

Editorial Policy

We focus on our “Three Responsibilities” because “through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives.”

Section 1

By multiplying the strengths we have cultivated since our founding with those of each Group company,

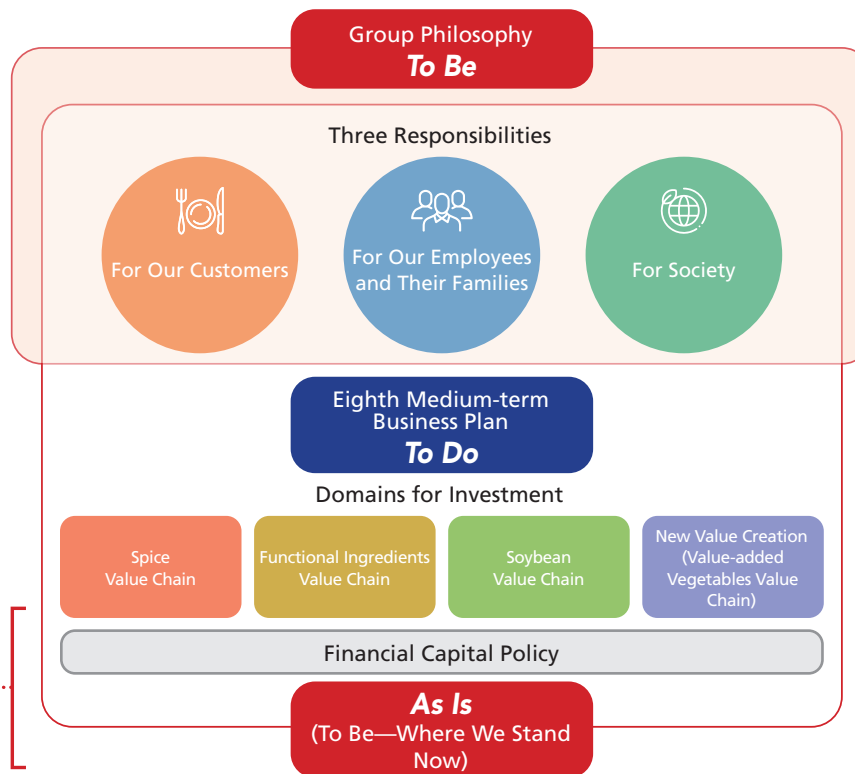
Section 2

and pursuing “Healthy Life Through Foods,” we aim to be a quality company with a global presence.

Section 3

Domains in which the Group can maximize its strengths shall be made the domains for investment, and by moving ahead with transformations in all Three Responsibilities, we will enhance our corporate value.

Sections 4-6



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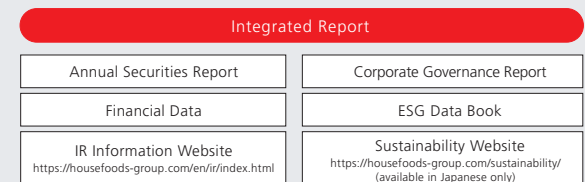
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Positioning of the Integrated Report



Financial Information ← → Non-financial Information

Editorial Policy
House Foods Group Integrated Report 2024 comprehensively describes the overall picture of the Group, its strategies for creating corporate value, and its governance systems such that shareholders, investors, and all other stakeholders deepen their understanding of the Group's medium- to long-term value creation. The IFRS Foundation's "The Integrated Reporting Framework" and the Ministry of Economy, Trade and Industry's "Guidance for Integrated Corporate Disclosure and Company-investor Dialogues for Collaborative Value Creation" were used as references in the production of this report.

Target Period
While the target period is mainly FY2023 (April 1, 2023, through March 31, 2024), this report provides the latest information at the time of publication where possible.

Notes to Forward-looking Statements
Result forecasts and forward-looking statements in this Integrated Report are derived from the judgment of the Company based on currently available information, and include latent risks, uncertainties and other factors. Therefore, actual results or developments may differ from such forecasts or forward-looking statements due to changes in various factors.



Philosophy: The Concept behind House Foods Group

House Foods Group's philosophy is based on the two key aspects of the company.

One: Our Group Philosophy

Defines the role of the Company—Our contribution and raison d'être.

