

For Immediate Release

Company name: NH Foods Ltd.
Representative: Nobuhisa Ikawa,
President and Representative Director
(Securities code: 2282, TSE Prime Market)
Contact: Tomoya Matsuda, General Manager of
Public & Investor Relations Department
(TEL: +81-06-7525-3031)

Notice of Business Partnership with National Federation of Agricultural Cooperative Associations

At a Management Committee meeting held today, July 9, 2024, NH Foods Ltd. (“NH Foods”) entered into an agreement with the National Federation of Agricultural Cooperative Associations (Headquarters: Chiyoda-ku, Tokyo; President & CEO: Sakae Noguchi; “ZEN-NOH”) for the purpose of pursuing a sustainable domestic livestock industry and resolved to pursue a business partnership (“the business partnership”). The details are as follows.

1. Reasons for the Business Partnership

The NH Foods Group has been tackling new challenges to realize its goal of “Unleash new potentials for protein” under Vision 2030, which was established to lay out where the Group wants to be in the year 2030 in order to continually deliver *the joy of eating*, part of its corporate philosophies. Under Medium-term Management Plan 2026, which was started in April 2024, NH Foods will further strengthen the value it currently possesses through structural reforms and growth strategies, while rolling out business strategies to create new value.

ZEN-NOH and NH Foods have formed the business partnership to navigate these uncertain times not alone, but working together under healthy competition while complementing one another’s strengths and weaknesses. This reflects their shared aims to create a sustainable path for their own business activities while leading the way as pioneers of the fresh meat industry. As Japan’s largest producer of processed livestock products, NH Foods pursues the stable supply of protein under a co-creation theme. ZEN-NOH is responsible for distribution of livestock products and the supply of materials, fulfilling its mission of delivering domestic livestock products to consumers in a stable fashion. Based on the business partnership, both ZEN-NOH and NH Foods will fully utilize their respective strengths including management resources, networks, information and expertise in an effort to supply protein to customers in a stable manner and streamline their businesses.

Additionally, by launching the ZEN-NOH × NH Foods Co-creation Project, they aim to create new value in the domestic livestock industry and facilitate its sustainable development.

2. Details of the Business Partnership

■ Overview of the Co-creation Project

(1) Pursuing sustainability in the domestic livestock industry

The project will promote the creation of standards for carbon neutral farms, efforts to improve the domestic feed self-sufficiency rate and plastic reduction initiatives, in pursuit of sustainability in the domestic livestock industry.

The project will also conduct awareness-raising activities concerning animal welfare and other sustainable livestock farming initiatives to provide consumers with a more in-depth understanding of these actions.

(2) Establishing a next-generation livestock industry model

In addition to considering joint research and business development in the livestock sector, the project will explore ways to use livestock-derived materials that have previously been discarded, pursue initiatives to convert manure and methane into energy, and establish a new model for the livestock industry with the next generation in mind.

(3) The stable supply of livestock protein

Under the project ZEN-NOH and NH Foods will consider the mutual use and automation of fresh meat processing facilities, discuss logistics networks and streamlining based on processing plants, and strive for the stable supply of livestock products.

ZEN-NOH and NH Foods will utilize their resources and networks in the pursuit of initiatives aimed at engage in product development that takes advantage of domestic livestock products, and expanding overseas exports of domestic livestock products.

(4) Co-creation spanning the businesses of both parties

The facilities owned by ZEN-NOH will be utilized for the coordinated production of fresh-packed meat, hams and sausages.

As a response to logistics challenges, ZEN-NOH and NH Foods will consider measures including the shared use of their logistics networks and promote the streamlining of their respective businesses.

