Nipponham Group

Medium-Term Management Plan 2026 Progress Briefing

May 13, 2026

Fumio Maeda

President and Representative Director
NH Foods Ltd.

たんぱく質を、もっと自由に。

Nipponham Group Vision 2030

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   - KPIs for Achieving Medium-Term Management Plan 2026

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A Message from the President and CEO (1)

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NH Foods Group pursues a management strategy aimed at raising profit quality and capital efficiency, centered on creating the value through protein together.
Breaking our record for highest profits is not our ultimate goal. It is a stepping stone toward the next stage we aim to reach.

4 A Message from the President and CEO (2)

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As we approach the final year of our medium-term management plan, we will increase sales volume in Japan by leveraging our unique value chain and sales capabilities, while our overseas processed foods business operations will transition to the growth strategy phase at an early stage.
We will pursue the maximization of corporate value to enhance our competitiveness in the capital markets while improving profit quality through structural reforms.

Aggressive growth strategy (Disciplined growth)

- **Fresh Meats: Refine the value chain and co-creation to expand domestic sales volume**
- **Processed Foods: Strengthen sales capabilities and pursue top-line growth with a focus on profitability**
- **Overseas: Move North America and ASEAN into the profit contribution phase**
- **Take on the challenge of further growth in Sports & Entertainment and new growth areas**
  (*Proteinnovation*: medical and cosmetic ingredients, etc.)

Aggressive structural reforms (Improving profit quality)

- **Further transitioning the earnings structure of the Processed Foods Business and structural reform of the Fresh Meats Business to enhance earnings stability**
- **Deepening value chain optimization** (productivity, efficiency, and stabilization of logistics operations)
- **Cost structure reform and enhancing competitiveness through DX/AI**

Enhance competitiveness in capital markets (Maximizing corporate value)

- **Clarifying capital allocation:** Focused investment in priority areas (overseas/growth businesses/DX)
- **Strengthening portfolio strategy:** Asset replacement and utilization, also with a view to carve-outs of non-core businesses
- **Pursuit of shareholder value creation:** Management with awareness of equity costs and deepening the level of dialogue

External co-creation initiatives

- **Achieving co-creation effects with ZEN-NOH and CPF**
- **Further expansion of co-creation**
- **Disciplined M&A**

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Medium-Term Management Plan 2026 : (1) Progress

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In addition to favorable external conditions in FY2026/3, the strengthening of our independent revenue base was successful, leading to record-high profits. While the plan for the fiscal year ending March 31, 2027 projected a decline in profits due to uncertainties stemming from the situation in the Middle East, the Company maintained earnings in the ¥60 billion range by building the capacity to rebound through internal efforts.

(¥ billion)	FY2025/03	FY2026/03	Variance	Variance(%)	FY2027/03	Variance	Variance(%)
Net sales	1,370.6	**1,457.4**	+86.8	6.3%	**1,500.0**	+42.6	2.9%
Business profit	42.5	**68.3**	+25.8	60.7%	**61.0**	(7.3)	(10.7%)
Business profit ratio	3.1%	**4.7%**	+1.6%	-	**4.1%**	(0.6%)	-
Profit attributable to owners of the parent	26.6	**35.1**	+8.5	31.9%	**38.0**	+2.9	8.3%
ROE	5.1%	**6.6%**	+1.5%	-	**7.2%**	+0.6%	-
ROIC	3.9%	**6.1%**	+2.2%	-	**5.3%**	(0.8%)	-
EPS(yen)	263	**361**	+98	-	**405**	+44	-

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Medium-Term Management Plan 2026: (2) Trends in ROE

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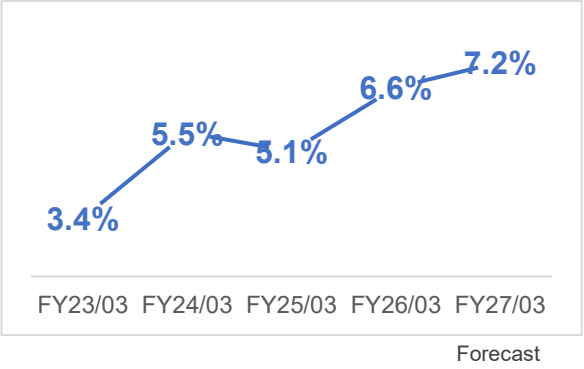
ROE improved through the strengthening of our earnings base and enhanced capital efficiency, which also resulted in improved market valuation (higher PBR).
To successfully complete Medium-Term Management Plan 2026, we will thoroughly optimize the allocation of management resources centered on Value-Based Management (VBM) to achieve continuous enhancement of corporate value.

