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Unleash new potential for protein

NH Foods Group Vision2030

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Working together to create value through protein

NH Foods Group Integrated Report 2026

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Fumio Maeda
President and Representative Director

Nobuhisa Ikawa
Chairperson and Director

Handing Over the Ball of Transformation

The NH Foods Group: Carrying forward the will to keep changing

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Taking Our Unparalleled Strengths to the Next Level

Taking over the ball of transformation to reach the next stage of growth

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More Change. More Forward Motion.

New value is generated through operations. It emerges from an organization that continues to take on challenges.





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protelinnovation プロテイノベーション

Driving the frontiers

of protein into new domains and beyond Japan









PIG LABO ピッグ ラボ

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Editorial Policy

Editorial policy

This Integrated Report 2026 was published with the aim of informing shareholders, investors, and other stakeholders about the annual results of the NH Foods Group, and about our efforts to take the NH Foods Group forward into a new phase of growth through innovation and challenges.

In addition to new businesses that pursue the potential of protein and overseas expansion, this report focuses on the NH Foods Group's human capital, who drive transformation with "challenge" as their banner, and provides detailed explanations of initiatives for creating value over the medium- to long-term.

We hope that stakeholders will use this report to expand their understanding as the basis for a further deepening of dialogue. When preparing this report, we referred to the Integrated Reporting Framework issued by the IFRS Foundation, and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 issued by the Ministry of Economy, Trade and Industry.

Environment Social Governance
価値協創ガイダンス

Coverage

NH Foods Ltd. and its 72 consolidated subsidiaries in Japan and overseas (as of April 1, 2026)

Period covered

April 1, 2025–March 31, 2026.
Some of the information contained in this report refers to periods before or after this period.

Notes concerning accounting standards

NH Foods Ltd. voluntarily adopted International Financial Reporting Standards (IFRS) beginning with its Consolidated Financial Statements for the First Quarter of the fiscal year ended March 31, 2019.

Results for the Ballpark Business, which were previously disclosed in the "Others" category, have been presented as a separate category since the first quarter of the fiscal year ended March 2024. This change reflects the increasing importance of this segment.

Information disclosure structure and the positioning of the integrated report

● Financial information ● Non-financial information

Information disclosed in PDF format		Web (HTML)	
Integrated Report ●●	Corporate Governance Report ●	Investors ●	
Annual Financial Report ●●	Progress of Materialities ●		
Brief Statement of Accounts ●	Medium- to Long-term Environmental Targets ●	Sustainability ●	
Medium-Term Management Plan 2026 ●	TCFD Report ●		
Sustainability Report ●	TNFD Report ●		
Data Book ●●			

Forward-looking statements

This integrated report includes forecasts regarding targets, strategies, and earnings. These forecasts are based on information available at the current time and contain certain assumptions about the future. They are subject to numerous external uncertainties in areas such as the economic environment, market trends, and exchange rates. Actual performance may differ significantly from the targets in this presentation, and investment decisions should not be based exclusively on them.

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The top questions and matters of concern to shareholders and investors are listed below. Check the red numbers next to each chapter in the table of contents for the chapters with the most relevant answers and explanations.

The concerns of shareholders and investors

Q1 What are the most important changes at the NH Foods Group to note in the Integrated Report 2026?

Q2 Even though business profit is at its highest ever, why do you view this as "only a stepping stone" today?

Q3 What will you change to ensure that the record-high profit is not merely a one-off but is sustained by capabilities that can be consistently replicated?

Q4 As Japan's domestic market shrinks, where does the NH Foods Group see opportunities for growth?

Q5 As a protein company, how will you create new value?

Q6 How will your materiality initiatives contribute to improved corporate value?

Q7 How are the organization and governance evolving to support the NH Foods Group's growth?



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"We Will Build a Sustainable Business Base and Create an Era-Defining Culture That Benefits Society"

P.21 A Message from the Chairperson

"True Employee Happiness and Fulfillment Create Corporate Value"





P.29 A Message from the Executive Officer in Charge of Corporate Strategy

"Forging Our Next Stage of Growth"



P.41 A Message from the Executive Officer in Charge of Human Resources

"Developing Human Capital to Drive Our Business, Supporting Transformation and Challenges"



P.57 A Message from the Executive Officer in Charge of Sustainability

"Sustainability Fully Integrated with Our Business Will Create Value"



P.81 Roundtable Discussion Between the Outside Directors

"The Power of Dialogue in Enhancing Corporate Value"

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Corporate Philosophies and History

Maximizing the Possibilities of Protein, the NH Foods Group Continues to Grow

Rooted in our corporate philosophy, *the joy of eating*, the NH Foods Group has expanded our business fields to processed foods, fresh meats, and ballpark while addressing the social and lifestyle changes of each era. This succession of challenges has shaped our current business portfolio and will lead to future growth.

Corporate Philosophies

1. **Under the basic theme of *the joy of eating*, our company creates a culture that marks an epoch and contributes to society.**
2. **Our company is a place where employees can feel truly happy and fulfilled.**

Management Principles

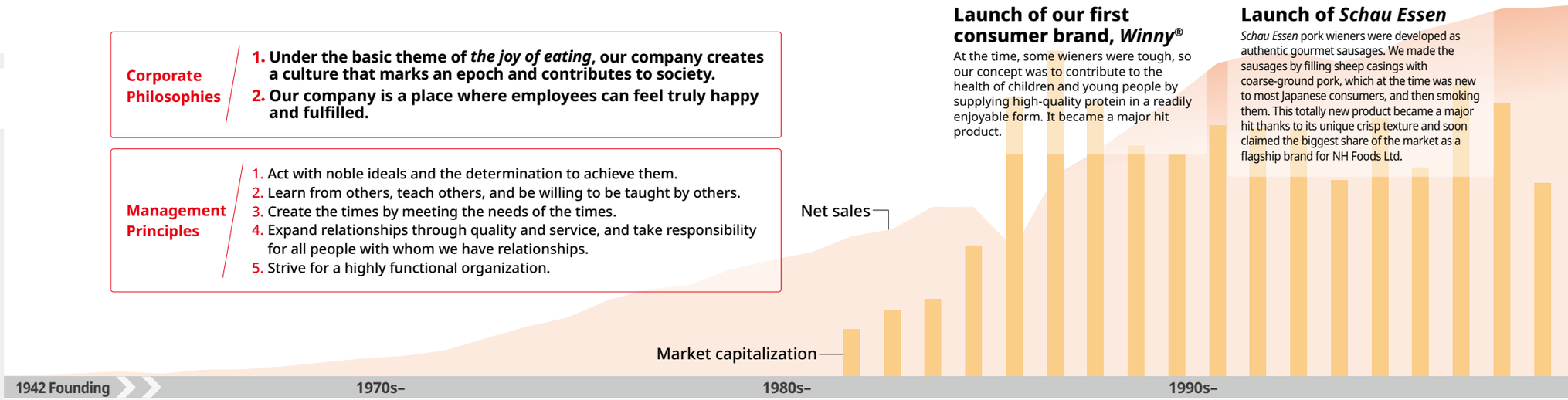
1. Act with noble ideals and the determination to achieve them.
2. Learn from others, teach others, and be willing to be taught by others.
3. Create the times by meeting the needs of the times.
4. Expand relationships through quality and service, and take responsibility for all people with whom we have relationships.
5. Strive for a highly functional organization.



The *Winny*® launch commercial



Schau Essen



1966

Launch of our first consumer brand, *Winny*®

At the time, some wieners were tough, so our concept was to contribute to the health of children and young people by supplying high-quality protein in a readily enjoyable form. It became a major hit product.

1985

Launch of *Schau Essen*

Schau Essen pork wieners were developed as authentic gourmet sausages. We made the sausages by filling sheep casings with coarse-ground pork, which at the time was new to most Japanese consumers, and then smoking them. This totally new product became a major hit thanks to its unique crisp texture and soon claimed the biggest share of the market as a flagship brand for NH Foods Ltd.

The history of the challenges the NH Foods Group has faced

徳島ハム


Tokushima Ham's headquarters factory around 1955

1942

Founding, the challenge begins

Our founder, Yoshinori Okoso, opened the Tokushima Meat Processing Plant. Okoso's dream was to provide abundant meat to build up the physical health of the Japanese people in the postwar era. His establishment of a company to supply protein epitomized the philosophy of "Tenacious pursuit of progress and success in the face of adversity" and was the starting point for our history of challenging new frontiers.

ニッポンハム



1963

Established as NH Foods Ltd.

NH Foods Ltd. (then Nippon Meat Packers, Inc.) was launched with the merger of Tokushima Ham and Torise Ham. The Japanese name, "Nippon Ham," was decided on because it was the most-suggested entry by employees. The company reached the top among domestic makers of hams and sausages in the number of meat processing plants and processed food manufacturing plants as well as in net sales.

1968

The start of the chicken farming business

Our vertical integration system is the key to our ability to supply safe, high-quality meats reliably. We have been involved in the livestock farming business, which forms the upstream part of this system, on a significant scale since 1968. Our business continued to expand throughout the 1990s, and today we are one of Japan's biggest producers of chicken and pork.

1973

Establishment of the Nippon-Ham Fighters Baseball Club pro baseball team

At the Imperial Hotel in Tokyo's Hibiya district, our company and Nittaku Home signed the transfer of the Nittaku Home Flyers professional baseball team, resulting in a new company, the Nippon-Ham Fighters Baseball Club. The team was launched with the hiring of Osamu Mihara as President, Representative, and General Manager, and Futoshi Nakanishi as Manager.

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Whyalla Beef Feedlot

1988
Moving into Australia

We built an integrated beef business through the acquisition of the Whyalla Beef Feedlot in Australia. This company now plays an important role that encompasses local sales, procurement of fresh meats for export to Japan, and exports to third countries.



2002
Introduction of branded meats

We developed domestically produced *Sakurahime* chicken. *Sakurahime* chicken contains three times more vitamin E than regular chicken* but has a much milder smell. We are continuing to roll out new meat brands, including *Mugikomachi* domestically produced pork.

* Based on a comparison with the 2015 value in the Standard Tables of Food Composition in Japan



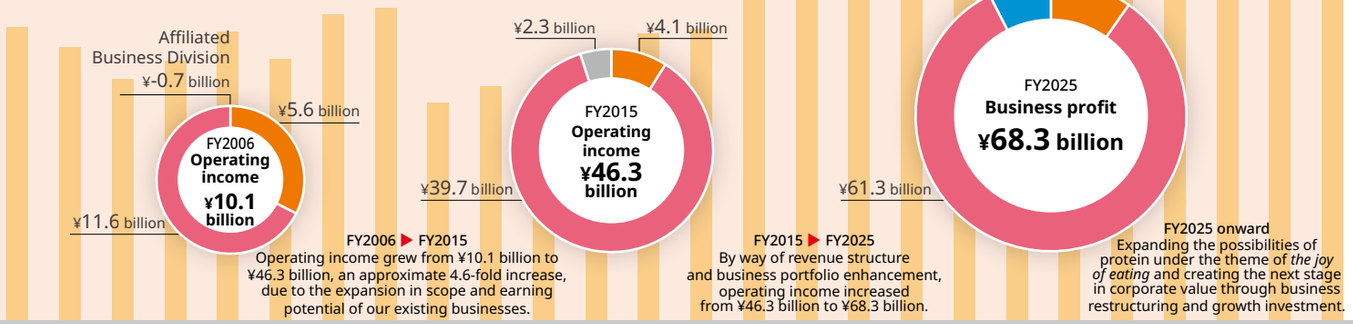
HOKKAIDO BALLPARK F VILLAGE

2023
Start of the Ballpark Business

Our Ballpark Business (now the Sports & Entertainment Business) began with the opening of a new ballpark, ES CON FIELD HOKKAIDO. Through the HOKKAIDO BALLPARK F VILLAGE scheme, we are creating a new community that combines sport value with Hokkaido value.

Net sales (March 2026)
¥1,457.4 billion

Market capitalization (March 2026)
¥661.8 billion



Processed Foods Business Division
Fresh Meats Business Division
Affiliated Business Division
Ballpark Business

Note: The sum of segment profits does not equal consolidated business income because it excludes corporate overhead expenses as well as intercompany transaction eliminations and other consolidation adjustments.

Vision2030

Unleash new potential for protein

Throughout its history, the NH Foods Group has dedicated itself to the reliable supply of protein as an essential nutrient for human health. However, the supply of protein is expected to fall short of demand in the future because of world population growth and climate change. Under Vision2030, we are determined to fulfill our social mission and our essential role in food infrastructure as one of Japan's biggest suppliers of protein by maintaining reliable supplies of protein even in this changing environment.

1977
Commencement of overseas business operations

We commenced our overseas business operations with the acquisition of the North American company Day-Lee Meats, Inc. (now Day-Lee Foods, Inc.)



Halal-compliant products



Food allergy-friendly products



Reduced salt, low-salt

2020–
Responding to expanding demand for diversified protein products

Demand for meat substitutes is expanding for a variety of reasons, including concerns about food shortages. In 2020, the NH Foods Group launched a number of plant-based products under the *NatuMeat* brand, which includes plant-based sausages. We developed and started selling *Gras Foie*, a foie gras alternative made from chicken livers. We are also engaged in R&D relating to the production of protein from koji (mycoprotein) using culturing technology, and cell-based food.



Soy meat



Koji (mycoprotein)



Research into imidazole dipeptide



A quick and easy food allergen test kit

2025
R&D strategy targeted toward creating new value and the future of proteins

We formulated a new R&D strategy called *Proteinnovation*, aimed at accelerating research and development centered on proteins, in order to realize our corporate philosophy and Vision2030, which states, "Unleash new potential for protein."

2042
100-year anniversary

We are looking ahead to 2042, the 100th anniversary of the Group founding in 1942, under a long-term vision centered on maximizing the value of protein.

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The Value Provided by Protein

The NH Foods Group Supports Health and Society with Protein

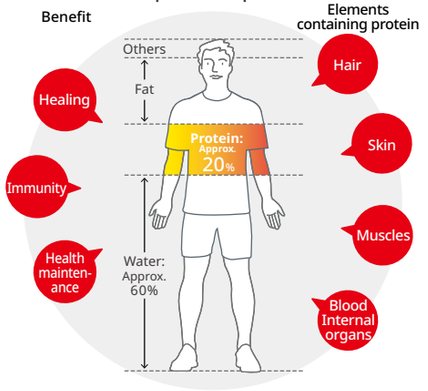
The value of protein, essential for all generations

Protein is the foundation that supports life activities and is necessary not just for muscles, but also organs, skin, bones, hair, enzymes, immune substances, hormones, and more. It is an essential nutrient for people of all generations and supports every stage of life from the growth and development of children to the vitality of working generations and the healthy lives of seniors.

Recommended protein intake at different life stages

The amount of protein needed varies depending on age and sex. It is important to be mindful of protein intake during periods of significant growth, but also in older age, when maintaining muscle strength becomes crucial. In addition to the amount consumed, consistent intake through daily meals leads to building a healthy body.

The power of protein



Amount of protein needed by each generation



Infancy
A period when the body's foundations are rapidly built. Reliably delivering the nutrients needed for growth through breastmilk and baby food is important.

Early childhood
A period when muscles, bones, internal organs, and immune function develop. Food preferences tend to emerge during this period, so it is important to develop habits of consuming sufficient protein in daily meals.

School age
A period when opportunities for learning and sports expand and the amount of physical activity increases. Protein forms the foundations that support healthy development and everyday vitality.

Adolescence
A period of significant height growth and physical changes when protein requirements also increase. Support through diet for demanding daily routines, such as club activities and studying, is essential.

Young adulthood
A period when the rhythms of daily life can easily become irregular, and thereby increase the likelihood of nutritional deficiencies resulting from skipped meals or an unbalanced diet. Protein is important for maintaining a healthy physical condition that can support work, study, and exercise.

Middle age
A period when busyness tends to lead to unbalanced diets and maintaining physical strength and metabolism becomes a challenge. Consuming sufficient protein on a daily basis is also important for preventing future health issues.

Senior years
A period when appetite tends to decrease and muscle strength tends to decline. In addition to sufficient intake, it is important to eat protein across three meals to maintain physical function.

Elderly years
Protein is a key nutrient for preventing malnutrition and frailty and for maintaining the ability to walk, eat, and live independently. When combined with exercise, protein can extend healthy life expectancy.

Note: The role of protein by generation is based on reference to the NH Foods Map for the Future of Protein and the Ministry of Health, Labour and Welfare's "Dietary Reference Intakes for Japanese (2025 Edition)." Frailty prevention in older age is based on reference to the Japanese Association on Sarcopenia and Frailty's "Clinical Guidelines for Sarcopenia 2017" and other sources. Some descriptions represent generalized age-related tendencies, and there are differences among individuals.

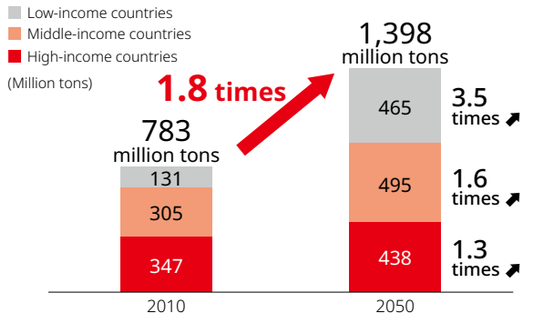
Responses to the global growth of demand for protein

The protein crisis

Although the global population is rising and demand on the livestock and fisheries industries is on the increase, supporting supply bases are facing limitations including feed availability, labor shortages, and climate change. The resulting risk that it will become increasingly difficult to sustainably deliver adequate protein is known as the protein crisis. Increasing production volumes of animal-based protein to respond to growing demand requires large amounts of feed, but there are limitations to how much grain production can be increased, raising concerns about future supply constraints.

"New protein" created from various innovative technologies is attracting attention as a possible solution to this issue. The NH Foods Group is also developing new forms of protein so that we can respond to the protein crisis.

Rapidly growing global demand for livestock products



Source: Ministry of Agriculture, Forestry and Fisheries, "World Food Supply and Demand Projection to 2050" (2019)
Note: Income classifications are based on World Bank classifications (Analytical Classification (2014)). For each country, the most frequently occurring income classification in the annual classifications from 1990 to 2014 was adopted as that country's classification.

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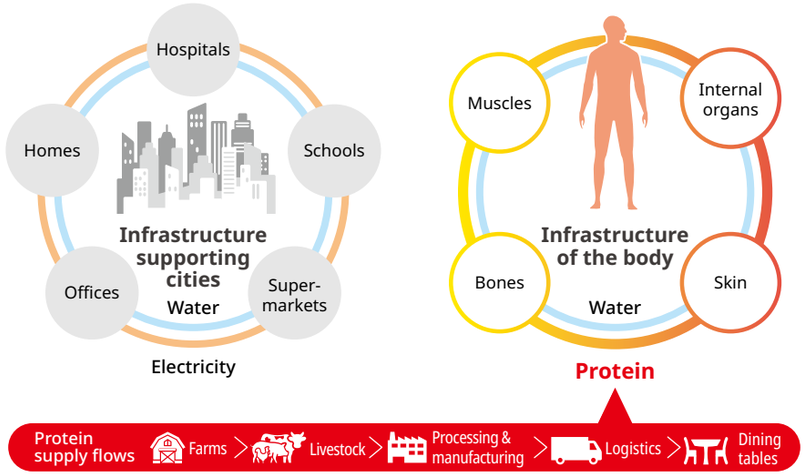
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The Value Provided by Protein

Food infrastructure company

Protein is the infrastructure of the body
—ensuring stable supplies through integrated structures



A leading supplier of protein in Japan

The NH Foods Group is a leading protein supplier and manufacturer in Japan, supplying approximately 20% of fresh meats sold in Japan and about 6% of the protein that the average Japanese person consumes each day. To fulfill its responsibility supporting people in aspects of their daily lives, the Group will continue working with domestic and overseas partner companies to ensure stable procurement and supply of protein.

Stable supply structures

In addition to production and fattening in Japan, we are building a vertically integrated value chain that is resilient to changes in the environment through collaboration with domestic and overseas partners.

Reinforcing supply chains

We are strengthening our sustainable supply bases by advancing livestock DX that uses AI, image recognition, and other technologies to transfer on-site production knowledge, reduce labor, and increase productivity.

Contributing to food security

In response to the growing demand for protein, we are contributing to food stability throughout society by strengthening existing businesses and conducting research and development of new protein.

Disaster responses

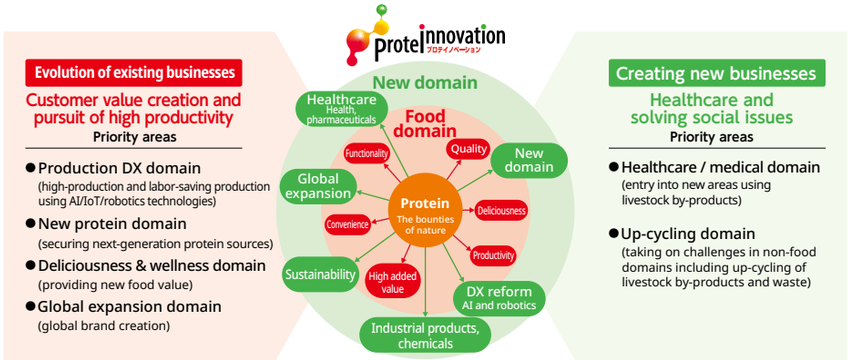
As a company that functions as food infrastructure, strengthening supply networks in normal times and creating systems that can supply protein without interruption during emergencies are our greatest responsibilities.

The possibilities of protein expanding beyond food

The NH Foods Group sees protein not simply as a nutrient, but as a source of value that supports people's lives and the future of society, and we are taking on the challenges of creating new value that go beyond our supply responsibilities.

At the center of our new value creation is the *Proteinnovation* (a portmanteau of "protein" and "innovation") R&D strategy (see page 32 for details). The Group seeks to maximize the potential of protein using technology and innovation, creating new value and a bright future in both existing food businesses and new domains.

Protecting stable supplies and dedicating ourselves to the future of protein—the NH Foods Group is evolving from a protein supplier to a company that solves social problems with these two commitments as driving forces.



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At a Glance

Non-Financial Highlights

Share of protein intake supply Approx. **6%**

The NH Foods Group is a protein supplier and manufacturer that supplies approximately 6% of all protein consumed by the people of Japan.

	Protein intake (Per person per day)	NH Foods Group's share
Overall	71.4g	**6.0%**
Animal protein	40.1g	**10.6%**
Livestock-derived	27.9g	**15.3%**
Meat	17.6g	**23.5%**

Protein content of the main types of animal protein (g/100g)

Beef: 16.6g Eggs: 12.3g
Pork: 15.6g Milk: 3.3g
Chicken: 20.7g

Note: Estimated by NH Foods, using internal product volume data from 2019 and various external sources, including the Standard Tables of Food Composition in Japan published by the Ministry of Education, Culture, Sports, Science and Technology, and results from the National Health and Nutrition Survey conducted by the Ministry of Health, Labour and Welfare in 2019.

Domestic share of fresh meats sold Approx. **20%**

The NH Foods Group is a food infrastructure company with the top domestic fresh meat sales market share. We provide the fresh meat for about one in every five servings on dining tables.

Domestic share of fresh meat sold
No.1

Providing fresh meats to dining tables
1 in 5 servings



Sales of *Schau Essen* products* ¥**82.2billion**

* Encompasses not only *Schau Essen* wieners but other *Schau Essen* products, such as *Schau Slice* and *Schau Block*.
Note: Domestic sales amount from April 2025 to March 2026



Amount of plastic used **38.1%reduction**
2,859ton reduction

As a part of our efforts to reduce environmental impact, the Group is working to reduce plastic usage through measures such as reviewing packaging designs. The figures represent the reduction rate and reduction in volume for domestic usage in FY2025 with FY2013 as the baseline.

If converted to *Schau Essen* packs, this is equivalent to a reduction in plastic packaging volume of more than **187,000** packs per day.



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At a Glance

Financial Highlights

Net sales

¥1,457.4 billion

Up 6.3% year on year

Net sales increased 6.3% year on year, supported by higher sales prices. Steady progress is being made toward achieving the target of ¥1,500 billion in the final year of the Medium-Term Management Plan.

Business profit

¥68.3 billion

Up 60.7% year on year

Business profit increased 60.7% year on year, reaching a record high. Self-initiated efforts including inventory control, price pass-through, and achieving profitability in the Ballpark Business supported profit growth.

Business profit ratio

4.7%

Up 1.6% year on year

The business profit ratio improved to 4.7%. Actions to address low-profit businesses and enhance high-value-added businesses pushed profitability up a level.

Economic value indicators

ROE

6.6%

Up 1.5% year on year

Return on equity (ROE) increased to 6.6%. Profit growth and improvement in capital efficiency both gained momentum, demonstrating progress toward achieving the Medium-Term Management Plan.

ROIC

6.1%

Up 2.2% year on year

Return on invested capital (ROIC) improved to 6.1%. Improvements in asset efficiency including the streamlining of production systems led to better capital efficiency.

EPS

¥361

Up ¥98 year on year

Earnings per share (EPS) increased to ¥361. Results are demonstrated through the figure that is most important to capital markets—an increase in per-share value.

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Business Overview

The 3 Businesses Delivering the Value of Protein to Society

The NH Foods Group's strength is that we do not just procure and sell or produce and sell protein; we also link protein to the value it delivers to society. The Fresh Meats Business manages supply, the Processed Foods Business creates product value, and the Sports & Entertainment Business provides experiences and increases the number of customer touchpoints. By linking these three businesses, we expand the value of protein from the dining table to everyday life.

Enhancing the value of protein

The Processed Foods Business's role is vital in the fostering of value enhancement, which it does by improving brand power with its product development, marketing, and technological capabilities. Great taste and convenience will expand the market by turning protein into products that appear daily on customers' tables.



Driving the value of protein

The Fresh Meats Business is essential in reliably delivering protein to society by leveraging our domestic and overseas procurement capabilities and our supply structure. The division owns integrated value chains, from production to sales, ensuring supplies across the Group.

Advancing the value of protein

HOKKAIDO BALLPARK F VILLAGE is at the heart of the business activities that expand food into experience value, customer interaction, and brand touchpoints. We are creating touchpoints between the fans and the local communities, expanding the value of the NH Foods Group from "eating" to "feeling."

Common Foundation

●Quality assurance ●Procurement and production foundation ●Brands
●Customer touchpoints ●Group network ●Sustainability

Linking the common foundation that supports these three businesses means that the value of protein will lead to sustainable, not temporary, corporate value.

Processed Foods Business Division

Enhancing the value of protein

The Processed Foods Business Division supplies protein in a variety of forms as products that are familiar and appealing to consumers. By further accelerating the product development, marketing, and technological capabilities that the division has built up through ham, sausage, and processed food production, we will improve brand power and thereby continue to deliver safety and reliability, great taste, and *the joy of eating* to society. With its focus on protein, the Processed Foods Business Division is responsible for growing the Group's value by offering products that respond flexibly to diversifying food needs.

Main products



Schau Essen



Ishigama Kobo



Chuka Meisai


Sutamina En



Vanilla Yogurt



ROLF smoked cheese

Overseas expansion



[USA] Day-Lee Foods, Inc.
Manufacture and sales of processed foods, especially those of the Crazy Cuizine brand, also the import and export of fresh meats and other products



Singapore Vietnam China

Overseas expansion of *Schau Essen*
Commenced the overseas expansion of *Schau Essen* centered around ASEAN and China including its surrounding area.

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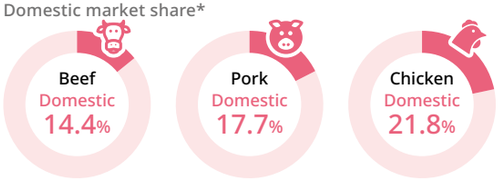
Business Overview

Fresh Meats Business Division

Driving the value of protein

The Fresh Meats Business Division is the core business ensuring the protein supply of the NH Foods Group. The division owns integrated value chains, from production to sales, in Japan and overseas, and is responsible for the infrastructure functions of the foods that make up the Group's approximately 20% share of the total volume of fresh meats sold in Japan. It harnesses its robust foundation to reliably deliver the protein that society needs, and, by continuously improving its procurement and supply capabilities, the division forms the core of value creation across the Group.

Domestic market share*



* As of March 31, 2025 (based on NH Foods research)

Branded fresh meats

Beef	Pork	Chicken
Domestically produced beef *GENMAI GYU*	*Mugikomachi* domestically produced pork	*Sakurahime* domestically produced chicken
Australian-produced beef *Omugi-gyu* ANGUS	Canadian-produced pork *Canada Omugi Pork*	Brazilian-produced chicken *Mate Chicken*

Overseas expansion



[Australia] Whyalla Beef Pty. Ltd.
Production and fattening of cattle at one of the biggest cattle stations in Australia



[Turkey] Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi
Integrated production, breeding, processing, and sales of chicken

Sports & Entertainment Business Division

Advancing the value of protein

The Sports & Entertainment Business Division expands the value of food and protein into experiences. Set in HOKKAIDO BALLPARK F VILLAGE, the division combines food, sports, and entertainment to create diversified customer touchpoints. As an entertainment facility that deepens the relationship between the fans and the local community, F VILLAGE increases the Group's ability to publicize our brands by creating experiences leading to the future of health and lifestyles beyond protein intake.

HOKKAIDO BALLPARK F VILLAGE



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Chapter 2

Value Creation and Growth Strategies

What will we change to ensure that the record-high profit is not merely a one-off but is sustained by capabilities that can be consistently replicated?

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Why do we view the record-high business profit as only a stepping stone?
Where do we see opportunities for growth?
What kind of systems will help the transition to a structure of sustained profit, and how will we create new value?
This chapter answers these questions and outlines the NH Foods Group's path to sustained growth.

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A Message from the President

We Will Build a Sustainable Business Base and Create an Era-Defining Culture That Benefits Society.

—Management for NH VALUE—

Fumio Maeda President and Representative Director, President and CEO

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A Message from the President

Proactive management means fully leveraging our unparalleled strengths

I took over as president of NH Foods Ltd. in April 2026. Before becoming president, I worked in Processed Foods, Fresh Meats, and corporate divisions. Through my management experience across these areas and at several group companies, I came to recognize that our Group possesses a unique strength that our competitors cannot easily build. That is the potential of our composite elements to drive value creation—in our divisions, across Processed Foods, Fresh Meats, and Sports & Entertainment; in every function that spans our value chain, from procurement to production, processing, logistics, and sales; and in every one of our talented employees. My role as President is to enhance this strength through the collective capabilities of our organization, embed it into robust systems, and translate it into sustainable growth even in an era of rapid change.

Since my time as Executive Vice President, I have been working to optimize the value chain as part of a broader transformation of our business base to enhance our portfolio quality. I don't believe transformation should be simply aimed at downsizing to achieve balance. Rather, with a bird's-eye view, we can optimize the value chain to convert assets and capabilities to areas where they can contribute even more, thereby driving the company's growth.

Rather than each business and function optimizing in isolation, my management approach is to treat the Group's assets, capabilities, and people as a whole and pursue overall optimization. In this way, together with sound governance, we can direct our energies toward generating sustainable profits.

Expanding business fields while addressing social and lifestyle changes

One of our corporate philosophies states "Under the basic theme of *the joy of eating*, our company creates a culture that marks an epoch and contributes to society." In line with this principle, the NH Foods Group has been expanding its business fields by synergizing its brands, business base, and experience value.

I think our Group has three major strengths to achieve this philosophy.

Our Processed Foods Business has created multiple brands represented by *Schau Essen*, which has maintained its position as a leading brand for more than 40 years. Such products are not created overnight; they are a valuable asset built over decades. Our first and underpinning strength is the accumulation of reliable quality and recognizable value that have stood the test of time in the face of changes in food preferences and lifestyles across the years.

The second is our value chain that the Fresh Meats Business built in response to the adoption of Western dietary habits. From procurement and production to processing, logistics, and sales, we built the whole system to deliver high-quality products consistently and reliably across Japan. Our strength lies not simply in the volume we sell, but in our comprehensive capabilities, backed by on-the-ground expertise and the ability to deliver. This continuous effort has led to an approximate 20% share of the domestic market. We will keep bolstering this strength as a competitive advantage to support food supply infrastructure.

The third strength is our Sports & Entertainment Business. We have transformed what was once considered as a crowd-puller into a segment that generates profit and enhances brand value, centering around its ballpark business. By expanding our engagement with the local community and showcasing our appeal in many ways, this business has become a mainstay for highlighting the Group's unique character.

No other company possesses all of these strengths, and this unique combination gives me confidence in our Group's significant potential to grow even further. We will continue fulfilling our mission to create value that benefits society as we carefully observe changes over time.

Financial results for FY2025 and progress under Medium-Term Management Plan 2026

FY2025 marked the second year of Medium-Term Management Plan 2026, during which we delivered measurable progress in structural reform, growth strategies, and cultural reform. As a result, net sales totaled ¥1,457.4 billion, business profit reached a record high of ¥68.3 billion, and profit attributable to owners of the parent came to ¥35.1 billion. ROE and ROIC improved to 6.6% and 6.1%, respectively. So, not only did we improve profitability this year, but we also made steady progress in raising capital efficiency.

Of course, we were aided by a favorable external environment, but external factors alone do not explain the overall results. I believe what we are now finally beginning to see is our consistent internal efforts bearing fruit. These include strengthening our upstream operations in the fresh meats category, particularly in chicken; continuing to change the revenue structure of our Australia Business; and monetizing our Ballpark Business.

At the same time, we face a multitude of challenges. While reforms have been progressing steadily in the Processed Foods Business in Japan, including the streamlining of production lines and the elimination of low-margin products, inflation is driving up the cost of capital, and we must carefully reassess what is required to ensure the long-term viability of this business. Meanwhile, the growth trajectory of our North American and ASEAN operations, which we had positioned as key to our growth strategy, is lagging behind schedule. In fiscal 2026, we will focus on restoring sales in the domestic Processed Foods Business through customer-driven product development and a sales structure capable of responding quickly to market changes. Overseas, we will transition to a phase of structural reform, positioning the business for significant growth under the next medium-term management plan and restoring it as a meaningful contributor to profitability. Looking ahead, we will transform our Processed Foods Business Division into an organization capable of delivering sustainable long-term growth.

For FY2026, we are targeting business profit of ¥61.0 billion, taking into account uncertainties regarding the future, such as the situation in the Middle East. Although profit is expected to decline from the previous fiscal year, as we approach the final year of the Medium-

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A Message from the President



Term Management Plan, we will transform the results of the reforms we have been implementing into solid profitability and drive sustained improvements in corporate value.

What matters now is to further improve the quality of our profits and capital efficiency, and to strengthen our resilience as a company in the face of change. I am fully committed to delivering sustainable value creation built on our corporate philosophy of sharing *the joy of eating*.

Moving from reforms and strategies to a sustainable growth phase

My greatest fear is that our growth will come to a standstill. We could easily become complacent with our 20% share of the domestic fresh meats market, but complacency would soon halt our progress as a company. So, we must continue to ask questions such as: how do we tackle the remaining 80%? How should we interpret and adapt to changes in the market and customer preferences to bring our strengths forward? If we don't pursue such questions, we will in time lose our edge.

My plan is to use the structural reform, growth strategies, and cultural reform we have pursued to date more proactively to drive our next phase of growth. That means not accepting the status quo but making structural reforms even more robust to create new growth opportunities; advancing growth strategies from vision to execution for profit growth; and deepening cultural reform to foster a culture where taking on challenges leads to results.

Key elements for achieving sustainable growth will be our work with the National Federation of Agricultural Cooperative Associations (ZEN-NOH) and our comprehensive business alliance with Charoen Pokphand Foods (CPF).

The benefits of our partnership with ZEN-NOH are gradually emerging, as evidenced by the launch of joint distribution. Going forward, we will expand these co-creation efforts into upstream operations as well, including strengthening our procurement base. Together with CPF, production has commenced at our joint venture, CPF NH Foods Co., Ltd., with products being sold under the newly launched CP Nippon brand. Going forward, the company will serve as a production base for processed meat products, supplying high-quality products to key markets across Asia, including Thailand, Japan, Hong Kong, and Singapore.

We will also accelerate our digital transformation (DX) and the use of AI to enhance supply-demand forecasting, production planning, and operational efficiency, enabling us to respond more flexibly and swiftly to rapidly changing market conditions. It is crucial that we use systems and technology to amplify the strengths of our frontline operations and turn them into capabilities that can be consistently replicated across the organization. We view DX and AI as practical tools for transforming our cost structure and strengthening competitiveness.

I believe that transformational growth results from steady efforts to expand the businesses we already have. If we stretch our current capabilities a little at a time, we can ultimately achieve a significant step change in growth. That is the most dependable form of growth for the NH Foods Group.

The same thinking applies to our efforts in new business domains. Our *Proteinnovation* (a portmanteau of "protein" and "innovation") R&D strategy is not about dreaming up entirely new businesses from scratch. Rather, it is about creating new value by building on the assets and capabilities we already possess—our facilities, materials, technologies, and value chains. The goal is to turn our existing strengths into future profit by, for example, engaging in research to develop new materials from inedible livestock by-products for application in medical and cosmetic products, to be commercialized through co-creation with external partners. I believe this approach represents a path to growth uniquely suited to our Group.

Also, cultural reform cannot be achieved through words alone. It is important to properly recognize employee efforts to take on challenges and initiatives that improve job satisfaction. The NHG Awards is one such program—our award system for promoting workplace excellence that helps foster a culture in which employees' challenges lead to organizational results.

NHG Awards 2025
The embodiment of "Let's take on challenges together"

The NHG Awards is a program for honoring business sites that have made outstanding contributions to business performance and corporate value by improving job satisfaction and fostering an organizational culture focused on new challenges. In fiscal 2025, 28 business sites were honored, with Oakey Beef Exports Pty. Ltd. in Australia receiving the top award, the Premier Achievement Award. Guided by President Maeda's message, "If we set our minds to it, there is nothing we cannot achieve," we help transform employees' challenges into on-the-ground capabilities, recognize their achievements, and channel them toward the Group's growth.