[Overview of ZEN-NOH × NH Foods Co-creation Project]

Pursuing sustainability in the domestic livestock industry	<ul style="list-style-type: none"> ➤ Animal welfare initiatives ➤ Initiatives to develop standards for carbon neutral farms ➤ Initiatives to reduce plastics ➤ Improved domestic feed self-sufficiency rate
Establishing a next-generation livestock industry model	<ul style="list-style-type: none"> ➤ Joint research and business development in the livestock sector ➤ Conversion of manure and methane into energy ➤ Utilization of livestock-derived materials
The Stable supply of livestock protein	<ul style="list-style-type: none"> ➤ Utilization and coordination of processing facilities ➤ Initiatives to expand the overseas export of domestic products (Wagyu domestically produced beef, etc.) ➤ Product development utilizing domestic livestock products
Co-creation spanning the businesses of both parties	<ul style="list-style-type: none"> ➤ Coordinated production and utilization of fresh-packed meat, hams and sausages using ZEN-NOH facilities ➤ Solutions to logistics challenges through coordination (joint deliveries, etc.)

3. Overview of the Other Party to the Business Partnership

(1) Name	National Federation of Agricultural Cooperative Associations
(2) Address	1-3-1 Otemachi, Chiyoda-ku, Tokyo
(3) Representative	Sakae Noguchi, President & CEO
(4) Business description	Supply of agricultural materials and machinery and daily commodities, and installation of agricultural facilities for joint use Transport, processing, storage and marketing of agricultural and livestock products Education for improvement of agricultural technology and agricultural management Management of union agricultural cooperative warehouse Establishment of livestock markets Agricultural management for maintaining the infrastructure for livestock production and the livestock brand Transportation service Building design and construction management Cooperation with overseas agricultural cooperatives for agricultural development
(5) Investments in capital	115,230 million yen
(6) Established	March 30, 1972

(7) Relationship between the listed company and the relevant company	Capital relationship	There is no capital relationship that is required to be stated between NH Foods and ZEN-NOH. Moreover, no related parties or affiliates of NH Foods have any noteworthy capital relationships with related parties or affiliates of ZEN-NOH.		
	Personnel relationship	There is no personal relationship that is required to be stated between NH Foods and ZEN-NOH. Moreover, no related parties or affiliates of NH Foods have any noteworthy personal relationships with related parties or affiliates of ZEN-NOH.		
	Business relationship	NH Foods and ZEN-NOH conduct ongoing transactions with one another including sale and purchase related to fresh meats and the procurement of raw materials.		
	Applicability to related party	ZEN-NOH does not constitute a related party of NH Foods. In addition, no related parties or affiliates of ZEN-NOH are considered to be related parties of NH Foods.		
(8) Consolidated operating results and consolidated financial position of ZEN-NOH for the past three years (Million yen)				
Fiscal year-end		FY2021/3	FY2022/3	FY2023/3
Consolidated net assets		659,297	705,689	763,227
Consolidated total assets		1,913,417	2,125,525	2,147,695
Consolidated business revenue		6,159,714	4,270,473	5,129,548
Consolidated business profit		35,760	33,044	34,764
Consolidated ordinary profit		47,778	54,879	63,722
Consolidated profit		32,475	46,511	49,196

4. Schedule

(1) Date of resolution	July 9, 2024
(2) Date of agreement	July 9, 2024
(3) Business partnership start date	July 9, 2024

5. Future Outlook

While the business partnership will have a minor impact on NH Foods' consolidated results in the fiscal year ending March 31, 2025, NH Foods believes it will contribute to results and improved corporate value in the medium- to long-term.

(Reference)

Consolidated Forecasts for the Fiscal Year Ending March 31, 2025 (as of May 10, 2024) and Results for the Previous Fiscal Year
(Million yen)

	Consolidated net sales	Consolidated business profit	Consolidated profit before tax	Profit attributable to owners of the parent
Consolidated forecasts for the current fiscal year (Fiscal year ending March 31, 2025)	1,340,000	48,000	40,000	27,000
Consolidated results in the previous fiscal year (Fiscal year ended March 31, 2024)	1,303,432	44,939	40,599	28,078