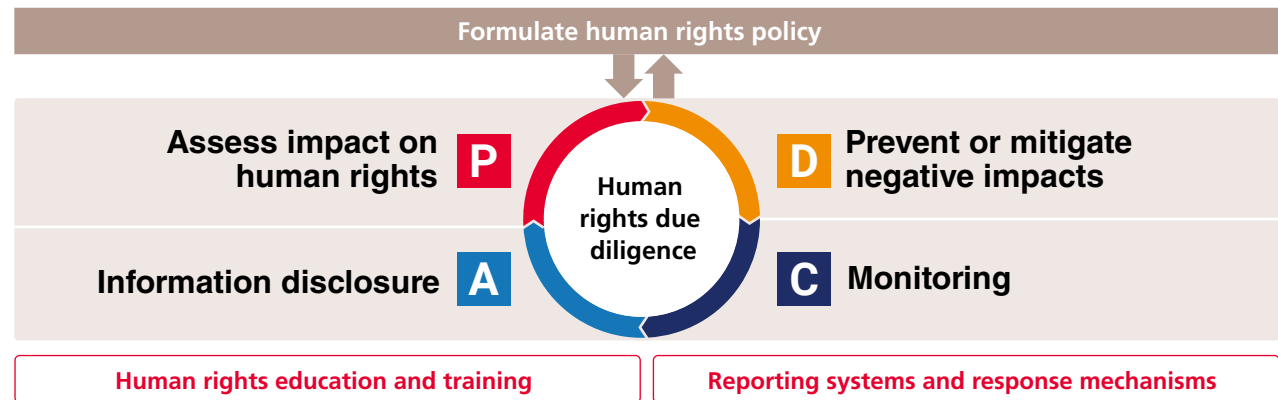
We are implementing human rights initiatives that put this policy into action across the Group as we work to be a corporate group that is trusted by wider society.

Practicing human rights due diligence

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

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

Human rights due diligence cycle



Human rights education and training

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

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

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

Reporting systems and response mechanisms

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

Supplier monitoring

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

* SAQ: Self-Assessment Questionnaire

Health management

Health management promotion

A core requirement for the realization of the Group's corporate philosophy is the creation of healthy and safe working environments in which all employees can maintain good mental and physical health and work happily with a sense of security.

We are promoting health management under the Health and Safety Declaration made by top management. We have also formulated the NH Foods Group Basic Health Policy and the Basic Policy on Occupational Health and Safety as a framework for specific initiatives to build healthy working environments in accordance with our Health and Safety Declaration. Our industrial health staff and human resource management organization will continue to work with the health insurance association to promote health management by supporting various health maintenance and enhancement initiatives under the Industrial Safety and Health Act.

Certified Outstanding Organizations of KENKO Investment for Health

The Recognition Program for the Outstanding Organizations of KENKO Investment for Health is a system for recognizing corporations, both large enterprises and SMEs, that have particularly good health and productivity management practices, based on initiatives that address local health issues and the health promotion efforts of the Nippon Kenko Kaigi.

In 2025, the NH Foods Group was certified for the fourth consecutive year as a "Outstanding Organization of KENKO Investment for Health" in the large enterprise category. Several other group companies also received certification, including some that earned the "Bright 500" designation, which is awarded to the top 500 small and medium-sized enterprises.

The goal is to develop an environment in which outstanding

enterprises implementing health and productivity management are highlighted, allowing them to gain enhanced recognition from employees, employment seekers, related enterprises, financial institutions, etc., as organizations that consider employee health and productivity management from a business-management perspective and strategically implement initiatives.



Acquisition status

Large enterprise category	- NH Foods Ltd. - Nipponham System Solutions Ltd. - Nipponham Processed Foods Ltd. - Nipponham Delicatessen Ltd. - Higashi Nippon Food, Inc.
Small and medium-sized enterprise category Bright 500 (Bright 500 is a certification system for the top 500 small and medium-sized companies.)	Kyodo Foods Co., Ltd.
Small and medium-sized enterprise category	Nipponham Northeast Ltd.

Maintaining work environments

In order to recruit and retain human resources, we are working to reduce total working hours, support the balancing of work with childcare, nursing care, and treatment of illness, and realize flexible work styles. In fiscal 2025, we streamlined work processes, developed and disseminated work rules, and created time for employees to take on the challenge of new types of work.

Strengthening occupational safety

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

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

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

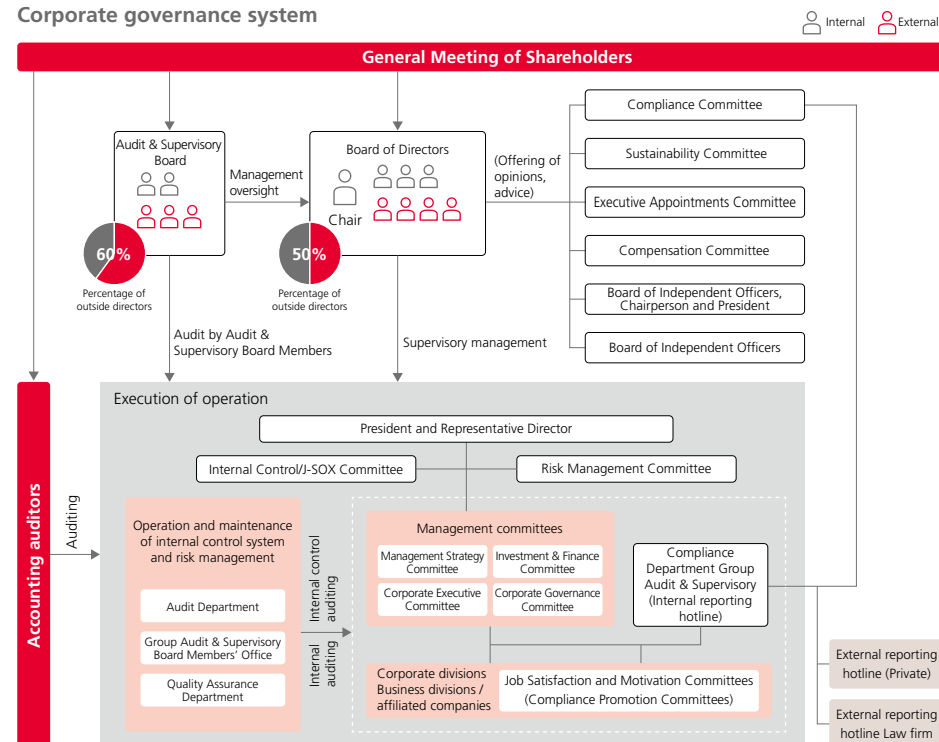
We will continue to raise occupational health and safety levels through study sessions and information sharing with external experts, to foster a safety culture, and to ensure thorough compliance with relevant laws and regulations by strengthening governance concerning occupational safety.

Corporate governance

Achievements in reinforcing the corporate governance system

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

Corporate governance system



Achievements in the reinforcement of corporate governance

Medium-term management plan	Number of directors* ¹ (Outside directors)	Number of Audit & Supervisory Board members* ¹ (Outside Audit & Supervisory Board members)	Main efforts to strengthen corporate governance
FY2003-2005 New Medium-Term Management Plan Part 1	11 (2)	5 (4)	2003
	10 (2)	5 (4)	• Established the Management Strategy Committee, Investment and Finance Committee, and Corporate Executive Committee
	11 (2)	5 (4)	• Established the Compliance Committee, Compensation System Committee (now Compensation Committee), and Crisis Management Committee (now Risk Management Committee)
FY2006-2008 New Medium-Term Management Plan Part 2	10 (2)	5 (3)	2004
	10 (2)	5 (3)	• Established the Corporate Governance Committee
	10 (2)	5 (3)	2006
FY2009-2011 New Medium-Term Management Plan Part 3	10 (1)	5 (3)	• Established the Corporate Value Evaluation Committee* ²
	12 (2)	5 (3)	2008
	12 (2)	5 (3)	• Established the J-SOX Committee (now Internal Control / J-SOX Committee)
FY2012-2014 New Medium-Term Management Plan Part 4	10 (2)	5 (3)	2011
	10 (2)	5 (3)	
	10 (2)	5 (3)	
FY2015-2017 New Medium-Term Management Plan Part 5	10 (2)	5 (3)	2016
	10 (2)	5 (3)	
	10 (2)	5 (3)	
FY2018-2020 Medium-Term Management Plan 2020	10 (2)	5 (3)	2018
	9 (3)	5 (3)	
	8 (3)	5 (3)	
FY2021-2023 Medium-Term Management Plan 2023	8 (3)	5 (3)	2020
	8 (3)	5 (3)	
	8 (3)	5 (3)	
FY2024-2026 Medium-Term Management Plan 2026	9 (4)	5 (3)	2021
	8 (4)	5 (3)	

*¹ Number after the Ordinary General Meeting of Shareholders

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

Corporate governance

Corporate governance system overview (No. of meetings in FY2024)

Body	No. of members (male/female)	Chair	Objective and other details
Directors and the Board of Directors [18]	9 • 5 inside officers (5/0) • 4 outside officers (2/2)	Chairperson	We have set the number of directors to at least three but no more than 12 to ensure prompt and proper decision making in consideration of the scope of liability of that body. We also appoint more than one outside director to ensure transparency. It meets once a month and makes decisions on matters set forth in laws, regulations, and the Articles of Incorporation, as well as other important matters.
Audit & Supervisory Board [18]	5 • 2 inside officers (2/0) • 3 outside officers (3/0)	Full-time Audit & Supervisory Board member	We have set the number of members to at least three but no more than five to enable it to fully perform its supervisory function toward the Board of Directors and half of the members should be outside Audit & Supervisory Board members. There should also be at least one member who has appropriate knowledge of finance and accounting in particular. It meets at least once a month and discusses important matters concerning auditing.
Compliance Committee [4]	13 • 8 inside officers (8/0) • 5 outside officers (3/2)	Chairperson	To ensure thorough compliance and raise society's trust in the Group by comprehensively confirming and reviewing Groupwide compliance and making proposals to the Board of Directors and management committees.
Executive Nomination Committee [6]	5 outside officers (3/2)	Outside director	To strengthen the supervisory function of the Board of Directors by enhancing the transparency and objectivity of decisions on the selection of candidates for the positions of representative director, director, and Audit & Supervisory Board member, as well as discussions regarding the dismissal and/or removal of the President and Representative Director and other management members (executive directors and executive officers).
Compensation Committee [3]	5 • 1 inside officer (1/0) • 4 outside officers (2/2)	Outside director	To strengthen the supervisory function of the Board of Directors by enhancing the transparency and objectivity of decisions regarding compensation for corporate officers (including executive officer.)
Board of Independent Officers, Chairperson and President [2]	9 • 2 inside officers (2/0) • 7 outside officers (5/2)	—	Convenes as the Board of Independent Officers, Chairperson and President to facilitate exchanges of opinion among independent officers, chairperson and president as a forum for making proposals regarding improvements to the Group's corporate value and reforms to corporate culture.
Board of Independent Outside Officers [2]	7 outside officers (5/2)	Outside director	To facilitate discussions between independent directors and Audit & Supervisory Board members as a forum for exchanging information and sharing understandings from an independent and objective perspective.
Sustainability Committee [4]	14 • 8 inside officers (7/1) • 6 outside officers (4/2)	Chairperson	To comprehensively review the sustainability initiatives of the Group, and report and make proposals to the Board of Directors.
Internal Control/J-SOX Committee [3]	19 • 19 inside officers (18/1)	Officer appointed by the President and Representative Director	To evaluate the effectiveness of internal controls at all Group companies and internal controls concerning business processes, as well as to report the results of these evaluations to the Board of Directors and members of management as a basis for manager evaluations.
Risk Management Committee [4]	12 • 12 inside officers (10/2)	Officer appointed by the President and Representative Director	To discuss issues and measures concerning risk management (risk prevention and rapid response to business emergencies) and to report matters under consideration by the Committee and the results of discussions to the Board of Directors or at Management Strategy Committee with the aim of contributing to the management of the Group.