Enhancing capital efficiency through financial discipline and portfolio reform

Financial discipline provides the basis for making proactive management a reality. While ROE and ROIC are important indicators for maximizing corporate value and making business portfolio decisions, we also need metrics that frontline employees can relate to and feel comfortable pursuing in their daily work. Accordingly, we will implement new KPIs that are tailored for our Group across our business divisions and affiliated companies, placing greater emphasis on profitability and asset efficiency to drive improvements in operational efficiency.

Under the current Medium-Term Management Plan, we have focused on creating corporate value by strengthening our earnings capacity and improving capital efficiency. ROE has improved, and we are now aiming to raise it to 10% or higher at the earliest opportunity. To

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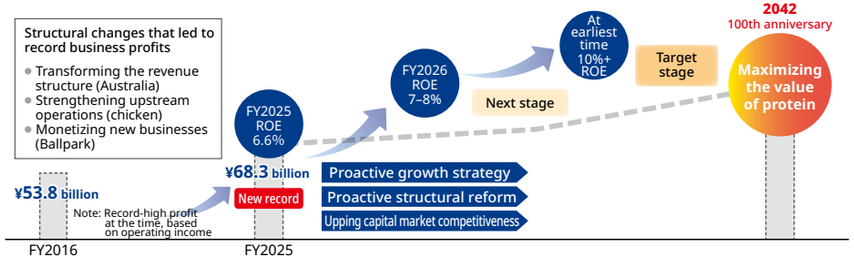
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A Message from the President

achieve this, we must not only continue to generate stable operating cash flow, but also make targeted investments in priority areas and ensure that investment decisions are made with a clear awareness of the cost of capital. The value of an investment cannot be judged by scale alone. The sole criterion for our business portfolio, similarly, should be whether it increases corporate value. At the same time, our mission to support Japan's food system through a stable supply of protein is itself an important element of corporate value. Taking into account both this mission and the strategic importance of each asset and business to the Group as a whole, if any assets or businesses are not generating the returns we expect, we will actively consider measures such as asset reallocation, more effective asset utilization, and, where appropriate, the carve-out of non-core businesses as we further refine our portfolio management.

Capital allocation decisions are equally important. As we work toward our long-term vision, we will prioritize investment in growth opportunities, and if capital cannot be deployed in ways that contribute to value creation, we will fulfill our responsibility to return it to shareholders. Balancing these two objectives is never easy, but in that challenge the true value of management is put to the test. Through deeper dialogue with the capital markets, we will demonstrate a credible path toward value creation, including progress toward achieving a 3% DOE and continuing share buybacks.



Advancing cultural reform and sustainability through governance

The top-down reforms led by former President Ikawa were indispensable for the Group's transformation. First, he set a clear direction, established discipline, and defined what needed to be done. That laid the groundwork for the next phase—ensuring that those reforms take root throughout the Group and become a driver of future growth.

The key to successful reform and growth lies in the strength of the organization. Through my experience managing seven different businesses and companies, I have learned that each operation faces unique circumstances and develops its own perspective and priorities. That is why alignment is essential—so that those different perspectives can contribute to doing what is best for our Group as a whole. My approach to management is to generate results through aligned collective strength and implement reforms through effective governance.

Human capital and sustainability are key areas for putting this approach into practice. I constantly press our executives on how they are developing their successors, because an organization that relies on specific individuals may appear strong but is inherently fragile. We need to develop multiple candidates and increase the number of people who can take cross-functional insights from different businesses and make decisions from the perspective of overall optimization. Those who can translate the successes and failures of one business into improvements in another will be the ones who support our next phase of growth.

In terms of cultural reform, slogans alone can do little to move reforms forward. What matters is whether managers listen to their subordinates, understand their perspectives, and show a commitment to improving the company together. Only then can we foster engagement and employee satisfaction that goes beyond simply having a comfortable workplace. People cannot fully commit themselves unless they are part of an organization that encourages their aspirations and provides challenges and opportunities to grow. The message I share across the Group—"Let's take on challenges together"—embodies this approach.

Another important theme in our earnest pursuit of sustainable growth is animal welfare. As a company entrusted with the lives of animals, we have an essential responsibility to take animal welfare seriously. With regard to GHG emissions, it will become increasingly important to reduce not only Scope 1 and 2 but also Scope 3 emissions. While achieving this within our vertically integrated value chain will be challenging, it is all the more critical not to defer action just because the challenge is difficult. We will instead confront it head-on as a key management issue.

I view sustainability not as a cost factor but as a means of reducing business risk, a source of competitiveness, and a starting point for creating new value. For example, rather than treating livestock excreta and by-products as costs to be managed, we transform them into assets that generate profit. We are turning environmental stewardship and animal welfare initiatives into differentiating factors that give customers a reason to choose us. By building on these examples one by one, we can demonstrate how to create social and business value while strengthening our competitiveness for the future.

However, I cannot transform the company alone through my efforts as President. It is important to remember the words of our founder, "If we set our minds to it, there is nothing we cannot achieve," which underscores the importance of acting not just as individuals, but as a cohesive organization united behind a common purpose. Even when our goals are ambitious, if we pool our wisdom, fulfill our respective roles, and remain determined to see things through, we can always find a way forward. Through our systems and practices, we will reinforce this mindset, turn it into tangible business results, and apply those results to further success in the future.



We appreciate and look forward to the continued support of all our stakeholders.

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A Message from the Chairperson

True Employee Happiness and Fulfillment Create Corporate Value

—Governance for NH Value—

Nobuhisa Ikawa Chairperson and Director

In April 2026, I stepped down as President and assumed the role of Chairperson and Director/Chairperson of the Board of Directors. In my new role, I have shifted from leading the executive team and driving transformation to supporting the new President and promoting the Group's sustainable growth. Neutral observers might suspect I would exert undue influence on the executive team, considering my recent position. So, upon accepting the chairpersonship, I set out to create an environment in which the Board would exercise appropriate oversight of management decisions without intervening in their execution. I felt my role was to further clarify the distinction between executive and oversight functions and enhance the effectiveness of oversight. I believe the Board of Directors should identify the Group's most pressing issues and discuss what direction is best for enhancing corporate value over the medium- to long-term. That in itself will require changes in the way the Board functions today. The Board plays a critical role not merely in approving or rejecting proposals related to existing businesses, but in crafting a long-term growth narrative

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A Message from the Chairperson



that gives our current employees a vision for the future. To achieve this, we must create an environment that does three things—reliably mitigate risks to corporate value, actively support high-potential initiatives to enhance it, and turn ideas into actions that deliver tangible business results. Even before taking up my role, I spoke with Outside Directors many times to develop key agenda items, and this year I also revised the time allocation for Board meetings. I am committed to solidifying this shift from meetings held merely to approve decisions to ones that encompass meaningful deliberations over ways to enhance corporate value.

Beyond pointing out risks —a board that actively support challenges

I spend a great deal of time in Board meetings asking what we should discuss to enhance corporate value. Financial metrics such as ROE and ROIC matter, but they alone cannot tell the full story of the Group's value. We handle cattle, pigs, and chickens, and play a key role in supplying the protein that supports Japan's food system. Efficiency as the only benchmark falls far short of capturing all the value we provide.

From sales efforts to deliver products that customers prefer to factory protocols that ensure quality and safety and prevent workplace accidents, these frontline achievements go beyond mere performance indicators. They are intangible assets that build trust with customers and communities and enhance brand value over the long term. The organization sets the foundation, enabling employees to work with pride and enthusiasm. They are empowered to take on challenges, and those efforts drive improvements in corporate value. Just as management and frontline employees must work in tandem, the NH Foods Group must consider financial and non-financial factors together to enhance corporate value. What the Board of Directors needs going forward is an expansive mindset, not simply to point out risk, but also to appropriately support risk-taking. In this era of rapid change, decision-making that leans defensive will do little for corporate value. The key is for the Board to assess risks and returns carefully and engage in constructive debate about where to take the initiative and how to seize growth opportunities. As management, we will support those initiatives and provide even stronger backing than might be expected at the frontline level. Starting with the Board of Directors, I will help foster an organizational culture focused on new challenges.

Employee satisfaction and motivation are the foundation that supports sustainable growth

Another area I am focusing on as Chairperson is corporate cultural reform. NH Foods' corporate philosophy includes the statement: "Our company is a place where employees can feel truly happy and fulfilled." For our Group, which operates many labor-intensive businesses, employee motivation and job satisfaction are the building blocks for top business performance, quality, and safety.

In today's age of rapidly advancing AI, it is more important than ever to look beyond efficiency gains and communicate in ways that resonate with employees' values and drive genuine buy-in. From this perspective, I will promote cultural reform to put our corporate philosophy into practice. Last year, we developed our compliance promotion activities into job satisfaction and motivation initiatives. The foundation remains thorough compliance, but we are taking further steps to build a culture that encourages taking on new challenges. In practice, we have assigned Job Satisfaction Leaders to workplaces and revised our system for sharing achievements and awarding commendations. To propel this transformation into an organization that embraces challenges, I have personally held "job satisfaction meetings" across Japan, engaging in dialogue with 68 leaders in 32 locations since taking office in April. I believe that helping individuals take pride in playing a key role in our business will be the force that sustains our growth. Previously, as President, I was in a position to drive transformation forward. As Chairperson, I will now ensure this transformation continues by embedding it in systems and structures that drive sustainable growth. To enhance the corporate value of the NH Foods Group, I will improve the effectiveness of the Board of Directors, support initiatives on the front lines, and work to build an organization where employees feel true happiness and fulfillment.

My mission is to not only support the President but also to enhance the Board of Directors' effectiveness, foster a positive organizational culture, and nurture human capital.

In addition, HOKKAIDO BALLPARK F VILLAGE stands as a symbol of the NH Foods Group's spirit of endeavor. Since its opening in 2023, it has achieved steady business growth and created value unique to our organization. Going forward, as the owner of the Hokkaido Nippon-Ham Fighters, I will continue to support frontline initiatives that connect food and sports and that contribute to local communities (through products, experiences, and the creation of local value). Proud of our role in food infrastructure and determined to keep evolving, I will continue to support the Group's sustainable growth.



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Value Creation Process

Evolution as a Company Dedicated to Accelerated Innovation and Working Together to Create Value Through Protein—NH Value—

Vision2030

External environment

- Meat consumption expanding in step with world population growth
- Further weakening of the yen
- The rise of the new protein market
- Population decline and demographic aging in Japan
- Food tech advances
- Heightened awareness of sustainability
- Expectations toward the reduction of livestock-related GHG emissions

Owned capital

Financial capital
- Total assets/financial assets
- Free cash flows: ¥48.3 billion*1
- Growth strategy investment: ¥50 billion*2
- DE ratio: 0.43*1

Manufacturing capital
- Business segment production sites
- HOKKAIDO BALLPARK F VILLAGE
- Capital expenditure: ¥33.3 billion*1 (Processed Foods Business: ¥12.5 billion, Fresh Meats Business: ¥13.4 billion, Ballpark Business: ¥4.5 billion)

Human capital
- Investment in training/development of innovative managers
- Human resource diversity
- Challenge evaluation system

Intellectual capital
- R&D expenditure
- Knowledge from new protein research
- Knowledge about the reduction of livestock-derived greenhouse gas emissions
- Feed R&D
- New product development and user experience research for entertainment, etc.
- Knowledge from functional ingredient R&D

Social and relationship capital
- Livestock disease prevention expenditure
- Animal welfare expenditure
- External co-creation, industry-academia collaboration
- Grant-making and information sharing in the field of food allergies
- Support (including technical support) for livestock farmers
- Branded fresh meats (e.g., *Sakurahime*)
- Products with top market shares (e.g., *Schau Essen*)
- Partnerships with local governments (Hokkaido)
- Co-creation with partners in industry, government, and academia (Ballpark)

Natural capital
- Expenditure on environmental countermeasures
- Bio-assets from livestock (cattle, pigs, chicken)
- Protein resources derived from animals and plants
- Natural resources that support next-generation protein

Materialities P.25–

- Stable procurement and supply of proteins
- Enriching lives through food
- Contributing to a sustainable environment
- Creating new value
- Fostering an organizational culture focused on new challenges

Business base

Creating protein value through value chains and co-creation P.27–28

Procurement → Development → Production and breeding → Packing and processing → Consignment and distribution → Sales and marketing

Co-creation initiatives
(with external research institutes, business corporations and government agencies, etc.)

Segment Visions P.45–

Processed Foods Business Division
Improve gross profit margins by further pursuing structural reforms and evolve as an organization capable of driving growth strategies.

Fresh Meats Business Division
Restructure into an organization capable of weathering change in the external environment. Maximize value chain profits.

Sports & Entertainment Business
Play a core role in growth strategies by deepening community and tourist facility development and driving the success of the entertainment business.

Corporate governance

*1 Results for the year ended March 2026 *2 Targets when Medium-Term Management Plan 2026 was formulated

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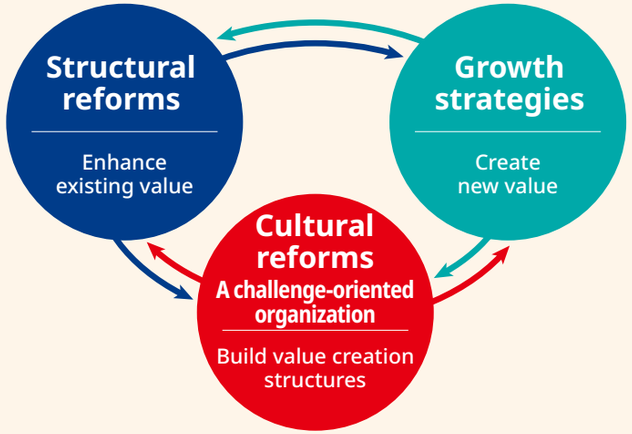
Value Creation Process

Unleash New Potential for Protein

Company-wide strategy

Pursuit of innovation and challenges under Medium-Term Management Plan 2026 P.33–36

Three themes for business model transformation initiatives



Sustainability strategy | **Financial strategy** | **R&D strategy**

Business strategy

Value-Based Management (VBM)

Value creation and long-term vision

Reliable supply of protein as an essential resource for health

- Securing essential supplies of meat (protein) through the continuation of livestock production
- Reliable procurement of protein through fresh meat importing and collaboration with partners
- Development of products with delicious new tastes
- R&D relating to meat substitutes and other diverse proteins
- Reduction of livestock-derived greenhouse gas emissions

Customers | Partners | The global environment

Co-creation and partnership with local communities

- Contribution to regional economic development including Hokkaido
- Development of a unique community through the co-creation of ballpark facilities with our partners
- Creation of environmentally sustainable communities

Customers | Partners | The global environment

Expansion and enhancement of human capital

- Fostering an organizational culture focused on new challenges
- Expansion of recruitment and retention through the enhancement of employee capabilities and salaries
- Promote DE&I and diversity

Employees

Maintenance/expansion of shareholders' equity

- Improvement of corporate value and the stock price through enhanced profitability
- Maintenance/enhancement of dividends
- Constructive dialogue with shareholders and investors

Shareholders/investors

Sustainable society

Helping people to enjoy happier, healthier lives

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Materialities

The NH Foods Group has formulated the Medium-Term Management Plan 2026 to work toward our Vision2030 “Unleash new potential for protein.” In line with the formulation of this plan, and in light of medium- to long-term changes in the macro environment, we have newly formulated a sustainability strategy and reviewed our materialities. Our sustainability strategy is based on four pillars, and we have set the important issues that the Group should prioritize as materialities, using them as the basis for setting targets and promoting initiatives. Moving forward, the Group will continue to advance materiality-based initiatives toward the realization of a sustainable society, and aim to create social value.

Materiality identification process

In reviewing and reidentifying our materialities, we evaluated and considered both the stakeholder perspective and our own company’s perspective, taking into account societal requests such as international trends and initiatives, the business environment and social conditions surrounding the NH Foods Group, and the issues identified in the Medium-Term Management Plan 2026.

STEP 1 Comprehensive identification of ESG issues

Comprehensively identified ESG issues from sources including GRI Standards, ISO26000, the SDGs, industry-specific issues (SASB Standards, SBTi’s FLAG Guidance), domestic and international social issues, issues specific to the livestock industry, and issues specific to our Company.

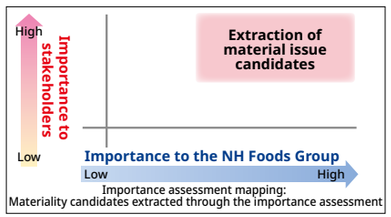
STEP 2 Categorization of issues by theme

Categorized and organized the issues identified in STEP 1 by theme.

STEP 3 Conducting the importance assessment

Conducted interviews with members of the Sustainability Committee regarding the ESG issues categorized and organized in STEP 2. Also, conducted an importance assessment at the Sustainability Subcommittee*, a subordinate body of the Sustainability Committee. Additionally, extracted operational issues related to the materialities identified in 2021, and considered, together with the results of the importance assessment, the points requiring review. The following perspectives were considered in conducting the importance assessment.

Materiality matrix



Importance assessment mapping:
Materiality candidates extracted through the importance assessment

Company
- Profit
- Cost
- Reputation
- Compliance
- Alignment with business strategies

Stakeholders
- Consumers
- Customers
- Business partners
- Government
- Shareholders and investors
- Global environment
- Employees
- Local communities
- International community

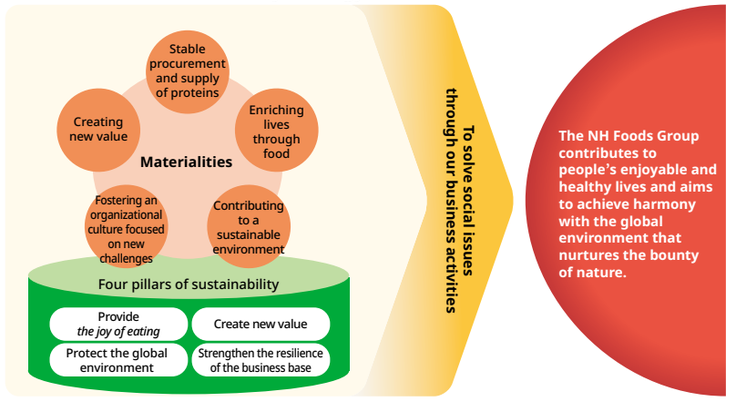
STEP 4 Confirmation of validity

The validity of the materialities, which were identified based on the importance assessment, was confirmed at bodies such as the Sustainability Committee and meetings composed of Executive Officers, and final approval was obtained from the Board of Directors.

Materialities

Materialities	What we aim to achieve
Stable procurement and supply of proteins	We will sincerely confront the challenges facing the livestock industry, and continue to provide a stable supply of protein, which is essential for human life, into the future.
Enriching lives through food	We will accurately capture changes in the world and provide products and services that exceed our customers’ expectations. By uncovering latent needs and applying free thinking unbound by convention, we will create new forms of *the joy of eating*.
Contributing to a sustainable environment	While expressing gratitude for the bounty of nature and life, we will actively work to resolve environmental issues throughout our supply chain in order to pass on a rich global environment to future generations.
Creating new value	Unbound by precedent, we will work together with a variety of partners to create new value, including products, services, and experiences that did not exist before.
Fostering an organizational culture focused on new challenges	We will foster an organizational culture in which each of our diverse employees can take ownership and continue to undertake challenges that lead to innovation.

Overview of our sustainability strategy



Please see page 73 for details on materiality targets and progress.

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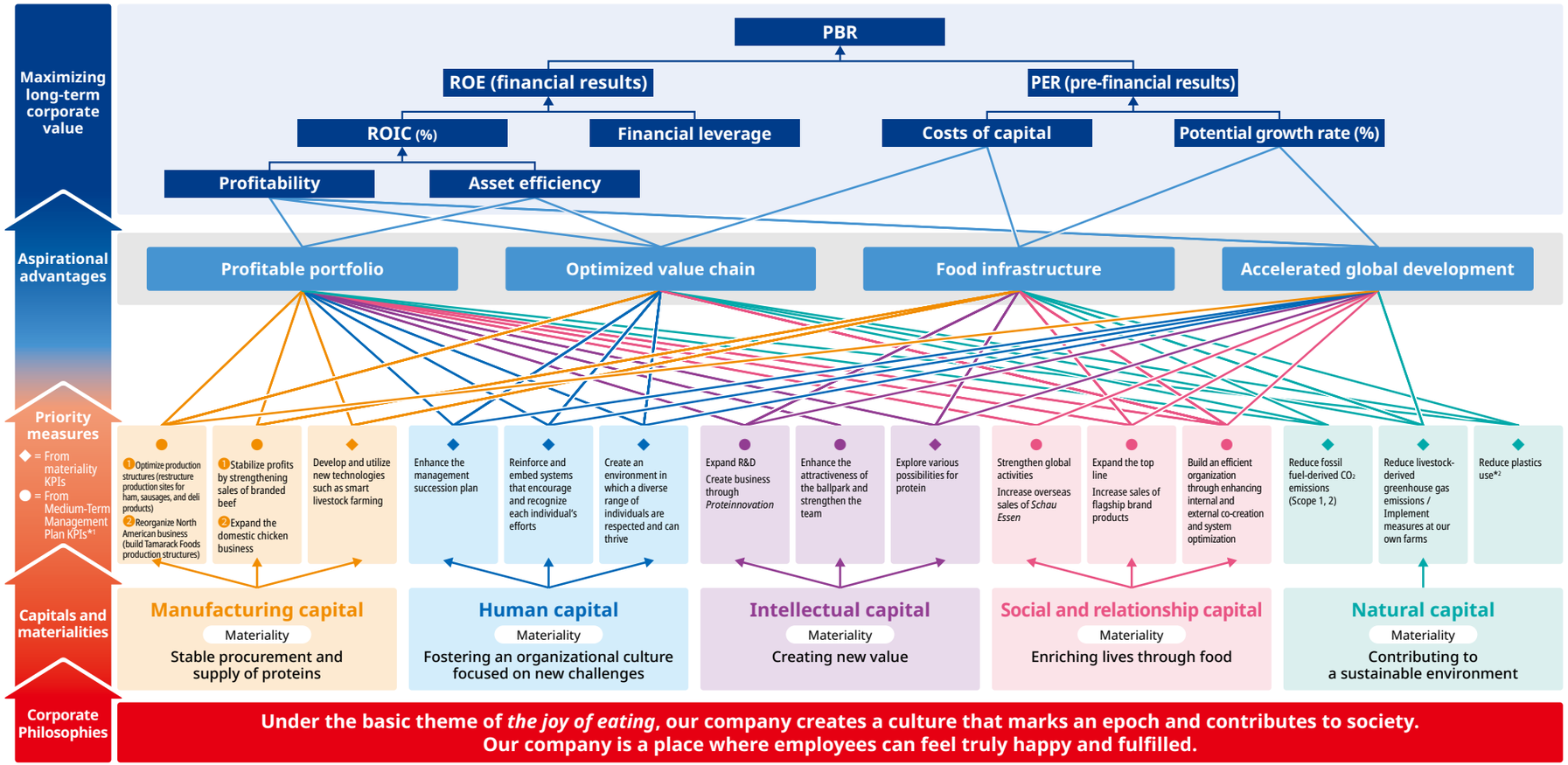
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Corporate Value Blueprint

The corporate value blueprint outlines the roadmap for the NH Foods Group to maximize our long-term corporate value. With our corporate philosophy as the starting point, we link materialities with capitals and establish their related medium- to long-term targets and the short- to medium-term targets based on the Medium-Term Management Plan as priority measures. Through these initiatives, we will improve financial value and pre-financial value by enhancing advantages such as a profitable portfolio, optimized value chain, food infrastructure, and accelerated global development. Our goal is to thereby increase PBR through improved ROE and PER, maximizing long-term corporate value.



*1 See list of materiality targets (medium- to long-term targets) and progress on P.73 See list of Medium-Term Management Plan KPIs (short- to medium-term targets) on P.34
*2 Scope: Packaging materials derived from fossil fuels among those products subject to the Containers and Packaging Recycling Law in Japan

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Capital and Value Chains

The NH Foods Group has built up a variety of capital assets for each of its value chains.
We use these assets to maintain and enhance our competitive advantage and create corporate value by taking up new challenges and pursuing co-creation.

	Procurement	Development	Production and breeding	Packing and processing
Financial capital	• Operating cash flow: ¥82.3 billion (fiscal year ended March 2026)	• R&D expenditure: ¥3.2 billion (101.9% year on year)	• Disease prevention expenditure	• Capital expenditure • Automation investment
Manufacturing capital	—	• Research/inspection centers: 2	• Production/breeding sites: 148	• Processing and packaging sites: 81 • Plant specializing in food allergy-related products (Tohoku)
Human capital	• R&D talent working on the development of new proteins • Cumulative total of 73 quality assurance specialists*1 • DX Human Capital Development Program • Training of human resources to ensure the future of livestock farming • Human resource sharing among Group companies • Prioritization of diversity in the human capital mix (increased mid-career recruitment)			
Intellectual capital	• Knowledge about the procurement of key raw materials • Safety and reliability knowledge	• Number of patent applications: 23 (FY2025) • Knowledge from protein research spanning many years • Food allergen detection technology	• Specialized technology and knowledge about livestock • R&D relating to use of biological resources to improve health • Smart pig farming technology	• Specialized technology and knowledge about ham and sausages • Meat processing and packing technology and knowledge
Social relationship capital	• Cooperative relationships with suppliers	• Joint research with external partners (Kansai Medical University, the University of Tokyo, Hokkaido University, etc.) • Opportunities for communication with people affected by food allergies and their families • Co-creation with food sector startups through venture capital investment • Development of alternative proteins through a unique NH Foods approach based on co-creation with food experts	• Cooperative relationships with (support for) livestock farmers	• Development of meat cuts and processed food products based on the needs of individual customers
Natural capital	• Globally distributed high-quality bioresources (meat raw materials, agricultural products)	• Protein resources derived from animals and plants • Natural resources that support next-generation protein (animal cells, koji (mycoprotein), etc.)	• Globally distributed high-quality bioresources (livestock, agricultural products) • Bioresources made into biofuels and agricultural fertilizer	• Extracts, collagens, etc. obtained from by-products (bones, skins, organs, etc.) • High-quality bioresources that support the quality and deliciousness of processed products (meat raw materials, agricultural products, etc.)

*1 In April 2023, we amended our quality policy. We address quality at all stages in our value chains, from breeding and manufacturing through to sales and logistics, and we are constantly training personnel, developing technologies and creating systems for this purpose.
People selected from all Group companies can become certified technicians by acquiring advanced skills and passing special exams created by NH Foods.
We maintain a cyclical approach to training, whereby certified technicians provide technical guidance and contribute to the development of new certified technicians by acting as instructors for educational programs and basic and advanced training courses.

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Capital and Value Chains

	Consignment and distribution	Sales and marketing
	• Environmental expenditure (reduction of logistics-related GHG emissions)	• Business profit: ¥68.3 billion
	• Distribution bases: 27	• Sales offices: 199
	—	• Specialized customer response skills*2 • Original surveys by the Lifestyle Research Office
	• Reliable supply of products through our domestic and overseas logistics networks • Nationwide logistics to ensure the safe distribution of products, including distribution in times of disaster	• Unique monitoring system (Consumer Delegate Committee) established over 50 years ago • Interaction with large numbers of consumers through social media and website memberships, etc. • Development of highly competitive product brands • High shares of domestic fresh meat markets: 19.4% (beef: 15.5%, pork: 19.0%, chicken: 22.2%)*3
	—	• Safe and trustworthy protein resources essential for building a healthy body

*2 We have received the top three-star rating in the customer support (telephone) category of the HDI Benchmarking system in eight consecutive years.
*3 Domestic market share as of March 2026 (based on NH Foods research)

The NH Foods Group quality policy

The NH Foods Group has identified three types of quality required for products and services: quality for safety, quality for attractiveness, and quality for society. Training our personnel and developing technologies and systems will be advocated to achieve this.

We will contribute to *the joy of eating* and healthier and better lives through safe and high-quality products and services for our customers.

1. We value the communication with our customers and provide products and services that meet their expectations.
2. We will challenge ourselves to impress our customers and create new value through the pursuit of high quality and good eating and free thinking.
3. We will comply with laws and regulations, improve our food safety initiatives from the farm to the table, and provide our customers with the appropriate information.
4. We value the bounty of life, strive to improve the sustainability of our products and services, provide a stable supply of food, and work toward resolving social issues.
5. We consider quality as the most significant value of our group, and we continuously engage all employees in the creation of a culture centered around people, technologies, and systems to strive for safety and superior quality.

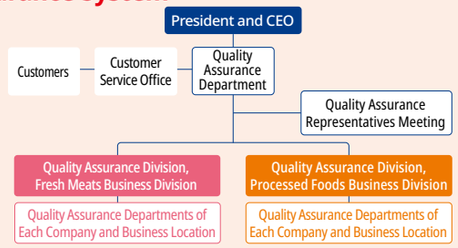


Core quality: The important quality commitment to our customers (particularly important points among quality for attractiveness and for society that distinguish our products)

The NH Foods Group Quality Assurance System

The NH Foods Group promotes quality assurance activities across the entire group, including the planning of group-wide quality assurance strategies and the formulation and sharing of various policies.

By sharing knowledge and know-how on quality risk information and measures, we aim not only to prevent quality incidents but also to establish a system that can respond swiftly in the event of one occurring.



Please visit the following website for details about our quality initiatives. https://www.nipponham.co.jp/quality/

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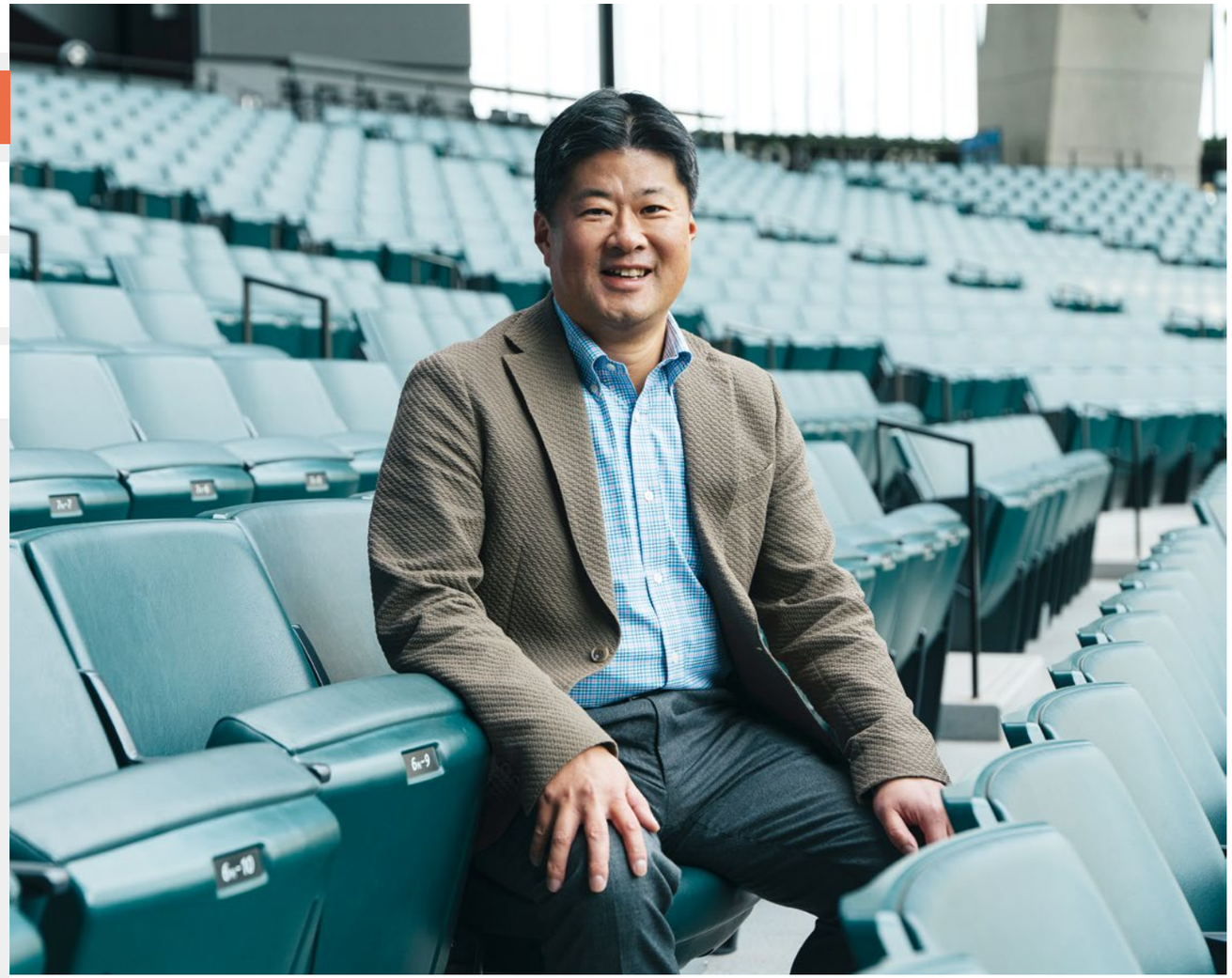
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A Message from the Executive Officer in Charge of Corporate Strategy



Forging Our Next Stage of Growth

Teruyuki Asayama

Director and Executive Officer
In charge of Corporate Strategy Department, Accounting & Finance Department, VBM Promotion Office, and Medium-Term Management Plan Project

Strategic thinking tempered in an era of change

I have spent a long time doing business overseas for NH Foods, working in Chile and Australia. The Overseas Business environment in recent years has been marked by sharp price fluctuations, market instability, and continually rising costs. It has been a constant challenge to transform our business structure into one that can generate profit even when these fundamentals are in flux, and I have tried many different approaches in the field.

In my current role overseeing the Corporate Strategy Department, Accounting & Finance Department, VBM Promotion Office, and Medium-Term Management Plan Projects, I am reminded that a strategy does not advance on philosophy alone. While it is important to establish growth strategies, they do not automatically translate into business profitability and capital efficiency, much less generate future corporate value. It takes conscious implementation, which is the function of management—and I am keenly aware that this is my area of responsibility.

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A Message from the Executive Officer in Charge of Corporate Strategy

The Medium-Term Management Plan 2026 is already delivering solid results. In the fiscal year ended March 2026, favorable external conditions and the successful implementation of measures to strengthen our independent earnings base drove record-high performance, with business profit of ¥68.3 billion and ROE of 6.6%. But this is not the end goal. We are still in the process of achieving further growth, which is being realized as the seeds of our revenue structure transformation, strengthened upstream operations, and new sources of revenue begin to sprout. The next step is to embed these changes as strengths that can be sustained over time.

The NH Foods Group has a solid business base in Japan. However, the long-term contraction of the domestic market is no longer hypothetical; we are already feeling its effects. That is why our overseas strategy must shift from the periphery to front and center for our next stage of growth. I am a strong proponent of this approach. Rather than laying out a broad-brush corporate strategy, I believe what matters most right now is identifying where growth lies and where we can establish a competitive edge.

Overseas strategy to transform the quality of our growth

While operating our business in Australia, I came to appreciate just how extraordinarily difficult it is to reduce volatility when sales conditions and market prices fluctuate due to global forces. Should we merely accept a structure that swings between profitable and unprofitable years? That is a question I have asked myself time and again. Ultimately, I feel we need to press ahead with our transformation and build a stronger management foundation to better weather fluctuations while securing profits.

One initiative we pursued toward this end was a structural transformation to make costs transparent. By expanding our feedlots*1 and increasing the proportion of grain-fed cattle*2, we gained greater visibility into costs from input to sale, significantly broadening our strategic options. Management is often said to be about making decisions, but it is equally important to bring to light the assumptions behind those decisions.

Operating environment assessment and management challenges

	Changes in the operating environment	Key management challenges
The Group's operating environment	**Changes in domestic purchasing** ・Rising prices, population decline ・Diversifying food needs of consumers **Market volatility becoming the norm** ・Increasing geopolitical risks ・Persistent yen weakness and rising production costs ・Increasing uncertainty in procurement and other areas **Climate change**	● **Building a business portfolio aligned with the times** ● **Refining our marketing strategy to capture new markets** ● **Restructuring the value chain to withstand volatility** ● **Stabilizing procurement and strengthening upstream operations** ● **Advancing sustainability management**
Capital market expectations	**Increasing focus on capital efficiency**	● **Disciplined capital allocation**



Another area we prioritized was our approach to branding. Instead of chasing market share in high-volume, low-margin markets, we emphasized the quality and value of our products to consumers who would understand that value, knowing that this would lead to sustainable profitability. In fact, when we raised the ratio of branded products in Australia, I realized how important it was to fundamentally change how we competed with other companies.

A brand is more than just a name; it is a promise to the customer. But only when the customer understands that promise and is willing to pay a premium for it does the brand live up to its true meaning.

Another essential part of our overseas strategy is our sales strategy. Business success requires more than just creating good products; you also have to determine which markets to target, which channels to use, and what value proposition to offer customers. Only by mapping out and executing the strategy to this level of detail can we recoup our investments and convert them into profits. I believe the precision of our sales strategy will be the key to success as we advance our overseas growth strategies and structural reforms.

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A Message from the Executive Officer in Charge of Corporate Strategy

Reinforcing our domestic business base to support the next medium-term management plan

Of course, our growth strategies are not limited to overseas markets. The foundation of the NH Foods Group is the vertical integration system we have built in Japan across our value chains. The system connects everything from procurement to production, processing, logistics, and sales. That is not something other companies can easily reproduce. It is a major strength of ours and, I expect, will become even more valuable going forward, especially in logistics and overall optimization.

