

NH Foods Group

Medium-Term Management Plan 2023 Progress Briefing

November 7, 2023

NH Foods Ltd.

Nobuhisa Ikawa, President & CEO



Unleash new potentials for protein

NH Foods Group Vision 2030



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Advancing to a new stage through a commitment to structural reforms and growth strategies

—Building flexible business models capable of adapting to change—

- **Achieve the profit target for Vision2030 with a delay of three years, with the early achievement a new profit record as a milestone.**
- **Become a company that grows continuously by swiftly transforming into an organizational culture that takes on challenges and external co-creation.**

Vision2030

Unleash new potentials for protein

—Advancing to a new phase—

Past

- Low profit, volatility
- Diversification of management resources by expanding business domains
- Profit structure weighted toward domestic markets
- In-house complete business model

Organizational culture
focused on new
challenges

Future

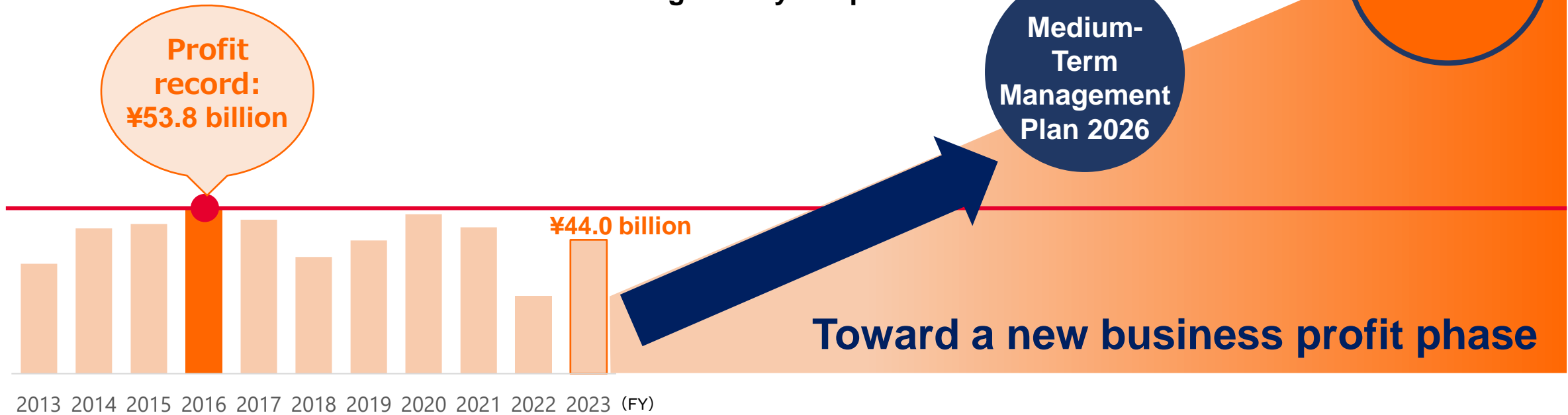
- High earnings and consistently high profit
- Acceleration of concentration of management concentration
- Improvement of overseas profit mix
- Flexible business model through external co-creation

Corporate philosophies: the *joy of eating*

Strategic Directions (2)