Officers



Directors

①	Tetsuhiro Kito	Chairperson and Director Chairperson of the Board of Directors
②	Nobuhisa Ikawa	President and Representative Director President and CEO
③	Fumio Maeda	Director and Vice President; Executive Vice President In charge of Corporate Planning Department, Accounting & Finance Department and Growth Strategy Project

④	Kohei Akiyama	Director and Managing Executive Officer In charge of Human Resources Department, Legal Affairs Department, General Affairs Department, Public Relations Department and Secretarial Office
⑤	Yasuko Kono	Outside Independent Director
⑥	Tokushi Yamasaki	Outside Independent Director

⑦	Hiroko Miyazaki	Outside Independent Director
⑧	Masahiko Koyama	Outside Independent Director

Officers

Audit & Supervisory Board Members

⑨	Nobuyuki Tazawa	Audit & Supervisory Board Member (Full-time)
⑩	Nobuo Oda	Audit & Supervisory Board Member (Full-time)
⑪	Masayuki Kitaguchi	Outside Audit & Supervisory Board Member
⑫	Shigeru Nishiyama	Outside Audit & Supervisory Board Member
⑬	Katsumi Nakamura	Outside Audit & Supervisory Board Member



Managing Executive Officers

Yukihiro Matsumoto

General Manager of Processed Foods Business Division, General Manager of Overseas Management Division

Yoshitaka Hasegawa

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

Nobuhiro Hosoya

General Manager of Fresh Meats Business Division

Executive Officers

Hideki Fujii

In charge of Promoting Overseas Strategy

Takao Seki

General Manager of Sales Management Division, Processed Foods Business Division

Hirohide Fujiwara

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

Akio Wakita

General Manager of Product Management Division, Processed Foods Business Division

Seiji Inatomi

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

Yasuyuki Oishi

In charge of Quality Assurance Department, Customer Service Department and Research & Development Center

Masashi Kabayama

General Manager of Administrative Division, Processed Foods Business Division

Naomi Koga

General Manager of Administrative Division, Fresh Meats Business Division

Atsushi Onishi

In charge of VBM Promotion Office and Sustainability Department

Takashi Kamiya

General Manager of Marketing Management Division, Processed Foods Business Division

Kenji Takasaki

General Manager of Business Strategy Division

Teruyuki Asayama

General Manager of Australia Business Division, Fresh Meats Business Division; Managing Director of NH Foods Australia Pty Ltd.

Takeshi Fukushima

General Manager of Sales Management Division, Fresh Meats Business Division

Tatsuro Hishinuma

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

* See the Notice of the 80th Ordinary General Meeting of Shareholders on our website for bios, positions, responsibilities, and important concurrent positions.

Web NH Foods Notice of the 80th Ordinary General Meeting of Shareholders

Roundtable discussion between the chairperson and outside directors

We are determined to achieve sustainable improvement in our corporate value through innovation and challenges, while remaining focused on the NH Foods Group's social mission to ensure reliable supplies of food.

The NH Foods Group is pursuing sustainable growth in corporate value under Medium-Term Management Plan 2026 and Vision 2030. This roundtable discussion was an opportunity for in-depth discussions between Chairperson and Director Tetsuhiro Kito and four outside directors on topics that included progress on Medium-Term Management Plan, initiatives to enhance the effectiveness of governance, and the outlook for further improvement in corporate value.



① Tetsuhiro Kito

Mr. Tetsuhiro Kito became Chairperson and Director and Chairperson of the Board of Directors in April 2023. Since becoming a director, he has served as General Manager of the Sales & Marketing Division for the Processed Foods Business, General Manager of the Fresh Meats Business Division, General Manager of the Overseas Business Division, and Vice President and Representative Director. He currently serves as chairperson of the Compliance Committee and the Sustainability Committee.

② Yasuko Kono

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

③ Tokushi Yamasaki

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

④ Hiroko Miyazaki

Ms. Hiroko Miyazaki took office as Outside Director in June 2024. She has broad business experience as an attorney, as well as experience in corporate management at global companies. She serves as a member of the Executive Nomination Committee, the Compensation Committee, and the Compliance Committee.

⑤ Masahiko Koyama

Mr. Masahiko Koyama took office as Outside Director in June 2025. He has extensive experience in corporate management including serving as president and representative director of a major corporation in the hotel and resort sector. He serves as a member of the Executive Nomination Committee, the Compensation Committee, and the Compliance Committee.

Roundtable discussion between the chairperson and outside directors

Q1. What is your assessment of progress under Medium-Term Management Plan 2026?

Kito: The theme for Medium-Term Management Plan 2026 is “Innovation and Challenges.” While our results in FY2024, which was the first year of the plan, fell short of our targets, we made a certain amount of progress, including efficiency improvements in the Processed Foods Business, and the expansion of the Ballpark Business. I also see the launch of co-creation projects and emerging signs of a commitment to innovation as evidence that we are making progress under the plan.

Kono: I have been watching closely over the past year to see whether the company would be successful in focusing minds across the NH Foods Group toward the achievement of the targets in the Medium-Term Management Plan and the realization of its vision. From that perspective, I have observed that in FY2024, it began to use backcasting from its 2030 vision for each business segment as a mechanism for resolving issues, and that since President Ikawa’s message that change is welcome, it has been fostering a culture of approaching business in ways that are not restricted to the success patterns of the past.

Yamasaki: NH Foods experienced adverse external reactions when business profit failed to reach the target level and ROIC and ROE both fell below the cost of capital. However, I do not

see our FY2024 results as especially disappointing, given that grain prices were around 30% higher than in FY2016-18, when earnings last peaked. In fact, I was very impressed by the content of the results, based on changes in three areas. First, volume trends in fresh meat sales were strong compared with the results for FY2016-18. Second, we enhanced our potential by restructuring the Processed Foods Business through painful structural reforms designed to boost sales of the flagship *Schau Essen* range while eliminating low-profit operations. Third, there have been changes in the contributions from group companies, which are steadily generating profits. Contributing factors include higher visitor numbers in the Ballpark Business, and increased sales by Nippon Pure Food. I expect these benefits to become increasingly apparent during the period covered by the Medium-Term Management Plan. Another positive change in FY2024 was the clarification of capital costs for each business area and the development of a structure to allow investment and lending in excess of those costs. I anticipate benefits from the operation of these systems.

Miyazaki: Actions under the Medium-Term Management Plan span three core goals: structural reform, growth strategies, and cultural reform. I am particularly interested in whether these core goals are properly reflected in business strategies, whether actions are in line with the plan, and whether there are any indications that changes are needed. Our structural reforms in relation to the product mix are proceeding faster than expected. In relation to growth strategies, I’m monitoring the balance between risks and returns, especially in overseas business activities. However, I’ve been impressed by the emergence of a business structure that allows NH Foods to leverage its strengths.

Koyama: I feel a deep sense of responsibility and resolve following my appointment as an outside director in June 2025. In FY2024, I participated in the Compliance Committee as an outside member and saw first-hand the strong commitment of the Chairperson and President to innovation and challenges. I see



the maintenance of a consensus with employees as vital in this era of uncertainty and increasingly diverse consumer value systems. As an outside director, I look forward to contributing to this by engaging in positive dialogue with people playing key roles in frontline operations, while emphasizing the importance of the values expressed in the company’s management principles.

Q2. What were your priorities as a member of the Board of Directors in FY2024?

Kito: As in FY2023, my focus as Chairperson in FY2024 was to energize the Board through initiatives focused on four areas: agenda improvement, the revitalization of discussions about management strategies, ensuring the qualitative and quantitative adequacy of information, and the enhancement of communication between the oversight and executive organizations. We made tangible progress in these areas, as evidenced by an improvement in the Board effectiveness assessment.

Kono: I have also seen clear changes in those four areas, which I attribute to initiatives based on the yearly effectiveness assessments. A notable aspect of our work in FY2024 was our discussions about co-creation and collaboration with the National Federation of Agricultural Cooperative Associations (ZEN-NOH) and the Thai company CPF. Given the prospect of declining demand in Japan, NH Foods will need to pursue efficiency



Roundtable discussion between the chairperson and outside directors

improvement through co-creation with other companies, rather than relying solely on its own resources.

Yamasaki: Because of my background as a securities analyst, I constantly focus on how investors will perceive a particular proposal and whether they will support it. That perspective is reflected in my questions and comments. This is especially true when we are discussing important matters, such as asset purchases or sales. I have paid close attention to whether investments will yield returns, and whether they will contribute to sustainability and the improvement of corporate value.



Miyazaki: This is my first year as a director. I have focused on the discovery and discussion of matters that are issues for internal directors. Whether in Board meetings or other forums, such as meetings between independent outside directors and the Chairperson or President, I always speak my mind about matters that I see as issues affecting long-term value creation.

Kono: You bring new perspectives to our meetings. I have gained many insights from your comments. It's very useful to be able to engage in constructive debate in other forums in addition to Board meetings.

Kito: Board meetings are inevitably subject to constraints in terms of time and the number of agenda items. Meetings between independent outside directors, the Chairperson and President provide opportunities for free discussions and exchanges of ideas.

Koyama: In my experience, many items on Board agendas have already been shaped and finalized by other processes and often do not reflect real management issues. We also need to consider frontline concerns and issues that are not manifested in the numbers, and whether or not the company's vision has been assimilated by business companies, as well as by divisional general managers and their subordinates. I intend to bring these perspectives to my role on the Board of Directors.

Q3. What was your reaction to the fact that the PBR is currently below 1.0?

