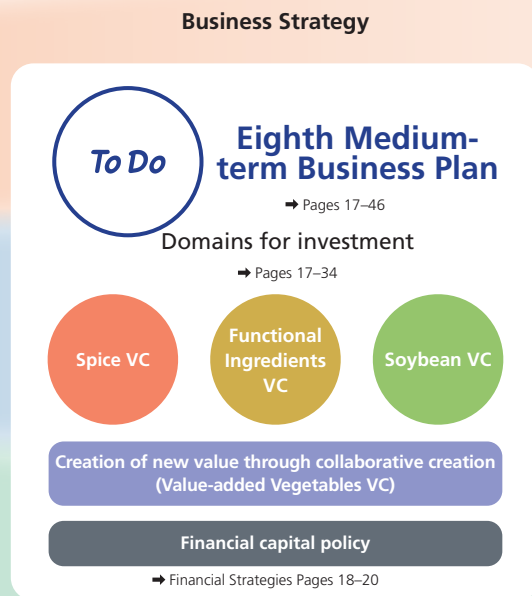


Value Creation Process

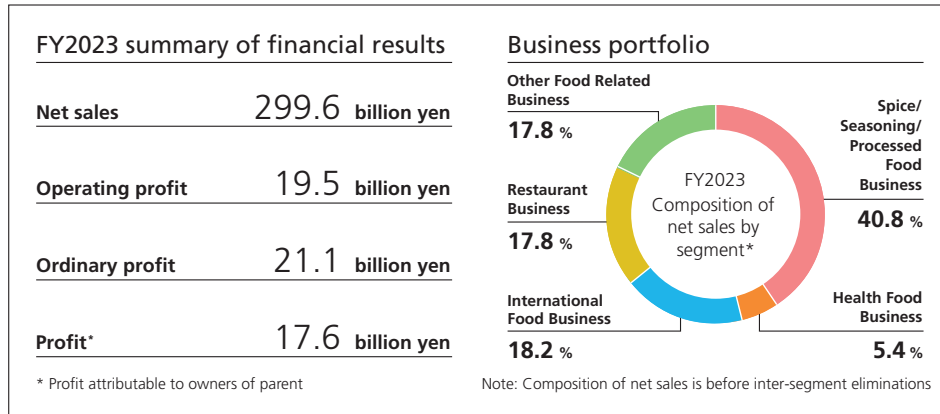
Based on its Three Responsibilities, containing core elements of all of its business activities, House Foods Group is striving to achieve global growth by strongly cultivating the four value chains. It is also constantly creating value as a good corporate citizen for all its stakeholders.



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



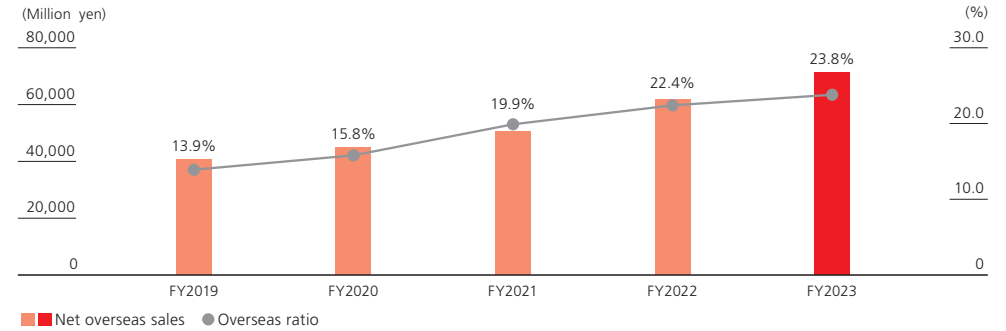
At a Glance



Overseas business expansion

Overseas net sales and ratio of total Group net sales

Overseas net sales and their ratio of total Group net sales are growing annually.