At the same time, to turn our strengths into sustainable competitive advantages, we must address existing challenges. In the Processed Foods Business in particular, I believe we need to restructure our business portfolio to improve profitability and efficiency ahead of the next medium-term management plan. With material and construction costs both rising, the era of investing uniformly across the board is over. What to retain, what to build on, and what to replace—these decisions will be guided by how much value we believe each asset can generate over the long term.



As we shape the next medium-term plan, we must think beyond a straight-line extension of our current framework. The Group's centennial arrives in 2042. We must backcast from a vision of what kind of corporate group we want to be by then, using that vision to set transformation themes and prioritize investments for each business. One example of this approach is the decision to invest in the Ballpark Business made in FY2018, which led to the successful launch of the Sports & Entertainment Business and the ongoing building of a foundation for future growth. Under the heading of Medium-Term Management Plan Projects, I am leading efforts to envision our future by gathering input not only from executive officers and general managers but also from a broader range of employees. Going forward, corporate strategy will be about more than delivering short-term results; it will also need to chart the course for the next stage of growth.

One key area in this endeavor is new value creation from protein. While we further refine our processes to ensure a stable supply of existing proteins, we are pursuing *Proteinnovation*, a commercialization strategy to expand into new business domains. This developmental approach will play a critical role in determining our next stages of growth. Expanding into medical and cosmetic products is not merely a new business venture; it is also a conscious attempt to evolve and turn the Group's assets and research outcomes into new value. Nurturing these seeds of development to the point of commercialization and developing them into our next engines of growth is another important role of our medium-term management plans.

Integrating financial and non-financial factors through ongoing engagement

As we develop the next medium-term management plan, one of my key priorities is to integrate financial and non-financial considerations. Focusing solely on sales, profit, and capital efficiency does not provide a proper long-term view of corporate value, yet non-financial themes left as principles on paper will not move the business forward. What matters is how we weave these elements into our management framework. In Australia, I gained practical experience in sustainability information disclosure and greenhouse gas initiatives more advanced than those in Japan. Initiatives such as water reuse, composting, and biogas utilization are no longer peripheral—they have become integral to the long-term sustainability of our business. For the next medium-term management plan, I intend to work closely with the executives in charge of human resources and sustainability to develop a strategy that fully integrates these considerations. Going forward, engagement with the capital markets will become increasingly important. The market no longer takes polished growth stories at face value. It pays closer attention to whether the people executing the plan have the passion and determination to make it a reality. That is why we need to speak candidly about our challenges and explain, with both passion and logic, where we will allocate capital and how we will turn those investments into growth. Slogans alone do not build corporate value. We will build on our strengths, address what we must improve, and direct capital where it is needed, all while sharpening our vision for the future. Corporate value is built through the accumulation of exactly these efforts. I want the next medium-term management plan to mark the starting point of that journey.

I will help build a group where employees can envision a future they are excited about and where the capital markets can have confidence in our future.

*1 Feedlots are facilities where cattle are intensively fattened for a specified period. Grain-based feed and other inputs enable planned feeding to stabilize quality and control shipment timing.

*2 Grain-fed refers to a method of fattening cattle primarily on grain-based feed, as well as the resulting beef. It helps stabilize meat quality and marbling, making it easier to design quality specifications and develop pricing strategies.

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Practicing Value-Based Management

Shifting Away from Prioritizing Profit and Loss to Pursue Optimized Balance Sheets

Converting to management that emphasizes return on capital

Until now, the NH Foods Group has prioritized profit and loss (PL), and there has been a strong tendency to expand the size of the company by aiming for continuous profit growth. This is a valid corporate activity. However, in these uncertain times, management that focuses solely on profit and loss will not lead to the stable creation of returns that exceed costs of capital. We need to increase the return on invested capital and the profitability of our business assets.

In our Medium-Term Management Plan 2026, therefore, in addition to strengthening our earning power through structural reforms, financial strategies that address the stock market are stated as our most important priority. For sustainable improvement of corporate value, we are shifting to optimal liability and capital structures, implementing flexible reacquisition of treasury shares, and promoting value-based management (VBM) guided by an awareness of capital efficiency.

Portfolio management based on costs of capital and a best-owner perspective

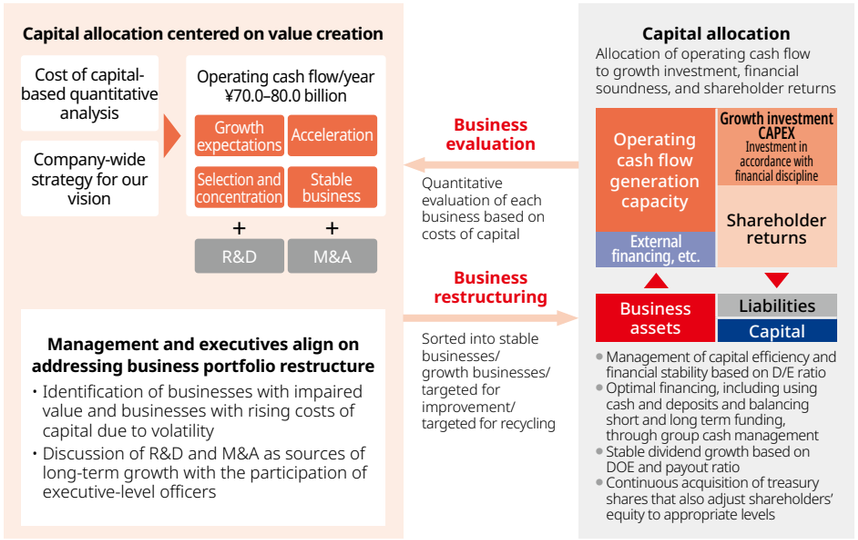
In order to put VBM into practice throughout the Group, we created the VBM Promotion Office in the previous fiscal year. Rather than just profits, every business division is required to create returns that exceed costs of capital (returns on business capital) in accordance with their respective risks.

In particular, businesses affected by issues will be prioritized for improvement initiatives and we will take measures aimed at improving their return on capital. We objectively identify our own internal factors and changes in the external environment, and in the management committee meeting we discuss whether keeping a business is really the best thing to do. If we were to decide that ownership by another company would maximize business value, our policy is to promptly recycle it into a new growth business (sell or exit the business, etc.), and we will incorporate it into our next medium-term management plan.

Introducing KPIs that connect management and frontline staff

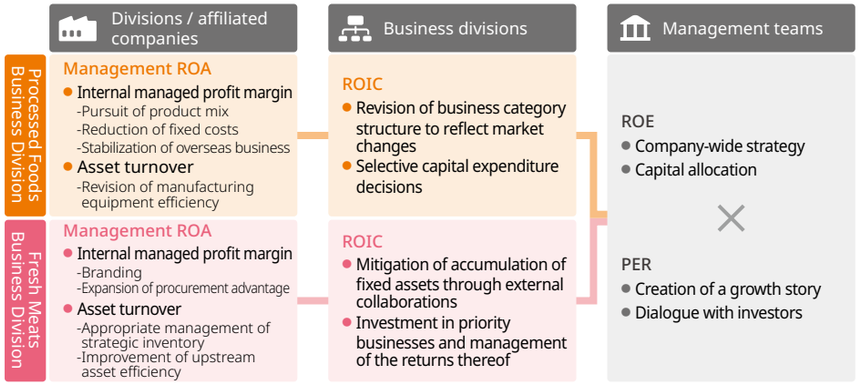
To make VBM into a real function, it is vital that not only the management team but every member of the frontline staff change their behavior. While the management team uses return on invested capital (ROIC) as a company-wide indicator to evaluate business value, we have introduced simplified ROA, which is easier to understand, on a trial basis as an activity indicator for our frontline operations. This approach will enable frontline staff to focus on the indicators that are directly linked to their own operations, such as enhancing inventory turnover and improving operating profit ratio, and allow the management team to evaluate how these are connected to the eventual creation of business value. Building this system to manage KPIs by level will allow asset efficiency and return on capital to take root within the Group, enabling us to achieve optimal business portfolios and capital structures and deliver sustainable improvement of corporate value.

Business and capital management centered on value creation



KPI management by level to support VBM

A mechanism that incorporates VBM into everything from management team concepts to the investment decisions of business divisions and the remedial actions of frontline staff



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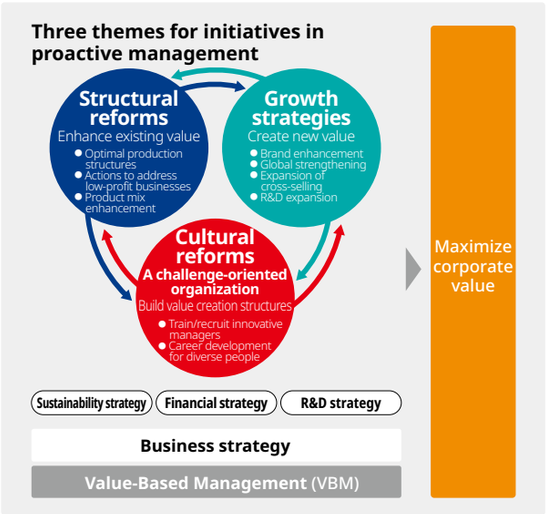
From Achieving the Highest Profits to the Next Stage

Pursuit of innovation and challenges under Medium-Term Management Plan 2026 and its progress

In the fiscal year ended March 2026, the NH Foods Group's strengthened autonomous profit base resulted in record-high business profits that, supported by the external environment, totaled ¥68.3 billion. However, we see these results not as a destination, but as a stepping stone that will get us to the next growth stage. Our goal is not mere profit growth. Centered on working together to create value through protein, we aspire to further raise both profit quality and capital efficiency, and steadily improve corporate value. While retaining our existing concept, therefore, we will move forward with proactive structural reforms, proactive growth strategies, and improved capital market competitiveness with a greater sense of urgency.

As uncertainty surrounding the external environment grows, the question of how we can fine-tune our profitability to bounce back from fluctuations is raised. In that sense, it can be said that the progress in the fiscal year ended March 2026 shows how much our management foundation has become able to withstand change, rather than numerical growth itself.

Net sales, business profits, ROE, and other metrics greatly improved in the fiscal year ended March 2026, but as we're entering the final year of the Medium-Term Management Plan 2026, it is more important than ever to explore structural reforms, monetize growth strategies, and strategically allocate the cash generated. We will introduce the progress and philosophies of the respective initiatives.



Results and targets of Medium-Term Management Plan 2026

	FY2024	FY2025	Variance	Year on year	FY2026 target
Net sales (¥ billion)	1,370.6	**1,457.4**	+86.8	6.3%	1,500.0
Business profit (¥ billion)	42.5	**68.3**	+25.8	60.7%	61.0
Business profit ratio (%)	3.1	**4.7**	+1.6	—	4.1
Profit attributable to shareholders of the parent (¥ billion)	26.6	**35.1**	+8.5	31.9%	38.0
ROE (%)	5.1	**6.6**	+1.5	—	7.2
ROIC (%)	3.9	**6.1**	+2.2	—	5.3
EPS (¥)	263	**361**	+98	—	405

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Progress Under Medium-Term Management Plan 2026

			Core policies	FY2026 KPI
Structural reforms	Optimization of management resources by reviewing business portfolio	Processed Foods Business	Optimize the production structure (restructure production sites) for ham, sausages and deli products Review low-profit lines in the marine products, dairy products, extracts, and primary processed products businesses	Production lines: 20% reduction
	Reorganization of North American business		Building of Tamarack Foods plant (North America) production structures	New Annual production volume: 228% year on year
			Improvement of North American local sales profitability	New Profit ratio: 2.8% improvement
	Reorganization of Thai business		Expansion of sales volume (enhancement of collaboration with Japan, co-creation with local partners)	New Annual sales volume: 130% year on year
	Improvement of product mix	Fresh Meats Business	Stabilize profits by strengthening sales of branded beef	Branded beef ratio: 60%
	Optimal production structures		Restructure the domestic pork business	Over ¥1.0 billion impact
	Value chain optimization		Build an efficient organization through enhancing internal and external co-creation and system optimization to prepare for SAP implementation in the Fresh Meats Business Division beyond the Medium-Term Management Plan 2029 (Stabilization of imported fresh meat profits, introduction of SAP, productivity improvement through VC 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
Growth strategies	Top-line expansion	Processed Foods Business	Expansion of the top line, especially new product sales	New Net sales: 107% year on year
			Increase sales of flagship brand products	*Schau Essen*: ¥90 billion Note: Based on estimated retail sales (NH Foods research)
	Global strengthening		Increase overseas sales of *Schau Essen*	New Sales volume: 295% year on year
	Brand enhancement	Fresh Meats Business	Increase sales of flagship brand products (domestically produced *Sakurahime* chicken)	Revised Sales volume target:102%
	Cross-selling in Fresh Meats and Processed Foods		Expansion of Nippon Food companies' processed product sales	Processed product sales target: ¥30 billion
	Domestic chicken business expansion		Expansion of domestic chicken production and external procurement	Revised Nippon White Farm Co., Ltd. volume: 85% Note: Due to fire at Nippon White Farm Shiretoko Food Factory Revised NH Foods Ltd. consignment divisions external procurement volume: 115%
	Strengthening sales force in the fresh meats business		Route sales strategy based on demographics	Nippon Food companies route sales volume: 103%
	R&D expansion	R&D	Business creation through *Proteinnovation*	Co-creation projects in the R&D area: 5
	Ballpark	Sports & Entertainment	Further enhance the attractiveness of the ballpark and strengthen the team	Visitor numbers: over 4 million

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Proactive structural reforms —raising profit quality

The goal of the NH Foods Group's structural reforms is to convert to a system that stably generates profits even in a changing business environment. In the Processed Foods Business, we are strengthening profitability, while in the Fresh Meats Business we are moving forward with structural reforms that will lead to stable profits. We will increase profit quality while looking closely into the economic feasibility of each business. We will also optimize the entire value chain, including procurement, production, and logistics and pursue both supply responsibility and profitability. Furthermore, through the use of DX and AI, we are redesigning our management foundation to be able to address structural issues flexibly. We are positioning structural reforms as "proactive," and we aim to have a stronger business portfolio and to strengthen our profit base.

Proactive growth strategies —aiming for disciplined growth

The goal of the NH Foods Group is not mindless expansion, but disciplined growth that leverages our strengths. In Japan, we will strive to expand sales in the Fresh Meats Business by exploiting our sales capabilities and unique value chain. Also, in the Processed Foods Business, we will strengthen the revenue structure and pursue a top line that keeps profitability in mind.

Overseas, we aim to transition our North American and ASEAN businesses to the profit contribution phase, and will restructure our global profit base without relying only on extensions of our existing business. We are also taking on the challenge of new growth areas, such as the Sports & Entertainment Business and *Proteinnovation*.

Simultaneously extending our existing businesses and creating new value are the key to growth in the final year of the Medium-Term Management Plan 2026 and beyond.

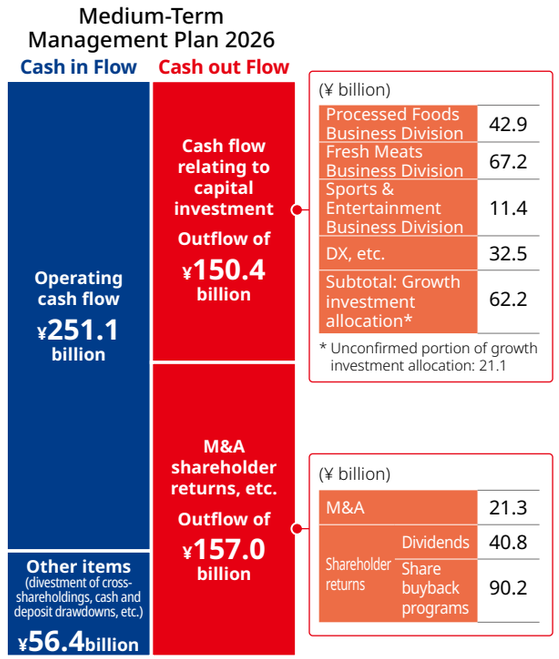
Capital allocation —for strategic growth investment

The NH Foods Group allocates the operating cash flow generated to strategic investment in order to strengthen the production and sales bases of our existing business for future growth, to build company-wide platforms, and to achieve transformational growth. While we obviously invest for growth, the important thing is that the allocation of these investments reflects the intentions of management. We aim for sustainable improvement of corporate value through a well-balanced combination of strengthened business bases, preparation for new growth, and shareholder returns.

In addition to strengthening the production capacity and sales bases of the fresh meats business and the processed foods business, the allocation of capital expenditures also prioritizes the building of company-wide platforms such as DX. We also invest funds in preparations for fostering future growth engines, such as investments related to co-creation, R&D, and the ballpark business. We are allocating capital with a view not only to the short-term accumulation of profits, but also to both strengthening our existing business and future investment for the next growth stage.

At the same time, to improve our competitiveness in the capital market, we are making progress toward achieving a 3% DOE and working on strengthening shareholder returns through ongoing share repurchases. Taking ROE and ROIC into account and optimizing allocation of management resources centered on value-based management (VBM), this approach is not just a financial policy—it is part of our business strategies. A succession of decisions on where to allocate capital and what our revenue structure should look like will shape the future corporate value.

Cash allocations



(¥ billion)

Processed Foods Business Division	42.9
Fresh Meats Business Division	67.2
Sports & Entertainment Business Division	11.4
DX, etc.	32.5
Subtotal: Growth investment allocation*	62.2

* Unconfirmed portion of growth investment allocation: 21.1

(¥ billion)

M&A		21.3
Shareholder returns	Dividends	40.8
	Share buyback programs	90.2

Note: We have restructured the information shown in our cash flow statement.

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Progress Under Medium-Term Management Plan 2026

Sustainability initiatives —for sustainable improvement of corporate value

Solving social issues through materiality-based actions

On the basis of solving social issues through our business activities, the NH Foods Group is pursuing a sustainability strategy to achieve our vision. We established the four pillars of that strategy: to provide *the joy of eating*, create new value, protect the global environment, and strengthen the resilience of our business base. Our basic stance is that we see sustainability as integral to the long-term viability and competitiveness of our business.

The first priority of the Group is mitigating negative impacts, and we will enhance our value as a company that meets the needs of society through co-creation and innovation. This also shows that we see sustainability not as a cost, but as a management issue that will create corporate value in the future.

Results to date under the Medium-Term Management Plan 2026

Protect the global environment

We are working to reduce fossil fuel-derived CO_2 emissions, achieving a reduction in Japan of 32.4% compared to FY2013. We are also collaborating with universities on research into reducing methane in order to reduce livestock-derived greenhouse gas emissions. These initiatives will also help to enhance the continuity of our business.

Create new value

Centered around the HOKKAIDO BALLPARK F VILLAGE, opened in 2023, we have created a new community, that crosses food with the sports business. Visitor numbers are growing steadily, and industry, government, and academia are engaging in crossover collaborations and cooperation. The concept of a co-creative community space where we create value together with fans, partners, and the local community is deeply tied to our growth strategies.

Achieve sustainable livestock production

The NH Foods Group has also been working to support and co-create with farmers. To address labor productivity improvements and technology succession issues, we are promoting AI-driven, smart livestock farming, furthering its research and development and introducing it to farms. We also provide contracted farmers with a wide range of management guidance, from hygiene and feed programs to attaining temperature control. These initiatives are a crucial foundation that supports our competitive advantage.

Securing trust from stakeholders and maximizing corporate value

In order to firmly maintain the sustainability of our vertical integration system, our Group aims to secure trust from stakeholders and maximize corporate value through disclosure that considers the Sustainability Standards Board of Japan (SSBJ) Standards while also comprehensively managing environmental impact and reputation risk. We have laid out three steps to achieve these goals.

1 Evolution of sustainability strategies

By clarifying materiality-based key themes and targets and promoting measures linked to business strategies, we generate initiatives that are directly connected to management issues from the perspective of recognizing that business and sustainability are inseparable.

2 Identification of key areas and implementation of measures

By reducing business continuity risks, strengthening supply chains to stabilize procurement and production systems, and promoting our strengths, such as upcycling, we aim to both prevent supply chain risks and create value. We will then identify high-impact risks and opportunities as well as key areas.

3 Strategic disclosure of information

We are evolving our dialogue with stakeholders and revitalizing engagement by promoting dialogue that integrates numbers and stories, creating stories linking business and sustainability, providing targeted information sharing (to investors, consumers, etc.), and preparing information disclosures with consideration for SSBJ Standards.

Creating social value and business value

As one of the biggest companies in the fresh meat processing industry, the NH Foods Group has a duty to work with determination, commitment, and high aspirations to contribute not only to Japan but to the world at large.

A determined mindset like this is especially important for our sustainability initiatives.

We will continue to coordinate with businesses in evolving our sustainability strategies and to steadily implement measures in key areas. Moreover, we will proceed with information disclosure that shows quantitative information and value creation stories holistically to foster the sustainable improvement of corporate value.

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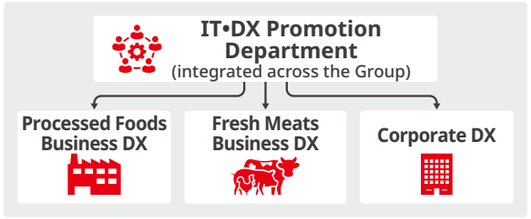
DX Strategy

Accelerating Proactive Structural Reform and Growth Strategies Through AI & Data

The NH Foods Group will implement business reform and standardization to achieve greater speed, labor savings, and sophistication by leveraging digital technologies centered on AI & data. By combining our proprietary data with on-the-ground expertise, we will provide new value to customers and business partners and enhance the management foundations that support our proactive structural reforms and growth strategies.

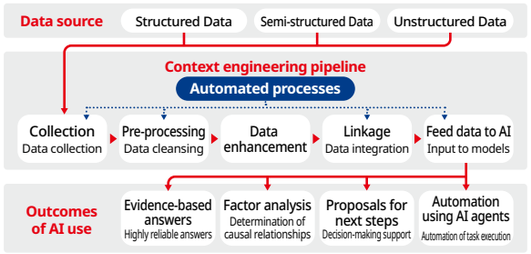
Group-wide DX promotion structure

The NH Foods Group is promoting digital transformation (DX) projects group-wide, premised on starting small and adopting a trial-and-error approach. When selecting topics, we emphasize cost effectiveness and rapidly deploy proof of concept (POC) and proof of business (POB) while identifying initiatives tailored to challenges in the field. Rather than stopping at individual optimization, we will link these efforts to enhancement of group-wide competitiveness through business reforms and standardization.



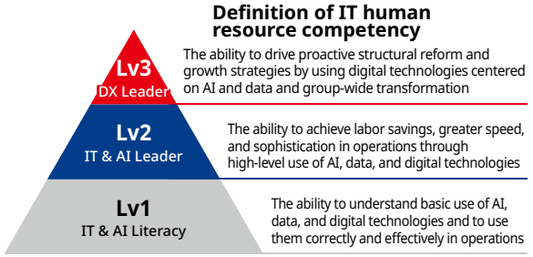
AI & Data infrastructure concept

To link DX to sustainable competitive advantage, the Group is promoting the accumulation of proprietary data and business context. By linking knowledge generated on the front lines with operational data and delivering them in easily usable forms, we will increase the quality and speed of decision-making and business execution. Going forward, we will closely examine cost effectiveness as we take on the challenges of automating data delivery and pipelines and build the foundations that will support future growth.



Development of DX and AI human resources

DX implementation requires, even more than the technology itself, human resources who can make full use of it. The Group is undertaking phased human resource development from a literacy level that can correctly use AI, data, and digital technologies to a heavy-user level that drives advanced use and a leadership level that drives transformation. We are steadily expanding DX that can be used on the front lines through in-person training and e-learning as well as internal hackathon-style events, specialized training, and advanced AI/BI training.



Examples of DX promotion

1 Processed Foods Business Division

Toward improving organizational operations and on-site transformation

The Processed Foods Business Division is promoting DX in supply and demand adjustment operations as a challenge to drive on-site transformation. Until now, sales planning and inventory adjustment were supported in many aspects by the experience and intuition of staff members, and the dependence on certain individuals for making decisions was an issue. To address this, the division introduced an AI Demand Forecasting System and AI Allocation System as a part of its Connect Project for core system rebuild. This has enabled automatic formulation of sales plans based on historical data and achieved optimization of complex inventory allocation as well as distribution in the event of a shortage. While conducting repeated on-site awareness-raising and educational programs, the division is building trust by utilizing AI to reduce shortage rates and food losses, and make rapid customer responses as well as drive organizational growth and further enhance competitiveness.

2 Fresh Meats Business Division

Promoting DX overseas and maximizing asset efficiency

The Overseas Fresh Meats Business Division is promoting data-driven business management reform with the aim of enhancing profitability and upgrading the business base.

The division built a digital platform that integrates information, which used to be managed separately by each department, across the departments, thus capturing changes in real time.

In addition to optimizing each department, the division significantly increased the speed of inter-departmental information sharing, shifting to a system capable of early risk detection and preemptive response.

As a result of comprehensive front line-driven data use, the division has achieved a fundamental reduction in stagnant assets, a significant reduction in working capital, and an improvement in inventory turnover.

Going forward, the division will accelerate the transformation of its supply chain to one that is both resilient and robust to change through a synergy of business process reform and digital platform development.

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SPECIAL FEATURE 01

A Growth Strategy That Seeks to Maximize the Value of Protein

NH Foods Group Takes on Expansion of New Areas and Revenue Structure Reform

The NH Foods Group is simultaneously taking on challenges with different time frames: generating future profits through the research and development framework and expanding short-term profit by reforming the revenue structure of the Australia Business and other measures.

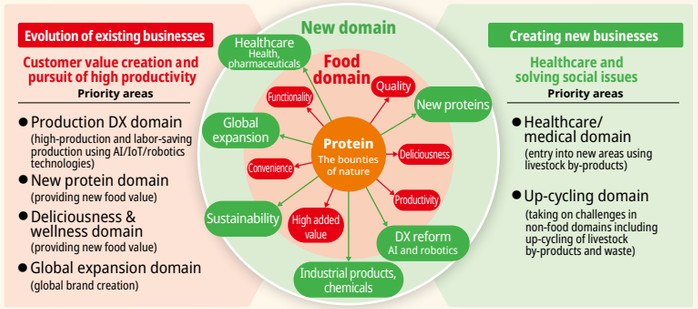
Group-wide R&D Strategy 〉

Creating the seeds of future profit through the R&D framework

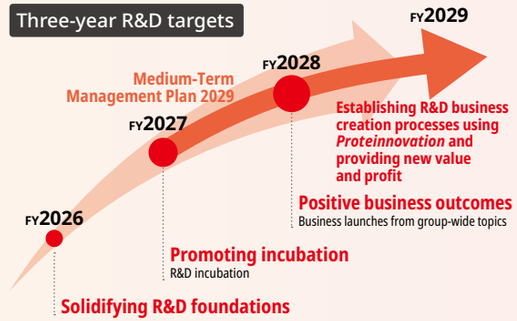
Centered on *Proteinnovation* (a portmanteau of "protein" and "innovation"), the Group is clarifying how its R&D outcomes will be translated into business, evolving them into a group-wide R&D strategy with a view toward commercialization. By selecting topics with high future potential as group-wide R&D topics and concentrating management resources on those while linking knowledge across research departments, we are accelerating the creation of new value.

What we seek is R&D that can simultaneously strengthen the competitiveness of existing businesses while creating new businesses. In FY2026, we will solidify R&D foundations, in FY2027 we will promote incubation, and in FY2028, we will bring the business to fruition. With these stages in mind, we are working toward establishing processes that connect research outcomes to the generation of profit in FY2029.

Our Research & Development Center has already been achieving concrete results regarding technologies and products originating from protein in areas such as health value of food, livestock DX, disease prevention, and food safety. Those results are now undergoing multiple forms of preparation in readiness for social implementation.



Clarifying pathways to R&D commercialization and accelerating the realization of results



Key initiative examples from NH Foods Ltd.'s Research & Development Center

Health value of food — Taking on the challenge of maintaining chewing ability

Continuous consumption of *Schau Essen* was shown to be potentially effective in improving oral function in old age. We aim to contribute to solving health issues through everyday food.

Medical care & Upcycling — Transforming by-products into new value

We invested in a development company that is creating tissue regenerating ligament devices made from bovine tendon. Through the advanced utilization of livestock resources, we are proceeding into the healthcare and medical fields.

Livestock DX — Technologies for on-site burden reduction

Our non-contact weight estimation device that uses AI and AR received the Minister of Agriculture, Forestry and Fisheries Award of the 8th Japan Open Innovation Prize. This technology supports labor savings and data utilization at pig farming sites.



Disease prevention — Contributing to the prevention of livestock disease spread

For the development, practical application, and dissemination of an immunochromatographic kit for detecting foot-and-mouth disease antigens, we received the Award for Meritorious Contribution to Agricultural Technology Development. This is a continuous initiative to support the reinforcement of disease prevention systems.



Food safety — Rapid responses to regulation changes

We developed and launched a kit for detecting the allergen found in the cashew nut, which was added to the list of specified allergen ingredients. This example in the food safety field shows our support for the proper operation of allergen labeling.



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SPECIAL FEATURE 01 A Growth Strategy That Seeks to Maximize the Value of Protein

Reforming Revenue Structures in Australia

Australian beef business undergoes continuous change

The Australia Business is currently transforming to a business that increases both volume and added value. This change is not simply due to favorable conditions in the external environment. It is the fruit of our conscious effort in shifting the structure into one that's capable of generating stable earnings, such as supply capacity expansion, production efficiency improvement, and sales channel optimization.

Demand for beef is expanding globally, but sustainable growth cannot be achieved through price competition alone. The Group is leveraging Australia's geopolitical advantages and the trust that has been placed in the quality of its products, and is also enhancing global earning power that can be consistently replicated by strengthening the premium segment and rebuilding its sales portfolio.

Background to and changes in the restructuring of revenue structures for our Australia Business

The Australia Business began operations as a supply site for Japan in anticipation of the liberalization of beef imports. Subsequently, the business has built business foundations covering breeding, fattening, processing, and sales while developing sites including Oakey, Whyalla, Wingham, and T.B.S. The business has worked to differentiate its products from early on, such as by shipping *Omugi-gyu* in 1997. Today, centered around the domestic sales in Australia and overseas sales, the business is expanding beyond the role of a supply site. It is now striving to establish a strong position in overseas markets by further gaining recognition and building trust with customers. Through redesigning the entire value chain in anticipation of growth in overseas business and generating profit by providing high-value-added products and services, it is becoming our Group's growth driver.

Before

Production structures dependent on the number of cattle processed (product-oriented)

- Dependence on market prices and volumes
- Heavy reliance on specific export destinations
- Prioritization of production and operating rate

Evolution

After (current status)

Business models that don't rely on the number of cattle processed (market-oriented)

- Shift toward premium
- Diversification of sales destinations
- Business operations driven by added value

Reinforcing the entire value chain

We are taking action to stabilize profit foundations and enhance competitiveness in the Australia Business through the reinforcement of the entire value chain. We are expanding feed lots, updating production and logistics facilities, and upgrading systems. Furthermore, we are enhancing brand value and differentiating our products through a higher ratio of in-house fattened cattle and rigorous quality control. In conjunction with these initiatives, we are also working to expand sales of high-value-added products with a focus on premium beef and optimize sales areas.

Going forward, we will further strengthen our frameworks to respond flexibly to multiple markets, aiming to build business structures that are immune to fluctuations in specific markets and the external environment, and will strive to improve our earning power so that it can be consistently replicated.

Beef brands from our Australia Business

Omugi-gyu ANGUS

Angus Reserve

Nature's Fresh

Reform of revenue structures in our Australia Business

Supply	Production & Processing	Sales	Added value
• Expansion of feed lots • Reinforcement of upstream segments • Stable procurement	• Updating factory facilities • Automated refrigerated warehouses • Adoption of DX	• Increasing percentage of domestic sales in Australia • Selecting sales countries flexibly	• Premium grain • Premium grass • Processed foods • Enhanced brand recognition

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SPECIAL FEATURE 01

A Growth Strategy That Seeks to Maximize the Value of Protein

For the Maintenance of Sustainable Growth

Enhancing sustainability initiatives

Addressing environmental issues to maintain sustainable profit structures

In the Australia Business, we are taking action to enhance profitability while reducing environmental impacts. At our own feed lots and each processing plant, we treat wastewater generated during business activities and reuse it as irrigation water for forage crops grown on farmland on company premises. At the Oakey Plant, we recover methane generated during the process of treating wastewater and use it as boiler fuel to achieve a higher level of resource circulation. These measures not only reduce environmental impacts, they also contribute to strengthening sustainable production foundations.

We are also advancing the use of biomass boilers at the Wingham Plant to reduce fossil fuel consumption, and at the Oakey Plant, we are switching from coal to natural gas. Through these measures, we are working to reduce greenhouse gas emissions and enhance the sustainability of business operations.



Irrigation sprinklers



Biogas use at the Oakey Plant

Relationships with the people and communities that support our business strength

For sustainable growth, in addition to facilities and systems, development of the human resources that support them and strengthening relationships with suppliers are essential. In the Australia Business, we are striving to create safe and comfortable workplace environments and to develop the next generation of employees while strengthening relationships with suppliers to achieve both stable procurement and enhanced quality.

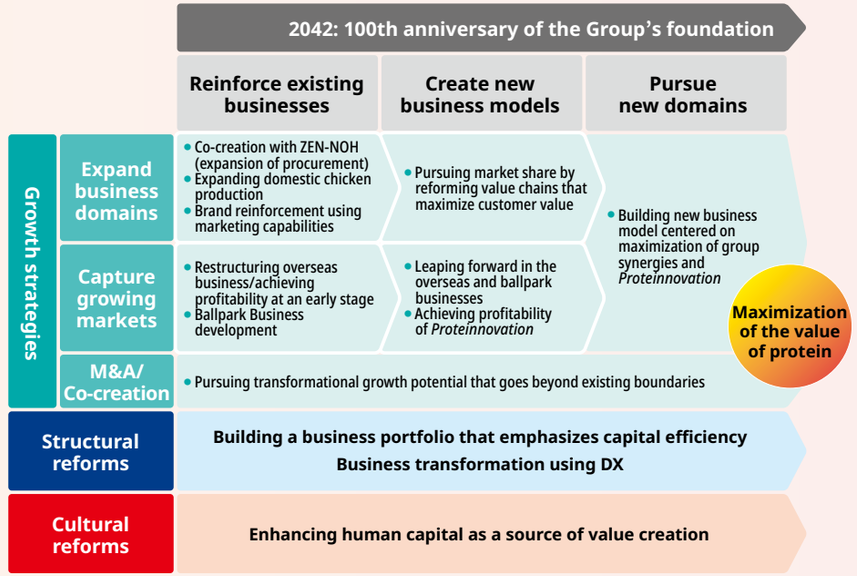


Wingham Beef Week

Developing contacts with local communities, such as local cleanup activities, sponsoring barbecues, and participating in livestock shows, is not simply about interaction. Such efforts are also intended to deepen trust with producers and local communities, thereby strengthening the resilience of the Australia Business's supply chain.

Building stronger foundations to maximize the value of protein and achieve future growth

The NH Foods Group seeks sustainable growth by expanding new possibilities for protein while supporting food infrastructure in Japan. R&D centered on *Proteinnovation* is intended to create new value that will generate future profit. The revenue structure reform in the Australia Business is an effort to strengthen the current profit base while raising the quality of profit. By taking on two challenges with different time frames, the Group is evolving its business portfolio. In addition, we are combining the reinforcement of existing businesses, the restructuring of overseas business, the creation of new business models, and the pursuit of new domains to nurture multiple drivers of growth, thereby leading to the maximization of the value of protein and the enhancement of corporate value.



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A Message from the Executive Officer in Charge of Human Resources



Developing Human Capital to Drive Our Business, Supporting Transformation and Challenges

Tatsuro Hishinuma

Executive Officer in charge of Human Resources Department and Legal Affairs Department

HR initiatives converge around job satisfaction and succession planning

I have spent much of my career on the front lines of our business, but one thing in particular has stood out to me since taking the helm at Human Resources. It is clear to me that while HR initiatives seem to function independently of one another, they actually all converge around two key themes. The first is ensuring job satisfaction for every employee. The second is how we develop and nurture talent and implement succession planning to lead the Group in the future. Simply having systems in place covering compensation, performance evaluation, training, and staffing does not guarantee their big-picture effectiveness. The systems need to be used to create an environment where employees can show their true capabilities, take on challenges, and grow into the next generation of leaders.

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A Message from the Executive Officer in Charge of Human Resources

Incorporating those themes, I believe it is important to establish our human resource strategy as the basis for executing our business strategy. At NH Foods, we have entered a phase where we are shifting our focus from creating a supportive work environment to fostering job satisfaction. Across the Group, however, some companies are still in the process of establishing that supportive foundation. That is why I maintain a bird's-eye view of, and a perspective that reflects, the realities of each and every workplace and I will continue raising the bar in terms of both job satisfaction and workplace support.

Turning frontline initiative into organizational strength through recognition, rewards, and communication

When I was working on the business side, I spent over 100 days a year traveling to business sites across Japan. My takeaway from that experience is that more and more people today are responding positively to the Group's message of taking on new challenges, particularly among the younger generation. Employees are increasingly expressing what they want to do and asking for more opportunities to grow. Some are even explicitly asking for promotions and raises. I take this all as a very healthy sign of change. It is vital that we acknowledge this burgeoning desire to take on new challenges and make sure we back our words with action by properly recognizing and rewarding employees who show initiative. For a culture of challenge to truly take root across the organization, we must be willing to make that happen.

To ensure that our commitment goes beyond words, we have incorporated objectives related to taking on new challenges and developing talent into both the commitment objectives of our executive officers and our employee Management by Objectives (MBO) system.