Yamasaki: As I commented earlier, the company's real position has improved, and its potential has risen. My concern is that information about these improvements is not being adequately distributed outside of the company. To improve market perceptions, NH Foods needs to raise its performance by gearing its business operations toward the achievement of its 2030 targets of ROE of 9% or higher, and ROIC of at least 7%. We need to raise awareness of the company's future potential by emphasizing not only its business growth, but also its significant social contributions.

Kono: I agree. Business results are the first priority, but NH Foods also needs to strengthen its public relations and IR strategies. The VBM Promotion Office was established as a framework for initiatives to improve the PBR and has been working since FY2025 to provide integrated management of financial and non-financial indicators and improve the precision of IR strategies.

Miyazaki: The views expressed by Mr. Yamasaki and Ms. Kono also resonate with me. I see the present level of the PBR as an inverse indication of capital market expectations that NH Foods Group still has significant unfulfilled potential.

Kito: At a time when capital markets do not take a positive view of fresh meat companies with conservative business models, the company's ability to demonstrate profitability

improvement and growth potential will be a key factor. The priority now is to spread the message that the NH Foods Group is on a reliable growth track, based on the results of strategies that include structural reform for the Processed Foods Business, business model improvement for the Fresh Meats Business, concentrated investment in North America for the Overseas Business, and co-creation projects with other companies. I believe that all Board members have a responsibility to work toward the recovery of the PBR to 1.0.

Koyama: I would add that PBR improvement should ideally be the result of company-wide revitalization based on a vision and purpose shared by management and frontline staff.

Q4. What areas need to be strengthened in order to improve the effectiveness of governance?

Kito: My priorities are the separation of oversight and executive functions, and management guided by awareness of capital costs. The key to separating oversight and executive functions is to ensure that all officers have a strong awareness of the roles that are expected of them. To achieve that, we plan to document the roles of and expectations toward all internal and outside directors. I believe that this process will enable outside directors to use their professional skills to identify issues accurately and



Roundtable discussion between the chairperson and outside directors

provide advice about risks. We aim to move toward management guided by awareness of capital costs by debating and exploring optimal investment allocations based on capital costs for each business segment, as suggested by Mr. Yamasaki.

Kono: From my viewpoint as chairperson of the Executive Nomination Committee, I see the present composition of the Board of Directors as close to optimal in terms of the aspects that have been prioritized over the past few years, such as the ratio of internal to outside directors, the skill matrix, and diversity, equity, and inclusion perspectives. The main focus for the Executive Nomination Committee should be management succession planning. We will continue to debate all aspects of human resource utilization without exemption, and we will manage the committee in line with its mission to build a robust team of directors capable of supporting business execution and improving corporate value.

Yamasaki: As a member of the Compensation Committee, I participate in reviews to ensure that executive remuneration is in line with basic policies, and that the development and administration of systems and the level of remuneration all contribute effectively to the provision of incentives for medium- to long-term improvement in corporate value. These reviews are carried out annually with reference to survey findings from independent bodies. The Committee's deliberations also resulted in the addition of total shareholder returns (TSR) to the assessment indicators for the Performance-Based Stock Compensation Plan, starting in FY2024. We will continue to explore further improvements and enhancements while prioritizing linkage to the company's management and business strategies.

Q5. What are your views on future initiatives to improve corporate value?

Yamasaki: I believe that NH Foods is on the right track, and that the goal of improving corporate value is highly achievable. Based on this assumption, I will continue to monitor the Medium-Term Management Plan objectively and offer recommendations through Board meetings if any gaps emerge. I will also work to deepen my communication with company personnel, including officers. I look forward to energetic discussions about corporate value improvement and portfolio reform.

Miyazaki: Under its “Proteinovation” R&D strategy, the NH Foods Group is working to discover previously unknown potential in protein. Like protein, the NH Foods Group organization contains major hidden potential. I know from experience how difficult it is to create new businesses while deepening existing businesses. Based on that experience, I will provide advice about the identification of risks and ways to achieve growth by taking risks.

Kono: A company's core priority is to maximize its earning power, but its true value comes from being really needed by society. Because of its roots in the livestock industry, the NH Foods Group plays an increasingly important role from a food security perspective by continuing to provide the *joy of eating* in ways that reflect contemporary needs. As someone with a background in consumer affairs, I hope that the NH Foods Group will take pride in fulfilling its mission to supply safe, reliable protein products amid the uncertainty created by inflation and other factors in domestic markets. I look forward to supporting those efforts.

Kito: I agree. We need to build awareness within and outside of the company about the social significance of our contribution to food security, and we need the entire management team to focus their minds and actions toward ensuring that the NH Foods Group is seen as an essential company. As Chairperson of the Board of Directors, I aim to enhance our corporate sustainability



by further strengthening the governance and compliance structures that we have built over the past 20 years.

Koyama: Of the three core goals identified in the Medium-Term Management Plan, I place the greatest importance on cultural reform. We need to consolidate an organization focused on new challenges and train people who can take up those challenges. I see that as our most important priority going forward, and as the foundation for value improvement and the development of growth strategies. I want to contribute to the NH Foods Group from that perspective.

Kito: Your experience as CEO of a national hotel chain has given you a strong awareness of the importance of frontline operations, and a strong commitment to people working in the frontline. The NH Foods Group also employs large numbers of frontline workers throughout Japan, so I look forward to hearing your insights based on frontline perspectives. I would like to thank you all for sharing your valuable time today.

Corporate governance

Reasons for election and attendance of directors (FY2024)

Attendance is based on the number of relevant meetings attended in fiscal 2024, while the positions shown are positions held from June 2025 onward.

Name	Reasons for election	Committees serving on ● Committee chairperson ○ Committee member							
		Board of Directors	Audit & Supervisory Board	Management Strategy Committee	Compliance Committee	Sustainability Committee	Executive Nomination Committee	Compensation Committee	Board of Independent Officers, Chairperson and President
Tetsuhiro Kito	Mr. Tetsuhiro Kito has been in charge of the field of Processed Foods Business, group sales management and the Group Sales Planning Department and has served as General Manager of the Overseas Business Division. He has also served as Vice President and Representative Director, General Manager of the Fresh Meats Business Division and officer in charge of cross-business strategy. Since April 2023, he has chaired Board of Directors meetings as Chairperson and Director of the Company, during which he has encouraged Outside Directors to actively contribute with opinions and advice, and he has contributed to the further development of the Group by overseeing various initiatives based on Medium-Term Management Plan 2026 toward the realization of the NH Foods Group "Vision2030," which was established as a milestone for achieving the Group's corporate philosophy. In this way, he has fulfilled his role as a Director.	● 18/18 (100%)	—	Observer	● 4/4 (100%)	● 4/4 (100%)	—	—	○ 2/2 (100%)
Nobuhisa Ikawa	Mr. Nobuhisa Ikawa has served as General Manager of the Processed Foods Business Division, Vice President and Representative Director, General Manager of the Corporate Planning Division and officer in charge of the Research & Development Center, new business development, and the Hokkaido Project. Since April 2023, he has led business operations as President and Representative Director of the Company and he has contributed to the further development of the Group by advancing various initiatives based on Medium-Term Management Plan 2026 toward the realization of the NH Foods Group "Vision2030," which was established as a milestone for achieving the Group's corporate philosophy. In this way, he has fulfilled his role as a Director.	○ 18/18 (100%)	—	●	○ 4/4 (100%)	○ 4/4 (100%)	—	○ 3/3 (100%)	○ 2/2 (100%)
Fumio Maeda	Mr. Fumio Maeda has served as General Manager of the Corporate Planning Division, Executive Officer in charge of the Research & Development Center and the Hokkaido Project, and General Manager of the Processed Foods Business Division and the Fresh Meats Business Division. Since April 2025, he has led business operations as Director and Vice President and officer in charge of the Corporate Planning Department, the Accounting & Finance Department and the Growth Strategy Project and he has contributed to the further development of the Group by advancing various initiatives based on Medium-Term Management Plan 2026 toward the realization of the NH Foods Group "Vision2030," which was established as a milestone for achieving the Group's corporate philosophy. In this way, he has fulfilled his role as a Director.	○ 18/18 (100%)	—	○	○ 4/4 (100%)	○ 4/4 (100%)	—	—	—
Kohei Akiyama	Mr. Kohei Akiyama has led business operations as the person in charge of Human Resources Department, Legal Affairs Department, General Affairs Department, Public Relations Department, and Secretarial Office of NH Foods Ltd. He has contributed to further development of the Group by implementing various measures based on the "Medium-Term Management Plan 2026," to realize the NH Foods Group "Vision 2030," a milestone for achieving the corporate philosophy.	○ 18/18 (100%)	—	○	○ 4/4 (100%)	○ 4/4 (100%)	Observer	Observer	—

Corporate governance

Name	Reasons for election	Committees serving on ● Committee chairperson ○ Committee member							
		Board of Directors	Audit & Supervisory Board	Management Strategy Committee	Compliance Committee	Sustainability Committee	Executive Nomination Committee	Compensation Committee	Board of Independent Officers, Chairperson and President
Yasuko Kono Outside Independent officer	Since Ms. Yasuko Kono has rich experience and knowledge concerning consumer issues, we expect her to provide us with valuable suggestions regarding fostering an organizational culture focused on new challenges, promotion and implementation of structural reform and growth strategies to transform the Company under the theme of "Working together to create value through protein" for the "Medium-Term Management Plan 2026."	○ 18/18 (100%)	—	—	—	○ 4/4 (100%)	● 6/6 (100%)	○ 3/3 (100%)	○ 2/2 (100%)
Tokushi Yamasaki Outside Independent officer	Mr. Tokushi Yamasaki has professional knowledge and abundant experience as a securities analyst. Therefore, we expect him to provide us with valuable suggestions regarding fostering an organizational culture focused on new challenges, promotion and implementation of structural reform and growth strategies to transform the Company under the theme of "Working together to create value through protein" for the "Medium-Term Management Plan 2026."	○ 18/18 (100%)	—	—	—	○ 4/4 (100%)	○ 6/6 (100%)	○ 3/3 (100%)	○ 2/2 (100%)
Hiroko Miyazaki Outside Independent officer	Ms. Hiroko Miyazaki has broad business experience as an attorney at law firms in Japan and abroad and also has experience in corporate management through serving as legal director and president and representative director at global companies. Therefore, we expect her to provide us with valuable suggestions regarding fostering an organizational culture focused on new challenges, promotion and implementation of structural reform and growth strategies to transform the Company under the theme of "Working together to create value through protein" for the "Medium-Term Management Plan 2026."	○ 13/13 (100%)	—	—	○ 4/4 (100%)	—	○ 6/6 (100%)	○ 2/2 (100%)	○ 1/1 (100%)
Masahiko Koyama Outside Independent officer	Mr. Masahiko Koyama has extensive experience in corporate management including serving as president and representative director in the hotel and resort sector. Therefore, we expect him to provide us with valuable suggestions regarding fostering an organizational culture focused on new challenges, promotion and implementation of structural reform and growth strategies to transform the Company under the theme of "Working together to create value through protein" for the "Medium-Term Management Plan 2026."	—	—	—	—	—	—	—	—

Reasons for election and attendance of Audit & Supervisory Board members (FY2024)

Attendance is based on the number of relevant meetings attended in fiscal 2024, while the positions shown are positions held from June 2025 onward.

