

Medium-Term Management Plan 2026 Progress Briefing

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Nobuhisa Ikawa,
President & CEO
NH Foods Ltd.



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Working together to create value through protein Advancing to a new stage through a commitment to structural reforms and growth strategies

- **FY2025/3 first half review**

Initiated key measures for structural reforms and growth strategies, showing solid progress
Out performed plan due to structural reform in the Processed Foods Business and increased ballpark visitor numbers

- **Full-year business profit plan is in line with the target of ¥48.0 billion**

Revision of the segment plan in response to the challenging sales environment for fresh meats
In addition to strong performance of Overseas Business and Ballpark Business, structural reform of the Processed Foods Business is ongoing

- **Deepening commitment and co-creation toward the achievement of Medium-Term Management Plan 2026**

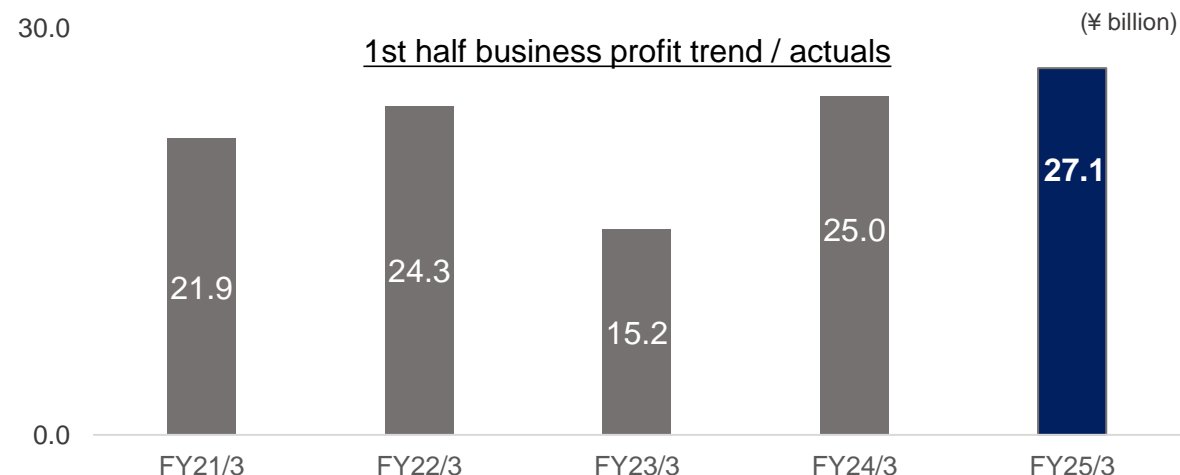
Initiatives to be led by senior management to foster a culture of taking on challenges
Launch of the first co-creation project for sustainable growth (business collaboration with JA Zen-Noh)

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Profits exceeded plan, driven by Processed Foods Business reforms and increased ballpark visitor numbers

	1st half results	Variance (YoY)	Variance from forecast
Net sales (¥ billion)	683.9	31.7	13.9
Business profit (¥ billion)	27.1	2.1	1.1
Business profit ratio (%)	4.0	-	0.1

Business profit breakdown (¥ billion)	1st half results	Variance (YoY)	Variance from forecast
Processed Foods Business Division	4.7	1.8	0.5
Fresh Meats Business Division	13.9	(3.2)	(0.1)
Overseas Business Division	4.2	4.0	(0.2)
Ballpark	7.0	0.6	0.3
Eliminations and adjustments	(2.7)	(1.1)	0.5



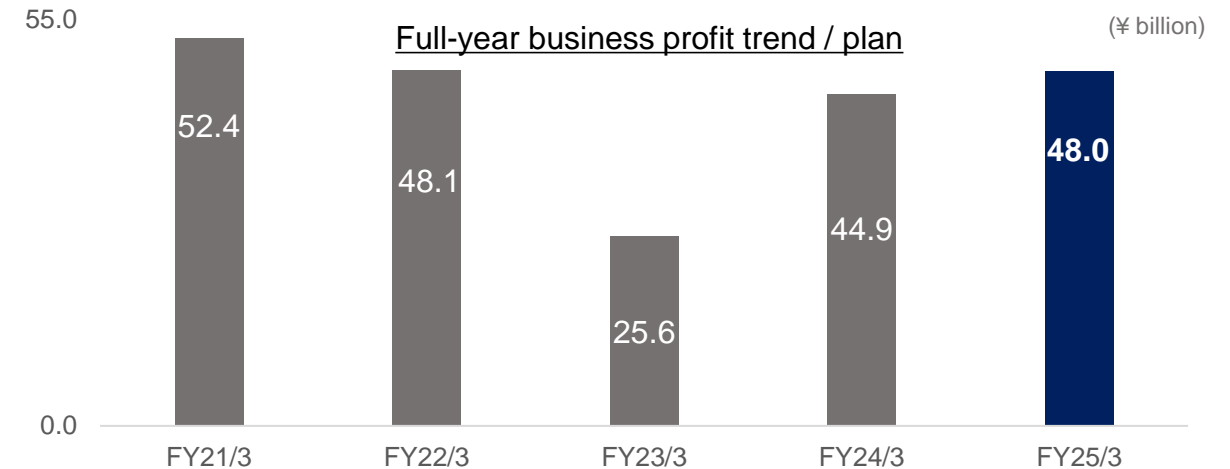
Key segment factors for FY2025/3 1st half