Notes: The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc., are applied from FY2021 onward

High market share in Japan that forms profit base

House Foods

Share of sales value

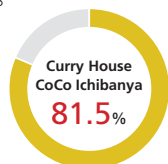
Source: Monthly SRI+ data by INTAGE Inc. (curry roux, stew roux and retort curry markets, April 2023 through March 2024)



Ichibanya

Share of sales in curry shops

Source: Fuji Keizai, "Food Service Industry Marketing Handbook 2024 No. 1," actual results for 2023

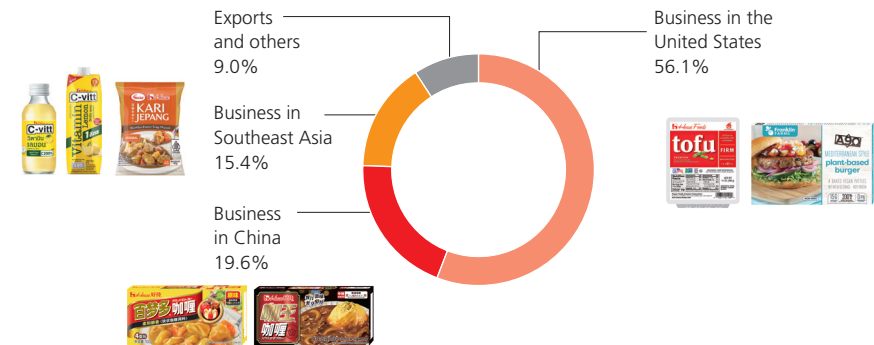


Number of Ichibanya restaurants (As of February 2024)

Japan: 1,245 Overseas: 212

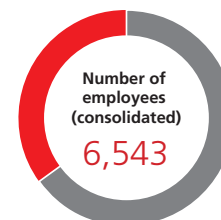


Ratio of net sales in three priority business areas overseas (FY2023)

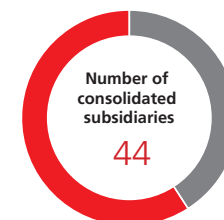


Numbers of employees and Group companies (As of March 2024)

■ Japan: 4,258 (65.1%)
■ Overseas: 2,285 (34.9%)



■ Japan: 18
■ Overseas: 26



History of Value Creation at House Foods Group

Established in 1913 as Urakami Shoten, an enterprise dealing in herbal medicines, House Foods Group has always taken on the challenges of the times to create a new food culture. Converting the Group's diversity into power, we continue to be a company Group capable of providing "Healthy Life Through Foods" globally.

Curry

Making curry a national dish and delivering it to the world

Since starting the production and sale of original curry powder in 1926, for nearly a century, we have ceaselessly created added value. This even led to curry becoming a national dish in Japan. We are expanding a diverse product line to meet the changing needs of our customers.

In addition to leveraging the strengths we cultivated in Japan, we are proceeding with a global expansion. In 2015, Ichibanya joined the Group and has continued sharing appetizing Japanese-style curry in various scenes worldwide.

Making curry a national dish



1928
House Curry



1963
Vermont Curry



2006
50% reduction in
calories and fat



2014
Allergen friendly

Delivering curry to the world



1997
Curry business in China



2016
Indonesia (Halal)
2018
Vietnam (non-halal)



2022
Indonesia
Curry business for
home use

CoCo ICHIBANYA



- 1994: The United States
- 2004: China
- 2005: Taiwan
- 2008: South Korea and Thailand
- 2018: The United Kingdom
- 2020: India

Spices

Delivering the appeal of spices ever since we were founded as an herbal medicine supplier

We were founded in 1913 as Urakami Shoten, an enterprise dealing in herbal medicines. We have handled spices for many years and shared their appeal. We recently welcomed Vox Trading Co., Ltd., a trading company specializing in food products, and Gaban, a specialist spice manufacturer, to the Group, and we are widening the range of the value we provide.