However, systems alone are not enough to motivate people. What is essential is fostering communication between managers and employees to strengthen employees' understanding of the organization's perspective and reassure them that their aspirations are understood and supported. By bringing together three elements—recognition, rewards, and communication—we aim to create a virtuous cycle in which one challenge inspires the next.

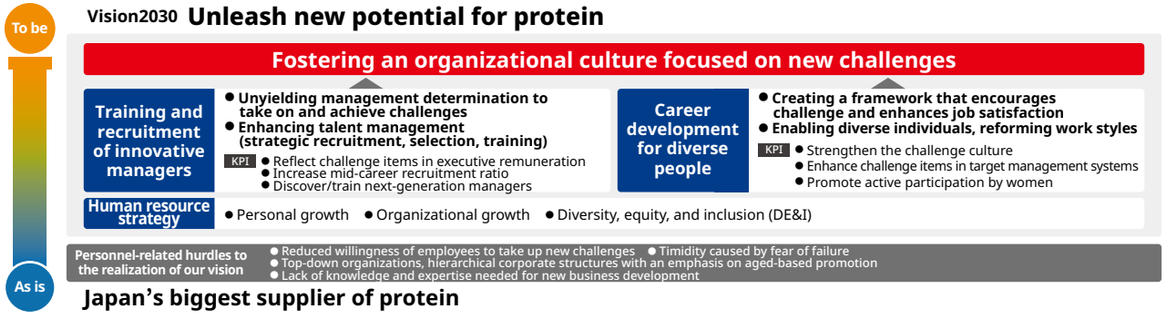
Developing future leaders, global talent, and specialists to strengthen capabilities across the Group

To support our growth into the future, I place a high priority on further clarifying our approach to talent portfolio management. We need not only management talent, but also people with a wide range of skills and expertise. We need management professionals who can drive the organization forward, as well as people capable of leading overseas operations and specialized talent in various fields such as farming, manufacturing, quality control, facilities, and IT. In particular, strengthening our overseas talent base is an urgent priority. We need to build a robust pipeline of candidates for overseas assignments by combining measures such as new graduate recruitment, mid-career hiring, and training programs. Doing so will broaden our options for future leadership. In terms of talent development, it is important to enable employees to gain many kinds of experience beyond a single area, such as in the Fresh Meats or Processed Foods business, or our corporate divisions. By experiencing different businesses, functions, overseas operations, and ultimately gaining a management perspective, employees can develop a broader view of the Group and its future. Broadening employees' perspectives through job rotations and increasing the number of employees who can see the business from multiple viewpoints will also enhance the effectiveness of our succession planning. Likewise, diversity, equity, and inclusion (DE&I) should not be treated as a mere obligation, but as a means of creating greater corporate value by driving change in both individuals and the organization.



Human resource strategy is not something that delivers results overnight. It is, however, a key driver of corporate value over the medium- to long-term. I intend to steadily strengthen our human capital in alignment with our business strategy and build an organization capable of driving transformation.

Overview of our human resource strategy



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Human Resource Strategy

Fostering an organizational culture focused on new challenges

With the aim of fostering an organizational culture focused on new challenges, management is leading by example by modeling change and taking on challenges. This will encourage the personnel responsible for leading management at workplaces (managers and general managers), as well as all other employees, to fulfill the role expected of their respective positions, driving the transformation of the Group's organizational culture.

Since fiscal 2024, we have implemented policies designed to foster workplace environments in which the management team can lead by example and employees feel motivated. This will require commitment, decisiveness, and good communication on the part of the management team, as well as a willingness to change and take on new challenges. At the same time, we are working to identify human resource issues that could impede the realization of our management strategy, while also setting quantitative KPIs for our vision and pursuing initiatives that will lead to improvements.

Specific measures include the addition of innovation and challenges as items for evaluating the performance of officers and monitoring the progress made every six months. We think that the sight of management members taking on and overcoming challenges will encourage change throughout the organization.

In regard to employees, we are cultivating an organizational culture that acknowledges and appreciates each challenge taken on and that supports new initiatives by encouraging each person responsible for promoting change at each workplace to demonstrate behavior that embodies the spirit of taking on challenges. In addition to top-down measures to promote this culture, we also aim to improve engagement by revitalizing bottom-up systems based on personal participation by employees in each workplace.

Innovation and challenges have been set as important themes in Medium-Term Management Plan 2026. We will encourage all employees to challenge conventional wisdom and create new value to increase dynamism and promote reciprocal growth for individuals and organizations.

Training and recruitment of innovative managers and promotion of participation by diverse human resources

Personal growth

Support for career self-direction and taking on challenges

We are shifting the way careers are approached within the NH Foods Group from seeing them as something provided by a company to seeing them as something that the employee and company build together through reciprocal alignment. We are empowering employees to envision their own career and to grow accordingly.

We have strengthened the engagement of "challenges" as one of the items in our employee management by objectives system and revised the system so that from fiscal 2024, evaluations will not only assess results, but also challenge processes. Our aim is for the system to encourage employees to take on various challenges and in doing so, feel that they are realizing personal growth.

In fiscal 2024, we also established the NH Foods Group Individual Award System. By directly acknowledging novel initiatives by individual employees and teams, this system is helping to heighten motivation and foster an organizational culture in which there is positive recognition for those willing to take up new challenges.

We have also introduced various career development systems, including career counseling, so that employees can actively engage in the development of their own careers, as well as an in-house proposal system and career vision sheets. For employees who aim to shape their own careers and achieve greater growth, we offer various opportunities for self-selected learning and development, including overseas assignment training, voluntary-participation training, correspondence courses, and lunchtime seminars.

Organizational growth

Training and recruiting innovative managers

Training and recruiting innovative managers is a key focus of Medium-Term Management Plan 2026 and we are enhancing the training and recruitment of human resources who can take the lead on organizational transformations and taking on challenges.

We are developing next-generation executives through selection, education, and transfer programs spanning the entire Group. We provide opportunities for selection to each level of employee to provide a diverse range of employees with an early gateway to becoming a next-generation management candidate.

Also, we are working to recruit innovative managers by strengthening the recruitment of mid-career employees with management skills or specialized expertise. By enhancing the diversity of knowledge and experience, this approach provides our organizations with new ideas and insights and drives the creation of enhanced value. We are also strengthening initiatives to help new employees hit the ground running, including the provision of networking opportunities.

Diversity, equity, and inclusion

Women in management positions

We are working toward achieving the target of a percentage of women in management positions of 20% or higher by fiscal 2030 by fostering a pool of candidates for management and supervisory positions. As part of this, we aim to ensure that at least 40% of new graduate recruits are women. We are also working to prevent employees leaving due to pregnancy, childbirth, and childcare and to respond to feedback from employees

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Human Resource Strategy

who are worried that taking childcare leave will derail their careers by enhancing interviews with employees eligible for childcare leave both before and after taking the leave and by enabling employees to take training and certification exams during the leave period.

We are also aiming to realize the same employee retention rates for women as for men by enhancing career counseling and supporting continued employment and career building. Going forward, we will formulate and further strengthen the implementation of measures that help support the active participation of women.

Gender wage gap

Although we do not apply different wage levels at the time of recruitment, employees who have been with the company for many consecutive years tend to have higher salaries, and a high proportion of these are men. At the same time, a high proportion of associate workers, which include locally hired employees and temporary staff, are women. This has resulted in a gender wage gap and the figures for fiscal 2025 are shown in the table below. Please note that the statutory disclosure items for "all employees" include both regular employees and contract employees working full-time hours on an unlimited-term contract. Therefore, in order to provide a picture that more clearly represents the situation at the company, we also calculated figures for the wages of regular employees only (as well as a breakdown of managers and general employees) as voluntary disclosure items. For regular employees, there are no discrepancies in the wages of employees in the same position, so the gap is due to factors such as the proportion of employees by rank, the proportion that are locally employed, number of consecutive years worked, and number of working hours.

Starting in the current fiscal year, we modified our personnel systems to allow employees to select work styles suitable for different life stages. We will continue to promote an increase in the percentage of women in management positions and strengthen career support for women, improving the gender wage gap.

Difference between the wages of male and female employees[*1]

Item		FY2025
Statutory disclosure items	All employees[*2]	73.4%
	Full-time employees[*3]	73.9%
	Temp employees[*4]	80.8%
Voluntary disclosure items	Regular employees	73.9%
	Managers	96.6%
	General employees	80.8%

*1 Gender pay gap refers to the percentage difference between the wages of male and female employees calculated based on the Act on the Promotion of Women's Active Engagement in Professional Life.
*2 All employees: Employees and temp employees
*3 Full-time employees: Regular employees and contract employees working full-time hours on an unlimited-term contract
*4 Temp employees: Part-time employees and non-career employees on a fixed-term contract. Excludes dispatch employees.

LGBTQ+ initiatives

We have implemented initiatives intended to create workplaces that recognize and respect all forms of individuality, including holding lunchtime seminars for employees and establishing a dedicated LGBTQ+ page on the in-house intranet. In FY2025, we obtained external PRIDE Index Bronze Certification for the first time.

work with Pride Bronze 2025

Human resource strategy indicators (human resource KPIs)

We have adopted human resource KPIs as indicators for human resource strategies designed to foster an organizational culture that focuses on new challenges. We use these KPIs, which consist of 30 items relating to human capital, as a mechanism for facilitating initiatives and enhancing their effectiveness through KPI management.

Two KPIs that are considered especially important are monitored regularly through employee surveys. Starting in FY2025, we expanded the scope from regular employees to all employees,[*2] and in conjunction with this change, renamed the KPIs "fostering an organizational culture focused on new challenges" and "improving job satisfaction." Going forward, we will continue to monitor these indicators on a regular basis.

We will continue to use initiatives related to human resource KPIs to drive PDCA cycles leading to sustainable growth for both individuals and organizations.

FY2025 results and FY2030 targets for human resource KPIs (excerpt) (for NH Foods Ltd.)

	Measures	Indicators	FY2025 results	FY2030 targets
Personal growth	Fostering an organizational culture focused on new challenges[*1]	Employee survey favorable response rate[*2]	58.0%	At least 70%
	Improving job satisfaction[*1]		59.0%	At least 70%
Organizational growth	Strategic recruitment (new graduates/mid-career hires)	Ratio of mid-career recruitment	20.3%	At least 25%
DE&I	Promoting women's participation in the workplace	Percentage of female managers	12.7%	At least 20%
		Percentage of female supervisor and above	26.5%	At least 35%
	Promote employment of people with disabilities	Employment rate of people with disabilities[*3]	2.9%	At least 2.7%
	Reduction in total working hours	Total working hours	1,944 hours	1,870 hours
		Overtime hours	200 hours	200 hours
	Mental and physical health	Rate of follow-up action after physical examinations	80.9%	100%
		Ratio of smokers	23.4%	12%

*1 The KPIs were renamed from "creating a framework that encourages challenge" to "fostering an organizational culture focused on new challenges" and from "creating a framework to enhance job satisfaction" to "improving job satisfaction."
*2 The scope of the employee survey was expanded from regular employees to all employees (excluding part-time and dispatch employees).
*3 Starting in FY2025, the reference date for calculating the employment rate of people with disabilities was changed from March 31 to June 1 of each year in line with the reference date adopted in the Report on the Employment Condition of Elderly Persons and Persons with Disabilities (Ministry of Health, Labour and Welfare).

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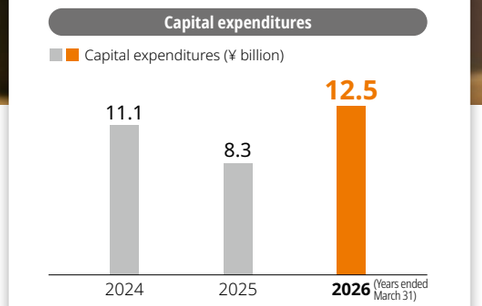
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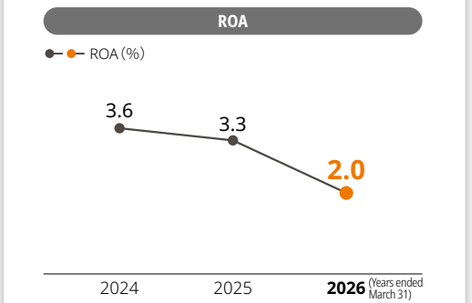
Processed Foods Business Division



Connecting structural reforms to growth toward top-line expansion with profitability

Akio Wakita
Managing Executive Officer,
General Manager of Processed Foods Business Division





Progress under Medium-Term Management Plan 2026

	Targets and KPIs	Progress	Results and priorities
Structural reforms	• Reduce unprofitable products in the product mix • Reform production structures Production lines: 20% reduction in the number of lines	Progress in line with plan	○ Progress in reducing and reviewing low-profit products ○ Reduction in the number of production lines by 14.2% ○ Delay in expanding highly profitable products ○ Achieving profitability of TNF ○ Improved profits through stable operations in the Americas
Growth strategies	• Expand sales of leading brands *Schau Essen* external net sales of ¥90 billion Note: Based on estimated retail sales (NH Foods research) • Establish a foothold for expanding the *Schau Essen* brand overseas	Target not met	○ *Schau Essen* sales grew by 102% year on year ○ Expansion of global sales and profit ○ Hit products not created ○ New categories not created

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Processed Foods Business Division



Message from the General Manager of Processed Foods Business Division

In FY2025, the effects of the structural reforms and brand strategy that the Processed Foods Business Division has been implementing began to emerge in some areas. At the same time, however, there are still challenges that remain to be resolved, including recovery of the top line and stabilization of profitability in the overseas processed foods business. I do not see this fact as a failure to achieve targets, but rather that FY2025 was a year when the issues we must address in order to advance to the next stage of growth became clear. In FY2026, we will pursue a shift toward proactive management driven by strong sales capabilities and strong manufacturing to ensure that development, manufacturing, sales, logistics, marketing, and overseas business are thoroughly unified under a "One Spirit" framework. Rather than stopping at reactive reforms, we will strengthen sales capabilities and move forward in the pursuit of top-line growth with an awareness of profitability. By implementing both structural reforms that will enhance the quality of profit and offensive strategies that will lead to sustainable growth, we will evolve the Processed Foods Business Division into a business that can contribute to the enhancement of corporate value.

Our strengths and business strategies for each value chain

	Our strengths	Business strategies
Raw material procurement	**Our domestic and overseas procurement networks enable us to supply products reliably.**	Development of cost-competitive raw materials and selection of new suppliers to diversify risk
Product development and marketing	**Our ability to develop products that match consumer needs is backed by unique consumer monitor systems and advanced R&D capabilities.**	Japan: Transition to structures capable of supporting marketing and product development from a customer perspective in ways that reflect market changes North America: Expansion of Asian-taste brands, especially processed chicken products ASEAN: Exploration of potential to market *Schau Essen* products in each country as part of a global brand rollout
Manufacturing	**Our manufacturing systems combine advanced quality management expertise with sophisticated production methods capable of recreating delicious flavors.**	Japan: Realization of planned production line cuts North America: Stabilization of operations at three newly acquired companies, creation of more advanced production structures through the lateral sharing of processing technology
Logistics	**Our logistics networks extend throughout Japan.**	Japan: Transition to optimal logistics structure
Sales	**In addition to our diverse sales channels, our sophisticated proposal, sales, and marketing capabilities also contribute to enhanced customer satisfaction.**	Japan: Market introduction of products that prioritize profitability and brand value based on marketing ASEAN: Introduction of processed foods into the Japanese market in collaboration with CPF, enhancement of domestic sales in Thailand
Value provided by the NH Foods Group	• We help to create new food culture by introducing products that enhance mealtime enjoyment. • Our manufacturing systems ensure that all products supplied to consumers are safe and reliable. • From our origins in meat processing, we have evolved into a supplier of a diverse range of processed protein products.	

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Processed Foods Business Division

Processed foods business in Japan

Accelerating growth of the domestic processed foods business through top-line recovery accompanied by profitability

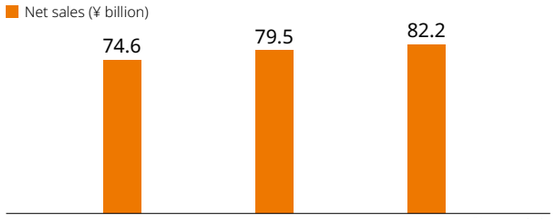
The processed foods business in Japan has a product lineup that has gained long-standing favor among our customers and includes *Schau Essen*, *Ishigama Kobo*, and *Chuka Meisai*. This strength, which is the combination of the development, on-site execution, and sales capabilities that the Processed Foods Business Division has built up over many years, is an asset that cannot be easily copied. We must remain a business that continuously generates value from this asset.

In FY2025, overall profit declined due to the temporary influence of DX- and IT-related costs. However, the emergence of the impact of our brand strategies for ham, sausage, and processed foods, in addition to the effects from reducing manufacturing lines and low-profit products, resulted in a recovery trend in volume and profit in the second half of the year that exceeded the profit of the previous year.

In FY2026, although sales volumes continue to trend toward recovery, taking measures in response to soaring procurement prices, higher costs due to the impact of the situation in the Middle East, and other issues has become an urgent matter. To that end, we also implemented organizational restructuring to achieve faster decision-making. To enhance the value generated by the assets of the domestic processed foods business, we will further expand sales of leading brands and improve the product mix by implementing price adjustments and reforming or discontinuing low-profit products. With worksites and data as our starting points, we will conduct product development, manufacturing, marketing, and both standard and product-specific sales promotion through close coordination between manufacturing and sales so that we can respond to market expectations.

From a medium- to long-term perspective, however, it will be difficult to achieve further sales growth and improvement in profit margins through these measures alone. We also need to undertake development of new products that will become the next pillars of our brand portfolio and explore new categories in new markets while pursuing more extensive structural reforms. We will achieve both sustainable growth and enhancement of profit quality.

Schau Essen products external net sales trend



Note: Based on estimated retail sales (NH Foods research)

Two-year progress

Results

Optimization of the revenue structure
- Improvement of the product mix
- Optimal production structures
- Optimization of workforce composition

Partial realization of growth strategies
- Sales growth of *Schau Essen*

Issues

Top-line growth
- Recovery in sales of new and existing products

Business strategy for FY2026

Top-line expansion in pursuit of profitability — Business profit of ¥12.0billion

Structural reforms
- Fully achieve KPI targets (optimal production structures)
- Reduce fixed costs through organizational streamlining and resource reallocation

Growth strategies
- Delegate authority to the front lines to enable sales strategies that can respond promptly to market changes
- Customer-driven product development through manufacturing collaboration with companies that drive growth

A Message of Determination

Enhancing Brand Value to Open up New Markets

My role is to redefine the roles and proposed value of the brands of the Processed Foods Business Division and to embed strategies throughout the entire division. To achieve top-line growth, I am creating market forecasts to identify winning pathways for the future, giving concrete shape to our medium- to long-term strategies, and redesigning communications to generate new demand.

We are taking on the challenge of expanding demand for *Schau Essen*, which tended to be consumed only for breakfast and lunch, by adopting a "dinner table" approach. We launched *Schau Essen Yoru-Aji* (spicy flavor), which successfully captured dinner-time demand as well as new, younger customers. We hope to expand the success horizontally to other brands and categories, leading to volume expansion. Going forward, we will continue communication that conveys moments of pleasant surprise and enjoyment with our customers, contributing to volume growth for the entire processed foods business and the sustainable growth of the Group.



Kaori Okamura
Processed Foods Marketing Strategy Office
Processed Foods Business Division

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Processed Foods Business Division

Overseas processed foods business

Rebuilding the profit base and shifting overseas processed foods business to a growth strategy phase

For the Group to achieve its overseas growth strategy, it is essential that we effectively leverage the processing technologies, product development capabilities, and brand assets that have been built up over many years in Japan. The role of the overseas processed foods business is not simply to expand sites, but to link these strengths to profit in each region, thereby transforming the business into a growth engine for the Group.

In FY2025, the overseas processed foods business made steady progress in sales expansion, but there are still major challenges to be resolved in terms of stabilizing the profit base. In particular, maximizing the operating capacity of the Tamarack Foods plant in North America, which we acquired in December 2024, and improving the profitability of Thai Nippon Foods Co., Ltd. (TNF) are urgent matters. To achieve growth under the next medium-term management plan, we have positioned FY2026 as a structural reform phase and will quickly move forward to establish systems. To achieve stable operation at the Tamarack Foods plant, we will build an optimal production structure and focus efforts on strengthening sales capabilities. At TNF, we are implementing structural reforms including stabilizing manufacturing for the Japanese market and reducing manufacturing lines for stable profitability, similar to the measures taken in the domestic processed foods business. We will also strengthen collaboration with CPF and reinforce sales capabilities to build profit structures and expand sales at an early stage.

In addition, we will advance branding and new market development from a long-term perspective and work to position the overseas processed foods business at the center of our growth strategies under the next medium-term management plan.

Overseas expansion of *Schau Essen*



CAGR* 44.69%
(compound annual growth rate)

* The CAGR figure was calculated from overseas sales of *Schau Essen* during the period from FY2024 to FY2026

Two-year progress

Results

Building foundations for medium- to long-term growth
- Launch of *Schau Essen* in overseas markets
- Co-creation with CPF and acquisition of a company in North America

Issues

Realization of growth strategies
- Establishment of profit platforms at manufacturing plants

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

Business strategy for FY2026

Building foundations for renewed growth

Overseas sales of ¥90billion

Structural reforms
- **Thailand:** improve labor productivity, consolidate lines to reduce fixed costs
- **North America:** improve productivity (expand operating days and reduce downtime)

Growth strategies
- **ASEAN:** Achieve profitability by expanding sales channels through collaboration with CPF
  Note: Expanding local manufacturing of *Schau Essen* to increase profit through integrated manufacturing and sales
- **North America:** Develop new products and strengthen brands by leveraging Japanese technology

A Message of Determination

Connect overseas with Japan through co-creation and expansion

In addition to expanding global trade with Japanese companies that are expanding overseas, I am working to increase sales in Japan of processed foods manufactured by overseas Group companies and to expand exports of processed foods manufactured in Japan. The launch of THAI CUBE (green curry and red curry), which we had worked on since 2025 and was manufactured by CPFNH Foods, a joint venture, was a major achievement. We will continue to strengthen our collaboration with CPFNH staff members in the future, including expanding sales of CPFNH products and promoting new product development.

We have long promoted overseas manufacturing and sales for *Schau Essen*, and starting last year, we began manufacturing and selling *Schau Essen* products in Thailand. In the Philippine and Hong Kong markets, we have launched products manufactured at our Asahikawa Plant, receiving high praise from overseas customers.

Going forward, we will continue to expand local sales through initiatives such as marketing strategies aimed at raising overseas awareness of *Schau Essen* and exporting pizza products that leverage Japan's processing technology. We also hope to work with CPFNH Foods at the center of these efforts to expand sales channels in the Japanese and Thai markets.



Fuyuki Oga
Business Operations Administrative Office
Overseas Processed Foods Business Division

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Fresh Meats Business Division



Enhancing our strengths in supporting food infrastructure to drive volume and profit growth

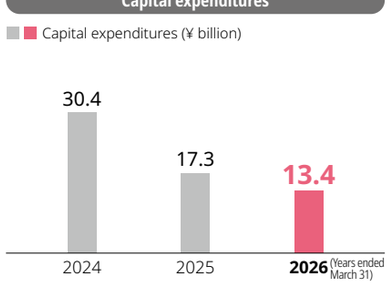
Nobuhiro Hosoya
Managing Executive Officer
General Manager of Fresh Meats Business Division

Progress under Medium-Term Management Plan 2026

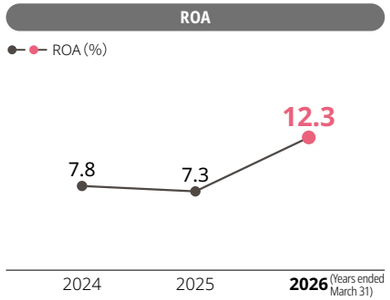
	Targets and KPIs	Progress	Results and priorities
Structural reforms	• Optimal production structures: Benefits in excess of ¥1.0 billion from the restructuring of the domestic pork business	Target not met	● Although the production departments fell short of some production performance targets, the consignment departments made steady progress in areas such as developing sales channels.
	• Improvement of product mix: Branded beef ratio: 60%	Progress in line with plan 66%	● Expansion of feedlot in Australia, along with the implementation of a sales strategy to meet growing global demand
Growth strategies	• Cross-segment sales: Processed product sales target: ¥30 billion	Target not met	● 112% year-on-year increase in the value of processed food sales
	• Brand enhancement: domestically produced *Sakurahime* chicken sales volume target: 120%	Target not met	● *Sakurahime* sales volume was 96% of the previous year's level due to the impact of a plant fire. ● Creation of mechanisms to strengthen brand sales, including the training of marketing professionals

Net sales, business profit, business profit ratio

Capital expenditures



ROA



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Fresh Meats Business Division

Message from the General Manager of the Fresh Meats Business Division



In FY2025, the Fresh Meats Business Division enhanced profitability through internal measures, including improved inventory turnover, expanded feedlot capacity for Australian cattle, and the passing on of costs through appropriate pricing, in response to rising personnel and logistics costs.

In addition, favorable market conditions helped us achieve record-high business profit of ¥61.3 billion.

However, in FY2026, the business environment is expected to become more challenging as conditions shift from the previous year due to changes in the external environment affecting imported fresh meats, surging live cattle prices in Australia, and other factors. Against this backdrop, we will advance volume expansion, internal improvements, and human resource development and organizational strengthening in an integrated manner, while further enhancing the value of our unique value chain to secure profits reliably.

Under our offensive strategy, even as procurement and production costs rise, we will further strengthen our sales capabilities and ensure that increased sales volumes translate into profits. On the defensive side, we will build an even more robust business base through business process reforms in preparation for SAP implementation and the use of AI and DX.

I regard our current results not as an endpoint, but as a stepping stone on the path to further growth. With a clear recognition that the Fresh Meats Business Division is directly linked to the corporate value of the Group as a whole, we will steadily advance toward the next stage of growth.

Our strengths and business strategies for each value chain

	Our strengths	Business strategies
Production	**By operating our own farms in Japan and Australia, we are able to ensure reliability of supply and stringent quality management.**	Japan Domestic pork: Expand the number of pigs produced through the operation of the new farm in Tohoku, improve production performance, and advance co-creation initiatives. Domestic chicken: Commence operations at the new farm, increase processing volumes and profits through co-creation, and restructure the chicken processing system. Overseas Stabilize earnings through feedlot expansion and an increase in the branded meat ratio. Common Maintain our production operations by reducing labor inputs and implementing labor-saving measures.
Packing and processing	**We satisfy customer needs by supplying extremely fresh meats processed at our own plants to meet a variety of requirements.**	
Consignment	**Our product lineup covers a wide range of meat types sourced from various locations in Japan and overseas. We deploy expert personnel to support reliable procurement and adjust supply and demand.**	Japan Expand external procurement and external co-creation initiatives. Imports Enhance procurement management structures. Reduce sales opportunity losses through in-depth management of meat types. Common Create growth businesses from a long-term perspective through R&D and restructuring brand strategies in order to strengthen profit bases.
Sales and logistics	**We have built an optimized sales structure system based on Japan's largest meat distribution centers and a nationwide food sales network.**	Develop human resources with the ability to carry out value-added sales using IDPOS. Build logistics structures capable of maximizing profits in urban and rural areas.
Value provided by the NH Foods Group	• Supplies of safe, secure, high-quality fresh meats through an integrated structure linking all stages from production to sales • Reliable supplies of protein, including fresh meats and processed foods, through a nationwide food sales network • Contribution to regional prosperity through collaboration with local producers	

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Fresh Meats Business Division

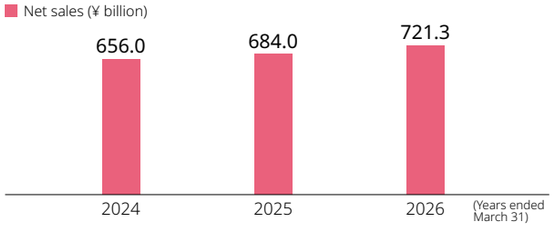
Fresh meats business in Japan — Enhancing our unique value chain to expand sales volumes in Japan

The competitiveness of the NH Foods Group's domestic fresh meats business lies in its unique value chain, which integrates production, processing, consignment, logistics, and sales. This foundation underpins our domestic market shares in beef, pork, and chicken. It reflects not merely our capacity to handle large volumes, but our comprehensive ability to reliably supply the required products at the required level of quality.

Despite sluggish demand across the overall market, the Nippon Food companies maintained solid sales volumes in FY2025, once again demonstrating the strength of our role in supporting the food infrastructure.

In FY2026, we will combine our robust value chain with external co-creation initiatives to translate higher sales volumes into more assured growth. In the chicken business, although the effects of the fire at the Shiretoko Food Factory remain, the production departments will work to minimize the impact by increasing poultry production volume at our other food plants and strengthening external procurement. In the pork business, we will continue improving productivity, including at the new farm in Tohoku, while expanding external procurement with the aim of increasing the number of pigs processed. The consignment departments will drive volume growth across the Group, while expanding chicken purchases from outside the Group and increasing the share of imported products in sales. The logistics and sales departments will further refine area strategies for urban and regional markets to make maximum use of the nationwide sales network. In urban markets, we will pursue measures to strengthen sales through foodservice channels in order to capture inbound demand. In regional markets, we will leverage our distribution capabilities and make tailored proposals, including expanding processed food sales in collaboration with the processed foods business, to address customer needs. In parts of Hokkaido, beyond expanding processed food sales, we have begun reorganizing business sites in collaboration with the processed foods business, taking anticipated future changes in the operating environment into account. As we improve our mass retail and route-to-market channels, along with customer touchpoints by area, we will advance high-value-added proposals that include processed foods and branded fresh meats. In addition to fulfilling its supply responsibilities, the domestic fresh meats business will achieve sustainable growth and improve the quality of profit by maximizing value across the value chain.

Five Nippon Food sales companies <Sales>



Two-year progress

Results

Optimization of the revenue structure
- Maximization of profits from the domestic pork business
- Procurement system restructure
- Sales strategies focused on enhancing added value

Issues

Reformulation of growth strategies
- Expansion of domestic chicken production
- Further refinement of sales strategies

Business strategy for FY2026

Building a structure for securing stable earnings even in a volatile business environment

Business profit of ¥43.0billion

Structural reforms
- Initiatives to realize the benefits of external co-creation
- Build an efficient organization through system optimization

Growth strategies
- Restructure chicken production systems and expand procurement through external co-creation initiatives
- Enhance marketing capabilities and advance processed food sales and brand strategies
- Sales strategies tailored to the characteristics of individual areas and channels

A Message of Determination

Pioneering the future of pig farming through the launch of a new farm

My role is to oversee farm operations at the Tohoku Office and guide each farm toward its ideal state through productivity improvements and human resource development. At Raiman Farm, which we opened in Aomori in 2023, we encountered a succession of unprecedented challenges, including compliance with construction-related laws and regulations, coordination among stakeholders in different fields of expertise, and verification that the facilities and equipment had been completed as specified. Although we faced difficulties with initial problems, our team overcame them one by one through teamwork.

At Raiman Farm, we are improving work efficiency and standardizing husbandry practices by introducing a biosecure two-site system under which breeding and fattening are divided between separate sites, genetic management within a closed breeding herd, and sow-group management. We are also using an ESF (electronic sow feeding) station and weighing equipment to make individual sow management more sophisticated. We will contribute to improving productivity in Japan's pig farming sector by incorporating advanced knowledge from around the world and robotics.



Tomoaki Arisaka
Production Department 1
Tohoku Office
Nippon Clean Farm Ltd.

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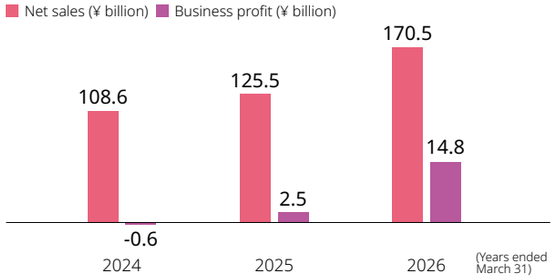
Fresh Meats Business Division

Australia Business — Further enhancing the quality of profit through greater earnings stability

The significance of the Australia Business goes beyond simply producing cattle overseas. As a strategic hub supporting the Group's procurement and sales functions, its role is to ensure a stable supply to the Japanese market, expand into third-country markets, and diversify revenue sources.

In FY2025, against a backdrop of external factors including shifts in global supply and demand caused by lower U.S. cattle numbers and export measures, as well as the ongoing transformation of our revenue structure through measures such as increasing the feedlot ratio and the proportion of sales within Australia, the Australia Business increased earnings and drove profit growth across the Fresh Meats Business Division. Historically, the Australia Business has been particularly susceptible to changes in the external environment. For this very reason, it is essential to shift to a revenue structure that is less exposed to market fluctuations and achieve business expansion underpinned by stable profits. In FY2026, we expect export volumes to decline following an increase in China's import tariffs on beef and are therefore forecasting lower profit. Nevertheless, global beef demand remains strong, and we will work to improve earnings by expanding feedlot capacity at the Whyalla Beef Feedlot and strengthening sales of premium beef. We will also determine which markets to target and how best to sell in them, while optimizing our mix of destination countries. Going forward, we will continue transforming the Australia Business into one that can grow while further enhancing the quality of profit. The Australia Business is more than just one part of the Fresh Meats Business Division; it is an important growth engine supporting sustainable growth across the Group.

Australian beef business
<Net sales and business profit>



Two-year progress

Results

Optimization of the revenue structure
- Expansion of feedlot capacity
- Strengthened sales of premium beef
- Expanded market share in Australia
- Flexible selection of destination markets

Issues

Further reduction of volatility

Business strategy for FY2026

Building production and sales structures geared to global markets

Business profit of ¥7.0billion

Structural reforms
- Expand feedlot capacity with a view to the next medium-term management plan

Growth strategies
- Build a flexible portfolio of sales destinations
- Further expand market share in Australia

A Message of Determination

Delivering the value of grain-fed beef to Japan, Australia, and the world

As General Manager of NH Foods Oakey Beef Exports, a beef export facility in Oakey, Australia, I oversee all operations from livestock procurement to processing and shipment and help improve the facility's profitability and support its long-term growth.

In recent years, changes in labor and market conditions have made maintaining stable operations, upholding high-quality standards, and ensuring occupational safety major challenges. My current priority is to address these issues by building a structure in which all departments share common goals and work collaboratively. I am also strengthening collaboration with our sales teams and feedlot operations to expand sales of branded products. In particular, I am working to expand sales in Australia and overseas and enhance brand value through the development of our grain-fed beef brands.

To respond to changing market needs, I will carry on strengthening our production structure and advancing our sustainability initiatives. Also, I will continue to take up challenges so that customers in Japan, Australia, and around the world will choose us for years to come.



Brett Williams
NH Foods Oakey Beef Exports Pty. Ltd.

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Sports & Entertainment Business Division



Expanding the value of F VILLAGE through the power of sports and entertainment

Masaru Komura
Executive Officer,
General Manager of Sports & Entertainment Business Division

Message from the General Manager of the Sports & Entertainment Business Division

In FY2025, the Ballpark Business steadily strengthened the earnings base established since the opening of HOKKAIDO BALLPARK F VILLAGE, giving us confidence as we move into the next stage of growth.

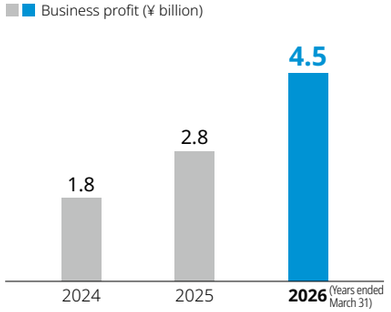
Cumulative visitor numbers to F VILLAGE surpassed 10 million as of July 13, 2025, and the site continues to evolve as a place where people gather not only on professional baseball game days but also on non-game days.

The team's strong performance, enhancements to the appeal of our services, expanded sponsorships, and deeper fan engagement have created a virtuous cycle for the business, demonstrating that the business extends beyond simply operating a ballpark and that F VILLAGE is a platform for creating new value centered on sports and entertainment.

I see 2026 as a turning point for elevating the ballpark business into the sports & entertainment business. The key is to ensure that the current strong performance is not temporary, that earning power which can be consistently replicated is enhanced, and that the enhanced structure is translated into higher asset value over the long term.

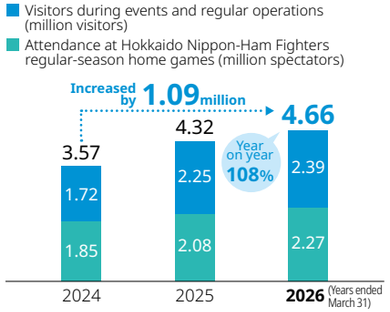
Plans are underway for development around F VILLAGE in anticipation of the planned opening of the new station in 2028, as well as for the future relocation of farm facilities. We will promote business activities that enhance synergies across the NH Foods Group by combining food and sports. Furthermore, through co-creation with local communities and partner companies, we will evolve F VILLAGE into a business base that generates even greater value.

Business profit



Note: Results for 2025 have been retrospectively restated following the reorganization of the Ballpark Business into the Sports & Entertainment Business effective April 2026.

Attendance and F VILLAGE visitor numbers



Note: Attendance and visitor figures are for the period from April 2025 to March 2026.

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Sports & Entertainment Business Division

Accelerating value creation through the twin drivers of customer experience and surrounding-area development

In FY2026, we will take the earnings base that we have cultivated since the opening of HOKKAIDO BALLPARK F VILLAGE to the next stage.

First, we will work to maximize customer experience value. To enhance the experience so that visitors want to return and recommend F VILLAGE to friends and family, regardless of whether they come on professional baseball game days or non-game days, we will develop the ballpark and surrounding facilities, customer services, and in-game presentation in an integrated manner and further enhance the appeal of our services, thereby improving our earning power so that it can be consistently replicated.