Processed Foods	Improved product mix through the review of low-profit products and price revisions
Fresh meats	Lower market prices for domestic chicken and higher production costs due to rising feed price
Overseas	Increased production volume in the Australian beef business
BP ^(*)	Increased ticket and food and beverage revenues due to higher visitor numbers

Achievement of planned profit through strong Overseas Business, Ballpark, and ongoing Processed Food Business structural reforms

	Full-year plan	Variance (YoY)	Variance from forecast
Net sales (¥ billion)	1,340.0	36.6	-
Business profit (¥ billion)	48.0	3.1	-
Business profit ratio (%)	3.6	0.1	-

Business profit breakdown (¥ billion)	Full-year plan	Variance (YoY)	Variance from forecast
Processed Foods Business Division	10.5	0.8	0.0
Fresh Meats Business Division	33.0	(1.0)	(1.0)
Overseas Business Division	7.0	4.5	0.0
Ballpark	3.0	0.6	0.4
Eliminations and adjustments	(5.5)	(1.9)	0.6



Key segment factors for FY2025/3 1st half

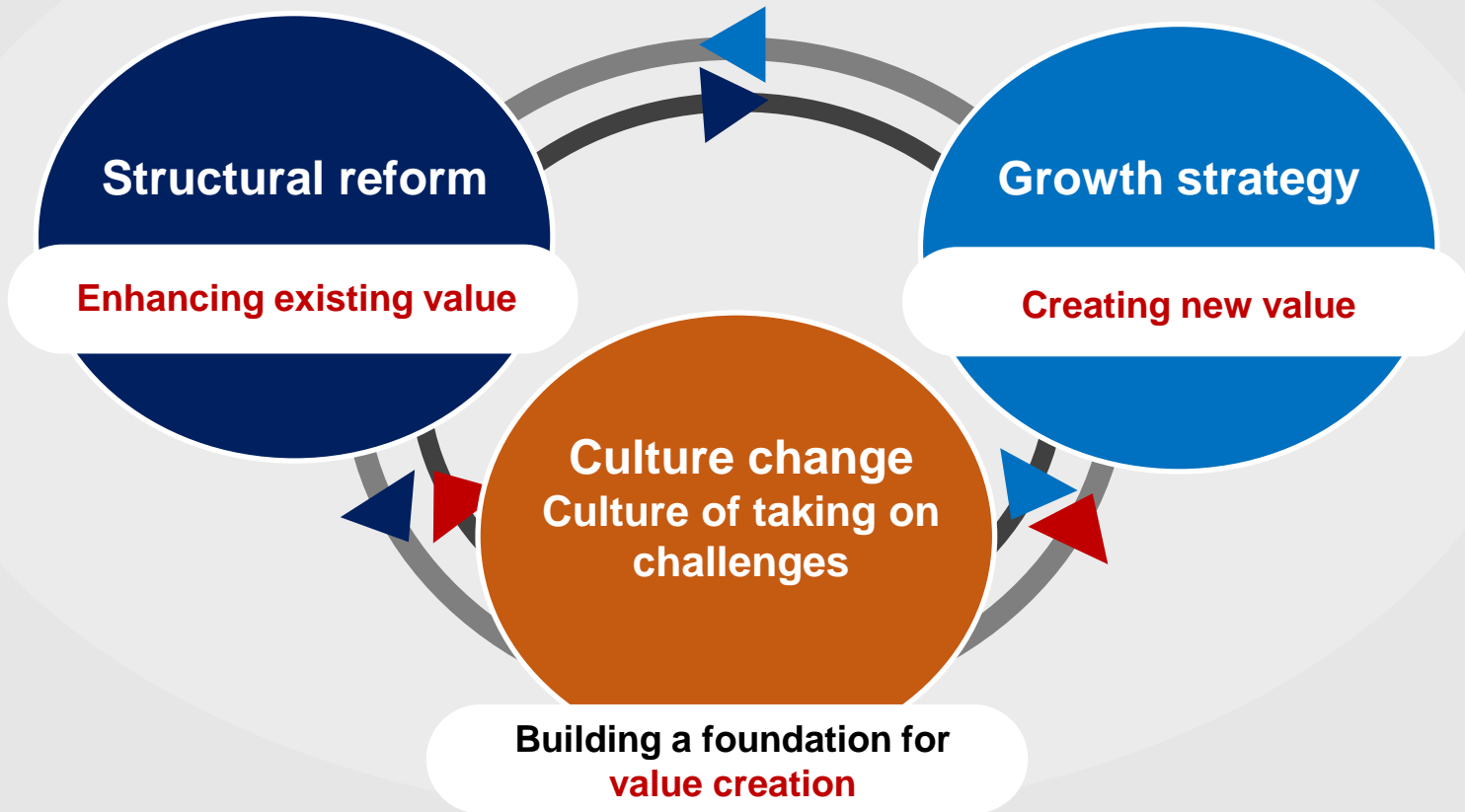
Processed Foods	Continuing to advance mix improvement Aiming for further growth of <i>Schau Essen</i> and recovery of sales volume for deli products
Fresh meats	Despite of being deteriorate supply-demand balance in imported fresh meats, profits will be secured by strong sales and domestic chicken business.
Overseas	Further increase in the number of cattle raised for Australian branded beef
BP (*1)	Events continuously planned to increase visitors on non-game days