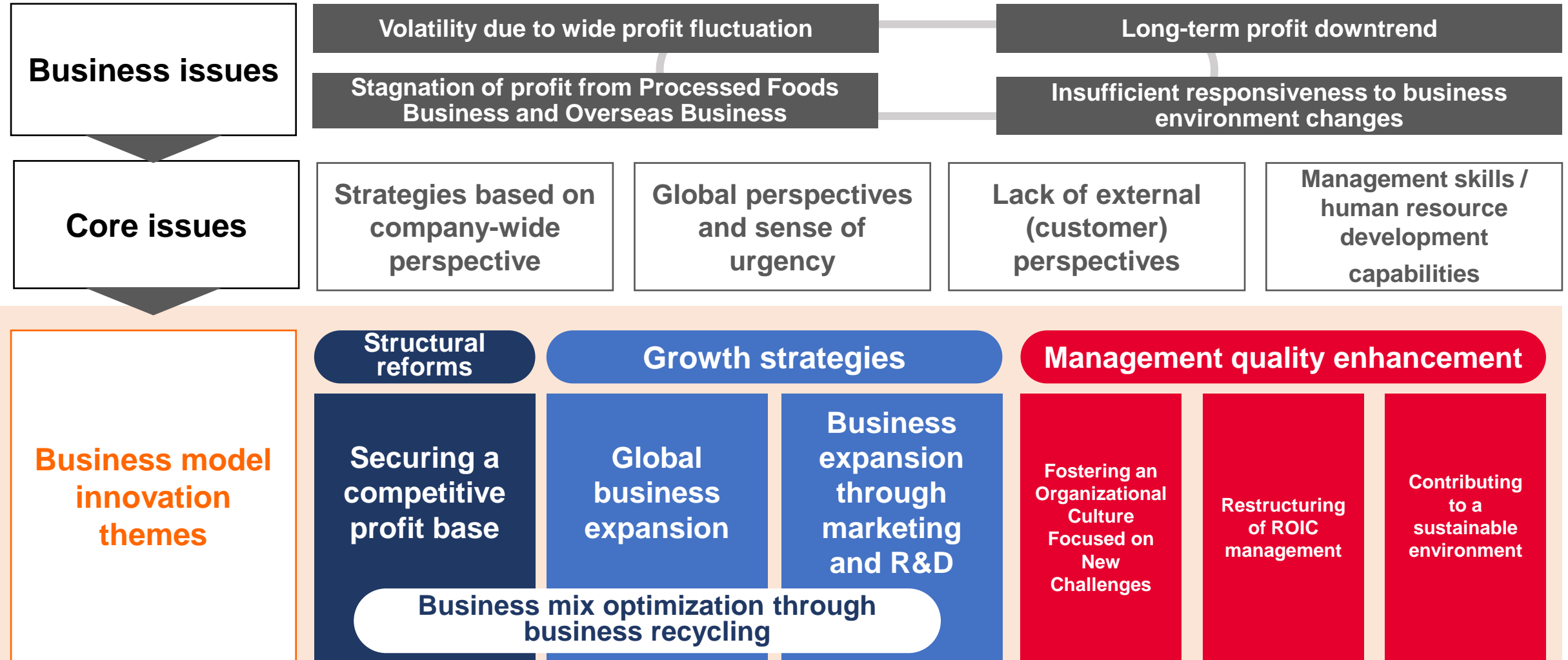
Achieve the profit target for Vision2030 with a delay of three years, with the early achievement a new profit record as a milestone.

- | | |
|---|---|
| Medium-Term Management Plan 2026 | <ul style="list-style-type: none"> ● Boost profitability in existing businesses by implementing structural reforms and strengthening invested capital controls. ● Initiate investment in new growth areas (e.g., overseas processing, new business areas). |
| Vision2030 | <ul style="list-style-type: none"> ● Build a high-profit business structure through continual asset recycling. ● Realize investment effects in growth areas ● Further enhance earning power by transitioning to an independent business structure that goes beyond past models. |