Enhancing corporate value (PBR)

ROE



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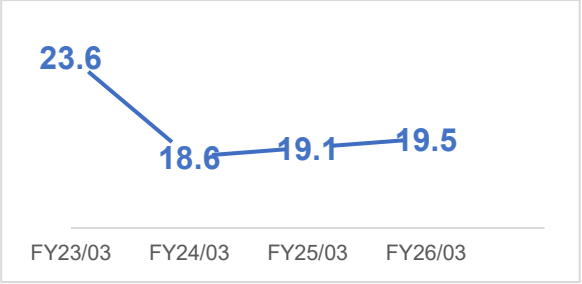
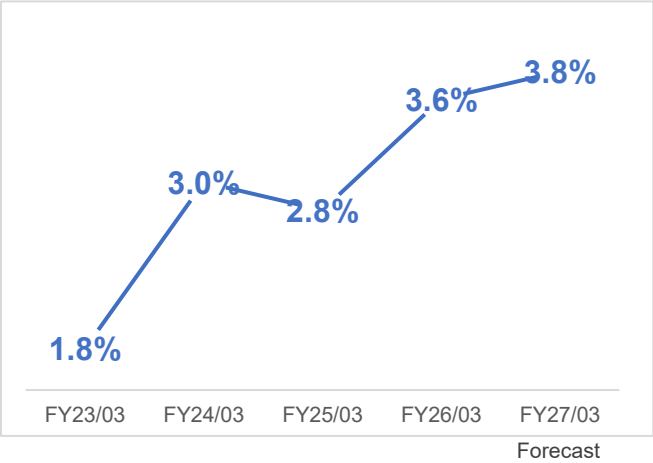
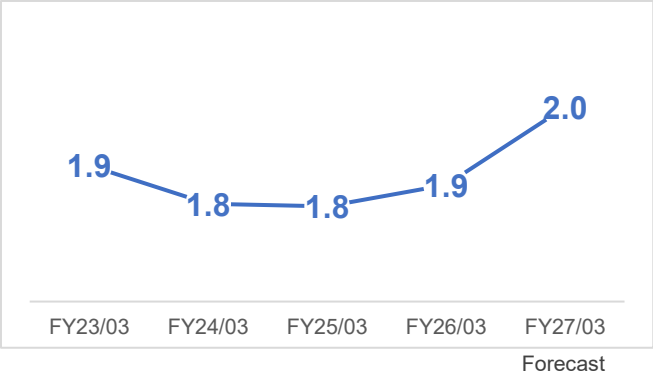


ROA



Financial leverage



Enhancing the revenue base
- **Review of low-profitability businesses in domestic processed foods business**
- **High added value products and appropriate pricing**
- **Realization of results from the new Ballpark business**

Asset efficiency
- **Improvement of fixed asset efficiency through optimization of production systems**

Capital policy
- **Strengthen shareholder returns; expected to achieve a DOE of 3% or higher**
- **Optimizing shareholders' equity levels through ongoing share buybacks**
  (Medium-term plan: ¥90.0 billion over three years;
  * FY2027/3: ¥40.0 billion)

Sustainable growth
- **Further sustainability management**
- ***Proteinnovation*/Ballpark growth**

Shareholder composition
- **Increasing overseas institutional investors and engaging in dialogue to enhance corporate value**

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Medium-Term Management Plan 2026: (3) Capital Allocation

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We will allocate generated cash flow from operating activities to strategic growth investments aimed at creating future discontinuous growth, in addition to strengthening the production and sales bases of existing businesses and building a common foundation for future growth. We will allocate funds in a balanced manner, including shareholder returns to strengthen competitiveness in capital markets.

Medium-Term Management Plan 2026

(¥ billion)

			Progress as of FY2026/3
CASH-IN	Operating CF	251.1	64%
CASH-IN	Other external procurement, etc.	56.4	29%
CASH-OUT	Capital investment	150.4	54%
CASH-OUT	M&A/ Shareholder returns	157.0	64%

○ Building a business foundation for growth

Fresh meats	Strengthening domestic production sites and sales offices, expanding beef production capacity in Australia
Processed foods	Expanding production capacity of domestic high production lines/Acquisition of North American business
DX	Building a company-wide shared infrastructure

○ Preparing for the growth phase

Co-creation/ R&D	Investments in JVs and VCs, R&D strategy
Ballpark	Urban development projects, including those anticipating new station openings

○ Strengthening competitiveness in capital markets

Share buybacks	Optimizing shareholders' equity levels through ongoing share buybacks (Medium-term plan: ¥90.0 billion over three years; * FY2027/3: ¥40.0 billion)
Strengthening of shareholder returns	Achieve 3% DOE ahead of schedule, increase dividends

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Toward the Sustainable Enhancement of Corporate Value: Environmental Assessment and Management Challenges

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Amid a rapidly changing external environment, we will not rest on our current achievements but further accelerate the pace of transformation.
We will address new management challenges with sincerity as opportunities for growth, and build an NH Foods Group capable of realizing sustainable value creation.

	Changes in the environment	Management challenges to be addressed
Business environment surrounding the Company	**Changes in the domestic consumer environment** - Rising prices, population decline - Diversification of food needs	- **Pursuing a business portfolio suited to the times** - **Gaining market share through the deepening of marketing strategies**
	Normalization of market fluctuations - Increasing geopolitical risks - Persistent yen depreciation and rising production costs - Increasing uncertainty in procurement and other areas	- **Rebuilding the value chain to withstand volatility risks** - **Stabilizing procurement and strengthening upstream operations**
	Climate change	- **Pursuing sustainability management in greater depth**
Capital market expectations	**Further intensification of pursuit of capital efficiency**	- **Pursuit of appropriate capital allocation**

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11 Toward the Sustainable Enhancement of Corporate Value: Deepening Portfolio Management

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To build a business portfolio suited to the external environment of each era, we will deepen portfolio management by factoring in ROIC and strategic importance (domestic food infrastructure).