1913
Spices



2013
Brought Vox Trading
into the Group



2016
Brought Gaban
into the Group

Long-selling brands

Delivering joy to households by enriching dinner tables

Our long-selling brands have inherited our founding philosophy: "In every happy home throughout Japan, you will find the warm flavor of home cooking, House." Based on this founding philosophy, they have released many different products that enrich the dining table. And for many years, these long-selling brands have supported our customers' physical and mental health.



Malony
60 years
(since 1964)



Stew Mix
58 years
(since 1966)



Fruiche
48 years
(since 1976)



Tongari Corn
46 years
(since 1978)



Umakacchan
45 years
(since 1979)



Curry Ya Curry
25 years
(since 1999)

History of Value Creation at House Foods Group

→ See the Group's history here

<https://housefoods-group.com/en/company/history.html>

Vitamins

Providing delicious and functional nutrition

Making vitamins and other nutrients more delicious and easier to take.

We also sell our products in Southeast Asia by leveraging the production technology and know-how we cultivated in Japan to make delicious and functional vitamin drinks.



2006
Vitamins
(Established House Wellness Foods)

2012
C-vitt Expansion in Thailand

Functional Spices

Converting our longstanding research on spices into new value

With our focus on health products like *Ukon No Chikara*, which arose from around a century of spice research, we support everyday lives by providing energy overflowing with vitality.



2004
Ukon No Chikara

2009
Mega Shaki

2019
Nerunoda

Lactobacillus

For strength to protect healthy bodies

We first encountered and began researching the "Lactobacillus L-137" in 1994. Doing so led us to discover the optimal cultivation conditions and heat treatment and produce a product. We deliver strength to maintain good health.



2013
BtoB

2018
BtoC

Tofu and Plant-based Food PBF*

Spreading tofu around the world as a health food

We have always been attracted by the appeal of soybeans as a health food. While seeking to capitalize on our know-how in soybean product development, we became acquainted with a Japanese company that manufactured tofu in the United States. This led us to start our U.S. operations. Initially, we widened our support mainly among consumers of Asian descent and vegetarians. More recently, we have supported the healthy eating habits of numerous customers in North America amid ongoing climate change, heightened interest in ethical consumption, and the proliferation of Asian food culture.



1973
Hontofu



1983
Began our tofu business in the United States



2010
Expanded the range of value-added products



2022
Brought Keystone Natural Holdings, LLC into the Group

Value-added Vegetables

Bringing vegetables with lasting appeal

We provide healthy lives by bringing "vegetables with lasting appeal" centering on *Smile Ball*, onions with a less sharp taste born from years of research and cultivation, beginning with the production of retort curry.



2015
Smile Ball



2023
Aromatic Salad

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

Source of Value Creation and Management Capital

Source of Value Creation



Over the years, the Group has stayed half a step ahead of customer needs and worked to take the customer's perspective in our responses. That strength has enabled us to create a new food culture.

Furthermore, we have promoted overseas development by leveraging the know-how we have cultivated in Japan. We have developed tofu in North America, Japanese-style curry in China and Indonesia, and vitamin drinks in Southeast Asia, and all products have been accepted locally.

Using the marketing capabilities we used to create a new food culture, we will continue to create value throughout the value chain.

Related capitals

Human capital

Intellectual capital



Since its founding, the Group has worked to ensure food safety and security through consumer-oriented management thoroughly committed to learning from its customers. That approach has enabled us to create many long-selling products, forming the foundation of trust in the Group and its brands today.

Applying the advanced quality management capabilities cultivated with our customers in Japan, we are likewise pursuing safety and security in our new businesses and overseas businesses. This calls for cooperation with partners for collaborative creation and compliance with various regulations as we work to improve quality throughout the value chain.

Related capitals

Human capital

Intellectual capital

Manufacturing capital

Social capital



We converted our longstanding research on spices into new value to create *Ukon No Chikara*, which arose as a health drink. We also created *Smile Ball*, onions with a less sharp taste that arose from research into the cause of retort curry production issues. These are examples of the new value we have created and delivered, fueled by our never-ending exploration.

