

## **IR DAY Part 1: Overseas Strategy of the Processed Foods Business Division**

Date and Time: June 18, 2025, 9:10 - 10:00

Speakers:

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### **Q1. What are the sales and profit outlooks for the overseas processed foods business?**

A1. For the fiscal year ending March 2025, the sales were approximately ¥420 billion in Japan and ¥140 billion overseas. About 80% of the sales within the overseas business were from North America. In the next medium term management plan, we aim to expand the overseas sales ratio to about 30%. We are targeting a profit margin of 6%, aiming to match the target profit level in Japan.

### **Q2. Are there any risks associated with the three North American companies acquired through M&A and handling OEM products?**

A2. Since the manufacturing of OEM products is also stable, we believe that there are no operational risks involved. Significant capital investments are not necessary over the next 3 to 5 years.

### **Q3. What are NH Foods' thoughts on brand strategy and overseas expansion for brands like *Schau Essen*?**

A3. We adapt brands to each country while maintaining centralized management in Japan.  
In Indonesia, we plan to expand *Schau Essen* using chicken in the future. While preserving the brand concept, we will implement brand strategies tailored to the local market.

### **Q4. What will be the profit drivers through collaboration with CPF?**

A4. Currently, the products manufactured by Thai Nippon Foods have a high proportion of exports destined for Japan. Moving forward, we want to utilize CPF's sales channels to strengthen local sales.  
Since convenience stores and supermarkets within Thailand, where CPF's capital is involved, already have established distribution channels, we aim to enhance collaboration to capture sales opportunities.

### **Q5. What organizational challenges are necessary to achieve overseas growth strategies?**

A5. Horizontal deployment of human resources and production know-how abroad will be crucial.  
Personnel transfers and exchanges between domestic and international locations are becoming more active, and we aim to further accelerate these efforts in the future.

**Q6. What about future product development in North America?**

A6. Using the concept of Asian taste, we are increasing the lineup of products under the *Crazy Cuisine* brand, beyond Mandarin Orange Chicken. Differentiation through taste will be prioritized, and we will also build support systems from Japan.

Along with the factories acquired through M&A, we are currently in the process of establishing an optimal production system. In the future, we aim to advance R&D strategies in coordination with Japan.