Portfolio management based on value creation capacity (quantitative) and importance within our vision (qualitative)

Value creation capacity

Determine business areas based on each business's growth and ROIC spread

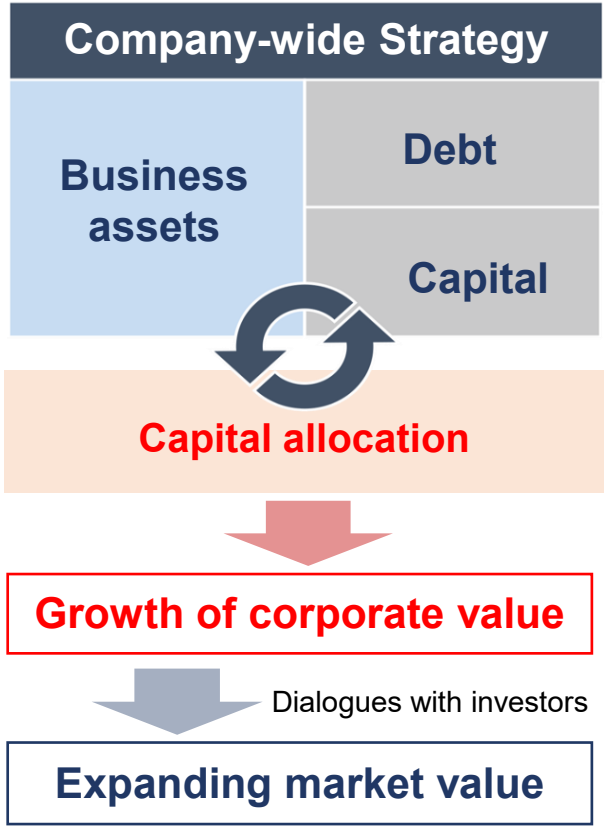
Importance within the Company-wide strategy

Determine business areas based on market growth and importance in achieving our vision

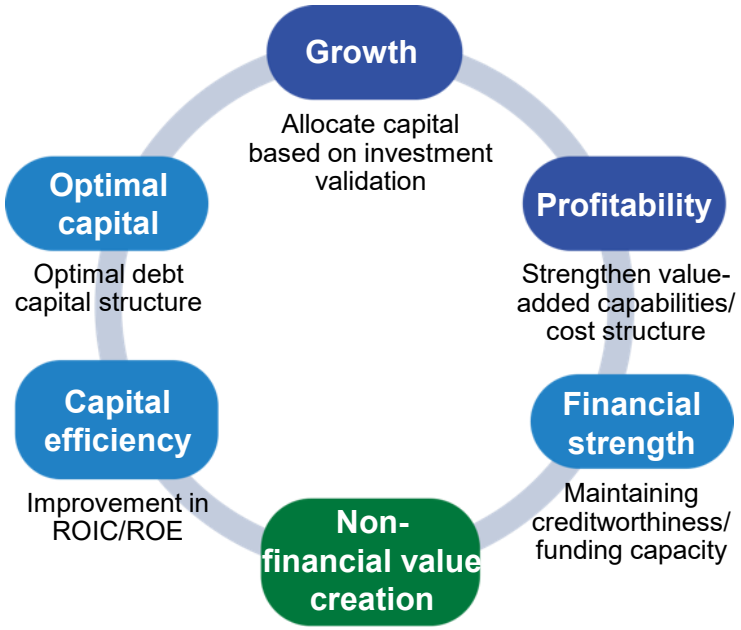
Optimize capital investment and assess business outlook	Make focused investments based on capital efficiency
Growth expectations	Accelerating
Improvement or recovery of invested resources	Maintain profitability and industry advantage (market share)
Improvement	Enhancement

Withdrawal

Maximizing value creation through appropriate capital allocation



Financial strategy ensuring a balance of stability, efficiency, and growth



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12 Toward the Sustainable Enhancement of Corporate Value: Maximizing Value across the Value Chain