Name	Biography, etc.	Committees serving on ● Committee chairperson ○ Committee member							
		Board of Directors	Audit & Supervisory Board	Management Strategy Committee	Compliance Committee	Sustainability Committee	Executive Nomination Committee	Compensation Committee	Board of Independent Officers, Chairperson and President
Nobuyuki Tazawa	Mr. Nobuyuki Tazawa possesses rich work experience and knowledge related to business management gained while serving as General Manager of the Administrative Division, Processed Foods Business Division and in other positions.	○ 18/18 (100%)	○ 18/18 (100%)	Observer	—	—	—	—	—
Nobuo Oda	Mr. Nobuo Oda has extensive experience and knowledge gained through his service as General Manager of the Administrative Division of the Fresh Meats Business Division, General Manager of the Deli Products Division of the Processed Foods Business Division, General Manager of the Corporate Planning Department, General Manager of the Overseas Business Division, and various other positions.	—	—	—	—	—	—	—	—
Masayuki Kitaguchi Outside	Mr. Masayuki Kitaguchi possesses a professional standpoint and abundant experience as a certified public accountant and attorney at law. He serves as an observer on the Executive Nomination Committee.	○ 18/18 (100%)	○ 18/18 (100%)	—	—	—	○ 6/6 (100%)	—	○ 2/2 (100%)
Shigeru Nishiyama Outside	Mr. Shigeru Nishiyama possesses a professional standpoint and abundant experience as a certified public accountant and a professor of a graduate school. He serves as an observer on the Sustainability Committee.	○ 18/18 (100%)	○ 18/18 (100%)	—	—	Observer	—	—	○ 2/2 (100%)
Katsumi Nakamura Outside	Mr. Katsumi Nakamura possesses a professional standpoint and abundant experience as an attorney at law. He serves as an observer on the Compliance Committee.	○ 18/18 (100%)	○ 18/18 (100%)	—	Observer	—	—	—	○ 2/2 (100%)

Corporate governance

Diversity and skills of directors (FY2025)

The NH Foods Group is dedicated to sharing *the joy of eating*. Under this corporate philosophy, we aim to establish business models that enable us to maximize corporate value by combining business value improvement with efforts to provide solutions to social priorities in relation to food and health, as well as the environment, which is essential to the creation of a reliable protein supply cycle. Our Board of Directors is responsible for maintaining appropriate oversight of our efforts to achieve these goals through the formulation and execution of our long-term vision (Vision2030) and business plans. They approach this task from the perspective of stakeholders, including consumers.

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

Directors' skill matrix

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

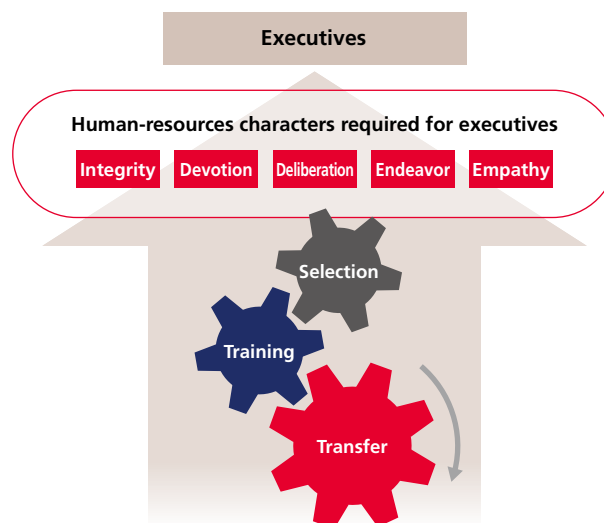
Corporate governance

Developing next-generation executives

Human-resources characters required for executives

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

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



Developing next-generation executives

The Group is developing and implementing plans for the training of next-generation executives in accordance with the process in the Guidelines for Strategic Development of Managerial Human Resources to Improve Corporate Value released by the Ministry of Economy, Trade and Industry. Our plan started in fiscal 2018 and we are currently engaged in Phase 4— “Evaluation of the results of development, and reassessment and reevaluation of related measures.” Young executive officers participate in young managers forums with a view to cultivating next generation executive experience and creating useful contacts outside of the Group.

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

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

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

Corporate governance

Evaluation of effectiveness of the Board of Directors

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

Evaluation process

In fiscal 2024, we conducted the evaluations by means of a questionnaire covering all directors and Audit & Supervisory Board members. Also, to ensure candid opinions are obtained from the officers and objective analysis, answers to the questionnaires were directly returned to a third-party evaluation organization and not via the Company's secretariat.

At a meeting of the Board of Directors on April 28, 2025, the effectiveness of the Board and issues to be addressed going forward were confirmed based on a report containing the objective analysis and assessment of the third-party evaluation organization.

Evaluation items

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

Initiative items	• We will manage deliberations according to the importance of propositions and improve the efficiency of deliberations on report items. • We will provide oversight to ensure that management resources are allocated appropriately from an overall optimization perspective and with a focus on capital costs. • We will continue to provide oversight based on our perception that the human resource strategy is vital for fostering an organizational culture focused on new challenges
FY2024 evaluation results	(1) Effectiveness of the Board of Directors As a result of the objective analysis conducted by the third-party evaluating organization, the effectiveness of the Board of Directors of the Company was confirmed as being suitably ensured in line with the Company's basic views on corporate governance. (2) Itemized Overview (1) Members and Operation of the Board of Directors The Company's Board of Directors confirmed that it has members with the necessary knowledge, experience, competence, and that diversity is being ensured. However, the Board of Directors also acknowledged that it needs to focus on themes that lead to deeper deliberations and oversight, and to deepen discussions about specific themes. (2) Management Strategy and Business Strategy The Company's Board of Directors confirmed that it made progress on deliberations about financial strategies and capital policies but also acknowledged the need for multifaceted discussions about management strategies based on the state of the internal and external environments, and for further strengthening of oversight concerning the allocation of management resources to achieve overall optimization with a focus on capital costs. (3) Corporate Ethics and Risk Management It was confirmed in this financial year as well that officers and employees have a good understanding of and are complying with the NH Foods Group Global Action Standards, and that there is effective oversight of risk management structures, including the establishment and administration of appropriate internal control systems. (4) Evaluation of and Compensation for Members of the Management Continuing from the last year, Compensation Committee confirmed the incentive compensation system was appropriately considered from the perspective of a healthy system for the sustained growth and in comparison with other companies. (5) Communication with Shareholders and Others It was confirmed in this financial year as well that, opinions and other information obtained through communication with shareholders were fed back to the Board of Directors and effectively utilized in deliberations. Main topics discussed by directors • Progress on the Medium-Term Management Plan • Officer evaluation and compensation • Risk Management Committee Report • Business Execution Report (business strategy, overall Group strategy, financial strategy, growth strategy, functional strategy) • Cross-Shareholdings Review Report • Human resource strategy
Future efforts	Based on the results of the above evaluation, we will continue to pursue the following initiatives for the realization of the Medium-Term Management Plan 2026: • We will recognize the roles of individual officers in the Board of Directors on the basis of their attributes and select agenda items relating to areas in which deeper deliberations and oversight are needed. • We will supervise the appropriate allocation of management resources from the perspective of total optimization, while bearing in mind capital costs. • We will continue to supervise the way human resources strategy is implemented as it is critical for the fostering of an organizational culture that takes on challenges. We will continue enhancing the effectiveness of the Board of Directors in the future to further increase corporate value and to achieve our vision for the Group.

Corporate governance

Officer compensation

Basic policy

At a meeting of the Board of Directors held on February 12, 2021, policy was established for determining the content of individual compensation for directors. This policy was partially amended at the meeting of the Board of Directors held on April 8, 2024.

The officers' compensation system provides compensation to individual executive directors and executive officers who have been selected from among the finest management talent and nurtured and promoted by the Company. Its purpose is to further clarify the linkage between officers, compensation and the Company's business performance/shareholder value and to provide an incentive for enhancing corporate value over the medium-to long-term with the aim of realizing the corporate philosophy.

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

with the final decision to be made by the Board of Directors.

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

The Compensation Committee deliberated on the following matters in FY2024.

- June 2024: Regarding the evaluation results of the Corporate Officers for FY2023 and compensation for Corporate Officers for FY2024.
- November 2024: Regarding the confirmation of compensation for Corporate Officers (market standard of compensation)
- February 2025: Regarding the partial revision of remuneration system for Corporate Officers

Summary of director compensation

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

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

Breakdown of officer compensation

	Basic compensation 55%	Performance-based compensation 28%		Performance-based stock compensation 17%	
Positioning	Fixed compensation	Short-term incentive compensation		Long-term incentive compensation	
Recipients	• Directors • Executive officers • Audit & supervisory board members	• Directors (excluding outside directors) • Executive officers		• Directors (excluding outside directors) • Executive officers	
Delivery form	Money	Money		Stock (BIP Trust)	
Evaluation indicators	—	Financial	Annual performance • Consolidated net sales • ROE • Consolidated business income • ROIC	Financial	• Consolidated net sales • Consolidated business income • ROE • TSR^{*4} ^{*4} Added in fiscal 2024 with the aim of further clarifying the correlation between business results and share prices
Delivery method	Payment of standard amounts established by position	If the standard performance achievement level is 100%, the payment will vary within a range of 0 to 200%, according to the level of achievement.		Points will be granted according to the level of achievement of the target values of the performance indicators set in the medium-term management plan. If the standard performance achievement level is 100%, the payment will vary within a range of 0 to 150%.	

Points will be granted according to the level of achievement of the target values of the performance indicators set in the medium-term management plan. If the standard performance achievement level is 100%, the payment will vary within a range of 0 to 150%.

Corporate governance

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

The three evaluation indicators are 1) overall company business results, 2) organizational business results (business division/department) and 3) management issues, and performance evaluations consider each of these independently. Regarding business performance indicators, ROE was adopted in the fiscal year ended March 2013 to raise consolidated net sales toward sustainable topline growth and to raise consolidated business income and capital efficiency toward the sustainable growth of Group business. ROIC was adopted in the fiscal year ended

March 2016 as an indicator for business division performance to improve the efficiency of capital investment.

Summary of Performance-Based Stock Compensation

Based on a resolution of the 75th Ordinary General Meeting of Shareholders held on June 25, 2020 (number of officers at the time of the resolution: 22), the Company introduced a performance-based stock compensation scheme for directors (excluding outside directors) and executive officers. The scheme grants recipients shares of the Company or an amount of money equivalent to the disposal value of shares

of the Company in accordance with medium-to long-term business performance. The effective start date of the scheme was August 3, 2020. The scheme was partially amended pursuant to a resolution adopted at the 79th Ordinary General Meeting of Shareholders held on June 25, 2024 (number of officers at the time of the resolution: 19).