It encompasses the corporate philosophy of each company in House Foods Group.

Two: "The House Ideals (Spirit)"

Our corporate DNA—the values shared by all who work with us.

These two aspects are positioned as counterparts.

In addition, our "Founding Philosophy" is an everlasting symbol expressing the ideas behind how we see the House brand in the world.

Founding Philosophy

In every happy home throughout Japan,
you will find the warm flavor of home cooking, House.

Group Philosophy

Through food, we aim to
be a good corporate citizen,
connecting and collaborating
with people to create smiles in
their lives.

House Ideals (Spirit)

Our Motto

Sincerity, Originality and Enthusiasm

The 10 House Values

- Know yourself
- Be humble in your self-confidence and pride
- Creative work brings dignity
- The advancement of House depends on the personal development of each individual
- House's strength is the strength of all of us combined
- A salary is compensation for doing useful things for society
- Being useful to society as employees and as a company
- A useful employee is a strong partner for achieving business goals
- Profits are necessary for a company to be useful to society
- The dedicated passion each one of us feels for the company is the secret to success for House

President's Message

Progressing in building
VCs globally while striving
to become a true
high quality company



浦上 博史

Hiroshi Urakami

Representative Director and President
House Foods Group Inc.



President's Message

Ten years thinking of how we can get closer to realizing our Group philosophy

The House Foods Group celebrated its 110th anniversary in 2023. Looking back, the Group shifted to a holding company system ten years before then, in 2013, on the 100th anniversary of our founding. At that time, ready-to-eat food products at convenience stores started to gain acceptance from a wide range of customers right after the Great East Japan Earthquake, and supermarkets desperately tried to catch up with the growing tendency for people to eat out or buy food to eat at home. Our company's performance worsened severely due to our focus on cooking products. Over the past ten years, our sense of crisis has led us to redirect the trajectory of our medium-term business plan concept from “selection and concentration” to “transformation.” This has enabled us to advance in our transformation toward becoming a high quality company that provides “Healthy Life Through Foods” in our Fifth, Sixth, and Seventh Medium-term Business Plans. Those ten years also saw us greatly expand the diversity of the Group through initiatives that welcomed various operating companies: Vox Trading Co., Ltd., Ichibanya Co., Ltd., Gaban Spice Manufacturing (M) SDN. BHD., Malony Co., Ltd., Keystone Natural Holdings, LLC.

Also, as we transitioned to the House Foods Group framework, we set a new Group philosophy: “Through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives.” We continued to reconsider our progress over those ten years as a good corporate citizen while remaining committed to fulfilling the foundation of our philosophy—our Three Responsibilities: “For Our Customers,” “For Our Employees and Their Families” and “For Society.” The Group philosophy represents what we want “to be,” including our strong desire to be a good partner to all of our stakeholders. Just like the core human desire to be a good person, we continue to think about how we should approach our Group philosophy, including our desire to be a good company.

➔ See page 7 for our Three Responsibilities

Review of the Seventh Medium-term Business Plan and Overview of the Eighth Medium-term Business Plan

Our medium-term business plans are “to do” action plans formulated from the perspective of backcasting from what we need to do to get closer to what we want “to be.” In the Seventh

Medium-term Business Plan that began in FY2021, aiming to become a quality company with a global presence, we established four value chains (VCs) (Spice, Functional Ingredients, Soybean and Value-added Vegetables) as domains where we will maximize the Group's strengths. We are enhancing each of these VCs from the perspective of optimizing the Group. In our three years of efforts in the Seventh Medium-term Business Plan, I feel that we have seen some of what we need to do and what is missing to transform ourselves into a high quality company in the truest sense. Looking back over the past three years, we have had trouble coping with the unprecedented challenge of soaring raw material costs from upstream due to the exit from the COVID-19 pandemic and the situation in Ukraine. However, the circumstance varies for each VC, and we believe we have progressed certain initiatives by implementing our strategy from the perspective of backcasting, even in the midst of drastic changes in the industry. Now, I will reflect on each VC. In the adversity of the domestic business's significant decline due to the COVID-19 pandemic, we endeavored to restore the profitability of the Functional Ingredients VC with reforms to its profit and loss structure and by strengthening its expansion in Southeast Asia with the establishment of the House Foods Group Asia Pacific Co., Ltd. This has enabled us to effectively allocate resources to growth areas by overlooking the VC globally. Anticipating the increase in long-term demand for PBF*, efforts to achieve medium- to long-term growth have progressed in the Soybean VC, such as the welcoming of Keystone Natural Holdings, LLC into the Group and the expansion of production capacity at House Foods America Corporation. However, the soaring costs of raw and other materials are having a major impact on performance and business operations in the Spice VC, and we have been struggling to respond to changes in the industry, which means we spent three years trial and error building the VC. In addition, in the course of trial and error to establish a new business model for Value-added Vegetables VC, the company met a new partner, Nousouken Corporation. This achievement ties in to the Eighth Medium-term Business Plan.