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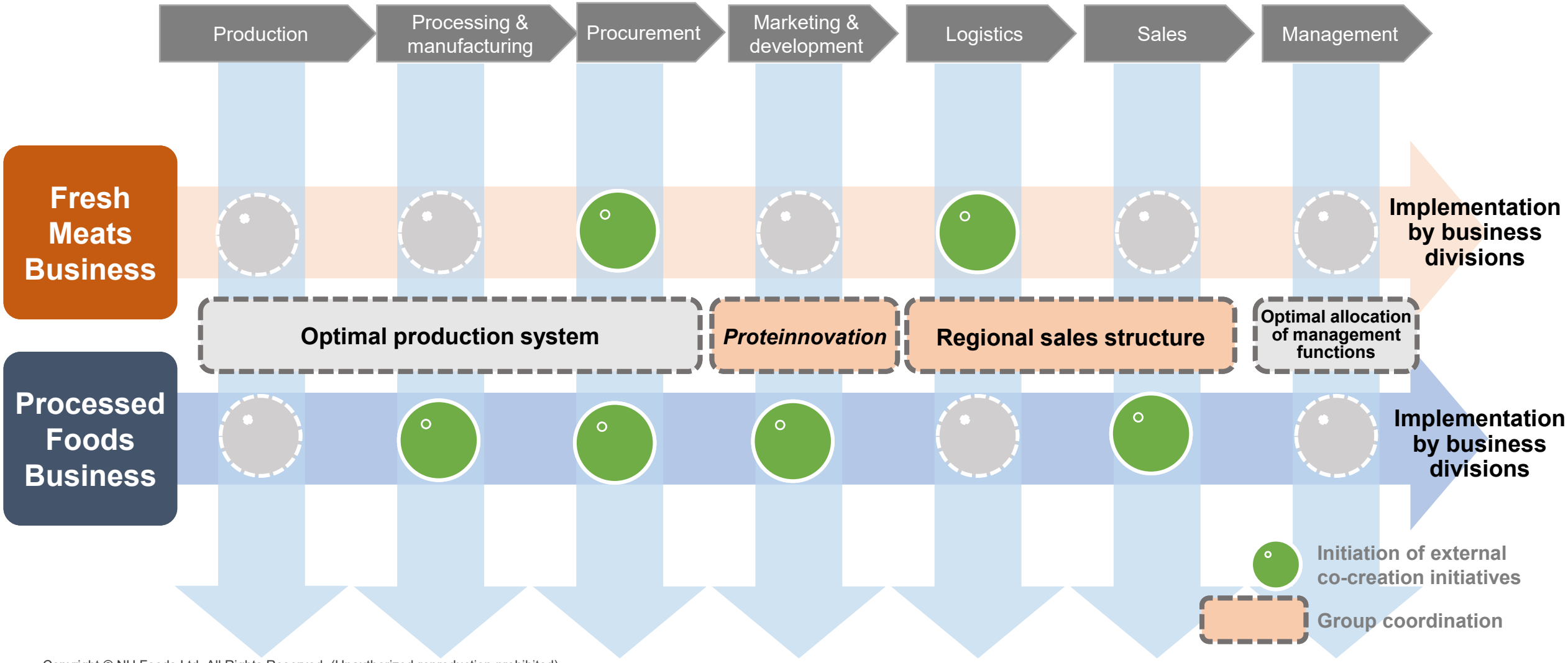
We will reallocate company assets to high added value areas that leverage our strengths, while accelerating strategic external co-creation initiatives. We will also link transformation to the P&L and balance sheet at an early stage, evolving into a value chain that leads to maximized ROIC.



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Toward the Sustainable Enhancement of Corporate Value: Sustainability

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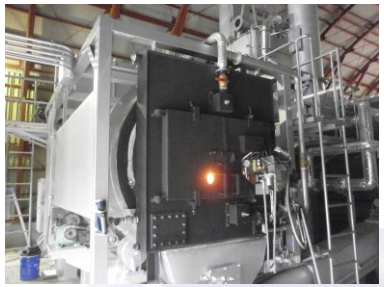
Sustainability is not a cost, but a source of reduced business risk and competitiveness.
Leveraging the characteristics of the vertically integrated model, we will transform livestock manure and by-products from negative assets into assets that generate revenue.

Current initiatives

Installation of solar panels



Biomass boiler

Spreading compost on fields

Strategies

1. Deepening sustainability strategy

Formulation of strategies in collaboration with business units

- Clarification of key theme indicators based on materialities
- Conducting initiatives linked to business strategies and monitoring progress (PDCA)

2. Identifying priority areas and implementing measures

Reducing business continuity risks

- Climate change response (including research on livestock-derived GHG)
- Responsible procurement and animal welfare measures

Ensuring business continuity by preventing supply chain risks

- Strengthening the supply chain (stabilizing procurement and production systems)

Strengthening the Company's strengths

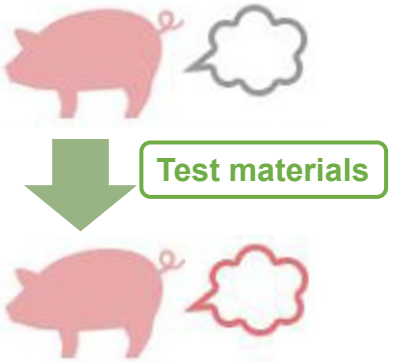
- Upcycling (resource circulation)
- Food and sports

3. Strategic disclosure of information

Activating engagement

Toward the creation of social and business value

Investigation of methane emissions from feeding test substances to hogs



Utilization in new fields

- Utilization of chicken feathers
- Utilization of cattle tendons

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Toward the Sustainable Enhancement of Corporate Value: Maximizing the Value through Protein

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While maintaining Japan's food infrastructure, we will explore new possibilities for protein and expand our business domains.
NH Foods Group will strive to capture new markets through multiple growth engines and achieve discontinuous growth.