The purpose of this compensation is to provide an incentive for enhancing corporate value over the medium to long term. Points are granted to each director (excluding outside directors) and executive officer based on their position, an evaluation of total shareholder return (compared to TOPIX), and the level of achievement of performance targets (consolidated net sales, consolidated business income, ROE) described in the Company's medium-term management plan. Recipients are then issued with a number of shares of the Company equivalent to the number of points they have accumulated, which are issued while the recipient is in office or on retirement. Note that shares are not transferred until at least one year has passed after the recipient's retirement.

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

Summary of Audit & Supervisory Board member compensation

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

Aggregate amount of compensation by officer category, aggregate amount of each type of compensation, and eligible officers in FY2024

Type of officer	Aggregate amount of compensation, etc. (millions of yen)	Aggregate amount of compensation, etc., by type (millions of yen)			Number of eligible officers
		Basic compensation	Appraisal compensation	Performance-based stock compensation	
Directors (excluding outside directors)	262	158	67	37	5
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	50	50	—	—	2
Outside Officers	88	88	—	—	7

*1 The maximum amounts of compensation (basic compensation and appraisal compensation) for directors are ¥42 million per month (as resolved at the 51st Ordinary General Meeting of Shareholders held on June 27, 1996), and the number of directors was 25 at the time of this resolution. This scheme was partially amended pursuant to a resolution adopted at the 79th Ordinary General Meeting of Shareholders held on June 25, 2024, whereby NH Foods Ltd. introduced a performance-based stock compensation plan for directors (excluding outside directors) and executive officers of NH Foods Ltd., separately from the aforementioned maximum amounts of compensation, etc., for Directors. Under the Plan, NH Foods Ltd. shall contribute trust funds not exceeding ¥220 million per fiscal year for fiscal years covered by the medium-term management plan (the initial coverage period of four fiscal years from the fiscal year ended March 31, 2021 to the fiscal year ending March 31, 2024) of NH Foods Ltd. The shares of NH Foods Ltd. shall be acquired through the trust, and the delivery, etc. of the shares, etc. of NH Foods Ltd. shall be made through such trust, in accordance with the position and degree of achievement with respect to the target value of the performance indicators in the medium-term management plan, and an assessment of the Company's TSR (relative to TOPIX). The number of directors was five at the time of the aforementioned resolution. The aggregate amount of the performance-based stock compensation in the above table represents the amount recorded as expenses, etc. related to the share delivery points clarified by the estimated amount to be granted for the fiscal year under review based on the Plan.

*2 Appraisal compensation is monetary compensation that varies in accordance with the level of achievement of targets concerning the Company's business performance for the fiscal year (consolidated net sales, consolidated business income, ROE, and ROIC) and targets concerning management issues that have been set on an individual basis. Its purpose is to provide an incentive for enhancing corporate value over the medium to long term. Performance-based stock compensation is a compensation plan that also provides an incentive for enhancing corporate value over the medium to long term. Points are granted based on the level of achievement of performance targets (consolidated net sales, consolidated business income, ROE), as described in the Company's medium-term management plan, as well as an assessment of the Company's TSR (relative to TOPIX), and each officer's seniority level. Recipients are then issued with a number of shares of the Company equivalent to the number of points they have accumulated, which are issued while the recipient is in office or on retirement. Looking at business performance for fiscal 2024, consolidated net sales were ¥1,370,553 million, consolidated business income was ¥42,540 million, and ROE was 5.1%. As results concerning individual business divisions are not disclosed, we are unable to disclose the result for ROIC, but there was a year-on-year decline for the Fresh Meats Business, and year-on-year improvements for the Processed Foods Business, the Overseas Business, and the Ballpark Business. .

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

Corporate governance

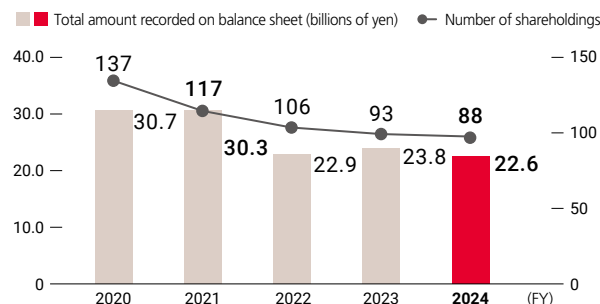
Reducing cross-shareholdings

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

If we determine that holding certain shares has become less necessary, we will dispose of such shares in an appropriate manner, taking into consideration matters such as stock price and market trends. There are also cases where even though the holding of certain shares has been recognized as significant, they may be disposed of based upon an agreement with the issuing company. As of the end of March 2025, the total market value of our cross-shareholdings was approximately ¥22.6 billion. This amounts to around 2.4% of consolidated assets, which we recognize is not a large proportion, but we will continue to review and shrink all our current investments.

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

Number of shareholdings and balance sheet amount



Dialogue with shareholders

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



Individual meeting with an institutional investor in Hong Kong (June 2025)



Individual meeting with an institutional investor in North America (August 2025)

FY2024 activities

Category	Number
Individual meetings with institutional investors	259 times
Overseas IR meetings * In-person overseas IR activities resumed from 2023	6 locations
Facility observation tours for institutional investors * In-person observation tours resumed from 2023	1 times
Business result presentations for institutional investors	4 times
Medium-term management plan progress reports for institutional investors	2 times
Small-number meetings with institutional investors	4 times
Sustainability small meeting	1 time
Engagement meetings	15 times
Business briefings (IR Days)	1 time
Online company introductions for individual investors	1 time
Online briefings for individual shareholders	1 time

Audits by Audit & Supervisory Board members

Audit & Supervisory Board members attend meetings of the Board of Directors, Management Strategy Committee, and other boards and committees in order to confirm business execution by directors. Each quarter, Audit & Supervisory Board members also exchange opinions and proposals with the President and Representative Director, and exchange opinions with outside directors. Also, in order to monitor the status of business execution, in principle, at least one full-time Audit & Supervisory Board member and one outside Audit & Supervisory Board member attend interviews with directors twice per year, and executive officers and the heads of major departments and divisions once per year. These interviews last around an hour and a half and confirm the situation regarding matters such as business execution, internal controls, response to material risks, and initiatives to improve workplace environments.

Corporate governance

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

Audit & Supervisory Board members receive a report from the accounting auditor and internal audit departments once per month with the accounting auditor and the internal audit departments, and observe audits by the internal audit departments and audits by the accounting auditor (including the year-end inventory audit). The Group Audit & Supervisory Board Members' Office, which was established in April 2021, regularly

holds meetings to exchange information, as well as twice-yearly meetings between the Audit & Supervisory Board, accounting auditor, and internal audit departments, with the participation of all relevant departments.

Accounting audits

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

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

* Assistants who helped with accounting audits included 17 CPAs, 17 CPA-certified individuals, and 28 other individuals.

Internal audits

Internal audits are conducted by the Audit Department (20 employees assigned). They include audits of business operations in Japan and overseas, enterprise risk management support, and audit quality management. In regard to audit methodology, audits of business processes, risk management, compliance, information security, and other areas at each head office division and Group company are carried out from a risk-oriented perspective based on an audit plan, and then the audited organization is provided with suggestions and advice toward improvements.

Audit results are compiled into a report document, but extremely urgent and important matters are also reported orally. The Audit Department implements audit procedures under the direct jurisdiction of the President and Representative Director and the results of audits are compiled into an audit report which is presented to both the President and Representative Director and the Board of Directors. We have also established an audit quality management framework to confirm the effectiveness of internal audits. This incorporates audit guidance within the department and Computer Assisted Audit Techniques (CAAT) to ensure audits are being carried out based on broader and more varied data sets. Additionally, the Audit Department coordinates with the Audit & Supervisory Board members and accounting auditors to evaluate the accounting and business operations of the entire Group. When the accounting auditor evaluates the effectiveness of internal controls, it coordinates with the Audit Department to mutually share results.

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

Item/audit target	Details	Full-time	Outside
Oversight and auditing of the Board of Directors	Attended Board of Directors meetings (18 times)	✓	✓
Auditing of business execution by directors	Exchanged opinions with the President and Representative Director (4 times, 2 hours each time)	✓	✓
	Exchanged opinions with outside directors (4 times, 2 hours each time)	✓	✓
	Exchanged opinions with the chairperson of the Board of Directors (2 times, 2 hours each time)	✓	✓
	Interviewed executive directors, executive officers, and general managers of major divisions, excluding the above (35 times)	✓	✓
Important meetings other than Board of Directors meetings	Full-time Audit & Supervisory Board members attended and shared opinions at meetings	✓	—
Various Committees	Audit & Supervisory Board members attended meetings of committees and other bodies they are responsible for	✓	✓
Internal audit departments	Received audit reports (12 times)	✓	✓
Accounting and finance departments	Quarterly financial results, accounting auditor activities reports, etc. (7 times)	✓	✓
Compliance Department	Report on the number of consultation cases, etc. (4 times)	✓	✓
Accounting auditor	Received accounting audit plans, accounting audit reports, reviews of quarterly financial results, etc. (16 times)	✓	✓
Group companies	Interviewed representatives of Group companies and thoroughly reviewed documents based on an audit plan as an audit of the Group of companies (39 business locations, including companies that only submitted documents)	✓	✓
	Held meetings to exchange opinions with the Group Audit & Supervisory Board Members' Office and full-time Audit & Supervisory Board members of Group companies (12 times)	✓	△*

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

Corporate governance

Compliance

Compliance promotion framework

Important information concerning compliance is centrally managed by the Compliance Department which reports in real time to directors, Audit & Supervisory Board members, executive officers, and the heads of relevant departments and divisions and also presents reports to the Board of Directors and Compliance Committee.

As a result of compliance activities spanning over 20 years, we believe that the NH Foods Group has made a certain amount of progress toward the creation of a pleasant working environment that discourages compliance violations while fostering employee engagement. However, given society's wide-ranging expectations toward compliance, we can no longer earn the trust of society solely through our existing initiatives, and our approach has therefore evolved into activities designed to foster an organizational culture focused on new challenges and create a working environment that builds employee engagement through initiatives based on autonomous compliance.

Additionally, the Compliance Committee, which is responsible for verifying compliance status and considering compliance policies across the Group, the Job Satisfaction and Motivation Committees (Compliance Promotion Committees), which advance compliance initiatives at each business division and Group company, and the Job Satisfaction Leader Conference, which comprises representatives from the Job Satisfaction and Motivation Committee (Compliance Promotion Committee) of each Group Company and considers specific measures, all coordinate to share the latest information and to work thoroughly toward better compliance management. In fiscal 2024, the Compliance Committee and Compliance Leader Conference met four times each.