Second, we will develop the business through surrounding-area development associated with the planned opening of the new station in 2028 and through the future relocation of farm facilities. By attracting new flows of people and investment, we will develop F VILLAGE beyond a mere ballpark hub into a co-creative community space, thereby further enhancing the value of the business.

Third, we will create business synergies with the Processed Foods Business Division and the Fresh Meats Business Division. By leveraging F VILLAGE to link food and sports, we will create new revenue opportunities unique to the NH Foods Group.

By advancing these initiatives and engaging in ongoing dialogue with fans, local communities, and partner companies, we will enhance the value of the Sports & Entertainment Business, contribute to the development of communities and society and the growth of our business, and ultimately increase corporate value.

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

HOKKAIDO BALLPARK F VILLAGE



Customer attraction and promotion



Strengthening entertainment and services



Development around F VILLAGE associated with the planned opening of the new station



Enhancing appeal on non-game days





Relocation of farm facilities



-Creating business synergies across the NH Foods Group

-Utilization of F VILLAGE assets

Schau Festival and Sakurahime Festival



JA ZEN-NOH × NH Foods Wagyu night game



A Message of Determination

Enhancing the ballpark's entertainment value through "En-tane!"

My primary responsibilities include streamlining operations through the use of IT and are not directly related to entertainment. However, through conversations with colleagues, I began to think that many employees, including those of us in administrative functions, may harbor their own "seeds of entertainment," which inspired the name "En-tane" (a portmanteau of "entertainment" and "*tane*," the Japanese word for seed) and led me to devise a new initiative.

That initiative is "En-tane!," a web-based platform where employees can easily post and browse ideas and observations from their daily work. Since its launch, employees across departments and job levels have submitted numerous posts, and we are working with the relevant departments to turn those ideas into concrete initiatives.

Most recently, we have been working to introduce a crowd-guidance approach similar to that used by so-called "DJ police" officers, enabling us to manage the flow of people smoothly while keeping customers entertained.

We will continue helping many seeds of entertainment blossom and contribute to realizing a "ballpark the world has yet to see," filled with diverse forms of entertainment.





Tomotaka Honma

IT Promotion Department (and Operation Support Department)
Governance Management Department Corporate Division
Fighters Sports & Entertainment Co., Ltd.

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Chapter 3

Management Foundation Supporting People and Society

How will our materiality initiatives contribute to improved corporate value?

Sustainable growth cannot be achieved through business strategy alone.
This chapter examines the Group's sustainability initiatives, how efforts to address materialities contribute to improved corporate value, and how the foundations for implementation are being strengthened.

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Sustainability Management

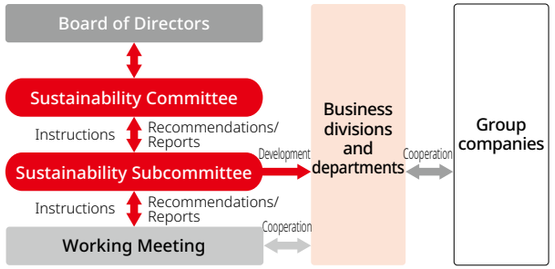
Sustainability promotion system

NH Foods Group established a Sustainability Committee chaired by the chairperson of the Board of Directors of NH Foods Ltd. and composed of outside experts with specialized knowledge relating to ESG, Outside Directors, and others. Matters deliberated on by the committee are submitted to the Board of Directors, the decision-making body.

The Sustainability Subcommittee, which functions as a subordinate body of the Sustainability Committee, comprises the director in charge of sustainability, the heads of major divisions, and others. The Subcommittee works in coordination with the Committee to formulate specific strategies and develop measures to be carried out by business divisions.

The Sustainability Committee and Sustainability Subcommittee meet once per quarter to formulate sustainability policies and strategies and confirm the status of measures being carried out by Group companies.

Sustainability promotion framework



Activities by organization

Organization entity	Role	Member	Frequency
Sustainability Committee	● Considers and formulates the Group's sustainability policy and strategy ● Supervises ESG-related initiatives*	● Directors ● Outside Directors ● General managers of business divisions ● Outside experts ● Audit & Supervisory Board Members	4 times / year
Sustainability Subcommittee	● Works in coordination with the Sustainability Committee to formulate specific strategies and develop measures to be carried out by business divisions	● Director in charge of sustainability ● Heads of major divisions ● Heads of related departments and sections	4 times / year

* Materiality initiatives and progress, environmental management, human rights management, human resource strategies, sustainable procurement, animal welfare, other sustainability-related matters

Main topics discussed by the Sustainability Committee

FY2025 Sustainability Committee topics	Content of discussions
Materiality KPI progress assessments and links with business	Monitored the degree of achievement of company-wide KPIs linked to materiality items. In particular, verified the financial links and effectiveness of measures related to environmental and human capital indicators and deliberated on countermeasures for unmet targets and optimization of resource allocation.
Enhancing natural capital disclosures in accordance with TNFD	Based on the initial FY2024 assessment, conducted detailed analysis of the relationships between business activities and the environment in priority regions (Hokkaido and Australia) and updated the TNFD Report. Deliberated on financial impacts and considered disclosures unique to the Group.
Resilient business foundations and supply chains	Deliberated on the Group's capacity to respond to business continuity risks such as livestock diseases, stable procurement, and human rights due diligence. Also discussed updating communication strategies in association with the organizational restructuring at the fiscal year-end (integration of the public relations and sustainability functions).
Preparations for sustainability information disclosure (SSBJ) compliance	In preparation for application of the SSBJ Standards, deliberated on the establishment of a digital aggregation platform (visualization) for environmental data and the suitability of group-wide risk management. Also considered a roadmap for enhancing links between non-financial and financial indicators

Changes for FY2026

Until FY2025, the main role of the Sustainability Subcommittee was to formulate concrete measures for implementation by business divisions based on the strategies determined by the Sustainability Committee, the upper-level management body.

Starting in FY2026, however, a transition was made to a structure in which the Subcommittee takes the lead in conducting deliberations and reports its recommendations to the Sustainability Committee. This change will lead to further improvement in sustainability strategies in light of their importance to business.

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A Message from the Executive Officer in Charge of Sustainability



Sustainability Fully Integrated with Our Business Will Create Value

Kohei Akiyama Director and Senior Managing Executive Officer

Shift sustainability to the core of enhancing corporate value

Sustainability should not be a separate conversation from business matters. If our aim is sustainable growth, sustainability needs to be integrated with corporate strategy and business operations as a core foundation to support corporate value enhancement. The NH Foods Group is now reviewing its sustainability strategy in light of the next medium-term management plan. We are moving beyond treating sustainability as separate from business concerns and reconsidering how to link it to our business aims through societal engagement, redefining priorities as we move forward. In my view, this shift is the most pressing issue we face today.

We are focusing on two key issues. One is firmly taking responsibility as a member of society. The other is clarifying how we can generate value in ways distinctive to our Group and the role we play in food infrastructure. Society's demands have been shifting significantly, and the materialities we have defined

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A Message from the Executive Officer in Charge of Sustainability

are no longer as undeviating as we had thought. So, rather than simply keeping a long list of items, it would behoove us to assess business impacts, risks, and opportunities and prioritize our efforts based on that analysis. We will therefore tie together business and sustainability in line with our corporate philosophy and Vision2030, and work to achieve growth in the medium- to long-term.

Incorporate both risk control and value creation

First, we must face the tough issues that accompany our role in society. Climate change, human rights, and animal welfare are prime examples. Essentially, we have no way forward as a corporate group if we do not address climate change across our value chain, which extends from production and breeding to processing, logistics, and sales. Respecting human rights is another requirement for a strong business foundation. Additionally, our efforts must be informed by society's evolution at the global level. A myopic view focused solely on Japan is unsustainable, and we cannot afford to be accused of failing to take action in these areas. Risk control is the cornerstone of management and a prerequisite for maintaining society's trust.

Sustainability involves much more than a defensive posture, however. We can actually use our business strengths in many areas to generate social value. Upcycling that leverages our vertically integrated model is one example. Other areas of strength include food education, allergy-care service, and initiatives that combine diet and sports performance. These initiatives are not only beneficial to society; they also convey to consumers the unique position of the NH Foods Group and foster trust in the brand. In my view, corporate value is much more than financial indicators can measure. What matters is how people see us and whether they feel we are doing what needs to be done and to be worthy of being called a great company. When we recognize the need for both risk control and value creation and incorporate both into our business endeavors, that will certainly lead to an enhancement of corporate value.

Integrate our strategy, implementation, and communication

To make this approach effective also requires an evolution of our sustainability promotion system. Sustainability cannot be confined to a single department. It needs to be infused throughout the organization, from business operations to the management structure, from risk management to information disclosure. So, we are now prioritizing the alignment of our growth strategies, management structure, and corporate communications initiatives across the Group, with sustainability as the thread that weaves the business together. We are also strengthening the process by which management discussions more deeply address these issues, with the results fed to the Sustainability Committee and ultimately to the Board of Directors to further integrate sustainability into our business operations.

In today's environment, what we do matters, but so does how we communicate. No matter how important an initiative is, it will not take root in our business operations without coordination, nor create corporate value unless we communicate what we are doing in ways that resonate with society. The imperative is therefore to design our strategy, implementation, and communication as an integrated whole. Concerns will naturally differ by stakeholder—investors, consumers, business partners, local communities, or employees—but at the core, we have one message to communicate. The NH Foods Group faces societal challenges head-on, directs its strengths in ways that create value, and leads to growth in the medium- to long-term.

Society's demands for sustainability will continue to evolve over time. Disclosure standards will tighten, and companies will face greater accountability and be required to demonstrate the effectiveness of their initiatives. In such an evolving environment, it is not enough to just passively respond to changes in the external environment; rather, it is the proactive formulation of strategies that align with our vision, and the transparent communication of our progress and results, that are of vital importance. To remain a company that customers consistently favor and trust, we will enhance the sustainability efforts unique to the NH Foods Group, integrating them with our business, for future corporate value enhancement.



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Environmental Conservation

"Eco-Cycle": A harmonious relationship between people and the planet

Carbon, water, nitrogen, and other substances that form all life on Earth—including humans and livestock—are regenerated and circulate through natural processes. However, population growth and corporate activities have led to the excessive use of fossil fuels and resources, surpassing the limits of the Earth's natural cycles and causing environmental issues such as climate change and pollution of air and water.

The NH Foods Group envisions a future in which resource use and emissions from our business activities are integrated into a natural material cycle in harmony with nature, supported by coexistence with local communities and business partners (ecosystem). We are actively advancing environmental protection initiatives under this vision, which we call the "Eco-Cycle."



1 Water

The water cycle is a global process that supports all life through the evaporation of water into the atmosphere, from where it falls back to Earth as rain. However, population growth, urbanization, and climate change are causing water shortages and pollution.

The NH Foods Group is continuously improving its production processes to prevent waste by using water resources efficiently. To minimize the environmental load, all water used is cleansed before being returned to the natural environment.

2 Nitrogen

Nitrogen is an essential component of proteins. It circulates around the Earth as it is used by plants, which capture it from the atmosphere via the soil, and animals. However, this natural nitrogen cycle has been disrupted by environmental pollution since the Industrial Revolution, including large-scale waste emissions and excessive use of chemical fertilizers.

Through its business activities, the NH Foods Group is working to mitigate environmental impacts by reducing food losses and composting livestock waste.

3 Carbon

Carbon circulates around the Earth through its use by plants, which absorb carbon dioxide from the atmosphere, and animals. However, in modern times, economic development has been accompanied by a rise in CO_2 levels, leading to the acceleration of warming. The effects of this climate change include floods, droughts, and heat waves.

The NH Foods Group is working to mitigate climate change by reducing CO_2 emissions through energy-saving measures and the use of solar power.

Compliance with TCFD/TNFD frameworks

The NH Foods Group announced its support for the Task Force on Climate-related Financial Disclosures (TCFD)* and the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, conducts analysis based on those frameworks, and discloses the results. As a result of this analysis, we have confirmed that the risks and opportunities identified within each framework are similar, and we are implementing risk management and other initiatives in an integrated manner to address these risks.

* TCFD disbanded in October 2023 and its role was taken over by the IFRS Foundation in 2024.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TNFD Forum Member

Disclosures pursuant to the TCFD/TNFD recommendations

Detailed information is disclosed on our website. To avoid duplication of TCFD and TNFD disclosures, only key points are excerpted and reported here.

Governance

At the quarterly meetings of the Sustainability Committee, the Group formulates sustainability-related policies, adopts strategies, and reviews the status of initiatives by each Group company while soliciting opinions from outside directors and external experts. The content is summarized and submitted to the Board of Directors, the decision-making body (see page 56 for details).

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Environmental Conservation

Strategies

We conducted a dependency and impact analysis using ENCORE, an assessment tool that analyzes the severity level of dependency and impact that corporate activities have on biodiversity and natural capital. We then comprehensively evaluated the results by combining them with the details of the High Impact Commodity List, published by the Science Based Targets Network (SBTN), and our own internal assessment. The dependencies and impacts determined to be particularly important are listed on the right.

Scenario analysis confirmed that the risks and opportunities identified under the TCFD and TNFD frameworks are similar.

Risk management

As a part of its Group-wide risk management system, the NH Foods Group established a Risk Management Committee, which centrally identifies and assesses risks and investigates response measures. In addition, the Sustainability Subcommittee discusses risks, opportunities, strategies, and indicators related to nature and climate change and then reports and makes proposals to the Board of Directors through the Sustainability Committee.

Indicators and targets

Through this analysis, we reaffirmed that our measures to achieve the medium- to long-term environmental targets that we set (see page 61) contribute to mitigating climate change and our dependencies and impacts on biodiversity and natural capital. Going forward, we will consider indicators for identified risks while implementing measures intended to achieve our existing targets.

Our assessment of dependencies and impacts

Value chain	Related activities	Dependencies	Impacts
Procurement	Livestock feed and crop production	● Water resources needed for grains and crops ● Ecosystem-based disaster risk reduction	● Impacts of expansion of agricultural land on forest and terrestrial ecosystems ● Increased water stress due to water intake for irrigation
Procurement, production, breeding	Livestock production	● Feed ingredient production ● Water resources for livestock drinking and cleaning	● Impacts of expansion of farms on forest and terrestrial ecosystems ● Increased water stress due to water intake for livestock production ● Livestock-derived greenhouse gas emissions
Packing and processing	Food manufacturing	● Water resources needed for food manufacturing	● Greenhouse gas emissions from factory operation ● Pollution caused by generated solid waste

Risks and opportunities identified through scenario analysis and status of responses

Risks and opportunities			Timing of occurrence	Degree of impact 1.5/2°C–4°C	Impact on business
Physical risks	① Rising costs associated with livestock breeding due to increasing and unstable feed prices	Swine and poultry raised in-house	Medium to long term	Large (¥0 to ¥5.3 billion)	● Destabilization of raw material procurement ● Rising meat production costs
		Processed food raw materials (pork)	Medium to long term	Large (¥0 to ¥2.2 billion)	● Rising processed food production costs
	② Impact of rising temperatures on livestock growth		Medium to long term	Medium	● Declining meat production volumes ● Rising meat production costs
	③ Heightened risks of water-related disasters at business sites		Short to long term	Small	● Damage to owned facilities ● Decreasing manufacturing activity and shipment delays
	④ Heightened water stress at business sites		Short to long term	Small	● Declining manufacturing activity
Transition risks	⑤ Rising energy costs due to the introduction of carbon taxes		Medium to long term	Large (¥15.9 billion to ¥21.8 billion)*	● Rising production costs
Opportunities	⑥ Increased consumption trends giving consideration to the environment		Short to long term	Medium	● Declining packaging costs ● Acquisition of future markets
	⑦ Market expansion for new protein		Short to long term	Large	● Acquisition of future markets

* Impact of current emissions continuing under the 1.5°C/2°C scenario and impact of achieving the FY2030 targets

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Environmental Conservation

Medium- to long-term environmental targets

The NH Foods Group has established medium- to long-term environmental targets for 2026 and 2030, adopted a long-term roadmap looking toward 2050, and is implementing measures to achieve the Eco-Cycle concept, our environmental conservation vision (see page 59).

In each of our three-year medium-term management plans, we identify priority items with high environmental impact in the value chain and set environmental targets.

Currently, the five priority items are greenhouse gases, plastics, water, food loss, and waste.

Details of the FY2025 results and progress toward each target can be found on our website.

Web Environmental targets and results:
https://www.nipponham.co.jp/corporate/sustainability/management/progress.html
Roadmap to 2050:
https://www.nipponham.co.jp/corporate/sustainability/environment/goal.html

Medium- to long-term environmental targets

Priority item	FY2026 target	FY2030 target	FY2050 target
Greenhouse gas emissions	Reduction of fossil fuel-derived CO_2 (Scope 1, Scope 2) Domestic: 29% reduction compared to FY2013 Overseas: 17% reduction compared to FY2021 Reduction of supply chain emissions (Scope 3) Domestic targets set	Reduction of fossil fuel-derived CO_2 (Scope 1, Scope 2) Domestic: 46% reduction compared to FY2013 Overseas: 24% reduction compared to FY2021 Reduction of livestock-derived greenhouse gas emissions Implementation of measures at our own farms	Going carbon neutral
Plastic	Reduction of petroleum-based container and packaging plastic use (Products subject to the Containers and Packaging Recycling Law) Domestic: –17% compared to FY2013	Reduction of petroleum-based container and packaging plastic use (Products subject to the Containers and Packaging Recycling Law) Domestic: –20% compared to FY2013	Minimization of petroleum-based plastics throughout the supply chain
Water	—	Water consumption per production unit Domestic: 5% reduction compared to FY2019 Overseas: 5% reduction compared to FY2021 Implementation of water risk reduction measures in water-stressed areas	Minimizing water use and reducing risk in water-stressed areas Addressing water risks in key supply chains
Food loss	—	Reduction of food loss Domestic: 20% reduction compared to FY2020	Minimization of food loss throughout the supply chain
Waste	—	Improvement of resource recycling rate Domestic: 98% or more	Sustainable development of circular use through regional collaboration

Priority items for environmental impacts in our supply chains

Our priority items

Our supply chain initiatives will be based on three focus areas and five priority items.

■ Processes of the NH Foods Group ■ Supply chain upstream/downstream areas **Red text**: Items with especially high outflows

Focus areas		Priority items	Growers, suppliers	Farms	Processing plants	Production plants	Logistics/sales	Commercial customers/ consumers
Response to climate change	Climate change	Greenhouse gas emissions	**Livestock-derived,** fossil-derived	**Livestock-derived, fossil-derived**	**Fossil-derived**	**Fossil-derived**	**Fossil-derived**	Fossil-derived
Resource conservation and efficient use	Chemical substances	Plastic	Use, discharge	Use, discharge	**Use, discharge**	**Use, discharge**	Use, discharge	**Discharge**
	Changes in freshwater usage	Water	**Use, discharge**	**Use, discharge**	Use, discharge	Use, discharge	Use, discharge	**Use, discharge**
	Organic substance cycles (carbon, nitrogen)	Food loss	Food residues (edible portion)	Food residues (edible portion)	**Food residues (edible portion)**	**Food residues (edible portion)**	**Product waste**	**Product waste**
Circular use	Organic substance cycles (nitrogen, phosphorus)	Waste	Livestock manure/ wastewater sludge	**Livestock manure/ wastewater sludge**	**Wastewater sludge/** non-edible portion	**Wastewater sludge/** non-edible portion	—	—

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Environmental Conservation

Our main initiatives for each priority item are outlined below. Detailed reports are available on our website.

Priority items	Main initiatives
Greenhouse gas emissions	● Solar power generation ● Use of biomass fuel ● Promotion of electrification (such as electric vehicles and heat pumps for heating poultry houses) ● Rationalization of energy use (such as waste heat recovery and high-efficiency boilers) and other measures
Plastic	● Recycling of raw material packaging ● Reduction of product packaging used (e.g., thickness reduction, tray size changes, use of environmentally friendly packaging) ● Recycling of logistics packaging, etc.
Water	● Water conservation, wastewater recycling (e.g., reverse osmosis membrane filtration, reuse for farmland irrigation) ● Reuse of coolant water ● Effective use of rainwater, etc.
Food loss	● Food donations ● Extension of best-by dates ● Effective utilization of by-products ● Upcycling of processing offcuts, etc.
Waste	● Effective use of livestock excreta ● Local production for local consumption ● Effective utilization of underutilized parts ● Processing of inedible parts into products ● Food residue recycling, etc.

Web https://www.nipponham.co.jp/corporate/sustainability/environment/goal.html

TOPIC 01 Reduction of greenhouse gas emissions

Implementation of fuel conversion

At Nipponham Southwest Ltd., a gradual fuel conversion of boilers from heavy fuel oil to liquefied natural gas (LNG) has been taking place.

When generating the same amount of energy, LNG emits less CO_2 compared to heavy fuel oil, and rarely produces sulfur oxide, soot, or smoke.

Through this conversion, we are reducing the amount of greenhouse gas emissions associated with our business activities and thereby contributing to the slowing of global warming and the improvement of air quality in the area.



LNG satellite tanks

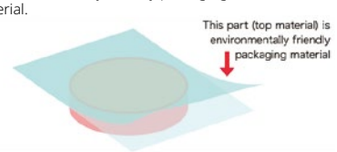
TOPIC 02 Reduction of plastic use

Use of environmentally friendly packaging

The NH Foods Group is actively introducing environmentally friendly packaging materials. We are helping to promote the recycling of plastic resources by using recycled polyethylene terephthalate (PET) and plant-derived biomass film for some of our packaging materials.



Note: In all cases, environmentally friendly packaging materials are used only for the top material.



A Message of Determination

Decarbonization technologies for plants we can pass on with pride

My role is to support safe and stable daily operations through the maintenance of plant facilities and the promotion of energy-saving measures. As the need for the realization of a decarbonized society grows, the pursuit of ways to lessen environmental impact at the front lines has been one of our main issues.

A factor that helped address this was grappling with fuel conversion of boilers from heavy fuel oil to liquefied natural gas (LNG).

This conversion to LNG helps to lower CO_2 emissions and reduces the impact we have on the environment, thus contributing greatly to plant decarbonization.

In addition to the conversion itself, we paid considerable attention to energy conservation and economic efficiency, and opted to install an ambient air vaporizer and a two-stage condensing economizer.

We are also making effective use of our assets through the reuse of the Group's LNG satellite tanks. These initiatives gave me confidence that it is possible to balance environmental conservation with improvements in productivity.

We will continue striving to pursue the possibility of introducing new decarbonization technologies and to build environmentally friendly plants that we can pass on to the next generation with pride.



Yusuke Ishiguro
Equipment Management Department, Facility Environment Division
Nipponham Southwest Ltd.

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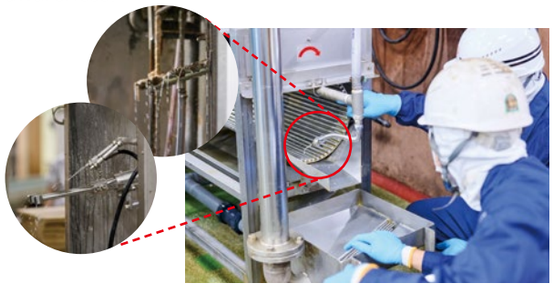
https://www.nipponham.co.jp/corporate/

Environmental Conservation

TOPIC 03 Reducing water consumption

Water conservation in packing and processing

Nippon Food Packer, Inc. has reduced its water consumption by identifying locations with high water usage, improving refrigerator defrosting devices, modifying cleaning nozzles, and raising employee awareness.



Inspections and adjustments achieve more efficient cleaning

Reusing wastewater as irrigation water

At our processing plants, we effectively recycle the wastewater by treating and returning it to farmland as irrigation water for forage crops.



Irrigation sprinklers (Oakey Beef Exports Pty. Ltd.)

A Message of Determination

Treating wastewater, nurturing the land, and passing it on to future generations

I work at NH Foods Oakey Beef Exports, a beef export facility in Oakey, Australia, where I am responsible for the entire process from treating wastewater generated during production to returning it to the land as irrigation water.

My challenge at present is to change the way we view wastewater, recognizing it as a resource that can benefit the local community and future generations. In Australia, where water is a precious resource, the quality of the water used in beef production is directly linked to the trust placed in our products. We therefore need a system based on the principles of circular agriculture to treat wastewater and return it to the land.

To achieve this goal, I am putting processes in place to remove impurities from wastewater using a natural treatment system and return it to the land as irrigation water. I am shifting my approach from solely focusing on treating wastewater to nurturing the land and making continuous improvements at the facility so that we can pass on fertile soil to future generations.

I will continue to develop these initiatives and deepen our relationship of trust with the local community, contributing from Oakey to a sustainable future for beef production around the world.





Tristen Gordon
Engineering Department
NH Foods Oakey Beef Exports Pty. Ltd.

TOPIC 04 Food loss reduction

Food donations

We donate unsaleable food products from our manufacturing processes to *local Kodomo Shokudou* (children's cafeterias), social welfare organizations, and other recipients. We ensure that all items donated are safe to eat and within use-by dates.



Food donated to *Kodomo Shokudou* (children's cafeterias) (Nippon Pure Food, Inc.)

TOPIC 05 Reducing waste

Processing of inedible parts into products

Inedible by-products from our beef, pork, and chicken processing plants are used effectively through processing into feed, fertilizers, and industrial raw materials.



Yellow grease

Note: Made by processing inedible parts of cattle, pigs, and chickens, and primarily used as feed

Using underutilized parts

NH Foods Ltd.'s Research & Development Center extracts functional materials from underutilized parts, such as pig and chicken cartilage and pig placenta, scientifically evaluates their safety and efficacy, and processes them for commercial use.

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Sustainable Livestock Farming

Basic philosophy

To achieve sustainable livestock farming, the NH Foods Group is conducting research on the reduction of livestock-derived greenhouse gas emissions and implementing measures to give due consideration to animal welfare while supporting efforts to address labor shortages and control disease across the entire livestock industry. For detailed information about our initiatives to address issues in livestock farming, see our website and the video "Working Toward Achieving Sustainable Livestock Farming" on YouTube.

Web Solving Issues in the Japan's Livestock Industry:
https://www.nipponham.co.jp/corporate/sustainability/social/issue-resolution.html

YouTube video "Working Toward Achieving Sustainable Livestock Farming"
https://youtu.be/sPVAV77OWFg?si=ihX-2fzBciFFDev_ (Japanese only)

Livestock farming issues	Main initiatives
Greenhouse gas emissions	● Solar power generation ● Use of biomass fuel ● Research into methane reduction
Livestock excreta	● Effective utilization of livestock excreta to produce fertilizer and biofuel
Labor shortages	● Development and introduction of PIG LABO® smart pig farming system ● Courses for next-generation workers ● Technical support for contract farmers
Animal welfare	● Elimination of gestation crates in pig pens ● Installation of cameras at farms and meat processing plants to ensure environmental quality ● Installation of sunshades to protect cattle from direct sunlight ● Installation of drinking water facilities in lairage pens ● Installation of mist cooling systems in poultry houses
Disease control	● Development and sale of foot-and-mouth disease antigen detection kits

TOPIC 01 Initiatives relating to livestock excreta

Effective utilization of livestock excreta to produce fertilizer and biofuels

We have consistently engaged in the production, rearing, and sale of pigs and chickens in Japan and cattle in Australia. The excreta produced when raising livestock accounts for the largest amount of waste generated within the Group, and though it has high environmental impact, it can be effectively used as a resource. Our Group effectively utilizes all manure by converting it into compost or biofuel depending on its intended use.

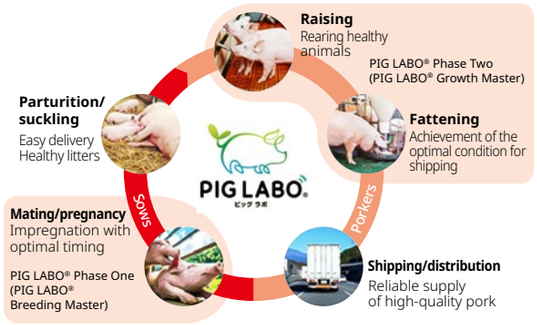
TOPIC 02 Initiatives to address the shortage of workers in the livestock industry

AI-driven contributions to the improvement of pig farming productivity

To resolve issues such as the difficulty of passing down technical expertise and the shortage of workers in the pig farming business, the NH Foods Group is working to deploy the PIG LABO® system, which provides comprehensive support from sow breeding to piglet rearing and shipment.

Specifically, we previously developed the PIG LABO® Breeding Master AI-powered estrus detection system and the PIG LABO® Growth Master pig weight estimation system.

These systems not only contribute to solutions to challenges at production sites, they also contribute to animal welfare by reducing the stress imposed on pigs.



A Message of Determination

Digitizing expertise for the next-generation pig farming

I'm in charge of the development, systemization, and commercialization of technologies that support pig farming.

As farms get bigger and breeders reach the later stages of their careers, pig farming is facing issues including labor shortages and how to pass on vital skillsets to the next generation. My goal is to support the farmers and promote the domestic livestock industry by addressing these issues through research and development in direct collaboration with the farms themselves.

It is crucial to meticulously digitize the sophisticated expertise of experienced breeders that allow them to deduce information about the pigs based on factors such as their appearance and behavior. We are focusing on developing technologies and systems that have the potential to make pig farming less dependent on the intuition of breeders and physical labor, and thereby making proper and efficient management achievable for anyone.

Proper management makes for a comfortable environment for the pigs, and a lean production process helps lessen environmental impact. We aim to realize pig farming that considers the well-being of pigs, people, and the planet with our PIG LABO®. Furthermore, we will expand the application of our accumulated livestock farming DX know-how to other kinds of livestock. Through these efforts we will contribute to the growth of the livestock production industry as a whole.



Shin Sukegawa
Research & Development Center
NH Foods Ltd.

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Healthier Minds, Healthier Bodies

Basic philosophy

The NH Foods Group's commitment to health

We aim to build a brighter future by addressing challenges to human mental and physical well-being and finding solutions for social issues.

Since its founding, the NH Foods Group has made contributing to building healthy bodies its mission and works to support nutritious and delicious meals through the provision of protein and to bring bright lives to people.

In recent years, mental health has come to be regarded as just as important as physical health, and the concept of well-being is being promoted.

In addition to providing protein, the Group will contribute to people's emotional well-being and physical health through experiences that generate joy. Please visit our website for details.



Themes	Main initiatives
Providing proteins	● Provide proteins that meet diverse needs ● Develop and provide products that contribute to healthy lives ● Provide useful information on proteins
Providing hands-on opportunities	● Food education ● Community coexistence and events ● Nutrition support and sports

Web https://www.nipponham.co.jp/corporate/sustainability/human/well-being.html

TOPIC 01 Providing proteins

Provide useful information on proteins

As a company that functions as food infrastructure, the NH Foods Group provides not only protein but also a wide range of relevant information.

The NH Foods Map for the Future of Protein website is an information medium that encourages people to think about the future of protein. Through articles and videos, the website introduces our various efforts and the endeavors of our employees and partners regarding sustainable protein supply so that everyone can achieve a varied and healthy diet through protein intake.



Web https://www.nipponham.co.jp/tanpaku-mirai/ (Japanese only)

TOPIC 02 Providing hands-on opportunities

Food education

Decorative cutting classes

Nipponham Customer Communication Ltd., which oversees the Group's department store and service promotion businesses, holds cooking classes that use products such as ham and sausages and decorative cutting classes. The content of food education lectures and the level of practical education are adapted according to the participants. Through these activities, participants learn about healthy eating and the enjoyment of food.

Our food education activities including decorative cutting classes, which span about 20 years and emphasize valuing the bounty of nature, received the Minister of Agriculture, Forestry and Fisheries Award, which is the highest rank in the educators and businesses sector (corporate category) at the ninth Shokuiku Activity Awards in June 2025.



A decorative cutting class experience

Main reasons for the award

- The provision of food education customized for each purpose and widely offered to all ages from children to seniors
- The continuous promotion of the importance of food and diet to encourage people to truly enjoy eating
- The accumulated effort to evolve with the times such as the digitization of information sharing methods

Nutrition support and sports

Supporting the development of athletes from the perspective of food

The NH Foods Group helps people to stay mentally and physically healthy through food and support for sports activities. The Group also creates new value through food and sports, while contributing to regional and community development and the promotion of sports. That is why our registered dietitians and certified sports nutritionists employed by NH Foods Ltd. provide sports nutritional support to sustain and nurture professional athletes and share the knowledge gained from this widely through classes and lectures, food education, and other activities.

Sports nutrition support



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Human Rights

Respect for human rights

Formulating the NH Foods Group Human Rights Policy

The NH Foods Group believes that our people are our most important asset and we recognize that we have a social responsibility to respect their basic human rights.

In December 2020, we formulated the NH Foods Group Human Rights Policy, which is based on the UN Guiding Principles on Business and Human Rights determined by the UN Human Rights Council, in order to reaffirm and demonstrate to society our approach and commitment to respecting human rights and to meet the expectations placed on us.

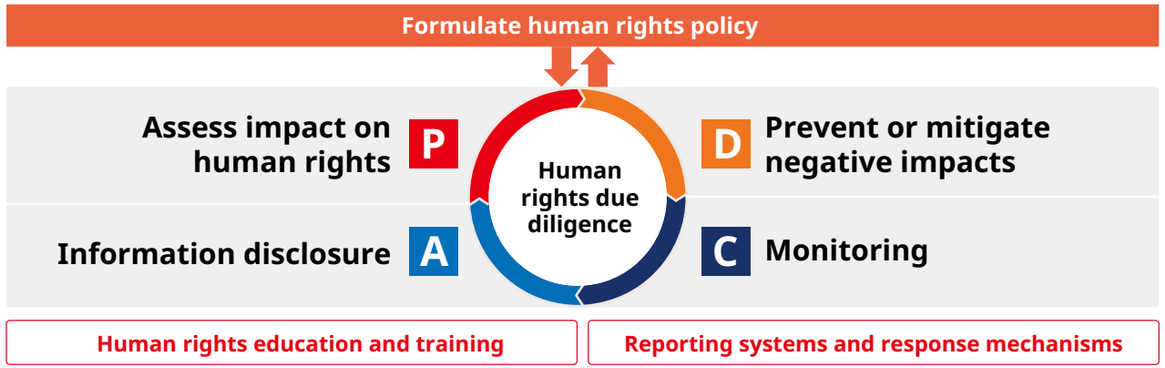
We are implementing human rights initiatives that put this policy into action across the Group as we work to be a corporate group that is trusted by wider society.

Practicing human rights due diligence

In order to implement our human rights policy and respect the human rights of all people that are affected by our business activities, we carry out human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights.

NH Foods Ltd. carries out an assessment of impact on human rights every three years, and the recent assessment conducted in FY2025 identified harassment, occupational health and safety, and working hours as risks. Identified risks are managed on a group-wide basis by the Risk Management Committee. Relevant departments also monitor these risks through interviews and audits.

Human rights due diligence cycle



Human rights education and training

The NH Foods Group Action Standards (Japan version) stipulates respect for basic human rights and forbids any discriminatory action or behavior on grounds including gender, age, nationality, religion, creed, social status, or disability. We work to spread respect for human rights among all employees, including by ensuring that the standards are read periodically at each workplace.

Training at each level, including new employee training and management training, incorporates a Business and Human Rights program that teaches the necessity of fulfilling the corporate responsibility to respect human rights and implementing initiatives to achieve this.

By continuously advancing these kinds of initiatives, we are fostering a corporate culture that ensures that human rights violations will not and cannot occur.

Reporting systems and response mechanisms

We have established multiple channels for reporting human rights-related issues (including sexual harassment and bullying). Reports can be made anonymously. We also ensure that employees are aware of these channels by placing posters in each workplace and distributing cards to all employees.

Supplier monitoring

We require suppliers to understand and comply with our Sustainable Procurement Policy and Sustainable Procurement Guidelines. The status of compliance is monitored and investigated through SAQs*. We interpret incomplete or unclear answers within these questionnaires as a potential risk and carry out interviews to look into the matter.

* SAQ: Self-Assessment Questionnaire

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Health Management

Health management promotion

A core requirement for the realization of the Group's corporate philosophy is the creation of healthy and safe working environments in which all employees can maintain good mental and physical health and work happily with a sense of security.

We are promoting health management under the Health and Safety Declaration made by top management. We have also formulated the NH Foods Group Basic Health Policy and the Basic Policy on Occupational Health and Safety as a framework for specific initiatives to build healthy working environments in accordance with our Health and Safety Declaration. Our industrial health staff and human resource management organization will continue to work with the health insurance association to promote health management by supporting various health maintenance and enhancement initiatives under the Industrial Safety and Health Act.

Certified Outstanding Organizations of KENKO Investment for Health

The Recognition Program for the Outstanding Organizations of KENKO Investment for Health is a system for recognizing corporations, both large enterprises and SMEs, that have particularly good health and productivity management practices, based on initiatives that address local health issues and the health promotion efforts of the Nippon Kenko Kaigi.

In 2026, the NH Foods Group was certified for the fifth consecutive year as a "Outstanding Organization of KENKO Investment for Health" in the large enterprise category. Several other group companies also received certification, including some that earned the "Bright 500" designation, which is awarded to the top 500 small and medium-sized enterprises.

The goal is to develop an environment in which outstanding enterprises implementing health and productivity management are highlighted, allowing them to gain enhanced recognition from employees, employment seekers, related enterprises, financial institutions, etc., as organizations that consider employee health and productivity management from a business-management perspective and strategically implement initiatives.