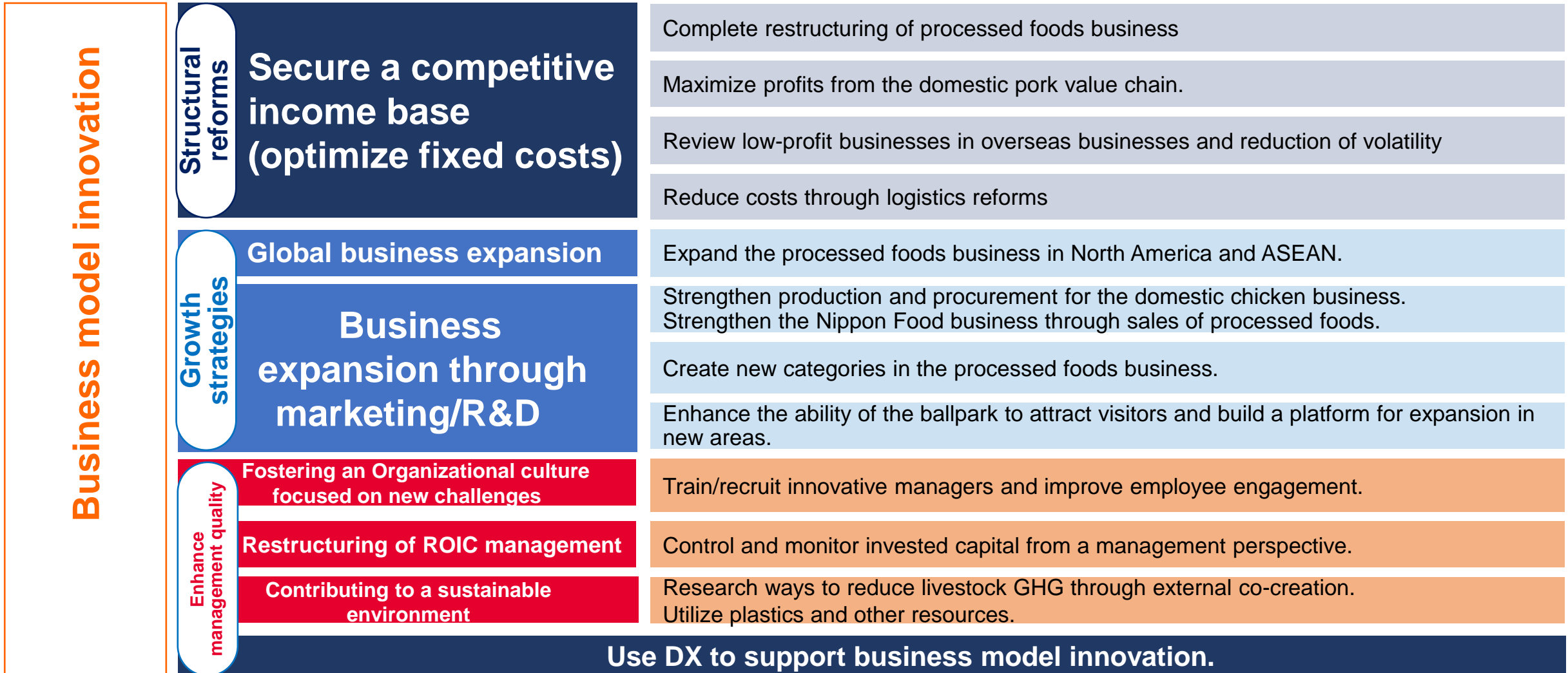
Management Issues and Innovation Themes (1)

Defining innovation themes designed to reduce volatility and improve margins under the next medium-term management plan