Maintaining awareness of compliance and reputational risks

To prevent recurrences of reputational problems like the 2002 meat mislabeling incident, we carry out the following three activities each year in August. First, the chair of the Compliance Committee shares a message. Second, we hold discussion sessions in which people involved in the scandal share what they learned. Third, we encourage employees to learn more about the incident through a digital archive containing newspaper articles from the time. Through activities such as these, we maintain awareness of the importance of compliance among our employees, over 80% of whom joined the NH Foods Group after the mislabeling incident.

Adoption of the NH Foods Group Anti-Bribery Policy

In response to the growing global awareness of the importance of anti-bribery, the NH Foods Group has established the "NH Foods Group Anti-Bribery Policy." By ensuring that all officers and

employees comply with anti-bribery laws and ordinances, we will fulfill our legal and ethical responsibilities as required by society.

Identifying potential risks through regular visits to business sites

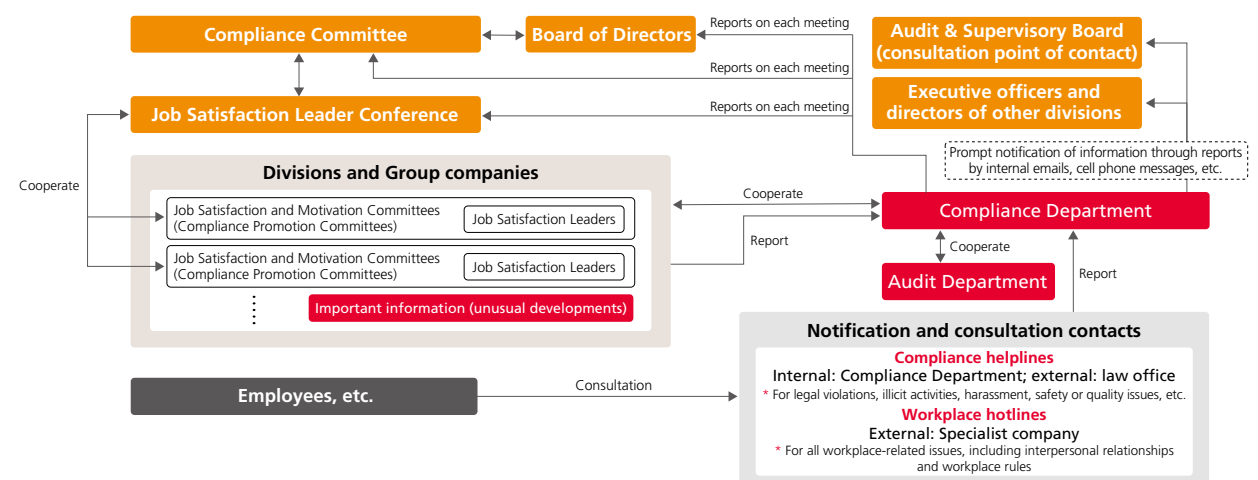
Members of the Compliance Department regularly visit our business sites and solicit feedback from employees. The goal is to identify potential risks, in order to detect problems these risks early, and then solve, avoid, or prevent them.

Creating pleasant working environments

The NH Foods Group creates various opportunities for awareness-raising activities as part of its efforts to create pleasant working environments.

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

Compliance Promotion system



Corporate governance

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

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

Consultation channels

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

strictly prohibited. All Group employees are made thoroughly aware of these regulations. Employees can also consult or make reports through these channels anonymously.

Risk management

Risk management structure

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

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

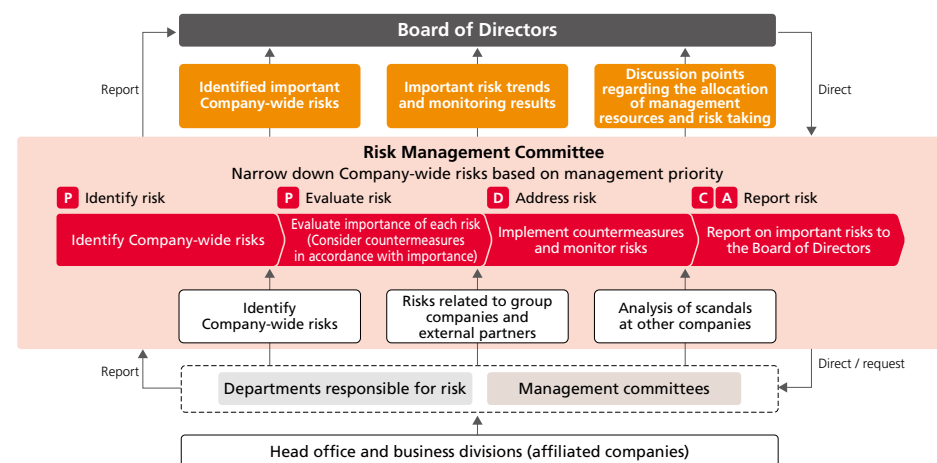
expected severity of the crisis in a prompt and appropriate manner.

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

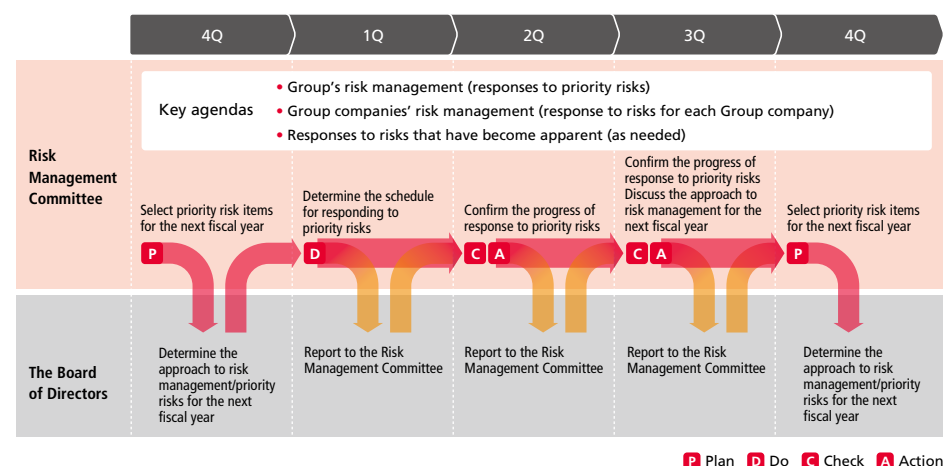
Business continuity plan (BCP)

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

Scheme for considering important risks



Annual risk management schedule



Corporate governance

Information security

Information security policy

In recent years cyberattacks targeting companies and organizations have become more sophisticated, diverse, and prevalent, and the threat to information security has increased. The range of areas that need to be considered from an information security perspective is also expanding due to the growing use of smart devices, cloud services and AI.

The NH Foods Group has positioned information security as a management priority. We have formulated the NH Foods Group Information Security Policy and related regulations as a framework for carefully planned information security measures.

Information security action structure

The NH Foods Group has created a cybersecurity management structure with the executive in charge of IT operations as the Chief Information Security Officer. We are continuously updating our plans for countermeasures against cyberattacks. In addition to a 24/365 security monitoring and action flows, we also maintain security incident response structures in collaboration with security partners capable of providing comprehensive IT security support. In addition, we have expanded BCP exercises based on cyberattack scenarios.

Information security initiatives

We conduct group-wide risk assessments and implement countermeasures covering networks and devices. These include the introduction of endpoint detection and response (EDR^{*1}) software, which detects and responds

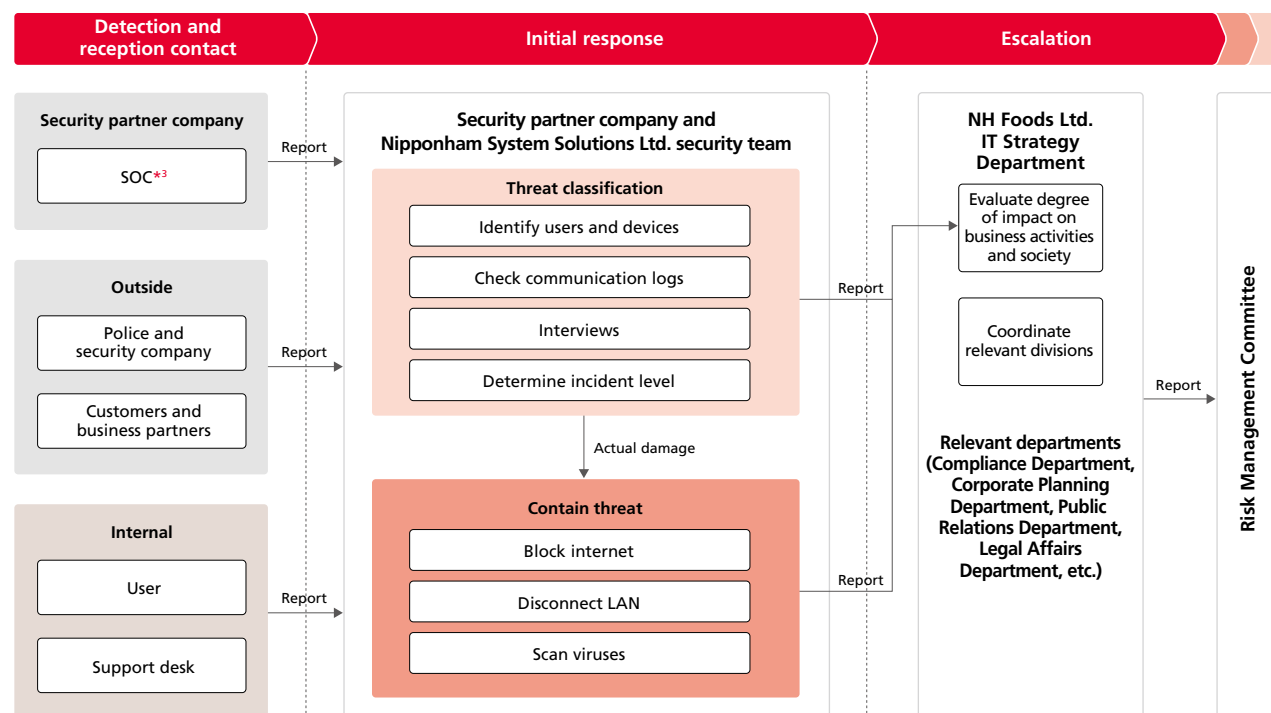
to suspicious behavior on PCs and servers, and managed detection and response (MDR^{*2}) security management services covering network equipment and cloud services. Because not all cyberattacks are preventable, we have also created systems that allow us to detect and respond to incursions quickly. We also provide regular education and training about targeted attack emails (“phishing”) as

part of our efforts to raise the security awareness of officers and employees.