Acquisition status Red text: Newly acquired in FY2025

Large enterprise category	● NH Foods Ltd. ● Nipponham System Solutions Ltd. ● Nipponham Processed Foods Ltd. ● Nipponham Delicatessen Ltd. ● Higashi Nippon Food, Inc.
Small and medium-sized enterprise category Bright 500 (Bright 500 is a certification system for the top 500 small and medium-sized enterprises.)	● Kyodo Foods Co., Ltd.
Small and medium-sized enterprise category Next Bright 1000 (Next Bright 1000 is a certification system for small and medium-sized enterprises ranked 501st to 1,500th from the top of the category.)	● Japan Food Corporation
Small and medium-sized enterprise category	● Nipponham Northeast Ltd. ● Nipponham Customer Communications Ltd.

Maintaining work environments

In order to recruit and retain human resources, we are working to reduce total working hours, support the balancing of work with childcare, nursing care, and treatment of illness, and realize flexible work styles. In FY2026, we modified our personnel systems to allow employees to select work styles suitable for different life stages. We will create time for employees to perform their work and take on new challenges with a sense of fulfillment.

Strengthening occupational safety

The NH Foods Group regards the health of each and every employee as an important management foundation. Based on this, we introduce occupational health and safety management systems, especially at manufacturing plants, and strive to maintain and improve occupational health and safety levels.

We also work to strengthen the coordination and improve the knowledge of supervisors on a daily basis through initiatives focused on safety supervisors, including holding study sessions and enabling supervisors from different business locations to tour each other's workplaces.

In the event of a workplace accident, we share details of what happened and response measures throughout the Group in a timely manner to prevent similar incidents from occurring.

We will continue to raise occupational health and safety levels through study sessions and information sharing with external experts, to foster a safety culture, and to ensure thorough compliance with relevant laws and regulations by strengthening governance concerning occupational safety.

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SPECIAL FEATURE 02

Employee Roundtable with Group Company Presidents



Innovation Begins with Individual Challenges and Growth

A key theme of the NH Foods Group's human resource strategy is how to translate the commitment to innovation and taking on new challenges into the everyday actions of employees across the organization. For this roundtable discussion, we invited four employees taking on challenges in their respective workplaces to join the presidents of two Group companies to speak openly about their sense of purpose and the impact of their efforts, and to discuss the culture and workplace systems that support them.

Roundtable participants

1 Ayako Yamada
Research & Development Center, NH Foods Ltd.

2 Ryo Manabe
Product Development Department, ROLF Division, Hoko Co., Ltd.

3 Natsuko Ishikawa
Tokushima Factory, Nipponham Factory Ltd.

4 Hinata Nogawa
Oil Feedstuff and By-Products Section, Domestic Products Department, NH Foods Ltd.

5 Naomi Koga
President and Representative Director, Nippon Luna, Inc.

6 Mamie Shiratori
President and Representative Director, Kamakura Ham Tomioka Co., Ltd.

Every challenge begins with the task at hand

Can you tell us about a challenge you've recently taken on or are currently pursuing?

Manabe: My area is cheese product development. Since cheese is generally a refrigerated item, there are limits to how it can be distributed and displayed for retail sale. My idea was to create a room-temperature product to expand how cheese could be both sold and consumed. The problem is that at room temperature, the acidity and saltiness of cheese tend to intensify, which can make it less palatable. So I decided to approach the problem from a different angle—what kinds of foods do we normally eat at room temperature that could be made to resemble cheese? This led me to the idea of cheese-flavored gummies. The product is still under development, but I think it has good potential to carve out a new niche in the gummy snacks market.

Nogawa: I have been working on the conversion of by-products, which once had to be discarded as waste, into resources. The initiative started with visiting company sites, seeing firsthand what was being thrown away, and wondering whether the by-products could be upcycled for potential use elsewhere. With the cooperation of the manufacturing plants in terms of sorting and storage, we were ultimately able to create marketable products. I feel proud of the processing and conversion effort to turn waste, previously treated as a cost, into an asset with value.

Ishikawa: I recently became a certified food microbiological technologist. I decided to continue with my studies after working in the Quality Assurance Department, where I felt my knowledge was lacking—particularly in quickly identifying the causes of hygiene-related issues on the production floor so that I could help implement effective improvements promptly. Even after completing the exam preparation course, I continued studying independently, including keeping a personal microbiology notebook to deepen my understanding, and those extra efforts paid off.

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Yamada: I have been involved in food allergy research for many years, and more recently, our team has been making a concerted effort to develop a cashew nut allergen test kit. Following the April 2026 amendment adding cashew nuts to Japan's mandatory food allergen labeling requirements, I feel that our initiative has high social relevance. Although it takes time for research results to take shape, from the time I worked at a children's hospital and would speak directly with patients and their families, I felt it was my mission to address food allergies. Since becoming a manager this fiscal year, I have come to view my work on this issue not only as a personal mission but also as a way to contribute to the R&D Center and the Company as a whole.



What are your thoughts on how these young employees are performing their jobs?

President Koga: I was impressed by how keenly they identified with an issue and took it on as their own. They are also not solely focused on results but are applying positive energy to their respective challenges.
President Shiratori: I agree one hundred percent. I also understand that they consult with others to overcome obstacles too difficult to handle alone. They are clearly turning challenges into results by harnessing both their own abilities and the strength of the organization.

Making a difference leads to job satisfaction

What is rewarding to you or gives you satisfaction?

Manabe: I really enjoy the process of acquiring knowledge and applying it to create something new. Developing a product from scratch requires gathering information, creating prototypes, and going through repeated cycles of testing and validation before ultimately bringing an idea to life. That step-by-step process is both meaningful and rewarding to me.
Nogawa: My department works in an area close to the upstream end of the value chain. I get a relatively direct look at the challenges facing the livestock industry and the concerns of our business partners, as well as a grasp of societal trends, which makes me feel that our work goes well beyond trading and contributes to solving broader issues.
Ishikawa: What I find most rewarding is working with people on the production floor to analyze a problem, make improvements, and maintain optimal conditions. There are many things that the Quality Assurance Department cannot fully grasp on its own, so we rely on the expertise of floor workers to resolve issues together. Knowing that our efforts ultimately lead to safer products gives me a great sense of accomplishment.
Yamada: In my case, when I worked in a children's hospital, the patients and their families often confided in me that they wanted to cooperate with our research to help other children in the future. They were placing their trust in me, so I was determined to live up to my end of the bargain for their sake, no matter how long the research took to bear fruit. That strong sense of responsibility to fulfill my mission still drives my research efforts today.

Has the message of challenge and innovation reached the front lines?

Yamada: The system we have at the R&D Center allows researchers to propose new research topics and gives them an opportunity to bring forward their ideas and aspirations. Several of these have developed into collaborative research projects with external partners. On the other hand, some people may hesitate to put forward proposals they worked hard on since there's a possibility that their ideas might be deemed unfeasible from the perspective of business potential or profitability.
Ishikawa: In the past, our communication was mostly one-way: the Quality Assurance Department would ask the production floor to make improvements only when quality issues appeared. Now, by sharing our findings also when it comes to improvements or good performance, we are seeing more proactive input from the production floor. For example, they might say "This area has gotten worse recently, so could you take a look?" or "We have made improvements in hygiene management. Could you confirm our changes?" I really feel that the mindset is changing.
Nogawa: I think a major change has been the addition of "taking on challenges" as one of the criteria in our evaluation system, plus a weekly "Challenge Meeting." While this does add to our workload, it has also helped us develop the habit of looking beyond our day-to-day responsibilities to think about how we can make meaningful changes over the span of a full year.
Manabe: Although development is about creating new products, it is never easy to take the leap and embark on a new project. Since "taking on challenges" was incorporated into our Management by Objectives (MBO) system and project teams were introduced this fiscal year, I feel it has become easier to work on products now with a three- to five-year time horizon.
President Koga: Soon after becoming president, I began holding one-on-one meetings with all of our employees to hear from them directly. The more I listened, the more I came to feel that many people were keeping things to themselves—ideas and things they really wanted to try. I realized that simply

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Innovation Begins with Individual Challenges and Growth

having policies in place was not enough to sustain a spirit of challenge. The crucial thing is for managers to notice what their employees are trying to do, see the changes they are making, and fully back them. Creating that type of workplace culture is the role of management as I see it.

President Shiratori: When I was a rank-and-file employee, I wanted to continue working in sales after returning from childcare leave, but my supervisor, out of concern for me, assigned me to a support role instead. As president now, I insist on listening to what employees want and respecting their will. While systems are important, so is genuine engagement with employees. I work to ensure that an improvement mindset is shared not only by department and section managers, but by individual employees as well. I also make a point of recognizing positive changes every day. Even when something does not go well, we do not stop there—we work together to think about what can be done differently next time. I believe that approach gives people the confidence to keep taking on new challenges.

The pillars supporting new challenges: systems, culture, and individual aspiration

Please tell us about your systems, workplace environment, or any challenges you're working on.

Manabe: We implemented a flexible work system in our department, making it easier for everyone to adjust their work schedules. That supportive culture also allowed my colleagues to cover for me on routine duties when I needed more time for a new project. As our workplace framework has evolved, I have found that both my boss and peers have gained a greater appreciation for these ways of working. Going forward, I want to share with our younger staff how exciting it can be to turn ideas into reality.

Nogawa: In terms of policies, which include flextime, remote work, and even parental leave, we have much greater flexibility now in how we work. But we need to make sure that employees are well informed about these programs and made to feel comfortable using them. On my personal challenges, I hope to broaden my horizons by taking on assignments in new fields unfamiliar to me now.

Ishikawa: In my department, we have colleagues who have taken maternity or childcare leave, so people have the sense that these policies are easy to take advantage of. We still have difficulties, though, figuring out how to cover for a person who suddenly needs to take time off. It will be important to focus on how we can improve the practical implementation of these policies going forward. For my part, I hope to use this supportive work environment to share the knowledge I've gained as a certified food microbiological technologist with the entire factory.

Yamada: At the R&D Center, we now have maternity and parental leave, options for reduced working hours, and other flexible work arrangements. Still, while it's important to have good policies and keep improving them, it is also necessary to work things out with each employee based on what they want. Listening to everyone's comments today also reminded me that challenges aren't something you have to take on alone. In addition to my research on food allergies, I would like to explore something in an entirely new area, maybe upcycling by-products, and also play some kind of role in





helping to motivate my fellow colleagues at the R&D Center.

President Shiratori: People's feelings rub off on one another. All it takes is one person with a positive attitude to influence everyone around them. That is why I want you to share your enterprising spirit with others. Not everybody is quick to accept new ideas, so rather than mapping out every single step, perhaps just a hint is needed to reveal a good next step. And about work styles, I want our company to bring out the best performance in people during their limited work time and allow them to maintain a good work-life balance.

President Koga: It seems to me that you are already having a positive influence on those around you. At Nippon Luna, we call ourselves "The *Tokimeki* Yogurt Company," which suggests thrills and excitement. I believe that when you have something you want to try, you should go for it. The important thing is to take the first step and get going. The more times we have people say "Let me try this!" and actually do it, the stronger the company will be. Go ahead and continue learning and broadening your horizons; be vibrant and lead your life in your own way without fearing new experiences. Your very presence will then make you a role model for others. I look forward to seeing you lead your respective teams with a smile and a positive attitude.

Thank you all very much for your valuable insights today.

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SPECIAL FEATURE 03



Why Middle Managers Matter to Organizational Change

Middle managers serve as the linchpin for translating the NH Foods Group's pursuit of innovation and challenges into action on the front lines. Responsible for leading teams and meeting targets, they play a key role in organizing efforts. In this feature, we explore the perspectives of two middle managers.

Action starts from realizing that the opportunity is there for everyone to take on a challenge

Taku Sato
Senior Director to the Business Division
Fighters Sports & Entertainment Co., Ltd.

Aligning perspectives to enhance medium- to long-term value

I oversee the Hokkaido Nippon-Ham Fighters' B2C business operations, including ticket sales, merchandising, marketing, promotions, and game presentation. Rather than directing day-to-day operations, my role is to coordinate the various functions, determine how to enhance the value of the business over the medium- to long-term, and translate those ideas into action. The Fighters organization is made up of people from many different backgrounds who have had a range of formative career experiences. While I see that diversity as a source of strength, differences such as when people joined the organization and their professional backgrounds can sometimes lead to misaligned perspectives. That is why it is crucial to create lots of opportunities for people to share their views and align their thinking. Having an environment where everyone, from the president on down, works on the same floor allows for a daily exchange of information and provides the foundation for building a common understanding across the organization.

The fire of ambition is fueled more by opportunity and competition than by management

To motivate people, it is important to help them realize that challenges exist for them to take on. At Fighters, we use weekly sharing sessions to communicate a wide range of information, including sales figures and updates on other departments, and we create many opportunities for co-creation with external companies. I believe this kind of exposure broadens their horizons and fosters a greater willingness to take on new challenges. Of course, amid the demands of day-to-day operations, there isn't always enough time to carefully nurture employees. Even so, I make a point of being receptive to new ideas and encouraging employees to put those ideas into practice.

New value is unlikely to emerge through management alone. I believe it is important to provide a healthy level of competition and opportunities, while supporting employees as they step forward. Doing so helps foster a culture focused on new challenges and paves the way for a bright future for our business.

Broadened views and strong motivation will shape the future of the Processed Foods Business

Yuki Fujimoto
General Manager of Processed Foods Marketing Strategy Office
Processed Foods Business Division

Looking ahead to the next decade: redefining the role of the Processed Foods Business

As head of the Processed Foods Marketing Strategy Office, I am working to build long-term brand strategies and create new categories and businesses. While the Processed Foods Business has been a pillar of our growth, we also face the challenge of developing our next growth engine. That is why we need to shape the future of the Processed Foods Business by looking beyond our existing products and starting with the question of what value we want to create five or ten years from now. Given that my position this fiscal year is somewhat separated from earnings targets, I see my role as an opportunity to pursue initiatives for the future without being overly focused on short-term numbers.

It's less about training people, more about creating an environment where they can grow

I am a little bit wary of the term "training of talent." That is because I believe people grow mostly through their own efforts, rather than through training from others. The role of the middle manager is to create the environment for that self-development to flourish and to encourage people to turn ideas into action. This year, we strengthened our Young Employees' New Product Proposal Forum, a program aimed at turning employee ideas into products, transforming the program into a venue that facilitates training and hands-on experience for young workers based not only at our plants, but also those from sales and other departments. When people are allowed to think freely, and they get a sense that their ideas are actually moving the business, they are motivated to act. But when reality imposes, and business results are not looking good, there are always loud calls for a short-term focus. Brand building and chasing near-term numbers—there is no clear-cut way to reconcile the two. That is precisely why, when someone on my team encounters a challenge, I work alongside them to find a solution and, when needed, take the lead to help things move forward. I believe that creating an environment where people can grow and supporting their efforts will lead to the next stage of growth for the Processed Foods Business.

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Stakeholder Engagement

Our commitment to the provision of enhanced value

The NH Foods Group will continue to respond to the expectations of all stakeholders by taking up the challenge of creating value.



We believe it is our responsibility to provide our customers with high quality offering for safety, reliability, satisfaction, and happiness. We also aim to achieve customer satisfaction through a cycle of customer-oriented communications that comprises "listening," "knowing," and "using."

Value provided

- *The joy of eating*
- Accurate information
- Stable procurement and supply of proteins
- Provision of products that contribute to health
- Safe, high-quality products and services

Our procurement activities are rooted in the NH Foods Group Sustainable Procurement Policy; we intend to establish relationships of trust with our business partners and work with them to realize coexistence and mutual prosperity.

Value provided

- Strengthening partnerships that lead to sustainable growth for all concerned
- Ensuring product quality and reliability of supply
- Approaching business with fairness and transparency
- Co-creating new added value

We intend to comply with the laws and regulations of each of the countries and regions we operate in, actively exchange information with governments, and develop our business. If we realize that accidents have occurred, or if we think there is a risk that accidents might occur, we will report this to the relevant authorities and work hard to investigate and identify the causes.

Value provided

- Compliance with laws and regulations
- Contribution to industry development in partnership with various organizations
- Conscientious payment of taxes

In order to establish relationships of trust with our shareholders and other investors, we place great importance on communication and try to ensure that we incorporate the opinions and requests we receive into our corporate activities.

Value provided

- Improvement of corporate value
- Timely and accurate disclosure
- Appropriate returns
- Constructive dialogue with shareholders and investors

Web https://www.nipponham.co.jp/corporate/sustainability/stakeholders/

We seek to accurately understand international rules, as well as the laws, histories, cultures, and customs of the various countries and regions we operate in, and we intend to work hard to comply with and respect them.

Value provided

- Solution of industry issues through cooperation
- Constructive dialogue and cooperation toward business activities based on respect for human rights and the environment

As both a member of local communities and a good corporate citizen, the NH Foods Group aims to actively engage in communications that contribute to sustainable regional development. We also intend to consider both what we can do and what is expected of us, and exist in harmony with local communities.

Value provided

- Co-creation toward regional community revitalization
- Protection of local environments
- Harmonious coexistence with local communities
- Regional economic development

We aim to establish a place where employees can feel truly happy and fulfilled. In addition, we are engaged in activities that seek to develop employee awareness and skills, realize a healthy work-life balance, promote diversity, and maintain healthy minds and bodies.

Value provided

- Provision of challenges and motivation
- Promotion of DE&I
- Provision of growth opportunities

Our goal is to protect the life-giving natural environment and to fully enable the bounty of nature to flourish; to this end, we intend to promote corporate activities that are in harmony with the environment, based on the NH Foods Group Environmental Policies.

Value provided

- Effective utilization of natural capital
- Reduction of environmental impact
- Solution of environmental problems

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Materiality Targets and Progress

Materialities	Issues	Measures	Our vision	FY2025
Stable procurement and supply of proteins	Ensure the stable procurement and supply of meat	● Expand stable supply of livestock meat ● Continue striving to prevent the outbreak of diseases	Domestic meat product sales volume growth rate: 104% compared to FY2023 (FY2026)	103.1%
	Achieve sustainable livestock production	● Support and co-create with farmers - Provide technical guidance for PIG LABO® and the poultry production business - Develop and utilize new technologies such as smart livestock farming		
Enriching lives through food	Address diversifying lifestyles and value sets	● Develop and provide products that meet diverse needs ● Provide food experiences that bring about smiles ● Spread the knowledge gained in Japan to other countries and regions	● Ensure 50% of the main consumer products in the ham and sausage, and processed food category include Mealin' Good products. (FY2026)	19.4%
	Contribute to solutions for food issues	● Develop and provide products that contribute to the development of healthy bodies	● Overseas processed product business sales growth rate: 200% compared to FY2023 (FY2026)	133.8%
Contributing to a sustainable environment	Respond to climate change	● Reduce fossil fuel-derived CO_2 emissions (Scope 1, 2)	Domestic: –29% compared to FY2013 (FY2026)	–32.4%
			Domestic: –46% compared to FY2013 (FY2030)	
			Overseas: –17% compared to FY2021 (FY2026)	–5.9%
			Overseas: –24% compared to FY2021 (FY2030)	
		● Reduce livestock-derived greenhouse gas emissions ● Implement measures at our own farms	—	Continuing joint research projects
	Promote resource conservation	● Reduce plastics use Scope: Packaging materials derived from fossil fuels among those products subject to the Containers and Packaging Recycling Law in Japan	Domestic: –17% compared to FY2013 (FY2026)	–38.1%
			Domestic: –20% compared to FY2013 (FY2030)	
Creating new value	Provide new value through food and sports	● Plan urban area centered on the food and sports businesses around HOKKAIDO BALLPARK F VILLAGE	Increase the number of visitors and permanent residents by enhancing facilities and services in the F VILLAGE (FY2030)*1*2	Number of visitors: Approximately 4.59 million people Resident population: –*3
	Create businesses that expand the potential of protein	● Create value by strengthening R&D ● Explore various possibilities for protein	Launch and monetize businesses (FY2030)	Selected topics based on the R&D strategy for a company-wide effort and implemented measure that support the acceleration of commercialization
			Establish technology for commercialization (FY2030)	Continued research into koji (mycoprotein) protein and cellular foods/ Invested in a startup that develops medical equipment using livestock-derived materials
Fostering an organizational culture focused on new challenges	Train/recruit innovative managers	● Review executive evaluation items and enhance the management succession plan	Progress of transformation, challenges, and employee engagement initiatives (FY2030)	1. Strategic recruitment and training • Created a talent pool • Implemented overseas assignment training 2. Enhancement of initiatives for fostering an organizational culture focused on new challenges • Continued appropriate evaluation and treatment according to results • Launched our new award system, "Challenge Awards"
	Promote the participation of a diverse range of human resources	● Reinforce and embed systems that encourage and recognize each individual's efforts ● Create an environment in which a diverse range of individuals are respected and can thrive	Progress of priority management items (FY2030)	

*1 The number of visitors is the count of those who visited from January through December 2025. *2 Number of the permanent residents of Kitahiroshima City in FY2030 (compared to October 2023)
*3 The number will be reported according to the result of the resident population estimate of Kitahiroshima City in FY2030.

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ESG Initiatives in Our Value Chains

Web Sustainability Corporate governance

The NH Foods Group is helping to solve social issues through its business activities by implementing ESG initiatives across all of its value chains.

Our main environmental, social, and governance initiatives

		Procurement	Development	Production and breeding	Packing and processing	Consignment and distribution	Sales and marketing
Environmental	Greenhouse gas emissions	P.62 ● Promoting decarbonization of energy at our facilities ● Promoting the reduction of livestock-derived greenhouse gas emissions ● Using the underutilized resources (livestock waste) produced during production processes for energy generation					
	Plastic				P.62 ● Reducing petroleum-based plastic packaging ● Increasing the use of environmentally friendly packaging materials		
	Water			P.63 ● Minimizing water consumption ● Reducing risks in water-stressed areas			
	Food loss					P.63 ● Further improving technologies we have developed that minimize food loss	
	Waste		P.63 ● Reducing resource input and final disposal ● Creating a regional recycling model				
Social	Sustainable livestock farming	P.64 ● Addressing labor shortages in the livestock industry ● Addressing animal welfare issues ● Disease control					
	Healthier minds, healthier bodies					P.65 ● Contributing to well-being	
	Human rights	P.66 ● Practicing human rights due diligence ● Human rights education and training ● Supplier monitoring					
	Health management, and occupational health and safety		P.67 ● Promoting health management ● Maintaining work environments ● Strengthening occupational safety				
	Human resource initiatives		P.43 ● Training/recruiting innovative managers and promoting career development for diverse people ● Diversity, equity, and inclusion				
Governance	Corporate governance	P.77					

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Chapter 4

Corporate Governance

How are the organization and governance evolving to support growth?

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Chapter 4 Corporate Governance

How is governance evolving so that strategies for improving corporate value can be implemented consistently?
This chapter examines the Group's initiatives to support growth, from the separation of executive and oversight functions to the strengthening of risk management.

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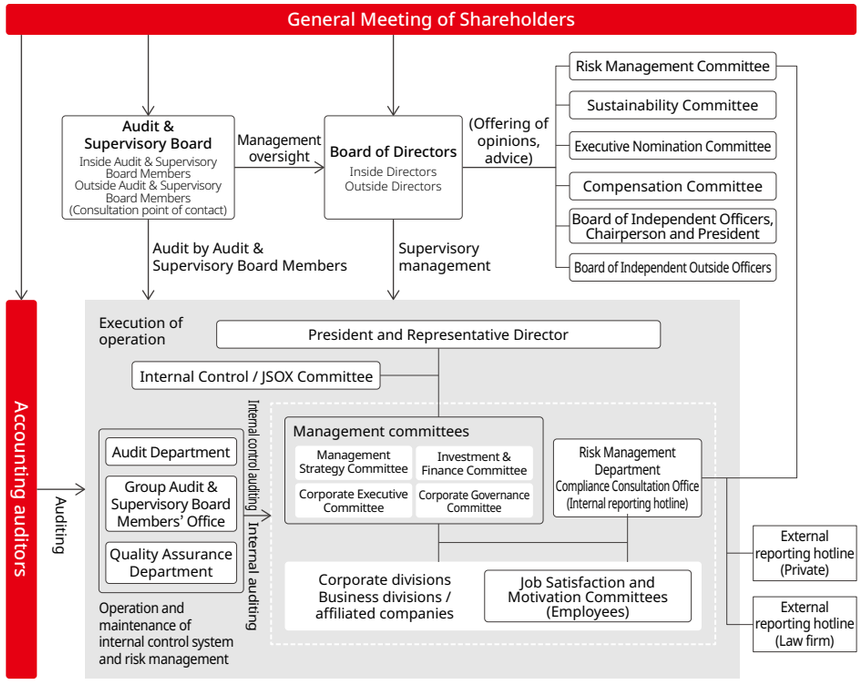
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Corporate Governance

Achievements in reinforcing the corporate governance system

The NH Foods Group is working to fulfill its social responsibilities as a company and achieve the Group's Corporate Philosophies by building the most appropriate governance structure for the Group based on the NH Foods Group Fundamental Policy on Corporate Governance. The application of this structure aims to enhance management transparency and efficiency across the entire Group, to ensure timely and proper decision-making as well as appropriate business operations, to enable proactive and courageous business judgments, and to clarify responsibilities.

Corporate governance system



Achievements in the reinforcement of corporate governance

Medium-term management plan	Number of directors*1 (Outside Directors)	Number of Audit & Supervisory Board Members*1 (Outside Audit & Supervisory Board Members)	Main efforts to strengthen corporate governance
FY2003–2005 New Medium-Term Management Plan Part 1	11 (2)	5 (4)	**2003** • Established the Management Strategy Committee, Investment & Finance Committee, and Corporate Executive Committee • Established the Compliance Committee, Compensation System Committee (now Compensation Committee), and Crisis Management Committee (now Risk Management Committee) **2004** • Established the Corporate Governance Committee
	10 (2)	5 (4)	
	11 (2)	5 (4)	
FY2006–2008 New Medium-Term Management Plan Part 2	10 (2)	5 (3)	**2006** • Established the Corporate Value Evaluation Committee*2 **2008** • Established the J-SOX Committee (now Internal Control / JSOX Committee)
	10 (2)	5 (3)	
	10 (2)	5 (3)	
FY2009–2011 New Medium-Term Management Plan Part 3	10 (1)	5 (3)	**2011** • Established the Executive Nomination Committee
	12 (2)	5 (3)	
	12 (2)	5 (3)	
FY2012–2014 New Medium-Term Management Plan Part 4	10 (2)	5 (3)	
	10 (2)	5 (3)	
	10 (2)	5 (3)	
FY2015–2017 New Medium-Term Management Plan Part 5	10 (2)	5 (3)	**2016** • Established the Board of Independent Officers and Representative Directors, and Board of Independent Outside Officers
	10 (2)	5 (3)	
	10 (2)	5 (3)	
FY2018–2020 Medium-Term Management Plan 2020	10 (2)	5 (3)	**2018** • Established the CSR Promotion Committee*2 **2020** • Established the Sustainability Committee*2 • Introduced the Performance-Based Stock Compensation Plan
	9 (3)	5 (3)	
	8 (3)	5 (3)	
FY2021–2023 Medium-Term Management Plan 2023	8 (3)	5 (3)	**2021** • Established the Group Audit & Supervisory Board Members' Office • Revised the Fundamental Policy on Cross-Shareholdings **2023** • Reformed officer compensation and evaluation systems
	8 (3)	5 (3)	
	8 (3)	5 (3)	
FY2024–2026 Medium-Term Management Plan2026	9 (4)	5 (3)	**2024** • Reformed officer compensation and evaluation systems **2025** • Unwound some cross-shareholdings
	8 (4)	5 (3)	
	8 (4)	5 (3)	

*1 Number after the Ordinary General Meeting of Shareholders
*2 The Corporate Value Evaluation Committee was renamed as the Corporate Value Enhancement Committee. In 2020, the Corporate Value Enhancement Committee and CSR Promotion Committee were merged to form the Sustainability Committee.

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Corporate Governance

Corporate governance system overview (No. of meetings in FY2025)

Body		No. of members (male/female)	Chair	Objective and other details
Directors and the Board of Directors	19	8 • 4 inside officers (4/0) • 4 outside officers (2/2)	Chairperson	We have set the number of directors to at least three but no more than 12 to ensure prompt and proper decision-making in consideration of the scope of liability of that body. We also appoint more than one outside director to ensure transparency. It meets once a month and makes decisions on matters set forth in laws, regulations, and the Articles of Incorporation, as well as other important matters.
Audit & Supervisory Board	17	5 • 2 inside officers (2/0) • 3 outside officers (3/0)	Full-time Audit & Supervisory Board Member	We have set the number of members to at least three but no more than five to enable it to fully perform its supervisory function toward the Board of Directors and half of the members should be outside Audit & Supervisory Board Members. There should also be at least one member who has appropriate knowledge of finance and accounting in particular. It meets at least once a month and discusses important matters concerning auditing.
Compliance Committee (now Risk Management Committee)	4	14 • 9 inside officers (9/0) • 5 outside officers (1/4)	Chairperson	To ensure thorough compliance and raise society's trust in the Group by comprehensively confirming and reviewing Groupwide compliance and making proposals to the Board of Directors and management committees.
Executive Nomination Committee	8	5 outside officers (3/2)	Outside Director	To strengthen the supervisory function of the Board of Directors by enhancing the transparency and objectivity of decisions on the selection of candidates for the positions of representative director, director, and Audit & Supervisory Board Member, as well as discussions regarding the dismissal and/or removal of the President and Representative Director and other management members (executive directors and executive officers).
Compensation Committee	5	5 • 1 inside officer (1/0) • 4 outside officers (2/2)	Outside Director	To strengthen the supervisory function of the Board of Directors by enhancing the transparency and objectivity of decisions regarding compensation for corporate officers (including executive officer.)
Board of Independent Officers, Chairperson and President	2	9 • 2 inside officers (2/0) • 7 outside officers (5/2)	—	Convenes as the Board of Independent Officers, Chairperson and President to facilitate exchanges of opinion among independent officers, chairperson and president as a forum for making proposals regarding improvements to the Group's corporate value and reforms to corporate culture.
Board of Independent Outside Officers	2	7 outside officers (5/2)	Outside Director	To facilitate discussions between independent directors and Audit & Supervisory Board Members as a forum for exchanging information and sharing understandings from an independent and objective perspective.
Sustainability Committee	4	14 • 8 inside officers (7/1) • 6 outside officers (3/3)	Chairperson	To comprehensively review the sustainability initiatives of the Group, and report and make proposals to the Board of Directors.
Internal Control / JSOX Committee	3	18 inside officers (17/1)	Officer appointed by the President and Representative Director	To evaluate the effectiveness of internal controls at all Group companies and internal controls concerning business processes, as well as to report the results of these evaluations to the Board of Directors and members of management as a basis for manager evaluations.
Risk Management Committee (now Risk Management Subcommittee)	4	11 inside officers (9/2)	Officer appointed by the President and Representative Director	To discuss issues and measures concerning risk management (risk prevention and rapid response to business emergencies) and to report matters under consideration by the Subcommittee and the results of discussions to the Board of Directors or Management Strategy Committee with the aim of contributing to the management of the Group.

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Officers

Directors

1 Nobuhisa Ikawa
Chairperson and Director
Chairperson of the Board of Directors

2 Fumio Maeda
President and Representative Director
President and CEO

3 Kohei Akiyama
Director and Senior Managing Executive Officer
In charge of General Affairs Department, Public Relations & Sustainability Department, Secretarial Office, and Corporate Communication Project and Ideal Management Structure Project

4 Teruyuki Asayama
Director and Executive Officer
In charge of Corporate Strategy Department, Accounting & Finance Department, VBM Promotion Office, and Medium-Term Management Plan Project

5 Tokushi Yamasaki
Outside Independent Director

6 Hiroko Miyazaki
Outside Independent Director

7 Masahiko Koyama
Outside Independent Director

8 Hiroko Otani
Outside Independent Director

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Audit & Supervisory Board Members

9 Nobuo Oda
Audit & Supervisory Board Member (Full-time)

10 Yoshitaka Hasegawa
Audit & Supervisory Board Member (Full-time)

11 Masayuki Kitaguchi
Outside
Audit & Supervisory Board Member

12 Shigeru Nishiyama
Outside
Audit & Supervisory Board Member

13 Katsumi Nakamura
Outside
Audit & Supervisory Board Member

Managing Executive Officers

Nobuhiro Hosoya
General Manager of Fresh Meats Business Division

Akio Wakita
General Manager of Processed Foods Business Division

Seiji Inatomi
General Manager of Overseas Fresh Meats Business Division and Australia Business Division, Fresh Meats Business Division

Executive Officers

Takao Seki
General Manager of Sales Management Division, Processed Foods Business Division

Hirohide Fujiwara
In charge of IT・DX Promotion Department; President and Representative Director of Nipponham System Solutions Ltd.

Yasuyuki Oishi
In charge of Audit Department and Risk Management Department; General Manager of Group Audit & Supervisory Board Members' Office

Masashi Kabayama
General Manager of Administrative Division, Processed Foods Business Division

Takashi Kamiya
General Manager of Domestic Red Meat Division, Fresh Meats Business Division

Kenji Takasaki
General Manager of Overseas Processed Foods Business Division, Processed Foods Business Division

Takeshi Fukushima
General Manager of Sales Management Division, Fresh Meats Business Division

Tatsuro Hishinuma
In charge of Human Resources Department, Legal Affairs Department

Masaru Komura
General Manager of Sports & Entertainment Business Division; President and Representative Director of Hokkaido Nipponham Fighters Co., Ltd.

Kiyoshi Anjiki
General Manager of Product Management Division, Processed Foods Business Division

Kiyoshi Iwama
General Manager of Quality Assurance Department; In charge of Customer Service Department and Research & Development Center

Toshimitsu Ito
General Manager of Administrative Division, Fresh Meats Business Division

Note: See the Notice of the 81st Ordinary General Meeting of Shareholders on our website for bios, positions, responsibilities, and important concurrent positions.

Web https://www.nipponham.co.jp/corporate/ir/events/generalmeeting/

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The Power of Dialogue in Enhancing Corporate Value

The Board's role is oversight. By keeping that responsibility firmly in mind, we help secure the Group's next stage of growth.

As the NH Foods Group enters the final year of Medium-Term Management Plan 2026, and efforts to enhance corporate value accelerate under the leadership of President Maeda, what is the Board of Directors discussing today? From what perspective are the Outside Directors overseeing management and encouraging the Group to take on new challenges? We asked four Outside Directors, each bringing a different area of expertise, to speak candidly—from their assessment of where the Group stands today to their expectations for what lies ahead.

1 Tokushi Yamasaki

Mr. Tokushi Yamasaki took office as Outside Director in June 2022. He has also served as a securities analyst in the food sector for a major securities company, and possesses professional knowledge and abundant experience of food companies in general. He serves as chairperson of the Compensation Committee, as well as a member of the Sustainability Committee and the Executive Nomination Committee.

2 Hiroko Miyazaki

Ms. Hiroko Miyazaki took office as Outside Director in June 2024. She has broad business experience as an attorney, as well as experience in corporate management at global companies. She serves as chairperson of the Executive Nomination Committee, as well as a member of the Risk Management Committee and the Compensation Committee.

3 Masahiko Koyama

Mr. Masahiko Koyama took office as Outside Director in June 2025. He has extensive experience in corporate management including serving as president and representative director of a major corporation in the hotel and resort sector. He serves as a member of the Risk Management Committee, the Executive Nomination Committee, and the Compensation Committee.

4 Hiroko Otani

Ms. Hiroko Otani took office as Outside Director in June 2026. She has extensive corporate management experience especially in the marketing field, including serving as an executive officer at a major convenience store chain, as well as a director of a joint venture between a U.S. and a Japanese food company. She serves as a member of the Sustainability Committee, the Executive Nomination Committee, and the Compensation Committee.

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Assessing Where We Stand, Envisioning the Next Stage of Growth

Q1 What stage of growth do you believe the NH Foods Group is at right now?

Yamasaki: Our earnings have been growing steadily, and we've become better able to respond to changes in the external environment. I think the results of our growth strategy, structural reform, and cultural reform are starting to show up in the numbers. That said, challenges remain on the capital-efficiency side, including ROE, ROIC, and so on. If we can address that by reforming the business substantively, not just from a P&L perspective but from a balance-sheet perspective as well, I believe the market's evaluation of us will continue to rise over the medium- to long-term. Right now, I see us at an important turning point as we move into the next phase of enhancing corporate value.

Miyazaki: The NH Foods Group has real strengths, such as the brand power and product-development capability it has built up domestically, and an integrated business base that runs from production through to sales, and there is still significant room for growth. Right now, we're at the stage of turning that potential into real results. Growth opportunities are expanding: overseas markets, new business areas, and co-creation with other companies. What matters most is identifying which markets and which strengths to focus on, and then concentrating our limited management resources accordingly. Improving the profitability of our existing businesses while building the pillars for future growth, and connecting that to higher corporate value—that's the sequence. I see this as a period when our ability to actually execute on that is being tested.

Koyama: The Group as a whole is making consistent progress, but we're still in the middle of the transformation. To turn the results of structural reform and our growth strategy into sustained gains in corporate value, stronger governance and deeper cultural reform are indispensable. The next step for us and our affiliated companies should be aiming to become an organization, where every employee thinks and acts autonomously. I think that a strong company is one where people on the front line think for themselves and act on it. Therefore, I will keep driving that transformation forward.

Otani: Coming in from outside the Company, I've really come to appreciate the strength of the NH Foods Group's business base. Now that we've built a solid position in the domestic food industry, I see us as having entered a stage where we further develop the strengths we've built and achieve sustained growth both in Japan and overseas. To accomplish that, I believe it's vital to make our growth strategy more concrete and, for the solid execution of the strategy, to rapidly foster the organizational capability, the systems, and the next generation of talent.

Q2 In discussions aimed at enhancing corporate value, what does the Board focus on?

Yamasaki: We are particularly focused on how investors will perceive our decisions and whether shareholders can accept them as sound. For that reason, capital efficiency, business portfolio, and resource allocation inevitably become central themes. It's not enough to ask whether a business is profitable. What matters is to accurately assess whether that profit exceeds the cost of capital, in other words,



whether the investment leads to higher corporate value down the road. This year, we've been able to spend more time on such discussions at the strategic level, which I believe has enhanced the quality of Board discussion.