FY27/03- → –2042: 100th Anniversary

Growth strategies	Strengthening existing operations	Creating new business models	Taking on new domains
Expansion of business domains	- JA ZEN-NOH co-creation: expanding procurement - Expanding domestic chicken production - Brand strengthening through marketing capabilities	- Pursuing market share through value chain transformation that maximizes customer value	- Building new business models centered on maximizing group synergies and *Proteinnovation*
Capturing growth markets	- Overseas business restructuring / early profit generation - Ballpark Business monetization	- Significant progress in Overseas / Ballpark Business - Monetizing *Proteinnovation*	
M&A/ Co-creation	- Pursuing discontinuous growth potential beyond existing frameworks		

Maximize value through protein

Structural reform	Maximizing corporate value creation through the construction of a business portfolio focused on capital efficiency Business transformation through DX
Culture change	Enhancing human capital as a source of value creation

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FY2027/3 Business Strategy

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Net sales

(¥ billion)	FY2025/03	FY2026/03	FY2027/03	Variance
Processed Foods Business	533.3	530.3	560.0	+29.7
Fresh Meats Business	956.8	1,034.1	1,045.0	+10.9
Sports & Entertainment Business * Ballpark Business until FY2026/3	27.0	31.5	32.0	+0.5
Eliminations, adjustments and others	(146.6)	(138.1)	(137.0)	(1.1)
Total net sales	1,370.6	1,457.4	1,500.0	+42.6

Business profit

(¥ billion)	FY2025/03	FY2026/03	FY2027/03	Variance
Processed Foods Business	10.1	7.2	12.0	+4.8
Fresh Meats Business	34.0	61.3	50.0	(11.3)
Sports & Entertainment Business	3.3	4.9	4.0	(0.9)
Eliminations, adjustments and others	(4.9)	(5.0)	(5.0)	0.0
Total business profit	42.5	68.3	61.0	(7.3)

*Due to the reorganization of the Ballpark Business into the Sports & Entertainment Business from FY2027/3, the actual figures for FY2026/3 have been restated retroactively for the entire company
*The FY2026/3 retroactively adjusted figures presented in the plan pages of this document are internal estimates that have not been audited by an independent accounting firm.
Please note that they may differ from the finalized figures and should be used for reference only.

FY2027/3: Business Strategy (Processed Foods Business)

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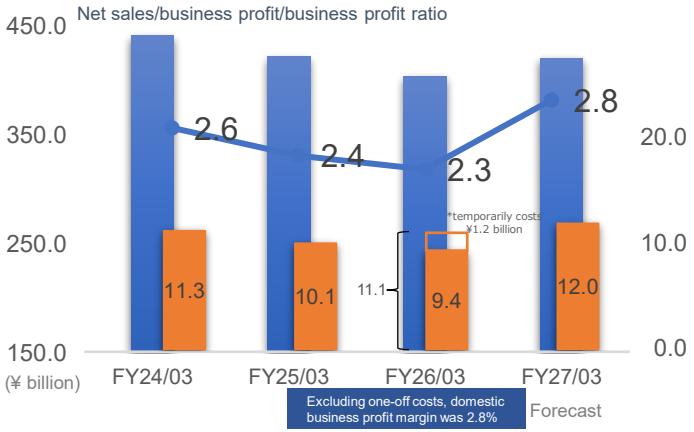
Domestic Processed Foods: In addition to ongoing structural reforms, we are entering a phase of profit realization through aggressive sales that embody our growth strategy.
Overseas Processed Foods: We are conducting a fundamental review, treating North America and ASEAN as being in the reform phase. We will implement strategic restructuring to leap forward in the next medium-term plan.

■ Domestic Processed Foods Business



Progress over the past two years

Results

Optimization of revenue structure
- Improvement of product mix
- Optimal production system
- Optimizing workforce composition

Partial embodiment of growth strategies
- Continued growth of *Schau Essen*

Issues

Top-line growth
- New products and recovery of existing products

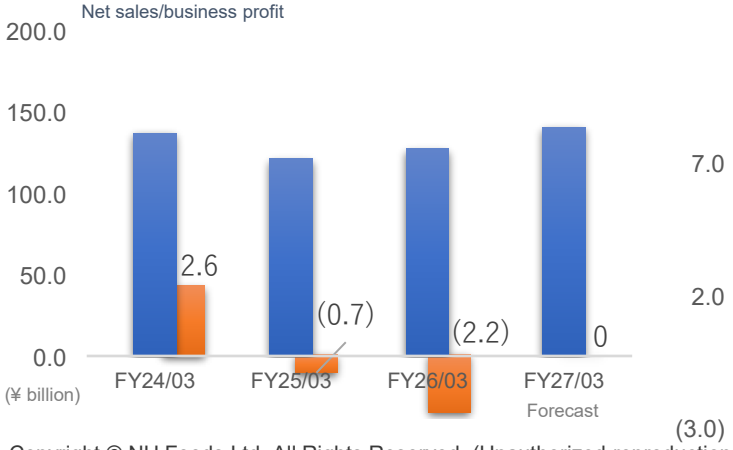
FY2027/03 Business strategies * For KPI details, see Appendix.