In response to the challenges presented in these reviews, the Eighth Medium-term Business Plan, beginning in April 2024, will continue to work to accelerate the establishment of the VC infrastructure from the perspective of backcasting. While maintaining the position of the Seventh Medium-term Business Plan, striving to become a high quality company that provides “Healthy Life Through Foods” [Chapter 2], under a new Medium-term Business Plan, we changed the subtitle from “Striving for Four Value Challenges” to “Striving for growth by building a global value chain.” Here, “building a global value chain” is a paradigm shift toward realizing global growth by VC, rather than by dividing our business segments into domestic and overseas business segments by area.

PBF (Plant-based food): Plant-derived food



President's Message

Aiming for the growth of each value chain globally

In “For Our Customers,” we focus on bringing together VC (upstream to downstream) to create new value and to support “Healthy Life Through Foods” globally. In this context, we will track global growth for each VC and build an organizational structure suitable for promoting VCs globally for the Spice VC, Functional Ingredients VC and Soybean VC, which basically have a solid base. Simultaneously, we will continue to focus on initiatives to create new value collaboratively to fulfill our company mission to bring innovation to society.

The Spice VC in particular is the core of the Group and is challenging. We promoted three GOT (Groupwide initiatives) over the six-year period of the Sixth and Seventh Medium-term Business Plans with the aim of creating synergies among various operating companies within the Group. The three GOT are “BtoB GOT,” “Production GOT” and “Procurement GOT.” For BtoB GOT, we established House Gaban in April 2023 by separating the food service business from House Foods Corporation and integrating it with Gaban Co., Ltd., a specialist spice maker for business. For the Production GOT, a number of specific themes for generating Group synergies were set, promoted and incorporated into the execution level. At the end of the Seventh Medium-term Business Plan, the roles of the first two GOTs were completed. On the other hand, we are currently facing a major challenge with regard to the Procurement GOT. We recognize the difficulty of communicating with operating companies that have very different business models that go beyond our fixed ways of thinking, and the limitations of the promotion of a project system with limited responsibilities and authority.



Built on challenges and learning from internal and external sources, the Eighth Medium-term Business Plan will move toward initiatives in the Spice VC from two major directions. The first is the transformation of the House Foods, the operating company. To transform House Foods Corporation into an engine that can promote the entire Spice VC, we will take on the challenge of expanding its development area globally from a limited scope in Japan, including transforming our organizational structure. The second challenge is to address the issue of overstocking with the Procurement GOT. But to be able to demonstrate the Group's comprehensive capabilities in the flow of the Spice VC from upstream to downstream, the House Foods Group will establish a “Spice VC Procurement and Production Strategic Headquarters,” unify the procurement and production strategy functions for the Spice VC, and strengthen the integration capabilities of the VCs by working with operating companies, primarily House Foods.

In the case of Functional Ingredients and Soybean VCs, we will further accelerate the efforts of the Seventh Medium-term Business Plan and work to make the VC cores even stronger, including the establishment of an organizational structure. In addition, the fourth VC, “Value-added Vegetables VC,” will be promoted in initiatives to create new value in the Eighth Medium-term Business Plan.