Miyazaki: The biggest change for us this year was designing, carefully and in advance, what the Board would discuss over the course of the year. It wasn't just about laying out a list of topics; we thought through the order in which to deepen each discussion. That made the connection between individual issues and company-wide strategy much clearer, leading to better and deeper discussions.

Otani: Going forward, I want to deepen the Board's discussions on management by bringing in an even stronger customer-oriented mindset and marketing perspective. To enhance corporate value over the long term, it is essential to keep improving products and brands that customers continue to choose. Drawing on the strengths the NH Foods Group has built up, and staying closely attuned to changes in the market

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and among our customers, I will contribute to the discussions that maintain our position as a company that customers consistently favor.

Q3 Could you tell us about the process behind President Maeda's appointment?

Yamasaki: On the choice of the next President, the Executive Nomination Committee spent a good deal of time over the past year discussing it carefully. What we focused on in particular was whether President Maeda would not just carry forward the reforms already under way, but could envision and execute the next stage of growth toward higher corporate value. From an investor or shareholder standpoint, how the company progresses with regards to capital efficiency enhancement and business portfolio optimization is just as important as earnings performance. President Maeda has a deep understanding of the business as a whole, and recognizes the importance of capital efficiency and business portfolio reform. On those grounds, we judged him to be the right person to lead the Company toward greater corporate value going forward.



Koyama: In support of sustained growth in corporate value, our Group formulated a succession plan for developing our next generation of management, and defined five "Human Resources Characteristics Required for Executives"—integrity, devotion, deliberation, endeavor, and empathy. With President Maeda as well, we checked his track record and his capacity to lead the Company against these requirements. On that basis, we concluded that with his experience across the full range of our businesses and his ability to carry the transformation further forward, thereby building on the growth strategy, structural reform, and cultural reform that the Group has already been pursuing, he was the most suitable person.

Miyazaki: Under former President Ikawa, our growth strategy, structural reform, and cultural reform advanced, and solid results have clearly followed in our performance. The Executive Nomination Committee carefully discussed what structure would best serve future corporate value growth, including the option of continuing with the current structure for the remaining year of Medium-Term Management Plan 2026. After repeated discussions with former President Ikawa, we decided that the succession to President Maeda was the most appropriate way to broaden the reforms already in progress and carry them into the next stage of growth, and the Executive Nomination Committee reported that decision to the Board. When a change of president happens partway through a medium-term management plan, a clear explanation on the reasoning must be given to investors and shareholders. Our reasoning for this change is to develop our reforms into the next stage of growth, based on the results we have already achieved.



Backing Challenges, Supporting the Next Generation of Management

Q4 What role do you think the Board should play in supporting challenges and risk-taking?

Yamasaki: To really back challenges, I'd argue that we need rather strict investment discipline. Investors care about fair value. If we're investing 130 in a deal that's worth 100, for instance, there needs to be a clear synergy that closes that gap. If that's not clear, I can't easily approve a large investment proposal. This approach to the investment process isn't meant to block us from taking on challenges. Rather, it's meant to ensure those efforts translate into higher corporate value. I want the Group to put the earnings that each business makes into investments that lead to strong returns in the future. When a proposal is feasible and clear, it gains support; when it lacks details, it's scrutinized. That tension I believe

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is what underpins healthy risk-taking.

Miyazaki: I believe what governance requires isn't just holding risk down—it's identifying which risks are worth taking. When it comes to investment or new challenges, I think about it in terms of assumptions we can control ourselves versus external factors. Even when there's uncertainty, if the proposal stands on a rational, fact-based foundation, I would back the challenge.

Visiting business sites and the front line, and picturing what the business actually looks like in concrete terms, is something I also value in deepening our discussions. I believe the Board's role is to raise the probability that a challenge succeeds by grounding it in logic and fact.

Koyama: The role of Outside Directors is not only to hit the brakes, but also to fuel the challenges the company needs to take on, with a long-term view. Near-term performance unquestionably matters, but if we focus solely on that, we won't be able to support a strategy that looks ten years ahead. Human resource strategy and human capital management in particular aren't themes where results deliver overnight, but they have a major bearing on future corporate value. That's precisely why, while carefully checking the relevant data and reasoning, I'm willing to fully support necessary investments and challenges. Assisting an organization willing to take on challenges is also an important part of governance.

Otani: I believe one of the Board's important roles is to build an environment and a structure that back challenges and risk-taking. Change in the business environment is faster than ever, and companies are required to make decisions quickly and respond to changes appropriately. When it comes to growth overseas or taking on new business fields, there are an increasing number of situations that our conventional thinking and structures cannot manage alone. As a Board, I want to help build an environment and structure where the Group can boldly take on challenges, with an outward-looking perspective focused on changes in our customers and markets.

Q5 What are your expectations for the Maeda administration and the next medium-term management plan?

Yamasaki: President Maeda has a good grasp of the importance of capital efficiency and business-portfolio reform. This leads me to expect he will convert his understanding into an even clearer statement on resource allocation including where to invest, what to strengthen, and what to reconsider. It is my hope he will then logically deliver the ideas to the capital markets as well. The course he has charted is correct and entirely achievable. However, simply having the right direction is not enough to increase our evaluation. I want him to illuminate the path to future growth with both logic and passion.

Miyazaki: I think President Maeda's own particular brand of leadership is going to matter even more from here. Achieving growth overseas in particular will require developing and deploying both the people who run the businesses and the management personnel who support local operations and provide a check-and-balance function. Securing the controls that are inherent to the Group while respecting the autonomy of our affiliated companies, which is to say having the organizational capability to balance delegated authority with control, would be an important factor to determine the level of ability to execute the next medium-term management plan.



Koyama: It is my hope that President Maeda helps us to achieve an even higher level of corporate value based on the reforms already under way. Reviewing our capital policy and business portfolio with the cost of capital in mind, and translating that into improved ROE and ROIC, is important. However, human resource strategy is of even greater significance. When we change a business portfolio, it is crucial to alter the allocation of, and training method for, the employees who will carry it out. For the next medium-term management plan, I hope business, finance, and people are all discussed holistically.

Otani: I hope the new leadership will help the NH Foods Group evolve to be even more outward-looking, grounded in the market and the customer. Borders and industry boundaries are becoming less distinct, and the competitive environment is changing significantly. For the next medium-term management plan, it is my hope that a tangible path to further enhancement of existing businesses presents itself, and that the strength of the improvements yielded creates new value, making possible sustained growth both in Japan and overseas. As a member of the Board, I will support the challenges and the growth of the NH Foods Group as we implement the plan surely and swiftly to leap forward into the next stage of growth.

Thank you all very much for your valuable insights today.

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Reasons for election and attendance of directors (FY2025)

Attendance is based on the number of relevant meetings attended in fiscal 2025, while the positions shown are positions held from June 2026 onward.

Name	Reasons for election	Committees serving on ■ Committee chairperson ○ Committee member								
		Board of Directors	Audit & Supervisory Board	Management Strategy Committee	Risk Management Committee	Sustainability Committee	Executive Nomination Committee	Compensation Committee	Board of Independent Officers, Chairperson and President	Board of Independent Outside Officers
Nobuhisa Ikawa	Mr. Nobuhisa Ikawa successively served as General Manager of Processed Foods Business Division, Representative Director and Vice President, General Manager of Corporate Planning Department, and officer in charge of Research & Development Center, new business development, and the Hokkaido Project, and later led business operations as President and Representative Director of the Company starting in April 2023. Since April 2026, he has chaired Board of Directors meetings as Chairperson and Director of the Company, during which he has encouraged Outside Directors to actively contribute with opinions and advice, and he has contributed to the further development of the Group by overseeing various initiatives based on Medium-Term Management Plan 2026 toward the realization of the NH Foods Group "Vision2030," which was established as a milestone for achieving the Group's corporate philosophy. In this way, he has fulfilled his role as a director.	■ 19/19 (100%)	—	Observer	■ 4/4 (100%)	■ 4/4 (100%)	—	○ 5/5 (100%)	○ 2/2 (100%)	—
Fumio Maeda	Mr. Fumio Maeda successively served as General Manager of Corporate Planning Department, officer in charge of Research & Development Center and the Hokkaido Project, and General Manager of Processed Foods Business Division and Fresh Meats Business Division. Later, in April 2025, he became Director and Vice President of the Company and was in charge of Corporate Planning Department, Accounting & Finance Department, and the Growth Strategy Project. Since April 2026, he has led business operations as President and Representative Director of the Company and he has contributed to the further development of the Group by advancing various initiatives based on Medium-Term Management Plan 2026 toward the realization of the NH Foods Group "Vision2030," which was established as a milestone for achieving the Group's corporate philosophy. In this way, he has fulfilled his role as a director.	○ 19/19 (100%)	—	■	○ 4/4 (100%)	○ 4/4 (100%)	—	—	—	—
Kohei Akiyama	Mr. Kohei Akiyama was in charge of Human Resources Department, Legal Affairs Department, General Affairs Department, Public Relations Department, and Secretarial Office of the Company. Since April 2026, he has led business operations as Director and Senior Managing Executive Officer in charge of General Affairs Department, Public Relations & Sustainability Department, Secretarial Office, and the Corporate Communication Project and Ideal Management Structure Project. He has contributed to further development of the Group by implementing various measures pursuant to the Medium-Term Management Plan 2026 to achieve the NH Foods Group "Vision2030," a milestone for achieving the corporate philosophy.	○ 19/19 (100%)	—	○	○ 4/4 (100%)	○ 4/4 (100%)	Observer	Observer	—	—
Teruyuki Asayama	Mr. Teruyuki Asayama has experience in procurement and sales in the domestic fresh meats business and more than 10 years of overseas experience. From April 2025, he served as Executive Officer and General Manager of Australia Business Division, Fresh Meats Business Division and Managing Director of NH Foods Australia Pty. Ltd., and gained extensive experience in global business operations. Since April 2026, he has led business operations as the person in charge of Corporate Strategy Department, Accounting & Finance Department, and the Medium-Term Management Plan Project. He has contributed to further development of the Group by implementing various measures pursuant to the Medium-Term Management Plan 2026 to achieve the NH Foods Group "Vision2030," a milestone for achieving the corporate philosophy.	–	—	—	—	—	—	—	—	—

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Corporate Governance

Name	Reasons for election	Committees serving on ■ Committee chairperson ○ Committee member								
		Board of Directors	Audit & Supervisory Board	Management Strategy Committee	Risk Management Committee	Sustainability Committee	Executive Nomination Committee	Compensation Committee	Board of Independent Officers, Chairperson and President	Board of Independent Outside Officers
Tokushi Yamasaki Outside Independent officer	Mr. Tokushi Yamasaki has professional knowledge and abundant experience as a securities analyst. Therefore, we expect him to provide us with valuable suggestions regarding fostering an organizational culture focused on new challenges, promotion and implementation of structural reform and growth strategies to transform the Company under the theme of "Working together to create value through protein" for the Medium-Term Management Plan 2026.	○ 19/19 (100%)	—	—	—	○ 4/4 (100%)	○ 8/8 (100%)	■ 5/5 (100%)	○ 2/2 (100%)	○ 2/2 (100%)
Hiroko Miyazaki Outside Independent officer	Ms. Hiroko Miyazaki has broad business experience as an attorney at law firms in Japan and abroad and also has experience in corporate management through serving as legal director and president and representative director at global companies. Therefore, we expect her to provide us with valuable suggestions regarding fostering an organizational culture focused on new challenges, promotion and implementation of structural reform and growth strategies to transform the Company under the theme of "Working together to create value through protein" for the Medium-Term Management Plan 2026.	○ 19/19 (100%)	—	—	○ 4/4 (100%)	—	○ 8/8 (100%)	○ 5/5 (100%)	○ 2/2 (100%)	○ 2/2 (100%)
Masahiko Koyama Outside Independent officer	Mr. Masahiko Koyama has extensive experience in corporate management including serving as president and representative director in the hotel and resort sector. Therefore, we expect him to provide us with valuable suggestions regarding fostering an organizational culture focused on new challenges, promotion and implementation of structural reform and growth strategies to transform the Company under the theme of "Working together to create value through protein" for the Medium-Term Management Plan 2026.	○ 14/14 (100%)	—	—	○ 4/4 (100%)	—	○ 7/7 (100%)	○ 4/4 (100%)	○ 1/1 (100%)	○ 1/1 (100%)
Hiroko Otani Outside Independent officer	Ms. Hiroko Otani has extensive corporate management experience including serving as an executive officer in the marketing field at a food company and a major convenience store chain as well as a director and executive vice president of a joint venture between a major U.S. food company and a Japanese company. By leveraging this wealth of experience and high level of insight, we expect her to provide us with valuable suggestions regarding fostering an organizational culture focused on new challenges, promotion and implementation of structural reform and growth strategies to transform the Company under the theme of "Working together to create value through protein" for the Medium-Term Management Plan 2026.	–	–	–	–	–	–	–	–	–

Reasons for election and attendance of Audit & Supervisory Board Members (FY2025)

Attendance is based on the number of relevant meetings attended in fiscal 2025, while the positions shown are positions held from June 2026 onward.

Name	Biography, etc.	Committees serving on ■ Committee chairperson ○ Committee member								
		Board of Directors	Audit & Supervisory Board	Management Strategy Committee	Risk Management Committee	Sustainability Committee	Executive Nomination Committee	Compensation Committee	Board of Independent Officers, Chairperson and President	Board of Independent Outside Officers
Nobuo Oda	Mr. Nobuo Oda has extensive experience and knowledge gained through his service as General Manager of the Administrative Division of the Fresh Meats Business Division, General Manager of the Deli Products Division of the Processed Foods Business Division, General Manager of the Corporate Planning Department, General Manager of the Overseas Business Division, and various other positions.	○ 14/14 (100%)	○ 13/13 (100%)	Observer	—	—	—	—	—	—
Yoshitaka Hasegawa	Mr. Yoshitaka Hasegawa has extensive experience and expertise, having served as General Manager of Accounting & Finance Department and Group Audit & Supervisory Board Members' Office, and the person in charge of General Affairs Department, Audit Department, and Compliance Department.	–	–	–	–	–	–	–	–	–
Masayuki Kitaguchi Outside	Mr. Masayuki Kitaguchi possesses a professional standpoint and abundant experience as a certified public accountant and attorney at law. He serves as an observer on the Executive Nomination Committee.	○ 19/19 (100%)	○ 17/17 (100%)	—	—	—	○ 8/8 (100%)	—	○ 2/2 (100%)	○ 2/2 (100%)
Shigeru Nishiyama Outside	Mr. Shigeru Nishiyama possesses a professional standpoint and abundant experience as a certified public accountant and a professor at a graduate school. He serves as an observer on the Sustainability Committee.	○ 19/19 (100%)	○ 17/17 (100%)	—	—	Observer	—	—	○ 2/2 (100%)	○ 2/2 (100%)
Katsumi Nakamura Outside	Mr. Katsumi Nakamura possesses a professional standpoint and abundant experience as an attorney at law. He serves as an observer on the Risk Management Committee.	○ 19/19 (100%)	○ 17/17 (100%)	—	Observer	—	—	—	○ 2/2 (100%)	○ 2/2 (100%)

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Diversity and skills of directors (FY2026)

The NH Foods Group is dedicated to sharing *the joy of eating*. Under this corporate philosophy, we aim to establish business models that enable us to maximize corporate value by combining business value improvement with efforts to provide solutions to social priorities in relation to food and health, as well as the environment, which is essential to the creation of a reliable protein supply cycle. Our Board of Directors is responsible for maintaining appropriate oversight of our efforts to achieve these goals through the formulation and execution of our long-term vision (Vision2030) and business plans. They approach this task from the perspective of stakeholders, including consumers.

Using the long-term vision, the medium-term management plan, the NH Foods Group Fundamental Policy on Corporate Governance and other policies as a base, we plotted the skills and experience required by members of the Board of Directors onto a skill matrix to provide a visual representation of core and fundamental skills related to overall management, as well as the Company's unique skills for realizing its long-term vision, such as a "consumer viewpoint." The Board of Directors is composed of human resources that have been selected through deliberation by the Executive Nomination Committee because they satisfy the requirements of each skill item in a well-balanced manner, while diversity is also taken into account.

Directors' skill matrix

Name	Areas of experience and expertise				
	Corporate management	International experience	Global environment / Sustainability	Consumer perspective / Marketing / R&D	Finance / Accounting / Risk management
Nobuhisa Ikawa	○			○	
Fumio Maeda	○		○	○	○
Kohei Akiyama	○				○
Teruyuki Asayama	○	○			
Tokushi Yamasaki Outside Independent			○		○
Hiroko Miyazaki Outside Independent	○	○			○
Masahiko Koyama Outside Independent	○			○	
Hiroko Otani Outside Independent	○	○		○	

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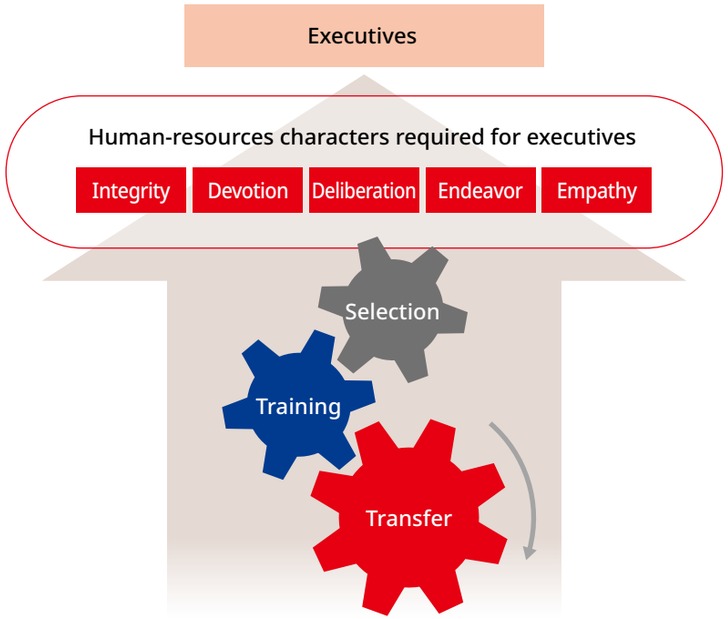
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Developing next-generation executives

Human-resources characters required for executives

The Group is working to continuously enhance corporate value by establishing the Plan for the Development of the Next-Generation Executives and defining five "Human Resources Characteristics Required for Executives" (integrity, devotion, deliberation, endeavor, and empathy). NH Foods Ltd. is working to cultivate the next-generation of human resources who possess the five requirements by introducing programs such as a selection, training, and transfer program and an executive behavioral characteristic analysis program on a company-wide basis.

Additionally, we will expand pathways for diverse talent to become potential next-generation leaders as early as possible through "selection, education, and transfer programs" that provide employees at each level with opportunities to be selected.



Developing next-generation executives

The Group is developing and implementing plans for the training of next-generation executives in accordance with the process in the Guidelines for Strategic Development of Managerial Human Resources to Improve Corporate Value released by the Ministry of Economy, Trade and Industry. Our plan started in fiscal 2018 and we are currently engaged in Phase 4—"Evaluation of the results of development, and reassessment and reevaluation of related measures." Young executive officers participate in young managers forums with a view to cultivating next generation executive experience and creating useful contacts outside of the Group.

In order to educate newly appointed officers, we provide learning opportunities at meetings of the Board of Directors and Corporate Executive Committee (such as talks on the latest trends in corporate governance and by experienced managers). We are also introducing a voluntary program for officers run by an external educational institution so that officers can continue to improve their abilities after being appointed and can maintain and further develop the five requirements of our executives.

Additionally, we conduct 360-degree evaluations for members of Group management (at NH Foods Ltd. this includes heads of major departments and divisions or above), which incorporate feedback from superiors, peers, and people working under them. These are useful for self-development. Also, we are carrying out succession planning for CEO and management positions through measures such as disclosing our requirements of executives, applying various external assessment systems, and carrying out education and training. Each year we make improvements, and the details of these improvements are discussed by the Executive Nomination Committee and confirmed by the Board of Directors.

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Evaluation of effectiveness of the Board of Directors

The Company has conducted analysis and evaluations of the effectiveness of the Board of Directors in accordance with the NH Foods Group Fundamental Policy on Corporate Governance since fiscal 2015 with the aim of improving the effectiveness of the Board by identifying issues concerning its structure and operation.

Evaluation process

In fiscal 2025, we conducted the evaluations by means of a questionnaire covering all directors and Audit & Supervisory Board Members. Also, to ensure candid opinions are obtained from the officers and objective analysis, answers to the questionnaires were directly returned to a third-party evaluation organization and not via the Company's secretariat.

At a meeting of the Board of Directors on May 1, 2026, the effectiveness of the Board and issues to be addressed going forward were confirmed based on a report containing the objective analysis and assessment of the third-party evaluation organization.

Evaluation items

① Members and operation of the Board of Directors
② Management strategy and business strategy
③ Corporate ethics and risk management
④ Evaluation and compensation for members of the management
⑤ Communication with shareholders and others

Initiative items	● We will recognize the roles of individual officers in the Board of Directors on the basis of their attributes and select agenda items relating to areas in which deeper deliberations and oversight are needed. ● We will supervise the appropriate allocation of management resources from the perspective of total optimization, while bearing in mind costs of capital. ● We will continue to supervise the way the human resources strategy is implemented, as it is critical for fostering an organizational culture focused on new challenges.
FY2025 evaluation results	1. Effectiveness of the Board of Directors As a result of the objective analysis conducted by the third-party evaluating organization, the effectiveness of the Board of Directors of the Company was confirmed as being suitably ensured in line with the Company's basic views on corporate governance. 2. Itemized Overview (1) Members and Operation of the Board of Directors The Company's Board of Directors confirmed that its member composition ensures the necessary knowledge, experience, capabilities, and diversity and that the quality of materials provided to the Board continues to improve. However, the Board also acknowledged that it needs to continue refining the selection of important topics that require better deliberation and oversight and improving the allocation of time for agenda items. (2) Management Strategy and Business Strategy The Company's Board of Directors confirmed that it made progress on deliberations about financial strategies and capital policies but also acknowledged the need for multifaceted discussions about management strategies based on the state of the internal and external environments, and for further strengthening of oversight concerning the allocation of management resources to achieve overall optimization with a focus on costs of capital. (3) Corporate Ethics and Risk Management It was confirmed in this fiscal year as well that officers and employees have a good understanding of and are complying with the NH Foods Group Global Action Standards, and that there is effective oversight of risk management structures, including the establishment and administration of appropriate internal control systems. (4) Evaluation of and Compensation for Members of the Management The Compensation Committee confirmed, for this fiscal year as well, that the incentive compensation system was appropriately considered from the perspective of a healthy system for the sustained growth and in comparison with other companies. (5) Communication with Shareholders and Others It was confirmed in this fiscal year as well that opinions and other information obtained through communication with shareholders were fed back to the Board of Directors and effectively utilized in deliberations. **Main topics discussed by directors** ● Progress on the Medium-Term Management Plan ● Officer evaluation and compensation ● Risk Management Committee Report ● Business Execution Report (business strategy, overall Group strategy, financial strategy, growth strategy, functional strategy) ● Cross-Shareholdings Review Report ● Human resource strategy
Future efforts	Based on the results of the above evaluation, we will continue to pursue the following initiatives for the realization of the Medium-Term Management Plan 2026: ● We will further enhance deliberations by setting items that should be discussed from a medium- to long-term perspective as key topics for the Board and formulate annual agenda plans. ● We will advance consideration of ideal management structures for the Company from the perspective of further strengthening the Board's oversight functions and the effectiveness of deliberations. ● We will supervise the appropriate allocation of management resources from the perspective of total optimization, while bearing in mind costs of capital. ● We will continue to supervise the way the human resources strategy is implemented, as it is critical for fostering an organizational culture focused on new challenges. We will continue enhancing the effectiveness of the Board of Directors in the future to further increase corporate value and to achieve our vision for the Group.

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Officer compensation

Basic policy

At a meeting of the Board of Directors held on February 12, 2021, a policy was established for determining the content of individual compensation for directors. This policy was partially amended at the meeting of the Board of Directors held on April 8, 2024.

The officers' compensation system provides compensation to individual executive directors and executive officers who have been selected from among the finest management talent and nurtured and promoted by the Company. Its purpose is to further clarify the linkage between officers, compensation, and the Company's business performance/shareholder value and to provide an incentive for enhancing corporate value over the medium- to long-term with the aim of realizing the corporate philosophy.

System development, compensation levels, system operation, etc., are to be deliberated on by the Compensation Committee, with an independent outside director acting as chairperson, and with the final decision to be made by the Board of Directors.

Regarding compensation levels for each individual officer, the reasonableness of these levels is verified every year with reference to the investigation results, etc., of third-party organizations.

The Compensation Committee deliberated on the following matters in FY2025.

● June 2025	Evaluation results of the Corporate Officers for FY2024 and compensation for Corporate Officers for FY2025.
● August 2025	Topics to be examined
● November 2025 (two times)	Confirmation of and issues for consideration regarding executive compensation levels and other aspects of executive treatment
● February 2026	Post-retirement treatment of former executives

Summary of director compensation

Compensation for directors (excluding outside directors) comprises monetary compensation (basic compensation and performance-based compensation) and performance-based stock compensation. The ratio of each of these (assuming a standard performance achievement level of 100%) is 55% basic compensation, 28% performance-based compensation, and 17% performance-based stock compensation. Outside directors receive only basic compensation in consideration of their role. Additionally, retirement benefits are not paid to any directors.

Monetary compensation comprises basic compensation and performance-based compensation. Basic compensation is paid on a monthly basis and comprises a fixed amount which is determined in accordance with position. Performance-based compensation is a variable compensation (a specified amount paid on a monthly basis) that is dependent on annual business performance (consolidated net sales, consolidated business income, ROE, and ROIC) and achievement in regard to management issues determined on an individual basis.

Breakdown of officer compensation

	Basic compensation 55%	Performance-based compensation 28%		Performance-based stock compensation 17%	
Positioning	Fixed compensation	Short-term incentive compensation		Long-term incentive compensation	
Recipients	● Directors ● Executive Officers ● Audit & Supervisory Board Members	● Directors (excluding Outside Directors) ● Executive Officers		● Directors (excluding Outside Directors) ● Executive Officers	
Delivery form	Money	Money		Stock (BIP Trust)	
Evaluation indicators	—	Financial	Annual performance ● Consolidated net sales ● Consolidated business income ● ROE ● ROIC	Financial	● Consolidated net sales ● Consolidated business income ● ROE ● TSR*4 *4 Added in fiscal 2024 with the aim of further clarifying the correlation between business results and share prices.
		Non-financial	Management issues ● Innovation and challenges*1 ● Career development for diverse people*2 ● Materialities*3 *1, 2 Linked to the key focuses of Medium-Term Management Plan 2026. *3 Linked to key focuses (materiality) of sustainability strategies.		
Delivery method	Payment of standard amounts established by position	If the standard performance achievement level is 100%, the payment will vary within a range of 0 to 200%, according to the level of achievement.		Points will be granted according to the directors' and the officers' position, the level of achievement of the target values of the performance indicators set in the medium-term management plan, and an assessment of the Company's TSR (relative to TOPIX). If the standard performance achievement level is 100%, the payment will vary within a range of 0 to 150%.	

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If the standard performance achievement level is 100%, the payment will vary within a range of 0 to 200%.

The three evaluation indicators are 1) overall company business results, 2) organizational business results (business division/department), and 3) management issues, and performance evaluations consider each of these independently. Regarding business performance indicators, ROE was adopted in the fiscal year ended March 2013 to raise consolidated net sales toward sustainable top-line growth and to raise consolidated business income and capital efficiency toward the sustainable growth of Group business. ROIC was adopted in the fiscal year ended March 2016 as an indicator for business division performance to improve the efficiency of capital investment.

Summary of Performance-Based Stock Compensation

Pursuant to a resolution of the 75th Ordinary General Meeting of Shareholders held on June 25, 2020 (number of officers at the time of the resolution: 22), the Company introduced a performance-based stock compensation plan for directors (excluding outside directors) and executive officers. The plan delivers shares of the Company and pays money based on medium- to long-term business performance. The effective start date of the plan was August 3, 2020. The plan was partially amended pursuant to a resolution adopted at the 79th Ordinary General Meeting of Shareholders held on June 25, 2024 (number of officers at the time of the resolution: 19).

The purpose of this compensation is to provide an incentive for enhancing corporate value over the medium- to long-term. Points are granted to each director (excluding outside directors) and executive officer based on their position, an assessment of the Company's TSR (relative to TOPIX), and the level of achievement of performance targets (consolidated net sales, consolidated business income, ROE) described in the Company's medium-term management plan. Recipients are then issued a number of shares of the Company equivalent to the number of points they have accumulated, which are issued while the recipient is in office or on retirement. Note that shares cannot be transferred until at least one year has passed following the recipient's retirement.

The Company's performance-based stock compensation includes malus (reduction of an amount of rights granted but yet to be exercised) and clawback (return of an amount of rights that have been exercised) provisions. These provisions can be exercised in the event of one of the predetermined triggers that include certain wrongdoings, such as a serious breach of duties or material violation of the internal rules. The stock-based compensation subject to return under these provisions shall be the whole or a part of compensation for the fiscal year in which such wrongdoing takes place.

Aggregate amount of compensation by officer category, aggregate amount of each type of compensation, and eligible officers in FY2025

Type of officer	Aggregate amount of compensation, etc. (millions of yen)	Aggregate amount of compensation, etc., by type (millions of yen)			Number of eligible officers
		Basic compensation	Appraisal compensation	Performance-based stock compensation	
Directors (excluding Outside Directors)	238	144	56	38	5
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	50	50	—	—	3
Outside Officers	92	92	—	—	8

Notes: 1. The maximum amounts of compensation (basic compensation and appraisal compensation) for directors are ¥42 million per month (as resolved at the 51st Ordinary General Meeting of Shareholders held on June 27, 1996), and the number of directors was 25 at the time of this resolution. This plan was partially amended pursuant to a resolution adopted at the 79th Ordinary General Meeting of Shareholders held on June 25, 2024, whereby NH Foods Ltd. introduced a performance-based stock compensation plan for directors (excluding outside directors) and executive officers of NH Foods Ltd., separately from the aforementioned maximum amounts of compensation, etc., for Directors. Under the Plan, NH Foods Ltd. shall contribute trust funds not exceeding ¥220 million per fiscal year for fiscal years covered by the medium-term management plan (the initial coverage period of four fiscal years from the fiscal year ended March 31, 2021 to the fiscal year ending March 31, 2024) of NH Foods Ltd. The shares of NH Foods Ltd. shall be acquired through the trust, and the delivery, etc. of the shares, etc. of NH Foods Ltd. shall be made through such trust, in accordance with the position and degree of achievement with respect to the target value of the performance indicators in the medium-term management plan, and an assessment of the Company's TSR (relative to TOPIX). The number of directors was five at the time of the aforementioned resolution. The aggregate amount of the performance-based stock compensation in the above table represents the amount recorded as expenses, etc. related to the share delivery points clarified by the estimated amount to be granted for the fiscal year under review based on the Plan.

2. Appraisal compensation is monetary compensation that varies in accordance with the level of achievement of targets concerning the Company's business performance for the fiscal year (consolidated net sales, consolidated business income, ROE, and ROIC) and targets concerning management issues that have been set on an individual basis. Its purpose is to provide an incentive for enhancing corporate value over the medium- to long-term. Performance-based stock compensation is a compensation plan that also provides an incentive for enhancing corporate value over the medium- to long-term. Points are granted based on the level of achievement of performance targets (consolidated net sales, consolidated business income, ROE), as described in the Company's medium-term management plan, as well as an assessment of the Company's TSR (relative to TOPIX), and each officer's seniority level. Recipients are then issued a number of shares of the Company equivalent to the number of points they have accumulated, which are issued while the recipient is in office or on retirement. Looking at business performance for fiscal 2025, consolidated net sales were ¥1,457,391 million, consolidated business income was ¥68,342 million, and ROE was 6.6%. ROIC is not stated here as it serves as a business-division-level performance metric whose figure is not disclosed externally. However, there was a year-on-year decline for the Processed Foods Business, and year-on-year improvements for the Fresh Meats Business and the Ballpark Business.

3. The maximum amounts of compensation, etc., for Audit & Supervisory Board Members are ¥8 million per month (as resolved at the 53rd Ordinary General Meeting of Shareholders held on June 26, 1998), and the number of Audit & Supervisory Board Members was five at the time of this resolution.

Summary of Audit & Supervisory Board Member compensation

Audit & Supervisory Board Members receive only basic compensation in consideration of their role. Additionally, retirement benefits and performance-based stock compensation are not paid to Audit & Supervisory Board Members.

Reducing cross-shareholdings

In principle, the Company does not hold shares in cross-shareholdings. However, we may hold shares in cross-shareholdings in cases where it is recognized that cross-shareholding is essential to the sustainable growth of the Group or to improving corporate value, such as for reinforcing alliances in order to maintain business transactions and expand our business, and for smooth fund raising. Once a year, we review all cross-held shares and closely examine whether factors such as the benefit of holding these shares, the risk of stock price fluctuations,

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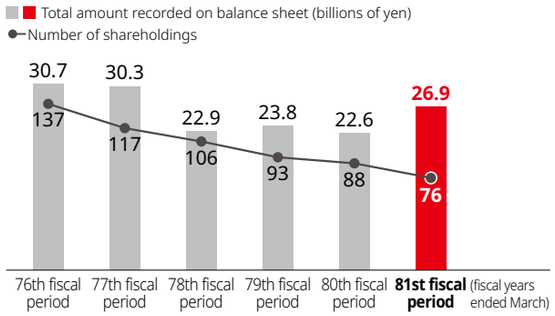
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and the credit risk of the issuing company are worth the cost of capital, and then comprehensively determine whether holding such shares is appropriate or not. If we determine that holding certain shares has become less necessary, we will dispose of such shares in an appropriate manner, taking into consideration matters such as stock price and market trends. There are also cases where even though the holding of certain shares has been recognized as significant, they may be disposed of based upon an agreement with the issuing company.

As of the end of March 2026, the total market value of our cross-shareholdings was approximately ¥26.9 billion. This amounts to around 2.7% of consolidated assets, which we recognize is not a large proportion, but we will continue to review and shrink all our current investments.

When exercising voting rights attached to cross-held shares, we closely examine the proposed agendas of each company and respect their proposals as long as they do not disregard the interests of shareholders. However, if any misconduct (including misconduct by a management member) or any antisocial behavior occurs at a company in which we have a cross-shareholding, we will exercise our voting rights in a way that contributes to the improvement of the company's corporate governance.

Number of shareholdings and balance sheet amount



Dialogue with shareholders

We encourage meetings with shareholders, investors, and companies that provide advice on the exercise of voting rights with the aim of realizing constructive dialogue that contributes to the sustainable growth of the NH Foods Group and a medium- to long-term increase in corporate value.



Individual meeting with an institutional investor in Europe (June 2026)



Individual meeting with an institutional investor in North America (August 2026)

FY2025 activities

Category	Number
Individual meetings with institutional investors	297 times
Overseas IR meetings Note: In-person overseas IR activities resumed from 2023.	5 locations
Facility observation tours for institutional investors Note: In-person observation tours resumed from 2023.	1 time
Business result presentations for institutional investors	4 times
Medium-term management plan progress reports for institutional investors	2 times
Small-number meetings with institutional investors	4 times
Sustainability small meeting	1 time
Engagement meetings	13 times
Business briefings (IR Days)	2 time
Online company introductions for individual investors	1 time
Online briefings for individual shareholders	1 time

Audits by Audit & Supervisory Board Members

Audit & Supervisory Board Members attend meetings of the Board of Directors and other important meetings and committees and continuously confirm the status of the execution of duties by Directors. In addition, they exchange opinions with the President and Representative Director and Outside Directors each quarter, actively discussing management issues and proposals for improvement.

When hearing about the status of the execution of duties, in addition to the full-time Audit & Supervisory Board Members, in principle, at least one Outside Audit & Supervisory Board Member also attends, and interviews lasting one to one and a half hours are conducted twice annually for Directors and once annually for Executive Officers and General Managers of major department and divisions. Audits of domestic and overseas group companies are conducted on-site in accordance with an audit plan formulated for each fiscal year, taking into account company size and business issues.

Through these measures, they confirm matters such as the progress of business execution, the status of internal controls, responses to priority risks, efforts to improve the workplace environment, and the status of human resource development initiatives.

Also, Audit & Supervisory Board Members receive monthly reports from the accounting auditor and internal audit departments and attend internal audits and audits by the accounting auditor (including fiscal year-end inventory audits). Furthermore, they regularly exchange information with the Group Audit & Supervisory Board Members' Office and hold three-party audit conferences attended by the full-time Audit & Supervisory Board Members, accounting auditors, and internal audit departments in an effort to improve the effectiveness of audits.

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Accounting audits

The Company has concluded an auditing contract with Deloitte Touche Tohmatsu LLC, to carry out audits in accordance with the Companies Act of Japan and the Financial Instruments and Exchange Act. In addition, the department in charge of accounting holds discussions with accounting auditors as necessary with the aim of improving the transparency and correctness of accounting procedures.

Names of CPAs who performed audits	Name of auditing firm
Takashige Ikeda	Deloitte Touche Tohmatsu LLC
Naoki Kawai	Deloitte Touche Tohmatsu LLC
Yuya Minobe	Deloitte Touche Tohmatsu LLC

Note: Assistants who helped with accounting audits included 23 CPAs, 17 CPA-certified individuals, and 35 other individuals.

Internal audits

Internal audits are conducted by the Audit Department, which has a staff of 20. Internal audits serve three main functions: operational audits for domestic and overseas companies, enterprise risk management (ERM) support (mainly J-SOX responses), and audit quality management.