Top-line expansion in pursuit of profitability (business profit: ¥12.0 billion)

(Structural reform)
- Fulfillment of KPI indicators (optimal production system)
- Reduction of fixed costs through organizational streamlining and reallocation of resources

(Growth strategies)
- Sales strategies that respond immediately to market changes through delegation of authority to frontline personnel
- Customer-oriented product development through sales and manufacturing collaboration with growth-driving companies

■ Overseas Processed Foods Business



Progress over the past two years

Results

Laying the groundwork for medium-to-long-term growth
- Launching *Schau Essen* overseas
- Co-creation with CPF and acquisitions of North American companies

Issues

Embodiment of growth strategies
- Establishment of a revenue platform for manufacturing plants

Top-line growth
- Expansion of sales channels in ASEAN and North America

Laying the foundation for renewed growth (Overseas sales: ¥90.0 billion)

(Structural reform)
- Thailand: Improving labor productivity
  Reducing fixed costs through line consolidation
- North America: Improving productivity (increasing operating days, reducing downtime)

(Growth strategies)
- ASEAN: Monetization through sales channel expansion via CPF collaboration
  * Expanding local manufacturing of *Schau Essen* to integrate production and sales for revenue growth
- North America: New product development & brand strengthening leveraging Japanese technologies

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FY2027/3: Business Strategy (Fresh Meats Business)

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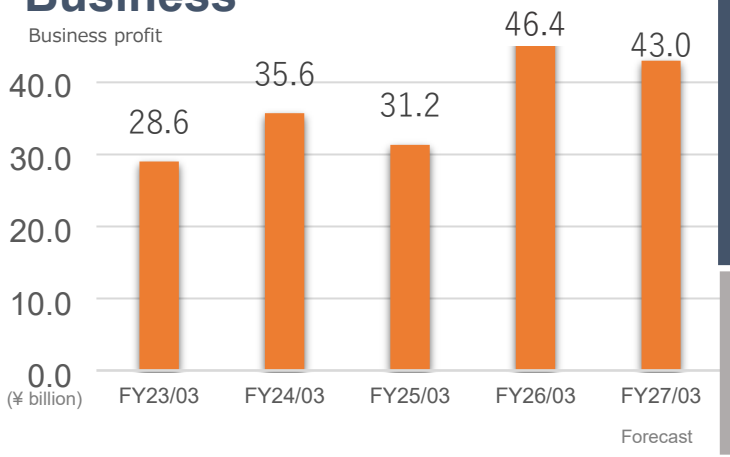
Domestic Fresh Meats: To stabilize profits, we will optimize production, expand sales channels and product lines, and build a resilient business structure that can adapt to change and maintain competitiveness.
Australian Beef: We will deepen brand and sales strategies to further drive the ongoing transformation of the revenue structure.

■ Domestic Fresh Meats Business



Progress over the past two years

Results

Optimization of revenue structure
- Maximizing profits in the domestic pork business
- Restructuring the procurement system
- Sales strategy focused on increasing added value

Issues

Revision of growth strategies
- Expanding domestic chicken production
- Further deepening of sales strategies

FY2027/03 Business strategies

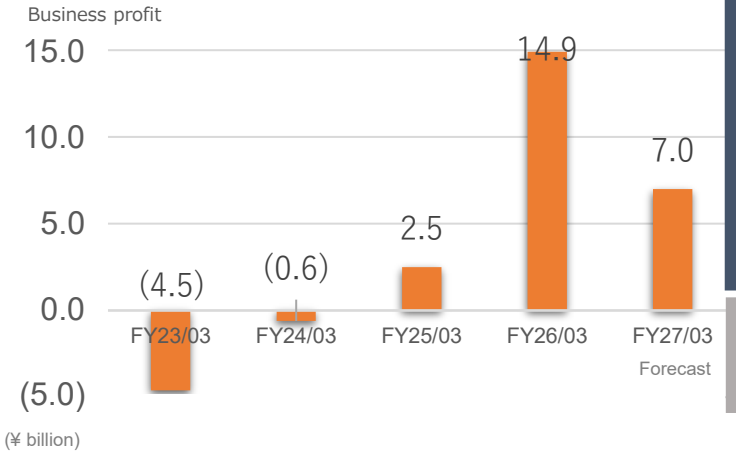
*** For KPI details, see Appendix.**

Building a business structure to secure stable profits even in an unstable business environment (business profit: ¥43.0 billion)

(Structural reform)
- Build an efficient organization through system optimization
- Realization of benefits from external co-creation

(Growth strategies)
- Restructuring the chicken production system and expanding procurement through external co-creation initiatives
- Sales strategies tailored to regional and channel characteristics (Further deepening processed food sales and brand strategies by enhancing marketing capabilities)

■ Australian Beef Business



Progress over the past two years

Results

Optimization of revenue structure
- Expansion of feedlots
- Strengthening sales of premium beef
- Expanding market share in Australia
- Agile selection of sales markets

Issues

Further reducing volatility

Establishment of production and sales systems with an eye to the global market (business profit: ¥7.0 billion)

(Structural reform)
- Feedlot expansion with an eye to the next medium-term management plan

(Growth strategies)
- Building an agile/flexible sales portfolio
- Further expansion of market share in Australia

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FY2027/3: Business Strategy (Sports & Entertainment Business)