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Medium-Term Management Plan 2026: Company-Wide Strategy

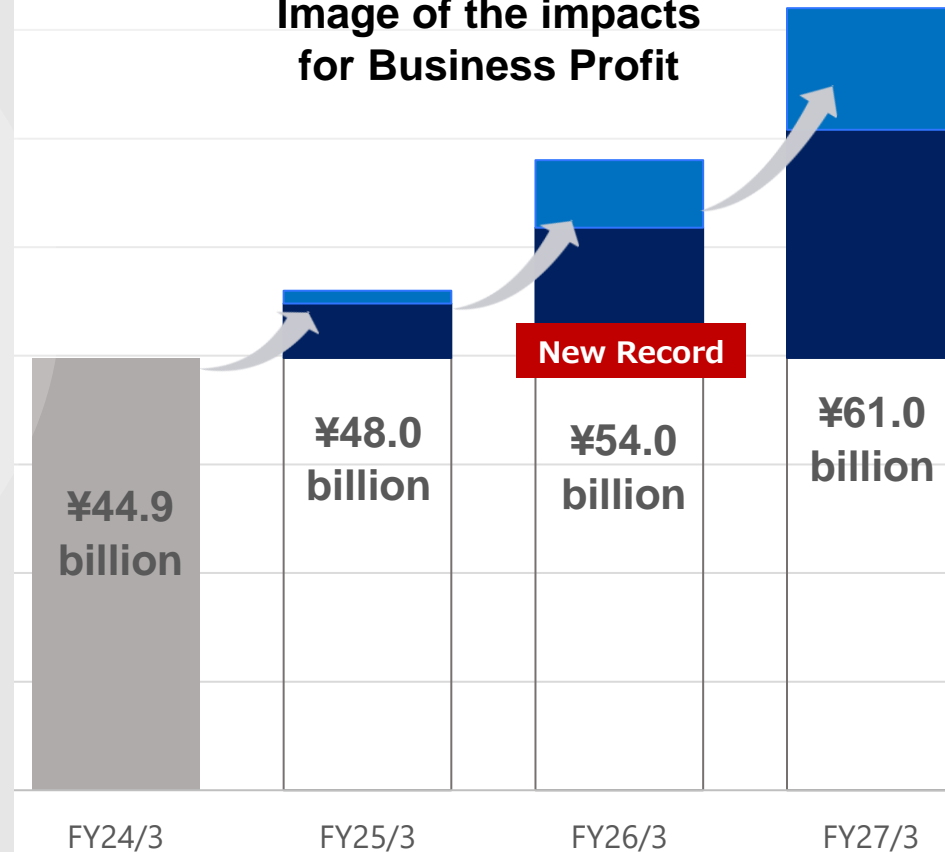
Targeting ¥61.0 billion in business profit during Medium-Term Management Plan 2026 through structural reforms, growth strategies, and corporate culture transformation