➔ See pages 21-36 For Our Customers

Promote efforts concerning human resources, centered on turning diversity into strength

In “For Our Employees and Their Families,” we have set the theme of “Turn diversity into strength.” Since the Fifth Medium-term Business Plan, set as “Innovative changes to a quality company that offers health through its foods,” the House Foods Group has welcomed operating companies with various cultures and business models, and has expanded the diversity of operating companies. However, I feel that it is not easy to change diversity into a strength. How can we turn diversity into a strength? To “know yourself,” the first of the ten House Values, you need to start by understanding others. Thinking about this from the other person's perspective or a mindset of altruism is a big element of “Turn diversity into strength.” Under the subtitle of “Deepen understanding of others, break down stereotypes about self and the organization, and produce innovation,” we set up five themes for our initiatives to achieve this.

➔ See pages 37-40 For Our Employees and Their Families

President's Message

We set important environmental issues and aim to bring long-term strategies to fruition

Under “For Society,” we raised the theme of “Healthy people and a healthy planet: Initiatives to establish a recycling-oriented model.” Demands for the company to enact environmental initiatives are growing widely, and we have set two priority issues: “Action on climate change” and “Creation of a resource recycling-oriented society,” with the aim of achieving the “Realization of House Foods Group Long-term Environmental Strategy 2050,” which was formulated at the start of the Eighth Medium-term Business Plan. We will focus on five themes: Scopes 1, 2 and 3 for the “Action on climate change” and “Creation of a resource recycling-oriented society: Waste, byproducts, plastics, and water.” These initiatives cannot be achieved without the collaboration of external parties, but concrete examples are also arising. In April 2024, we partnered with JFE Engineering Corporation to begin operating the “Total Energy Services for Multiple Sites” that directly reduce CO₂ emissions. We aim to achieve our goals by expanding our joint creation cases beyond our own initiatives. We will fulfill “Responsibilities for Society” with the stance of taking responsibility for the environmental impact of our global corporate activities.

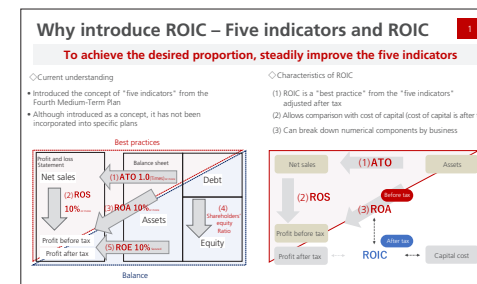
➔ See pages 41–46 For Society

Introduction of ROIC to realize the ideal proportions

In addition, the Group has used five indicators (ATO, ROS, ROA, equity ratio, and ROE) from the Fourth Medium-term Business Plan as management indicators that represent “the company’s ideal proportions.” Still, there was no specific action plan to bring us closer to our ideal, so it was in a pie-in-the-sky state. At present, listed companies have received strong requests from the Tokyo Stock Exchange for the “realization of management that is conscious of the cost of capital and share price.” In order to hold a solid discussion on the proportions of the five management indicators, we introduced ROIC as a new management indicator from the Eighth Medium-term Business Plan. To use them as indicators of ROIC efficacy, it is key for all employees to understand significance and apply them to their daily work. For this reason, at the “Financial Results Briefings For Employees”

that we have been implementing since three years ago, this time we talked about what the ROIC indicators are to begin with, why they were introduced and how they should be used. Although we focused on profit and loss statements previously, we will visualize performance from the perspective of balance sheets from the Eighth Medium-term Business Plan, and promote the transformation of awareness and strive to improve the return on investment in proportion to what it should be.

➔ See pages 18–20 for Message from the Director in charge of Financial Strategies



Slides for the “Financial Results Briefings For Employees” ROIC Explanation and the Briefing

To become a true high quality company

The House Foods Group is committed to VC management and will further accelerate its ongoing global expansion. It will also strengthen its ability to create new value through VC integration, aiming to become a true quality company with a global presence. We will fulfill our Three Responsibilities as a good partner by engaging in dialog with stakeholders, turning insights gained from these efforts into strengths, and creating value together with our customers, employees, their families, and society. Please look forward to House Foods Group’s progress as we continue to take on the challenge of transforming ourselves into a high quality company.

Three Responsibilities

—Thinking at the Heart of Everything We Do—

The “Three Responsibilities” represent our desire to be a “good partner” to our various stakeholders.