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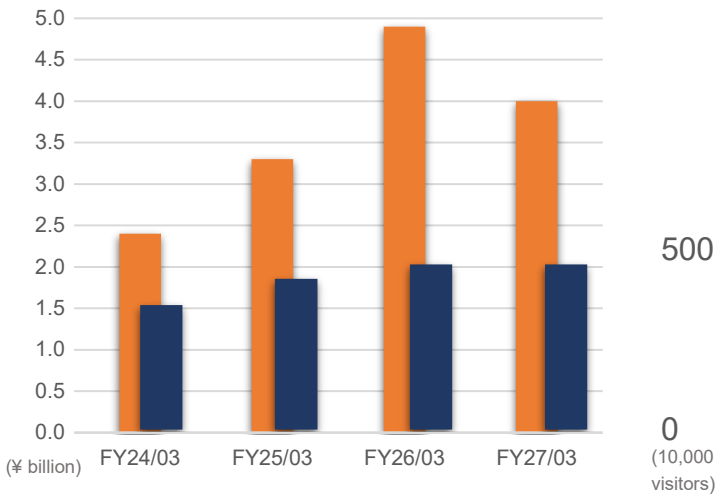
We will seek to maximize experiential value and secure stable revenue based on the revenue foundation established after opening (co-creative community space).
We will also accelerate the development of the surrounding area to leap to the next stage following the opening of the adjacent new station.

Opened in FY23/03- → FY29/03

Co-creative community space ▶ Maximize customer value ▶ Develop surrounding facilities

■ Sports & Entertainment Business

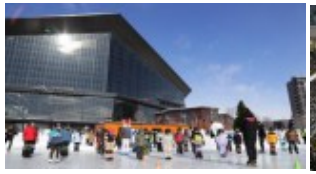
Business profit and Visitors number

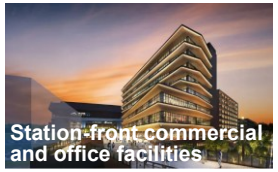


Customer attraction and promotion

Strengthening entertainment and services

Enhancing appeal on non-game days





Creating synergies with NH Foods Group Utilization of F VILLAGE assets

Schau Festival and *Schau Essen* title game

***Sakurahime*® night games and Zan Kara Festival**

JA ZEN-NOH × NH Foods Wagyu night game

* Due to the reorganization of the Ballpark Business into the Sports & Entertainment Business from FY2027/03, the actual figures for FY2026/03 have been restated retroactively.

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Appendix: KPI Progress (Structural Reform)

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	Division	FY2027/03 KPI	FY2026/3 Results
Improvement of product mix	**Processed foods**	**Improve the product mix for ham, sausages and deli products:** Key category ratio: 70% * Percentage of branded products in consumer sales of ham, sausages, and deli	**Progress in reducing and reviewing low-margin products resulted in a 72.5% achievement rate, meeting the target**
Optimal production structures / Low-profit business review	**Processed foods**	**Optimize the production structure (restructure production sites) for ham, sausages and deli products.** **Review low profit lines in the marine products, dairy products, and cheese primary processed products businesses** Production lines: 20% reduction	**We reduced the number of production lines by 14.2%, progressing as planned**
Profit maximization (Introduction of new products and associated increase in line utilization rate)	**Processed foods**	**Improve utilization rate of key lines** Optimal production volume vs. target: 100% (Sales volume: 109% compared to FY2024/3)	**Despite a trend toward recovery in the second half, the target of 79.5% was not met**
	Processed foods	**New product launches (highly profitable new/renewed products)** External sales: ¥24.0 billion (estimated retail basis)	**Sales strategies centered on product renewals proved effective** **Net sales exceeding ¥35.0 billion**
Improvement of product mix	**Fresh meats**	**Stabilize profits by strengthening sales of branded beef** Branded beef ratio: 60%	**Expansion of feedlots and sales strategies progressed smoothly, achieving a branded beef ratio of 66.1%**
Optimal production system	**Fresh meats**	**Restructure the domestic pork business** Over ¥1.0 billion impact	**The consignment department's profit has significantly improved; however, the production department's fell short of the target**
Value chain optimization	**Fresh meats**	**Build an efficient organization through enhanced internal and external co-creation and system optimization** **(Stabilization of imported meat profits, introduction of ERP, productivity improvement through value chain optimization)** **(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.**	**Progress was made in management to maximize the profitability of the imported fresh meats business, reducing inventory turnover days** **Progress was made in establishing systems for ERP implementation in 2028**

Appendix: KPI Progress (Growth Strategies)