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

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

Basic flow of response to information security incident



^{*3} SOC (Security Operation Center) : An expert organization that detects and analyzes cyberattacks and provides advice on how to respond

Consolidated Financial Statements (past 10 years)

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

	USGAAP			IFRS								(¥ million)
	3/16	3/17	3/18	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25	
Net sales	1,229,324	1,202,293	1,269,201	1,258,463	1,234,180	1,229,826	1,106,351	1,151,886	1,259,792	1,303,432	1,370,553	
Operating income	49,207	53,802	49,218	—	—	—	—	—	—	—	—	
Profit before tax [Net profit for the period from continuing operations before income taxes, etc.]	35,309	49,112	50,455	52,798	30,267	27,039	47,604	51,760	22,162	40,599	37,198	
Profit attributable to owners of the parent [Net profit attributable to owners of the parent]	21,779	35,004	37,147	37,552	19,561	19,214	32,616	48,049	16,637	28,078	26,585	
Business profit	—	—	—	50,589	38,311	43,772	52,426	48,116	25,596	44,939	42,540	
Total assets	682,855	720,276	755,076	734,528	741,388	768,861	825,405	909,213	937,155	958,237	949,272	
Total equity attributable to owners of the parent	356,353	404,126	440,793	417,982	401,014	404,414	433,595	479,069	492,913	527,503	524,293	
Interest-bearing liabilities	154,583	138,284	110,948	111,401	147,009	176,493	193,750	211,407	242,055	214,852	223,902	
Cash flows from operating activities	52,535	65,254	54,626	53,284	30,844	65,464	82,518	33,387	11,331	86,586	77,441	
Cash flows from investing activities	(49,139)	(38,271)	(49,006)	(48,194)	(45,110)	(36,728)	(57,827)	(22,837)	(63,677)	(39,224)	(42,717)	
Free cash flow	3,396	26,983	5,620	5,090	(14,266)	28,736	24,691	10,550	(52,346)	47,362	34,724	
Cash flows from financing activities	8,182	(11,439)	(27,508)	(27,110)	2,932	(3,077)	(14,934)	(12,162)	28,417	(53,189)	(29,851)	
Capital expenditures	36,799	43,765	41,466	41,201	47,820	35,759	67,161	57,537	59,124	44,157	34,373	
Depreciation and amortization	19,445	19,765	21,234	20,714	22,417	23,961	21,679	23,623	25,472	26,686	28,068	

Notes:

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

Consolidated Financial Statements (past 10 years)

Per share amounts	USGAAP			IFRS								(¥ million)
	3/16	3/17	3/18	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25	
Basic earnings per share [Basic net profit per share attributable to owners of the parent]												
Continuing operations (¥)	¥ 245.56	¥ 343.59	¥ 348.46	¥ 352.26	¥ 183.21	¥ 186.70	¥ 311.13	¥ 381.91	¥ 176.27	¥ 273.70	¥ 263.05	
Discontinued operations (¥)	(¥31.72)	(¥0.12)	—	—	—	—	¥ 6.84	¥ 88.01	(¥ 13.83)	¥ 1.00	—	
Total (¥)	¥ 213.84	¥ 343.47	¥ 348.46	¥ 352.26	¥ 183.21	¥ 186.70	¥ 317.97	¥ 469.92	¥ 162.44	¥ 273.70	¥ 263.05	
Diluted earnings per share [Diluted earnings per share for the period attributable to owners of the parent]												
Continuing operations (¥)	¥ 230.61	¥ 322.66	¥ 342.07	¥ 350.00	¥ 181.48	¥ 186.64	¥ 311.05	¥ 381.82	¥ 176.25	—	—	
Discontinued operations (¥)	(¥29.72)	(¥0.12)	—	—	—	—	¥ 6.84	¥ 87.99	(¥ 13.83)	—	—	
Total (¥)	¥ 200.89	¥ 322.54	¥ 342.07	¥ 350.00	¥ 181.48	¥ 186.64	¥ 317.89	¥ 469.81	¥ 162.42	—	—	
Total equity per share attributable to owners of the parent (¥)	¥ 3,498.72	¥ 3,832.95	¥ 4,100.70	¥ 3,888.48	¥ 3,896.64	¥ 3,929.43	¥ 4,243.70	¥ 4,681.82	¥ 4,808.70	¥ 5,138.81	¥ 5,299.55	
Cash dividends (¥)	¥ 33.00	¥ 52.00	¥ 53.00	¥ 53.00	¥ 90.00	¥ 90.00	¥ 94.00	¥ 102.00	¥ 110.00	¥ 119.00	¥ 135.00	
Financial indicators												
Business profit ratio (%)	—	—	—	4.0	3.1	3.6	4.6	4.0	2.2	3.5	3.1	
Operating profit ratio (%)	4.0	4.5	3.9	—	—	—	—	—	—	—	—	
Return on equity (ROE) (%)	6.1	9.2	8.8	9.4	4.8	4.8	7.8	10.5	3.4	5.5	5.1	
Return on invested capital (ROIC) (%)	6.5	7.0	6.2	6.6	4.9	5.3	5.9	5.0	2.4	4.1	3.9	
Total equity attributable to owners of the parent ratio [Total equity ratio] (%)	52.2	56.1	58.4	56.9	54.1	52.6	52.5	52.7	52.6	55.0	55.2	
Interest-bearing liabilities / Equity ratio [Equity ratio] (Times)	0.43	0.34	0.25	0.27	0.37	0.44	0.45	0.44	0.49	0.41	0.43	
Interest coverage ratio (Times)	35.1	57.4	44.7	43.1	24.2	40.6	61.6	27.9	6.3	41.1	41.1	
Payout ratio (consolidated) (%)	30.9	30.3	30.4	30.1	49.1	48.2	29.6	21.7	67.7	43.5	51.3	

Non-financial data (past 10 years)

Item		Scope	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Environmental	Greenhouse Gas Emissions from NH Foods Group and Its Entire Supply Chain (thousand t–CO ₂)											
	Scope1 CO ₂ * ¹	Japan	211	221	220	216	215	220	222	213	203	190
	Scope1 CO ₂ Overseas	Overseas	—	—	—	—	—	—	52	55	53	55
	Scope1 Methane* ²	Company-wide	28	28	30	30	31	28	116	134	122	144
	Scope1 Nitrous oxide* ²	Company-wide	95	92	98	103	102	101	102	99	52	48
	Scope2 CO ₂ Location base	Japan	332	343	298	303	290	276	267	246	243	231
	Scope2 CO ₂ Location base	Overseas	—	—	—	—	—	—	92	86	78	80
	Total CO ₂ Location base	Company-wide	666	684	646	652	638	625	851	833	751	748
	Scope3 CO ₂	Japan	9,449	9,717	10,157	10,948	11,134	10,576	10,503	10,258	10,475	10,567* ³
	Water											
Transition of water withdrawal and water consumption (thousand m ³)* ⁴	Manufacturing plant in Japan	13,564	13,729	15,152	14,797	14,820	14,820	14,721	14,261	13,796	13,196	
Waste												
Waste generation (thousand t)	Japan	402.1	416.6	423.1	434.7	411.3	402.5	397.6	380.2	378.0	388.2	
Recycling rate (%)* ⁵		94.9	94.6	94.3	93.6	92.1	94.7	96.9	96.6	96.3	95.3	
Social	Employee data											
	Number of employees* ⁶	NH Foods Ltd.	2,358	2,372	2,384	2,403	2,137	2,149	2,160	2,077	1,977	2,065
	Percentage of female employees (%)* ⁷		16.5	19.2	21.3	20.4	26.7	27.4	28.4	30.3	32.3	33.5
	Percentage of female managers (%)		3.4	3.4	3.3	3.8	4.6	6.5	8.5	9.8	10.7	12.0
	Hiring of Personnel with Disabilities* ^{8, 9, 10}											
	Employment rate (%)	NH Foods Ltd.	1.7	1.7	1.6	1.7	2.4	2.5	2.7	2.6	2.6	2.6
	Utilization of Child and Nursing Care-Related Systems											
	Number of childcare leave takers	NH Foods Ltd.	52	63	76	70	73	96	108	115	121	116
	Male		5	5	8	4	5	12	18	37	33	28
	Female		47	58	68	66	68	84	90	78	88	88
Support for Physical and Mental Health												
Stress check rate (%)	Japan	96.1	93.9	93.0	91.5	90.3	91.6	92.8	94.5	95.5	94.1	

*¹ Data scope: Fossil energy sources and waste incineration *² Calculations are based only on enteric fermentation and manure management of livestock *³ Changes to calculation methods since FY2024
*⁴ Water intake and consumption figures are partially based on estimates from production departments. Figures from sites where data is not available, such as when water charges are included in rents, are excluded.
*⁵ Recycling rate: (Waste recycled in-house + Valuable materials sold + Recycled waste)/(Waste generation - in-house reductions) × 100 (Unit: %) *⁶ Full-time employees + transferees + partners *⁷ Regular employees *⁸ Includes non-regular employees
*⁹ Employment rate is calculated based on Disabled Persons Act *¹⁰ In November, 2019, Nipponham Career Consulting Ltd. became a special-purpose subsidiary of NH Foods Ltd.

Corporate data (As of April 1, 2025)

Corporate data

Corporate name	NH Foods Ltd.
Established	May 30, 1949
Capital	¥36,294 million
President	Nobuhisa Ikawa
Employees	Consolidated 25,947 Non-consolidated 2,008 Note: Including the average number of temporary employees
Main businesses	• Manufacture and sale of processed meats (hams and sausages, etc.) and cooked foods (retort-packed foods, pre-prepared foods, etc.) • Breeding of livestock, and processing and sale of fresh meats • Production and sale of dairy products and processed marine products
Head office	18F Breeze Tower, 4-9, Umeda 2-chome, Kita-ku, Osaka 530-0001, Japan
Telephone	+81-6-7525-3026