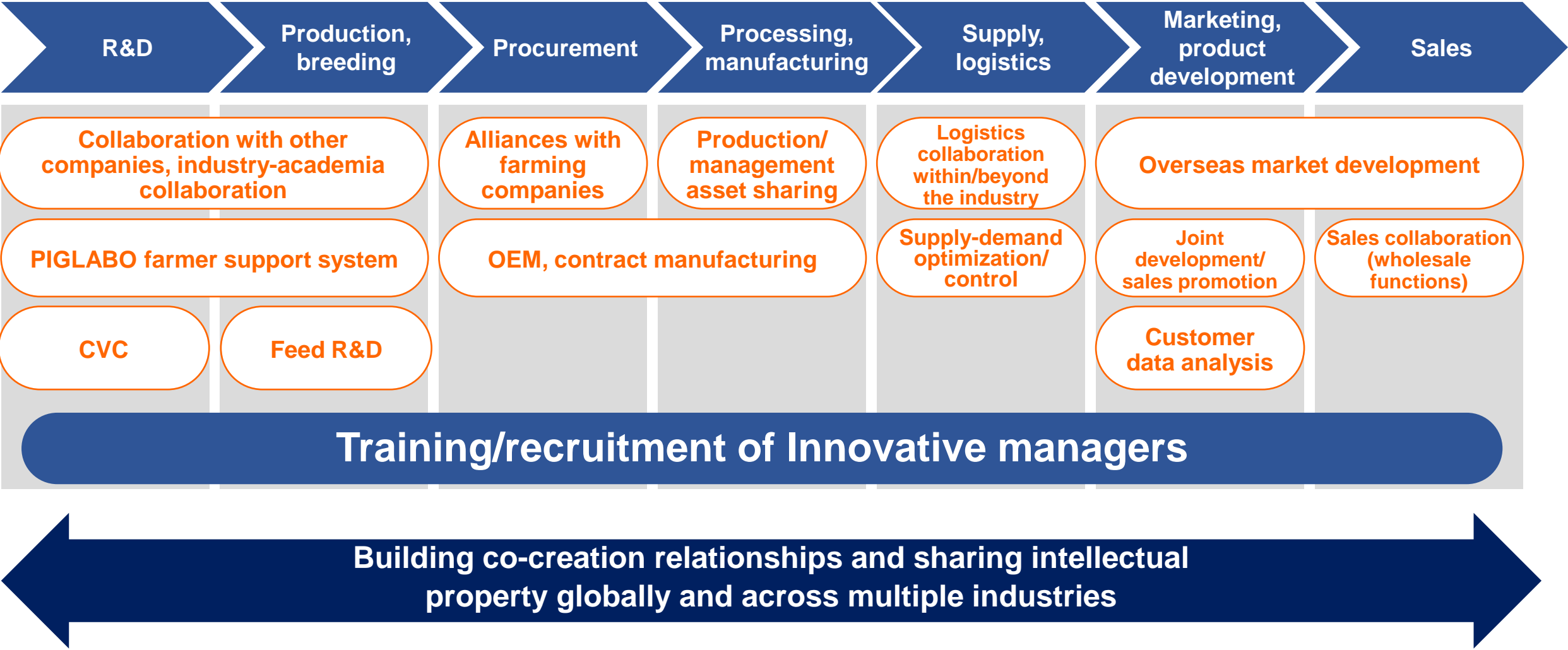
Management Issues and Innovation Themes (2)

Strengthening strategy execution, accelerating structural reforms, and realizing growth strategies under management leadership



New Growth through Co-creation and New Challenges (1)

Secure new options by using co-creation to enhance adaptability to various environmental changes.





Achieve further growth by developing human resources who see changes as opportunities and will boldly take up new challenges.

Fostering an organizational culture focused on new challenges

Key priorities for
the period to
2026

Training and recruiting innovative leaders, improving employee engagement

Initiatives

- Evaluate the spirit of challenge and enhance mechanisms to support the realization of new initiatives.
- Enhance management succession planning and expand mid-career recruitment.
- Further disseminate our corporate philosophy and vision and encourage a sense of ownership through dialogue.

**Transform business models and grow a company continuously
by pursuing co-creation and taking up new challenges.**

Improve PBR by improving ROIC and ROE through optimal debt/equity

Implement initiatives to improve profitability and control invested capital

Profitability improvement

- Achieve a steady recovery in performance for each fiscal year.
- Raise profit levels by implementing strategies in Medium-Term Management Plan 2026

Control of invested capital

Investment (assets) side

- Strategically allocate capital expenditure under the headquarter leadership, recycle existing assets, and reduce assets through co-creation with other parties.
- Reduce financial assets.
- Enhance monitoring with a focus on capital costs.

Procurement side

- Maintain an optimal liability and capital structure (D/E ratio: 0.5-0.6).
- Procure funds for growth investment mainly through interest-bearing debt.
- Provide capital benefits by combining the maintenance of dividend growth with share buyback programs.