	Division	FY2027/03 KPI	FY2026/3 Results
Brand enhancement	**Processed foods**	**Increase sales of flagship brand products** *Schau Essen*: ¥90.0 billion * Based on estimated retail sales (NH Foods research)	**At 102% year-on-year, the figure fell slightly short of FY26/03 indicators, but is on track to meet the FY2027/03 indicator target of ¥90.0 billion**
Global strengthening	**Processed foods**	**Expand the processed foods business in North America and ASEAN** External sales target (Processed Foods + Fresh Meats): ¥200.0 billion	**Processed Foods Business fell short of the plan** **Efforts are underway to expand sales through the global rollout of *Schau Essen***
Strengthening business in the North America	**Processed foods**	**Maximize operation of new company in the Americas (Tamarack Foods)** Factory operating rate: 100%.	**Although capacity utilization has been gradually improving since the second half, the plan was not met due to delays in the launch schedule**
Growth of ASEAN business	**Processed foods**	**Improve profitability of the ASEAN business** Profit improvement in ASEAN area: +¥1.0 billion (vs. FY2024/3)	**Profit improvement: ¥(0.7) billion** **→ Plan not met as production volumes for Japan-bound products in Thailand did not recover**
Brand enhancement	**Fresh meats**	**Increase sales of flagship brand products (*Sakurahime*)** *Sakurahime* sale volume target: 120%	**Vs. target: Consignment 89%** *** Plan not met due to the impact of the fire at the Shiretoko food processing plant**
Cross-segment sales	**Fresh meats**	**Expand sales of processed products** Processed product sales target: ¥30.0 billion	**Although targets were not met, sales exceeded ¥25.0 billion and are on track to reach ¥30.0 billion next fiscal year**
Domestic chicken business expansion	**Fresh meats**	**Expansion of domestic chicken production and external procurement** Nippon White Farm shipping volume: 103% NH Foods' Consignment Division external procurement volume: 110%	**Plan targets were not met due to the impact of the fire at the Shiretoko food processing plant**
Strengthening sales force in the fresh meat business	**Fresh meats**	**Route sales strategy based on demographics** Nippon Food companies route sales volume: 103%	**Organizational reforms, such as reviewing sales structures by region, are progressing, but the target was achieved at 96%**
R&D expansion	**R&D**	**Business creation through R&D strategy (*Proteinnovation*)** Co-creation proposals in the R&D area: 5	**Four new co-creation projects**
Ballpark	**Ballpark**	**Further enhance the attractiveness of the ballpark** **Strengthen the team** Visitor numbers over 4 million	**Drew 4.66 million visitors, driven by strong team performance and improved attractiveness of the ballpark**

Appendix: KPI Review (Structural Reform)

We will review FY2026/03 results and revise publicly disclosed KPIs to indicators aligned with operational management, based on new policies.

Major changes

- Strategic restructuring of the North American Processed Foods Business to achieve a leap forward in the next medium-term plan (shifting phase from growth strategy to structural reform)
- Updating target levels for the flagship brand (*Sakurahime*) and domestic chicken (in-house production and external procurement) to reflect the impact of the Shiretoko plant fire

	Division	FY2027/03 KPI	Target
Optimization of management resources through business portfolio review	**Processed foods**	**Optimize the production structure (restructure production sites) for ham, sausages and deli products. Review low profit lines in the marine products, dairy products, and cheese primary processed products businesses**	**Production lines : 20% reduction**
Turnaround of business in North America	**Processed foods**	**Establishment of Tamarack manufacturing structure**	**Annual production volume: 228% year-on-year** **NEW**
	Processed foods	**Improvement of Day-Lee Foods local sales profitability**	**Profit margin: 2.8% improvement** **NEW**
Turnaround of the Thai Nippon Foods Co., Ltd. business	**Processed foods**	**Expansion of sales volume (strengthening collaboration with Japan, co-creation with local partners)**	**Annual sales volume: 130% year-on-year** **NEW**
Improvement of product mix	**Fresh meats**	**Stabilize profits by strengthening sales of branded beef**	**Branded beef ratio: 60%**
Optimal production system	**Fresh meats**	**Restructuring of the domestic pork business, etc.**	**Over ¥1.0 billion impact**
Value chain optimization	**Fresh meats**	**In preparation for the introduction of ERP in the Fresh Meats Business Division following the 2029 Medium-Term Management Plan, build an efficient organization through enhanced internal and external co-creation and system optimization** (Stabilization of imported meat profits, introduction of ERP, productivity improvement through value chain optimization)	**(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.**

Appendix: KPI Review (Growth Strategies)

	Division	FY2027/03 KPI	Target
Increase the top line	Processed foods	Increase sales, centered on increasing new products	Net sales: 107% year-on-year NEW
	Processed foods	Increase sales of flagship brand products	*Schau Essen*: ¥90.0 billion * Based on estimated retail sales (NH Foods research)
Global strengthening	Processed foods	Overseas *Schau Essen* sales	Sales volume: 295% year-on-year NEW
Brand enhancement	Fresh meats	Increase sales of flagship brand products	*Sakurahime* sales volume: 102% Revised
Cross-segment sales	Fresh meats	Expand sales of processed products	Processed product sales target: ¥30.0 billion
Domestic chicken business expansion	Fresh meats	Expansion of domestic chicken production and external procurement	Nippon White Farm shipping volume: 85% NH Foods Consignment Division external procurement volume: 115% Revised
Strengthening sales force in the fresh meat business	Fresh meats	Route sales strategy based on demographics	Nippon Food companies route sales volume: 103%
R&D expansion	R&D	Business creation through R&D strategy (*Proteinnovation*)	Co-creation proposals in the R&D area: 5
Ballpark	Ballpark	Further enhance the attractiveness of the ballpark and strengthen the team.	Visitor numbers over 4 million

たんぱく質を、もっと自由に。

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