Main companies of the Group

Production and Breeding	Nippon White Farm Co., Ltd. Nippon Clean Farm Ltd. Whyalla Beef Pty. Ltd. (Australia)	Sales of Hams and Sausages, and Processed Foods	NH Foods Marketing Ltd. Nipponham Customer Communications Ltd.
Packing and Processing of Fresh Meats	Nippon Food Packer, Inc. Usune Co., Ltd. Miyazaki Beef Center Co., Ltd. Nippon Pure Food, Inc. Oakey Beef Exports Pty. Ltd. (Australia) Wingham Beef Exports Pty. Ltd. (Australia) Thomas Borthwick & Sons Pty. Ltd. (Australia) Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Sirketi (Turkey)	Production and Sales of Processed Marine Products	Hoko Co., Ltd.
Sales of Fresh Meats	Higashi Nippon Food, Inc. Kanto Nippon Food, Inc. Naka Nippon Food, Inc. Nishi Nippon Food, Inc. NHJF Corporation Minami Nippon Fresh Foods Co., Ltd. NH Foods Australia Pty. Ltd. (Australia) Beef Producers Australia Pty. Ltd. (Australia) Day-Lee Foods, Inc. (USA) Nippo Food (Shanghai) Co., Ltd. (China)	Production and Sales of Fermented Milk, Lactic Acid Probiotic Beverages, and Dairy Products (Cheese)	Nippon Luna, Inc. The Hoko Co., Ltd. (ROLF Division)
Production and Sales of Hams and Sausages	Nipponham Factory Ltd. Nipponham Hokkaido Factory Ltd. Nipponham Northeast Ltd. Kyodo Foods Co., Ltd. Nipponham Southwest Ltd. Kamakura Ham Tomioka Co., Ltd. NH Foods Vietnam Joint Stock Company (Vietnam) Redondo's, LLC (USA)	Production and Sales of Extract Seasonings	Nippon Pure Food, Inc. Pure Food Asia, Inc. (Taiwan)
Production of Processed Foods	Nipponham Processed Foods Ltd. Nipponham Delicatessen Ltd. Premium Kitchen Co., Ltd. Shandong Rilong Foodstuffs Co., Ltd. (China) Thai Nippon Foods Co., Ltd. (Thailand) PT NH Foods Diamond Indonesia, Ltd. (Indonesia) LJD Holdings, Inc. (USA) Mountain View Packaging, LLC (USA) Tamarack Foods, LLC (USA)	Production and Sales of Freeze-Dried and Frozen Foods	Nipponham Frozen Foods Ltd. Hoko Co., Ltd.
		Professional Sports	Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd. Fighters Sports & Entertainment Co., Ltd.
		IT, Services, and Other Businesses	Nipponham System Solutions Ltd. Nipponham Business Associe Ltd. Nipponham Career Consulting Ltd. Nipponham Engineering Ltd.
		Logistics and Trading	Nippon Chilled Logistics, Inc. Nippon Logistics Center, Inc. Nippon Daily Net Co., Ltd. Nippon Route Service Co., Ltd. Japan Food Corporation NH Foods Chile Y Compania Limitada (Chile) NH FOODS DO BRASIL REPRESENTACAO COMERCIAL LTDA (Brazil) NH Foods Mexicana S.A.DE C.V. (Mexico) NH Foods Singapore Pte. Ltd. (Singapore) NH Foods Thailand Ltd. (Thailand) NH Foods Taiwan Ltd. (Taiwan) NH Foods U.K. Ltd. (The United Kingdom)

Stock information

Share Data (As of March 31, 2025)

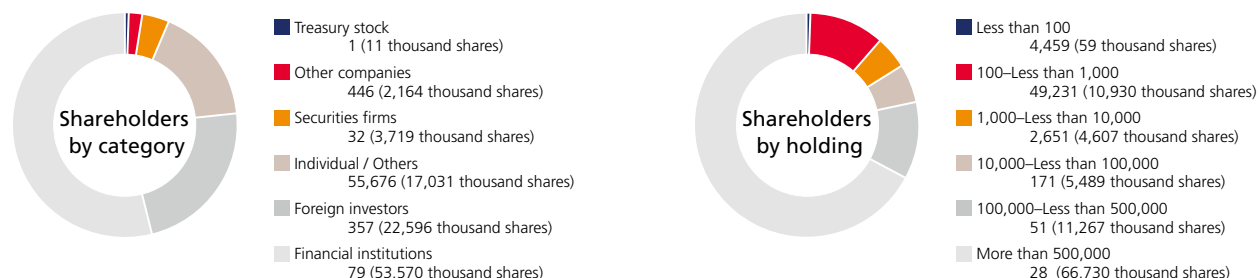
Authorized shares	285,000,000
Issued and outstanding	99,095,004
Shareholders	56,591

Major Shareholders (Leading 10 by holding)

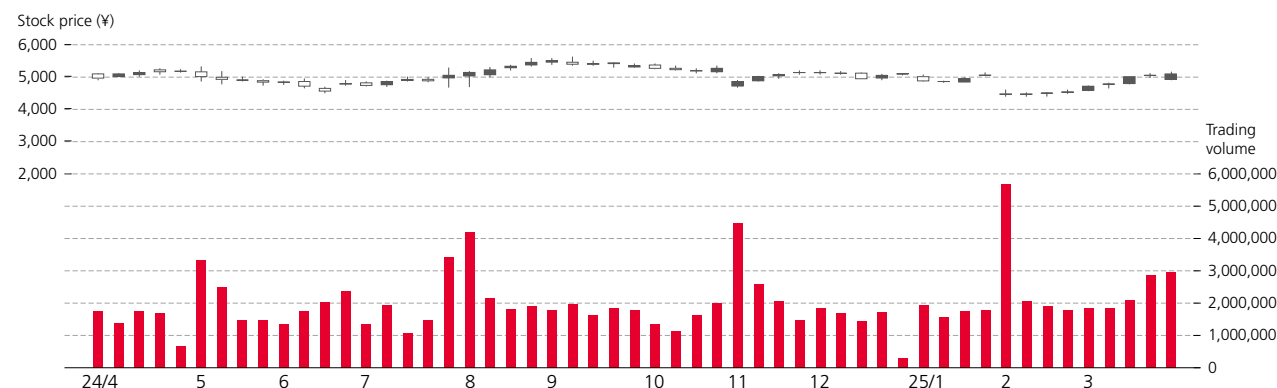
Name of shareholder	Holding (1,000s of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	20,594	20.78
Custody Bank of Japan, Ltd. (Trust account)	8,264	8.34
STATE STREET BANK AND TRUST COMPANY 505001	4,365	4.41
The Hyakujushi Bank, Ltd.	3,708	3.74
Meiji Yasuda Life Insurance Company	3,677	3.71
Nippon Life Insurance Company	2,785	2.81
The Norinchukin Bank	2,370	2.39
MUFG Bank, Ltd	1,653	1.67
Kyoei Fire & Marine Insurance Company, Limited	1,613	1.63
Sumitomo Mitsui Banking Corporation	1,395	1.41

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

Distribution of Shares



Stock Price Trend



Main initiatives and organizations of which the Group is a member

United Nations Global Compact (UNGC)

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

RSPO (Roundtable on Sustainable Palm Oil)

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

CGF (The Consumer Goods Forum)

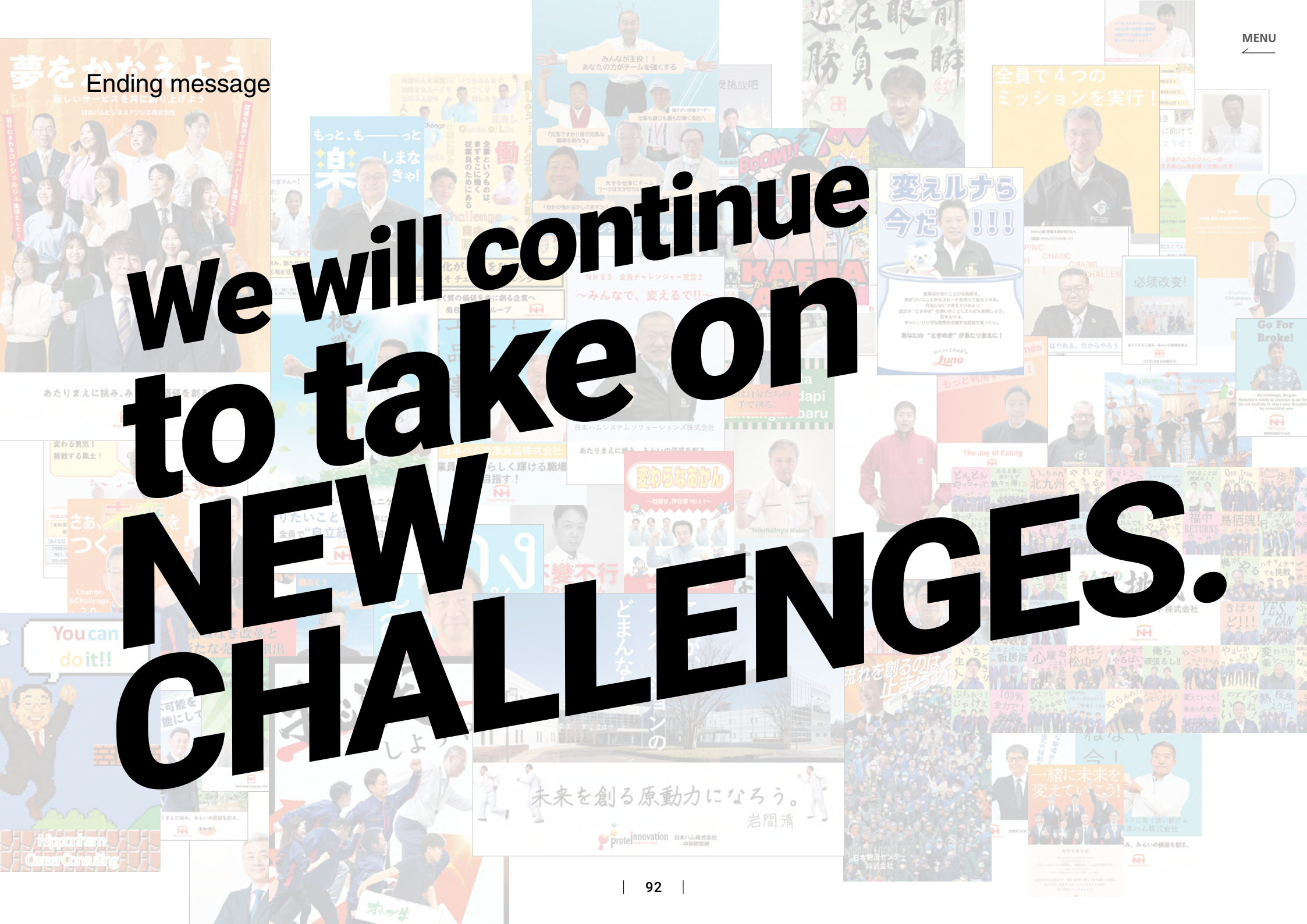
An international industry association for major manufacturers of foods and consumer goods and major retailers. As of July 2021, it has around 400 member companies from over 100 countries.

TCFD Consortium

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

TNFD

The Taskforce on Nature-related Financial Disclosures (TNFD) was established as an international organization to help private companies and financial institutions build frameworks for risk management and disclosure related to natural capital and biodiversity.



Ending message

We will continue
to take on
NEW
CHALLENGES.

Owned media of the NH Foods Group (Japanese only)



NH Foods Map for the Future of Protein

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



Table for All Food Allergy Care

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



Rotary

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



Mealín' Good

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



Let's Enjoy Delicious Meat!

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



NH Foods Group official X (formerly Twitter) account

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



Foods × Sports

This source offers information about latest food and sports initiatives by the NH Foods Group.



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