Three Themes for Business Model Transformation



Growth strategy ¥6.0 billion
Structural reform ¥10.0 billion

Image of the impacts for Business Profit



Medium-Term Management Plan 2026: Company-Wide Strategy

Positive momentum in strategy execution through improved product mix in the Processed Foods Business

		FY27/3 KPI		Progress in FY2025/3 First Half
Structural reform	Product mix enhancement	Processed Foods	Key category ratio: 70% <small>* Percentage of branded products in consumer sales of ham, sausages, and deli products</small>	Reduced low-profit products; key category ratio up from 64% (FY24/3) to 66%
		Overseas	Branded beef ratio: 60%	Expanded feedlot in Australia; branded beef ratio up from 48% (FY24/3) to 54%
	Optimal Production Structures / Low-Profit Business Review	Processed Foods	Reduction in production lines by 20%	On track to reduce production lines by 20%
Growth strategy	Brand enhancement	Processed Foods	Schau Essen: ¥90.0 billion <small>* Based on estimated retail sales (NH Foods research)</small>	Launched new products and invested in lines to achieve sales targets
		Fresh meats	Sakurahime sale volume target: 120%	Strengthening marketing personnel to expand sales volume
	Cross-selling	Fresh meats	Processed product sales target: ¥30.0 billion	The placement of processed food representatives is progressing, driving commercial sales through Nippon Food companies' channels
	Global strengthening	Overseas	External sales target: ¥200.0 billion	Expanding processed product sales areas in North America Initiating external co-creation efforts to realize sales strategies in ASEAN
	Ballpark	BP	Over 3 million visitors	Surpassing 3 million visitors due to strong team performance and improved appeal <small>* April–September total</small>
Culture change	Fostering an organizational culture focused on new challenges		Introduced a new executive evaluation system (emphasizing initiative and talent), with top management leading its adoption	

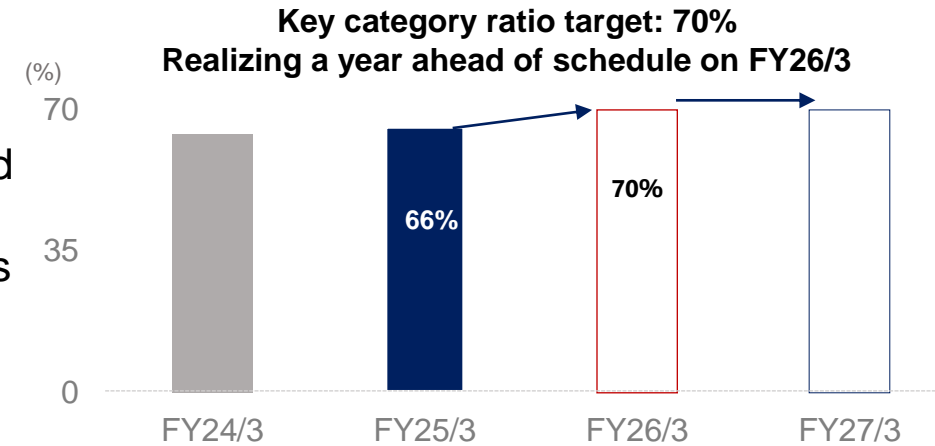
Product mix improvements continue; optimal production impact expected from next fiscal year

Structural reform

Product mix enhancement

Product portfolio for profit maximization

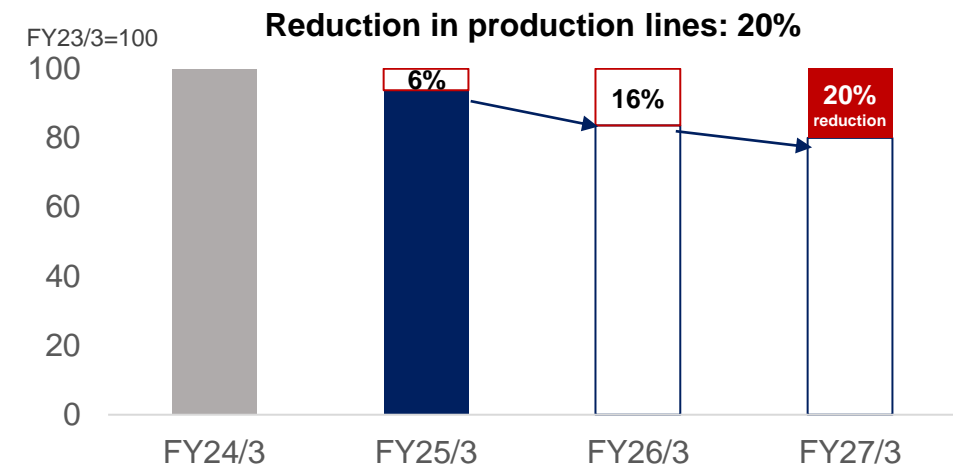
- Ongoing reduction of low-profit products
 - Focus on flagship brand sales for improved profitability from next fiscal year onward
 - Early profit generation from new categories
- **Achieve a key category ratio of 70% at an early stage**