For the House Foods Group to continue to be a company useful to society throughout the ages, these “Three Responsibilities” form the basis of all of our activities. We include them in our Group CSR policy and medium-term business plans.

House Foods Group’s CSR Policy

Through our core business, we fulfill three main responsibilities in our efforts to contribute to a healthy society and better lives for all.

For Our Customers

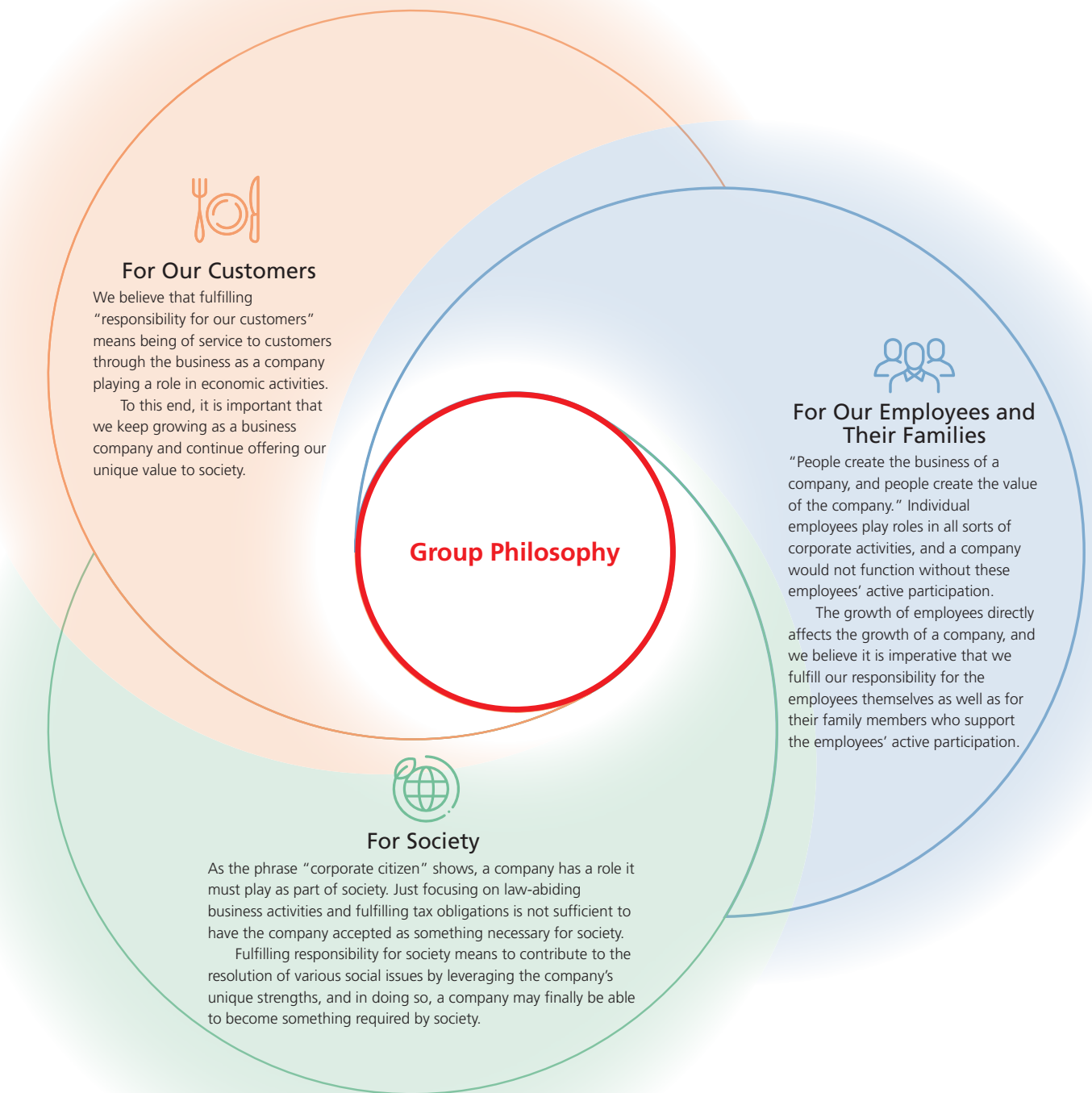
- We contribute to the rich and healthy lives of our customers in both body and mind by always providing products and services that are safe and secure, and also provide value.