The Audit Department is positioned directly under the President and Representative Director, and the status and results of audits are reported directly to both the President and the Board of Directors. The General Manager of Audit Department makes determinations concerning matters of high urgency or importance and promptly communicates the information.

Audit operations are performed in accordance with plans, and a risk-based approach has been adopted. Audits of head office divisions and Group companies are conducted from multiple perspectives and cover business processes, risk management, compliance, information security, and other topics, and advice and proposals for improvement are actively provided based on the results.

To raise the effectiveness of its work, the Audit Department actively incorporates technologies such as AI and Computer Assisted Audit Techniques (CAAT) to ensure that advanced audits are carried out based on broader and more varied data sets. It does this while also complying with the Global Internal Audit Standards established by the Institute of Internal Auditors Japan, an external organization.

The Audit Department also works closely with the Audit & Supervisory Board Members and the accounting auditors to improve the overall quality of audits through the reciprocal reporting of each other's findings.

Main roles and duties of the Audit & Supervisory Board and its members

Item/audit target	Details	Full-time	Outside
Oversight and auditing of the Board of Directors	Attended Board of Directors meetings (19 times)	○	○
Auditing of business execution by directors	Exchanged opinions with the President and Representative Director (4 times, 1.5 hours each time)	○	○
	Exchanged opinions with outside directors (4 times, 1.5 hours each time)	○	○
	Exchanged opinions with the chairperson of the Board of Directors (2 times, 1 hour each time)	○	○
	Interviewed executive directors, executive officers, and general managers of major divisions, excluding the above (34 times)	○	○
Important meetings other than Board of Directors meetings	Full-time Audit &Supervisory Board Members attended	○	—
Various committees	Audit & Supervisory Board Members attended meetings of committees and other bodies they are responsible for	○	○
Internal audit departments	Received audit reports (12 times)	○	○
Accounting and finance departments	Quarterly financial results, accounting auditor activities reports, etc. (9 times)	○	○
Compliance departments	Report on the number of consultation cases, etc. (4 times)	○	○
Accounting auditor	Received accounting audit plans, accounting audit reports, reviews of quarterly financial results, etc. (21 times)	○	○
Group companies	Based on an audit plan and functioning as an audit of a group of companies, conducted interviews of Group company representatives and thorough reviews of documentation (32 business locations)	○	○
	Attended Group Audit & Supervisory Board Member Information Exchange Meetings (12 Times)	○	△*

* Outside Audit & Supervisory Board Members attend Group Audit & Supervisory Board Member Information Exchange Meetings on an irregular basis.

Compliance

Measures to promote compliance, job satisfaction, and motivation

Important information concerning compliance is centrally managed by the Risk Management Department which reports in real time to directors, Audit & Supervisory Board Members, executive officers, and the heads of relevant departments and divisions and also presents reports to the Board of Directors and Risk Management Committee.

As a result of compliance activities spanning over 20 years, we believe that the NH Foods Group has made a certain amount of progress toward the creation of a pleasant working environment. However, given society's wide-ranging expectations toward compliance, we can no longer earn the trust of society solely through our existing initiatives. Therefore, we have been evolving our approach since last year into activities designed to foster an organizational

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culture focused on new challenges and create a working environment that builds employee engagement through initiatives based on autonomous compliance.

The Risk Management Committee, the Job Satisfaction and Motivation Committee established in each division and Group company, and the Job Satisfaction Leader Conference, in which representatives from those committees participate, all collaborate to create a pleasant working environment that builds employee engagement. In FY2025, the Compliance Committee (now the Risk Management Committee) and the Job Satisfaction Leader Conference each held meetings on four occasions.

Maintaining awareness of compliance and reputational risks

To prevent recurrences of reputational problems like the 2002 meat mislabeling incident, we carry out the following three activities each year in August. First, the chair of the Risk Management Committee shares a message. Second, we hold discussion sessions in which people involved in the scandal share what they learned. Third, we encourage employees to learn more about the incident through a digital archive containing newspaper articles from the time. Through activities such as these, we maintain awareness of the importance of compliance among our employees, over 80% of whom joined the NH Foods Group after the mislabeling incident.

Adoption of the NH Foods Group Anti-Bribery Policy

In response to the growing global awareness of the importance of anti-bribery, the NH Foods Group has established the “NH Foods Group Anti-Bribery Policy.” By ensuring that all officers and employees comply with anti-bribery laws and ordinances, we will fulfill our legal and ethical responsibilities as required by society.

Identifying potential risks through regular visits to business sites

Members of the Risk Management Department regularly visit our business sites and solicit feedback from employees. The goal is to identify potential risks, in order to detect these risks early, and then solve, avoid, or prevent them.

Creating pleasant working environments

The NH Foods Group creates various opportunities for awareness-raising activities as part of its efforts to create pleasant working environments.

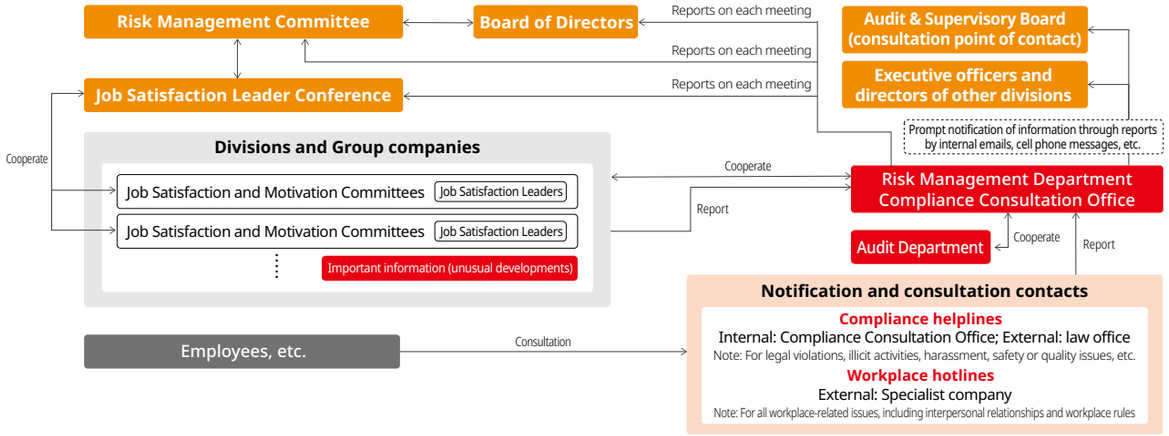
The annual level-based compliance training programs for each level of seniority use e-learning, in addition to in-person lectures, to help employees gain knowledge on topics of high social interest.

Also, Harassment Study Sessions are conducted for all employees at each site and Group company using videos and case studies to prevent the occurrence of harassment and invigorate workplace communication, thereby instilling compliance awareness.

Creating working environments that build employee engagement

The NH Foods Group conducts initiatives targeting three areas to create working environments that build employee engagement: instilling the company vision, teamwork, and recognition and sense of accomplishment. We repeatedly convey the future vision and goals of each company and strive to enable each individual to feel a real connection with their own work. We also promote respect for diversity and encourage cooperation and mutual support, invigorating communication. In addition, we are also working to create an organization where employees can take on challenges, grow, and feel a sense of accomplishment through mutual recognition of effort and results and making small successes visible.

Promotion framework chart



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Consultation channels

We have established consultation channels which all Group employees can access freely in order to share opinions, whistle blow, or seek advice about workplace issues. This includes one in-house channel and two external channels. In 2018, we also established the Auditor Consultation Channel to facilitate the reporting of illegal and illicit activities by Group officers. Additionally, the NH Foods Group Whistleblowing Rules clarify that the identity of whistleblowing individuals should be protected and that unfair treatment toward these individuals is strictly prohibited. All Group employees are made thoroughly aware of these regulations. Employees can also consult or make reports through these channels anonymously.

Risk management

Risk management structure

The risk management systems adopted by the Company are based on the “Risk Management Rules” outlining basic policies and management systems concerning risk management, with the President and Representative Director as the highest management executive.

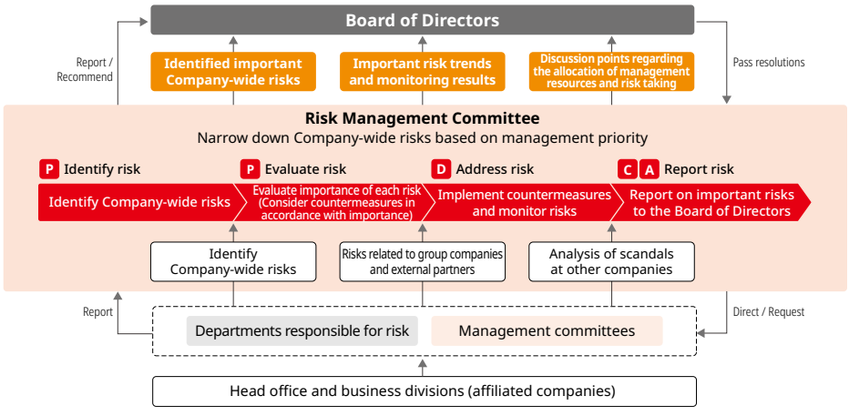
The Board of Directors considers responses to important risks that could have a significant impact on the Group’s business activities based on reports from and the recommendations of the Risk Management Committee. When an important risk is recognized to be manifesting, a crisis task force is established to carry out an emergency risk response. This involves taking countermeasures tailored to the specifics and expected severity of the crisis in a prompt and appropriate manner.

In addition to the above, product market risks arising from daily business activities are handled by individual business divisions, and financial risks by the Accounting & Finance Department and related business divisions.

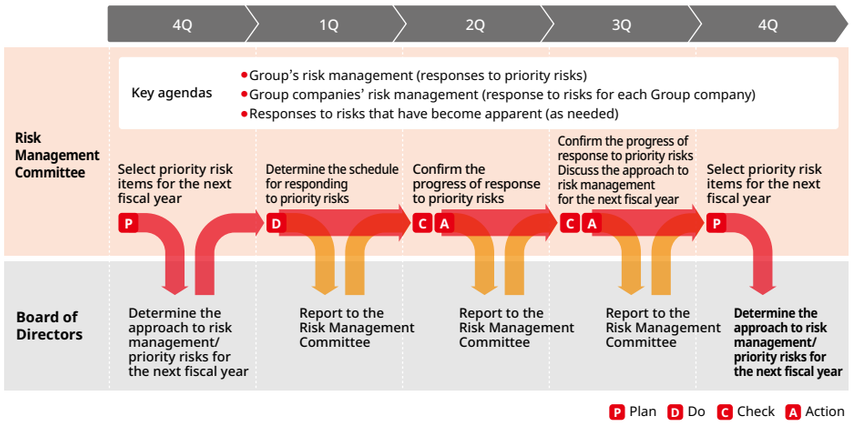
Business continuity plan (BCP)

The Group periodically enhances and revises its disaster prevention and BCP manuals, and establishes measures to enable key operations to continue even in the event of a crisis, with employee safety positioned as the highest priority. We are also strengthening countermeasures by anticipating various types of damage, not limited to disasters such as large-scale natural disasters and cyberattacks.

Scheme for considering important risks



Annual risk management schedule



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Information Security

Information security

In recent years cyberattacks targeting companies and organizations have become more sophisticated, diverse, and prevalent, and the threat to information security has increased. The range of areas that need to be considered from an information security perspective is also expanding due to the growing use of smart devices, cloud services and AI.

The NH Foods Group has positioned information security as a management priority. We have formulated the NH Foods Group Information Security Policy and related regulations as a framework for carefully planned information security measures.

Information security action structure

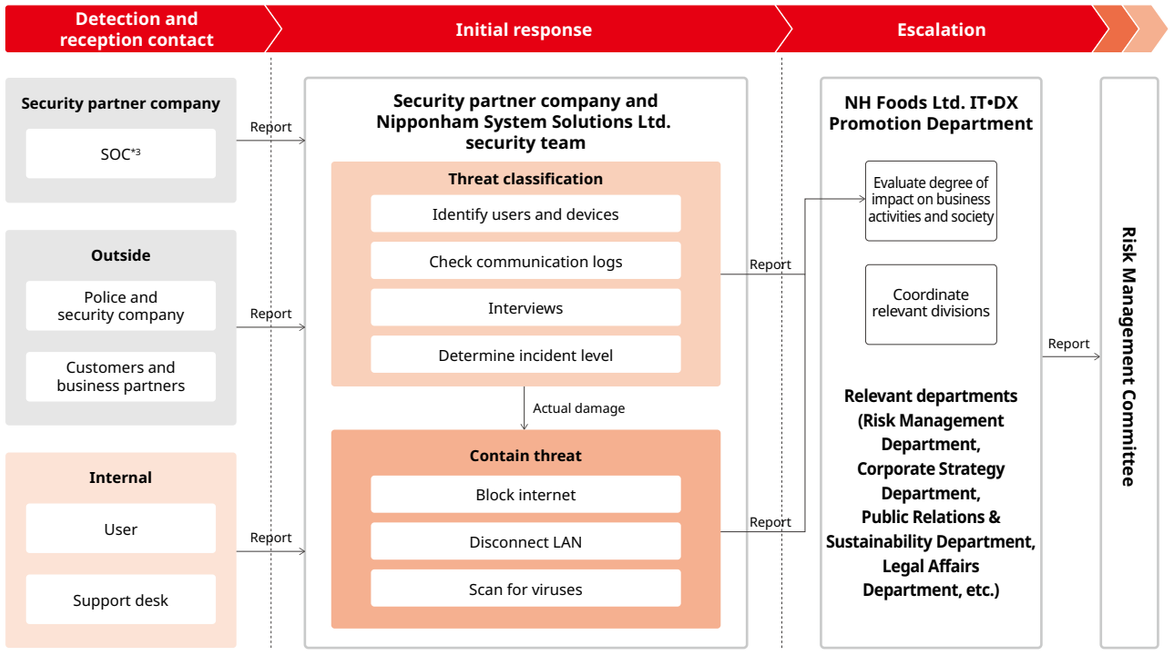
The NH Foods Group has created a cybersecurity management structure with the executive in charge of IT operations as the Chief Information Security Officer. We are continuously updating our plans for countermeasures against cyberattacks. In addition to a 24/365 security monitoring and action flows, we also maintain security incident response structures in collaboration with security partners capable of providing comprehensive IT security support. In addition, we have expanded BCP exercises based on cyberattack scenarios.

Information security initiatives

We conduct group-wide risk assessments and implement countermeasures covering networks and devices. These include the introduction of endpoint detection and response (EDR[*1]) software, which detects and responds to suspicious behavior on PCs and servers, and managed detection and response (MDR[*2]) security management services covering network equipment and cloud services. Because not all cyberattacks are preventable, we have also created systems that allow us to detect and respond to incursions quickly. We also provide regular education and training about targeted attack emails ("phishing") as part of our efforts to raise the security awareness of officers and employees.

*1 Endpoint Detection and Response: Security software that detects and responds to suspicious behavior and threats within a device.
*2 Managed Detection and Response: A managed service that swiftly detects and responds to threats invading a network.

Basic flow of response to information security incident



*3 SOC (Security Operation Center): An expert organization that detects and analyzes cyberattacks and provides advice on how to respond

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Why do we consider record-high business profit as only a stepping stone?

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Corporate Data

This section substantiates the changes and progress in the growth strategy presented in this report through objective information, including financial and non-financial data and stock information.

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Consolidated Financial Statements (past 10 years)

NH Foods Ltd. and Subsidiaries
For the Years Ended March 31

(¥ million)

	USGAAP		IFRS								
	3/17	3/18	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25	3/26
Net sales	1,202,293	1,269,201	1,258,463	1,234,180	1,229,826	1,106,351	1,151,886	1,259,792	1,303,432	1,370,553	**1,457,391**
Operating income	53,802	49,218	—	—	—	—	—	—	—	—	—
Profit before tax [Net profit for the period from continuing operations before income taxes, etc.]	49,112	50,455	52,798	30,267	27,039	47,604	51,760	22,162	40,599	37,198	**54,545**
Profit attributable to owners of the parent [Net profit attributable to owners of the parent]	35,004	37,147	37,552	19,561	19,214	32,616	48,049	16,637	28,078	26,585	**35,066**
Business profit	—	—	50,589	38,311	43,772	52,426	48,116	25,596	44,939	42,540	**68,342**
Total assets	720,276	755,076	734,528	741,388	768,861	825,405	909,213	937,155	958,237	949,272	**997,477**
Total equity attributable to owners of the parent	404,126	440,793	417,982	401,014	404,414	433,595	479,069	492,913	527,503	524,293	**536,940**
Interest-bearing liabilities	138,284	110,948	111,401	147,009	176,493	193,750	211,407	242,055	214,852	223,902	**228,548**
Cash flows from operating activities	65,254	54,626	53,284	30,844	65,464	82,518	33,387	11,331	86,586	77,441	**82,344**
Cash flows from investing activities	(38,271)	(49,006)	(48,194)	(45,110)	(36,728)	(57,827)	(22,837)	(63,677)	(39,224)	(42,717)	**(34,044)**
Free cash flow	26,983	5,620	5,090	(14,266)	28,736	24,691	10,550	(52,346)	47,362	34,724	**48,300**
Cash flows from financing activities	(11,439)	(27,508)	(27,110)	2,932	(3,077)	(14,934)	(12,162)	28,417	(53,189)	(29,851)	**(56,004)**
Capital expenditures	43,765	41,466	41,201	47,820	35,759	67,161	57,537	59,124	44,157	34,373	**33,348**
Depreciation and amortization	19,765	21,234	20,714	22,417	23,961	21,679	23,623	25,472	26,686	28,068	**30,869**

Notes:
1. NH Foods Ltd. has voluntarily applied International Financial Reporting Standards (IFRS) to consolidated financial statements for the first quarter of the fiscal year ended March 31, 2019. Where items differ from the USGAAP or IFRS standards, the corresponding USGAAP item is shown in [ ].
2. Figures have been rounded to the nearest unit.
3. As of April 1, 2018, NH Foods Ltd. carried out a share consolidation at a ratio of one share for each two shares of common stock. Total NH Foods Ltd. shareholders' equity per share, basic earnings per share attributable to NH Foods Ltd. shareholders and diluted earnings per share attributable to NH Foods Ltd. shareholders were computed on the assumption that the share consolidation was carried out at the beginning of the fiscal year ended March 31, 2015. Cash dividends represent the actual payment prior to the relevant share consolidation.
4. Operating income represents net sales less cost of goods sold and selling, general and administrative expenses.
5. Starting from the fiscal year ended March 31, 2020, the NH Foods Group discloses business profit (calculated by deducting the cost of goods sold, and selling, general and administrative expenses from net sales, and making adjustments of currency gains and losses as determined by the Group, adjustments in accordance with IFRS, and adjustments of non-recurring items) in place of the operating income results disclosed previously. The purpose of this change is to provide a clear indication of profit earned through business activities. The figures for the fiscal years ended March 31, 2018 and March 31, 2019 have been restated retroactively.
6. Interest-bearing liabilities under USGAAP consists of short-term bank loans, current maturities of long-term debt and long-term debt, less current maturities (including zero coupon convertible bonds) in the consolidated balance sheets.
7. Capital expenditures represent additions to tangible and intangible fixed assets. The figures for the fiscal years ending March 2020 through March 2023 have been retroactively adjusted, since it was decided not to include increases in right-of-use assets from the fiscal year ended March 2024 onwards.
8. Depreciation and amortization consist of depreciation of tangible fixed assets and amortization of intangible fixed assets. The figures for the fiscal years ending March 2020 through March 2023 have been retroactively adjusted, since it was decided not to include increases in right-of-use assets from the fiscal year ended March 2024 onwards.
9. ● ROE (%) = Profit attributable to owners of the parent / Average total equity attributable to owners of the parent × 100 ● Free cash flow (million yen) = Cash flows provided by operating activities + Cash flows used in investing activities
● Total equity attributable to owners of the parent ratio (%) = Total equity attributable to owners of the parent / Total assets × 100 ● Interest-bearing liabilities/equity ratio (times) = Interest-bearing liabilities / Total equity attributable to owners of the parent
● Interest coverage ratio (times) = Cash flows provided by operating activities / Interest paid
10. In the fiscal year ended March 2022, we sold our entire shareholding in Marine Foods Corporation, a consolidated subsidiary. As a result, Marine Foods Corporation and its subsidiaries, etc., are now classified as non-continuous businesses.
Net sales and profit for the period before income tax for the fiscal years ended March 31, 2022 and March 31, 2021 are therefore shown as the amounts for continuing operations, excluding discontinued operations.
The ratio of business profit to net sales was calculated using business profit after adjustment for discontinued operations (¥50,532 million in the fiscal year ended March 31, 2021). Please refer to Note 11 for business profit after adjustment for discontinued operations in the fiscal year ended March 31, 2022.
11. In the fiscal year ended March 31, 2023, we decided to sell our entire shareholding in our consolidated subsidiary, Breeders & Packers Uruguay S.A., to Minerva S.A. As a result, Breeders & Packers Uruguay S.A. is now classified as a discontinued operation.
Net sales and profit for the period before income tax for the fiscal years ended March 31, 2023 and March 31, 2022 are therefore shown as the amounts for continuing operations, excluding discontinued operations.
The ratio of business profit to net sales was calculated using business profit after adjustment for discontinued operations (¥45,987 million in the fiscal year ended March 31, 2024, ¥28,191 million in the fiscal year ended March 31, 2023, ¥46,222 million in the fiscal year ended March 31, 2022).

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Consolidated Financial Statements (past 10 years)

(¥ million)

Per share amounts		USGAAP 3/17	USGAAP 3/18	IFRS 3/18	IFRS 3/19	IFRS 3/20	IFRS 3/21	IFRS 3/22	IFRS 3/23	IFRS 3/24	IFRS 3/25	IFRS 3/26
Basic earnings per share [Basic net profit per share attributable to owners of the parent]												
Continuing operations	(¥)	¥ 343.59	¥ 348.46	¥ 352.26	¥183.21	¥ 186.70	¥ 311.13	¥ 381.91	¥ 176.27	¥ 273.70	¥ 263.05	**¥361.13**
Discontinued operations	(¥)	(¥0.12)	—	—	—	—	¥ 6.84	¥ 88.01	(¥ 13.83)	¥ 1.00	—	—
Total	(¥)	¥ 343.47	¥ 348.46	¥ 352.26	¥ 183.21	¥ 186.70	¥ 317.97	¥ 469.92	¥ 162.44	¥ 273.70	¥ 263.05	**¥361.13**
Diluted earnings per share [Diluted earnings per share for the period attributable to owners of the parent]												
Continuing operations	(¥)	¥ 322.66	¥ 342.07	¥ 350.00	¥ 181.48	¥ 186.64	¥ 311.05	¥ 381.82	¥ 176.25	—	—	—
Discontinued operations	(¥)	(¥0.12)	—	—	—	—	¥ 6.84	¥ 87.99	(¥ 13.83)	—	—	—
Total	(¥)	¥ 322.54	¥ 342.07	¥ 350.00	¥ 181.48	¥ 186.64	¥ 317.89	¥ 469.81	¥ 162.42	—	—	—
Total equity per share attributable to owners of the parent	(¥)	¥ 3,832.95	¥ 4,100.70	¥ 3,888.48	¥ 3,896.64	¥ 3,929.43	¥ 4,243.70	¥ 4,681.82	¥ 4,808.70	¥ 5,138.81	¥ 5,299.55	**¥5,704.03**
Cash dividends	(¥)	¥ 52.00	¥ 53.00	¥ 53.00	¥ 90.00	¥ 90.00	¥ 94.00	¥ 102.00	¥ 110.00	¥ 119.00	¥ 135.00	**¥160.00**

Financial indicators

Business profit ratio	(%)	—	—	4.0	3.1	3.6	4.6	4.0	2.2	3.5	3.1	**4.7**
Operating profit ratio	(%)	4.5	3.9	—	—	—	—	—	—	—	—	—
Return on equity (ROE)	(%)	9.2	8.8	9.4	4.8	4.8	7.8	10.5	3.4	5.5	5.1	**6.6**
Return on invested capital (ROIC)	(%)	7.0	6.2	6.6	4.9	5.3	5.9	5.0	2.4	4.1	3.9	**6.1**
Total equity attributable to owners of the parent ratio [Total equity ratio]	(%)	56.1	58.4	56.9	54.1	52.6	52.5	52.7	52.6	55.0	55.2	**66.3**
Interest-bearing liabilities / Equity ratio [Equity ratio]	(Times)	0.34	0.25	0.27	0.37	0.44	0.45	0.44	0.49	0.41	0.43	**0.43**
Interest coverage ratio	(Times)	57.4	44.7	43.1	24.2	40.6	61.6	27.9	6.3	41.1	41.1	**35.7**
Payout ratio (consolidated)	(%)	30.3	30.4	30.1	49.1	48.2	29.6	21.7	67.7	43.5	51.3	**44.3**

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Non-Financial Data (past 10 years)

	Item		Scope	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Environmental	**Greenhouse Gas Emissions from the NH Foods Group and Its Entire Supply Chain (thousand t-CO_2)**												
	Scope 1 CO_2[*1]		Japan	221	220	216	215	220	222	213	203	190	**180**
	Scope 1 CO_2 Overseas		Overseas	—	—	—	—	—	52	55	53	55	**57**
	Scope 1 Methane[*2]		Company-wide	28	30	30	31	28	116	134	122	144	**100**
	Scope 1 Nitrous oxide[*2]		Company-wide	92	98	103	102	101	102	99	52	48	**51**
	Scope 2 CO_2 Location base		Japan	343	298	303	290	276	267	246	243	231	**221**
	Scope 2 CO_2 Location base		Overseas	—	—	—	—	—	92	86	78	80	**78**
	Total CO_2 Location base		Company-wide	684	646	652	638	625	851	833	751	748	**687**
	Scope 3 CO_2		Japan	9,717	10,157	10,948	11,134	10,576	10,503	10,258	10,475	10,567[※3]	**11,151**
	Water												
	Transition of water withdrawal and water consumption	(thousand m^3)[*4]	Manufacturing plant in Japan	13,729	15,152	14,797	14,820	14,820	14,721	14,261	13,796	13,196	**13,012**
	Waste												
	Waste generation	(thousand t)	Japan	416.6	423.1	434.7	411.3	402.5	397.6	380.2	378.0	388.2	**382.7**
	Recycling rate	(%)[*5]		94.6	94.3	93.6	92.1	94.7	96.9	96.6	96.3	95.3	**97.4**
Social	**Employee data**												
	Number of employees[*6]		NH Foods Ltd.	2,372	2,384	2,403	2,137	2,149	2,160	2,077	1,977	2,065	**1,985**
	Percentage of female employees	(%)[*7]		19.2	21.3	20.4	26.7	27.4	28.4	30.3	32.3	33.5	**30.2**
	Percentage of female managers	(%)		3.4	3.3	3.8	4.6	6.5	8.5	9.8	10.7	12.0	**12.7**
	Hiring of Personnel with Disabilities[*8, 9, 10]												
	Employment rate	(%)	NH Foods Ltd.	1.7	1.6	1.7	2.4	2.5	2.7	2.6	2.6	2.6	**2.9**
	Utilization of Child and Nursing Care-Related Systems												
	Number of childcare leave takers		NH Foods Ltd.	63	76	70	73	96	108	115	121	116	**124**
	Male			5	8	4	5	12	18	37	33	28	**44**
	Female			58	68	66	68	84	90	78	88	88	**80**
	Support for Physical and Mental Health												
	Stress check rate	(%)	Japan	93.9	93.0	91.5	90.3	91.6	92.8	94.5	95.5	94.1	**95.7**

*1 Data scope: Fossil energy sources and waste incineration *2 Calculations are based only on enteric fermentation and manure management of livestock. *3 Changes to calculation methods since FY2024
*4 Water intake and consumption figures are partially based on estimates from production departments. Figures from sites where data is not available, such as when water charges are included in rents, are excluded.
*5 Recycling rate: (Waste recycled in-house + Valuable materials sold + Recycled waste)/(Waste generation - in-house reductions) × 100 (Unit: %) *6 Full-time employees + transferees + partners
*7 Regular employees *8 Includes non-regular employees *9 Employment rate is calculated based on Disabled Persons Act. *10 In November, 2019, Nipponham Career Consulting Ltd. became a special-purpose subsidiary of NH Foods Ltd.

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Corporate Data (As of April 2026)

Corporate data

Corporate name	NH Foods Ltd.
Established	May 30, 1949
Capital	¥36,294 million
President	Fumio Maeda
Employees	Consolidated 25,873 Non-consolidated 1,944 Note: Including the average number of temporary employees
Main businesses	● Manufacture and sale of processed meats (hams and sausages, etc.) and cooked foods (retort-packed foods, pre-prepared foods, etc.) ● Breeding of livestock, and processing and sale of fresh meats ● Production and sale of dairy products and processed marine products
Head office	18F Breezé Tower, 4-9, Umeda 2-chome, Kita-ku, Osaka 530-0001, Japan
Telephone	+81-6-7525-3026

Main companies of the Group

Production and Breeding	Nippon White Farm Co., Ltd. Nippon Clean Farm Ltd. Whyalla Beef Pty. Ltd. (Australia)
Packing and Processing of Fresh Meats	Nippon Food Packer, Inc. Usune Co., Ltd. Miyazaki Beef Center Co., Ltd. Nippon Pure Food, Inc. Oakey Beef Exports Pty. Ltd. (Australia) Wingham Beef Exports Pty. Ltd. (Australia) Thomas Borthwick & Sons Pty. Ltd. (Australia) Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Sirketi (Turkey)
Sales of Fresh Meats	Higashi Nippon Food, Inc. Kanto Nippon Food, Inc. Naka Nippon Food, Inc. Nishi Nippon Food, Inc. NHJF Corporation Minami Nippon Fresh Foods Co., Ltd. NH Foods Australia Pty. Ltd. (Australia) Beef Producers Australia Pty. Ltd. (Australia) Day-Lee Foods, Inc. (USA) Nippo Food (Shanghai) Co., Ltd. (China)
Production and Sales of Hams and Sausages	Nipponham Factory Ltd. Nipponham Hokkaido Factory Ltd. Nipponham Northeast Ltd. Kyodo Foods Co., Ltd. Nipponham Southwest Ltd. Kamakura Ham Tomioka Co., Ltd. NH Foods Vietnam Joint Stock Company (Vietnam) Redondo's, LLC (USA)
Production of Processed Foods	Nipponham Processed Foods Ltd. Nipponham Delicatessen Ltd. Premium Kitchen Co., Ltd. Shandong Rilong Foodstuffs Co., Ltd. (China) Thai Nippon Foods Co., Ltd. (Thailand) PT NH Foods Diamond Indonesia, Ltd. (Indonesia) LJD Holdings, Inc. (USA) Mountain View Packaging, LLC (USA) Tamarack Foods, LLC (USA)
Sales of Hams and Sausages, and Processed Foods	NH Foods Marketing Ltd. Nipponham Customer Communications Ltd.
Production and Sales of Processed Marine Products	Hoko Co., Ltd.
Production and Sales of Fermented Milk, Lactic Acid Probiotic Beverages, and Dairy Products (Cheese)	Nippon Luna, Inc. The Hoko Co., Ltd. (ROLF Division)
Production and Sales of Extract Seasonings	Nippon Pure Food, Inc. Pure Food Asia, Inc. (Taiwan)
Production and Sales of Freeze-Dried and Frozen Foods	Nipponham Frozen Foods Ltd. Hoko Co., Ltd.
Professional Sports	Hokkaido Nipponham Fighters Co., Ltd. Fighters Sports & Entertainment Co., Ltd.
IT, Services, and Other Businesses	Nipponham System Solutions Ltd. Nipponham Business Associe Ltd. Nipponham Career Consulting Ltd. Nipponham Engineering Ltd.
Logistics and Trading	Nippon Chilled Logistics, Inc. Nippon Logistics Center, Inc. Nippon Daily Net Co., Ltd. Nippon Route Service Co., Ltd. Japan Food Corporation NH Foods Chile Y Compania Limitada (Chile) NH FOODS DO BRASIL REPRESENTACAO COMERCIAL LTDA (Brazil) NH Foods Mexicana S.A.DE C.V. (Mexico) NH Foods Singapore Pte. Ltd. (Singapore) NH Foods Thailand Ltd. (Thailand) NH Foods Taiwan Ltd. (Taiwan) NH Foods U.K. Ltd. (The United Kingdom)

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NH Foods

https://www.nipponham.co.jp/corporate/

Stock Information

Share data (As of March 31, 2026)

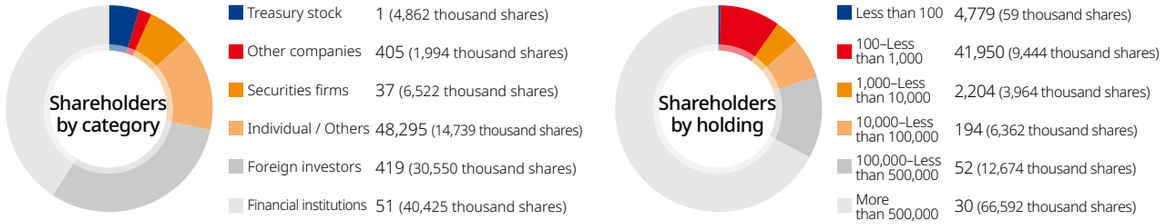
Authorized shares	285,000,000
Issued and outstanding	99,095,004
Shareholders	49,209

Major shareholders (Leading 10 by holding)

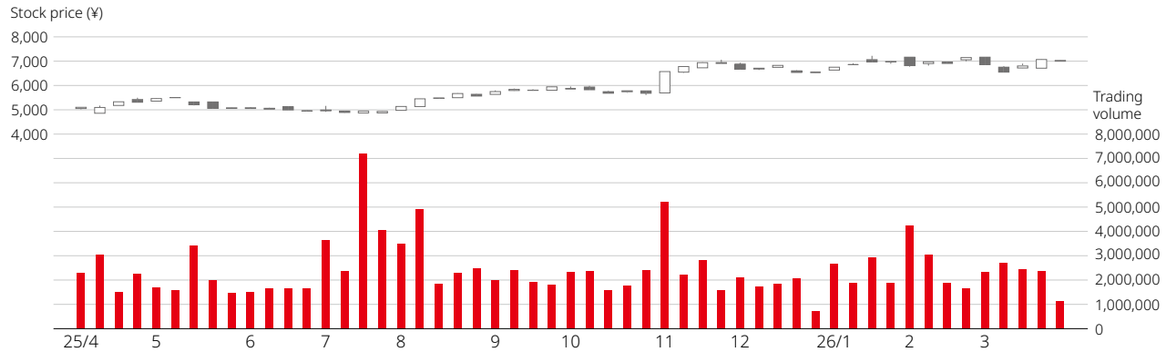
Name of shareholder	Holding (1,000s of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	18,555	19.69
Custody Bank of Japan, Ltd. (Trust account)	7,132	7.57
STATE STREET BANKAND TRUST COMPANY 505001	5,241	5.56
The Hyakujushi Bank, Ltd.	3,708	3.94
Meiji Yasuda Life Insurance Company	3,677	3.90
Nippon Life Insurance Company	2,785	2.96
JPMorgan Securities Japan Co., Ltd.	1,634	1.73
Kyoei Fire & Marine Insurance Company, Limited	1,613	1.71
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1,399	1.48
JPMorgan Chase Bank, N.A. 385781	1,390	1.48

Note: Shareholding ratio is calculated by deducting the number of treasury stock.

Distribution of shares



Stock price trend



Main initiatives and organizations of which the Group is a member

United Nations Global Compact (UNGC)
The world's largest sustainability initiative which is being jointly advanced by the UN and the private sector (corporations and organizations) with the goal of building a healthy global society.

RSPO (Roundtable on Sustainable Palm Oil)
An international non-profit organization which has built and operates a certification system that has become the standard for sustainable palm oil, and which encourages the production and distribution of such oil.

CGF (The Consumer Goods Forum)
An international industry organization whose members include major food, consumer goods, and retail companies that work together on strategic issues in non-competitive areas.

GX Future Consortium
The GX (Green Transformation) Future Consortium was established by reorganizing the TCFD Consortium and integrating some functions of the GX League. It is a public-private organization in which diverse players collaborate to drive GX implementation throughout society with the objective of creating a virtuous cycle of decarbonization and economic growth.

TNFD (Taskforce on Nature-related Financial Disclosures)
The TNFD was established as an international organization to help private companies and financial institutions build frameworks for risk management and disclosure related to natural capital and biodiversity.

Opening Message

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Chapter 2 Value Creation and Growth Strategies

Chapter 3 Management Foundation Supporting People and Society

Chapter 4 Corporate Governance

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PICK UP

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A Message from the Chairperson

A Message from the Executive Officer in Charge of Corporate Strategy

A Message from the Executive Officer in Charge of Human Resources

A Message from the Executive Officer in Charge of Sustainability

Roundtable Discussion Between the Outside Directors

SPECIAL FEATURE 01 | A Growth Strategy That Seeks to Maximize the Value of Protein

SPECIAL FEATURE 02 | Innovation Begins with Individual Challenges and Growth

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Closing Message



We will continue taking on challenges to achieve further growth

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NH Foods Map for the Future of Protein

An introduction to the various initiatives being implemented by the NH Foods Group to support the future of food in Japan by supplying and enhancing the value of a wide range of proteins



Table for All Food Allergy Care

A website with a food allergy perspective that provides the latest information gathered from ongoing research, together with easy-to-understand meal ideas based on our unique insights as a food manufacturer



Let's Enjoy Delicious Meat!

A website with information and expert cooking advice to help as many people as possible enjoy the great taste of meat



NH Foods Group official X (formerly Twitter) account

A source of timely access to recipes and useful information via the official account for the NH Foods Group



Foods × Sports

A website that offers information about the latest food and sports initiatives by the NH Foods Group.