Optimal Production Structures / Low-Profit Business Review

Restructure production sites and low-profit line review

- Steady progress in streamlining low-profit product lines
 - Reduction in production lines in deli, marine, and extracts business
- **Accelerating line reduction next fiscal year, leading to more significant effects**



Medium-Term Management Plan 2026: Company-Wide Strategy—Growth Strategy

Put management resources focusing on high value-added products to rise above low profit model and establish a strong profit base

Growth strategy

Brand Enhancement / Cross-Selling

Schau Essen category: Accelerate brand extensions to achieve sales of ¥90.0 billion

- Line investments to expand domestic production
- Full-scale export launch targeting Japanese companies abroad
- Local production considered as a future option



(New flavor)



(Schau Essen for overseas markets)

Sakurahime: Expand production for 120% sales volume target

- Assigned marketing personnel from processed business division and outside the company
(Implementing a brand extension for the *Sakurahime* to acquire new customers)

Cross-Selling: Strengthen collaboration with Nippon Food sales to achieve ¥30.0 billion in processed product sales

- Promoting channel strategies through approximately 15 sales representatives for processed products, leveraging 120 nationwide fresh meat distribution centers to expand into untapped channels

Global strengthening (Expansion of Processed Foods Business)

Expanded sales areas (Mandarin Orange Chicken)

- Expansion to Canada from the U.S. and Mexico

Product development enhancement

- New product launch following Mandarin Orange Chicken
- Expansion of items sold in North America through collaboration with the Processed Foods Business Division and procurement from other companies



Launching first in the Southern U.S.

Restructuring the value chain to address challenges and build a sustainable fresh meat model

Structural reform

Growth strategy

Value chain
restructuring
for fresh meats

Establishment of a co-creation partnership through business collaboration with JA Zen-Noh



Co-creation

- Expand exports through co-creation with JA-certified plants for exports and the NH Foods Group's local subsidiaries
- Resolve logistics challenges by enhancing efficiency through the mutual utilization of hub utilization
- Address facility aging with mutual utilization of meat processing facilities

Through the comprehensive business collaboration, 13 joint projects underway to address livestock industry challenges and drive sustainable profit growth for both parties; co-creation effects are expected to be seen from next fiscal year

NH Foods

Internal value chain initiatives

- Increase investment to improve productivity in domestic chicken production and processing plants
- Diversify import sourcing countries and implement AI demand forecasting for imported chicken to reduce volatility
- Implement area and brand strategies, along with cross-business strategies, to expand market share in processed product sales

Impact

- Controlled cash outflows and limited new investments for maintenance and updates
- Productivity improvements and reduction in logistics costs
- Profit growth through top-line expansion

Creating a culture and system that recognizes challenges for which each employee demonstrates their potentials fully

Culture of taking on challenges

Ballpark

Creating a new destination with a target of 7 million annual visitors (*FY2029/3)

- Driving medium- to long-term business development, pioneering a new business model for the sports industry by establishing a recreational & tourism hub and community development.
- Further development to increase visitor numbers following the opening of the new station

Urban development	<ul style="list-style-type: none"> - 2027: Hotel opening within the F Village - 2028: University campus and hospital relocation into the area - 2028: New station opening
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Fostering an Organizational Culture Focused on New Challenges

◎ Training and recruitment of innovative leaders

- Enhancement of talent management (strategic recruitment, selection and training)

◎ Promotion of the career advancement of diverse human capital

- Structures and systems for empowerment and job satisfaction
- Support for diverse talent and workstyle reforms

Measures	<ul style="list-style-type: none"> - Reflection of challenged initiatives for evaluation of executive compensation - Increased mid-career recruitment ratio - Next-generation leadership development
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Measures	<ul style="list-style-type: none"> - Strengthening a culture of challenge - Enhanced challenge elements in goal management systems - Active participation of women
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Nipponham Group



たんぱく質を、もっと自由に。

Nipponham Group Vision 2030