For Our Employees and Their Families

- We are a job creator who respects the basic human rights and diversity of our employees.
- We also encourage personal growth in an effort to better the lives of our employees and their families.

For Society

- Through our sound management and business activities, we work hard to increase the value of House Foods Group, and thereby contribute to social progress.
- As a responsible member of society, all our actions comply with laws and regulations, as well as with social morals and ethics.
 - Our business activity is eco-friendly and contributes to the sustainability of the global environment.



House Foods Group's Vision for the Future: Every House Foods Group employee aims to be a good partner and apply it to their daily activities.

Children in China also love *Vermont Curry*. They eat it with a smile even if it has vegetables they usually don't like. By spreading our "curry and rice" dishes throughout China as part of our business activities, we put more happy smiles on children's faces at home and school.

Yutaka Nishide
Corporate Planning Division, House Foods China Inc.

To deliver curry to the world, we rely on upstream spice producers, spice importers and exporters, and the people in charge of production. I appreciate the value of these connections and relationships of trust. So, I want to be a good partner for all parties involved, both inside and outside the Group.

Runo Kobayashi
Research & Development Institute, House Foods Corporation

We provide more than products alone. The foods that arise from them are like a "place." A "place" that will never vanish no matter how much the world changes. This is why House will always be there. That is what I hope we achieve.

Ryuta Yamamoto
Research Planning Division, House Foods Corporation

Only a few of those around us are so precious that we can call them our "partners." So that we can be a singular presence, we will strive to engage in communication that encourages "pride" in the Group's many values. We also aspire to become a source of pride as "a world-class company representing Japan."

Hikaru Takeshita
Public & Investor Relations Division, House Foods Group Inc.

By expanding our business and training human resources, we hope to improve the quality and value of the entire food industry in Vietnam.

Shinichi Uemura
Business Development & Planning Division,
House Foods Vietnam Co., Ltd.

A driving force behind our continued provision of new value to customers is our desire to foster a workplace filled with good partners.

Kyoko Tei
Human Resources Strategy Division, House Foods Group Inc.

We aim to become a company that society adores and considers necessary by continuing to transform diversity into strength through a work environment that can proactively accommodate people with various types of disabilities.

Yoshiaki Ishino
General Affairs Division, House Ai-Factory Corporation

We hope to use *Lactobacillus L-137* to support the health of livestock and aquatic organisms worldwide. This will enable it to contribute to the spread of recycling-oriented societies and efficient food production.

Kyohei Hashimoto
Health & Functional Material Business Development Dept.,
House Wellness Foods Corporation

We will increase our base of "fans" who love House products. Building fans will create a domino effect that generates even more fans. I want us to be a company that supports and is supported by fans.

Takayuki Akanuma
Kanto Branch, House Foods Corporation

Through the Soybean VC, we aim to become a global PBF* company that enriches diets worldwide by providing healthy, clean and ethical value. Through our tofu and other PBF, we aim to do more than provide delicious meals. Our goal is to become a good partner who can contribute to solving societal issues such as protein deficiencies, environmental issues, and food issues.

Takayuki Doue
House Foods Holding USA Inc.

We hope to become a company that "connects" dinner tables and the land, customers and producers, and the present to the future, creates enjoyment and satisfaction with food from the bounty of the earth, founded in long-term value, and joyfully brings together the earth, people, and business partners through our work.

Shinya Haba
Planning Division, Vox Trading Co., Ltd.

We aim to provide solutions to the questions and concerns of a wider range of customers as we learn from the invaluable feedback we receive from them. We hope to improve our value as a company capable of proposing new ideas.

Makiko Uehara
Customer Service Division, House Foods Corporation

Through our IR activities, we hope to build trust with our shareholders and investors and to tie this to improving the company's value.

Nodoka Yamada
Corporate Planning Division, Ichibanya Co., Ltd.

We strive to be a company capable of supplying a stable supply of safe, secure and high quality products and offering technical support for creating products that deliver value to our customers.

Takashi Takasaka
Research & Development Dept. Solutions Division,
House Gaban Corporation

* PBF (Plant-based food): Plant-derived food