The Group is promoting efforts to create new value based on the value chain perspective from upstream to downstream and the diverse perspectives of individuals and the organization as a whole. It will reinforce its employees' drive to take on new challenges and look to the future.

Related capitals

Human capital

Intellectual capital

Social capital

The Six Capitals



Manufacturing capital

Global production sites:

20 sites in Japan and 16 sites overseas

We have expanded factories in eight countries and regions to deliver safe and secure products to our customers.



Intellectual capital

Product development capabilities that account for customer needs and R&D that produces innovation:

Patents: 528, Trademarks: 2,302

We will create new demand using our accumulated knowledge of processing and compounding techniques and analysis technologies from product development.



Human capital

Diverse human resources who share the Group philosophy:

6,543 employees

With the HOUSE WAY as a centripetal force, we transform the activities of our companies and diverse employees (a centrifugal force) into drivers of growth.



Social capital

Relationship of trust with stakeholders

My First Time Cooking Workshop participants:

10.45 million people

(Cumulative total from 1996)

We continue to encourage children who will carry on the next generation through a "first" cooking experience.



Natural capital

Sustainable and diversified, raw materials, energy and water:

Long-term Environmental Strategy 2050

"Establishment of a recycling oriented model" that will preserve the bounty of nature and continue to generate value.



Financial capital

Stable financial foundations:

Credit rating (R&I) of A

We will also strive to use financial strategies to solidify our balance sheets.

Collaborative Value Creation with Stakeholders

At House Foods Group, every employee sincerely engages with stakeholders as a corporate citizen in society. As a good partner, we are actively working to create new value collaboratively.

Customers

Advancing curry promotions under the theme of local consumption

Since it began, we shared the mentality of the “Thinking of Japan through food: NIPPON FOOD SHIFT,” and we have been an active partner in its promotion. In curry, you will find many hints for appreciating food, such as savoring seasonal ingredients, enjoying cooking and eating, and understanding its importance. We provide information to encourage people to think about “food” through curry, including suggested recipes and seasonal ingredients from all around Japan. Specifically, we suggested 30 recipes incorporating local ingredients from various regions. Through TV commercials and in-store point-of-purchase advertising, we promoted local production for local consumption and encouraged increased consumption of local food products through curry. We will continue cooperating with communities to support increased demand for Japanese agricultural products while supporting the NIPPON FOOD SHIFT.

➔ See “Voices of Our Stakeholders” on Page 15



Meiko Matsumoto
Business and Strategic
Planning Division
House Foods Corporation

Earth

Creation to achieve carbon neutrality

As we aim for carbon neutrality by 2050 (Scopes 1 and 2), we announced the “House Foods Group Long-term Environmental Strategy 2050” in April 2024, believing that addressing the environmental burden caused by global company activities is every company’s responsibility. We began operating the “Total Energy Services for Multiple Sites” in April as part of our collaborative venture with JFE Engineering. The Group’s eight companies and 18 sites in Japan collaborate to use energy efficiently and reduce the total emissions of CO₂. Where it is difficult for a single company to succeed, a major impact can be made when working with partners. We will continue to communicate the sincerity of the House Foods Group’s environmental initiatives both internally and externally. Doing so will ensure that we and our stakeholders pass smiling lifestyles on to the children of the future.

➔ See “Voices of Our Stakeholders” on Page 15



Masayoshi Deguchi
Sustainability Management
Division
House Foods Group Inc.

Business Partners

Building sustainable partnerships

In December 2021, to build a sustainable supply chain, we joined the global human rights platform Sedex, and we are making efforts to protect and improve the labor environment for people who work in our supply chain. In addition to holding explanatory meetings with our business partners, we asked them to complete a survey provided by Sedex (including an open-ended section that we added to the format). Then, we received responses from around 82% of our business partners.* By confirming and assessing their contents, we are working with our partners to continuously improve labor environments in our supply chain.
* Based on procurement amount in FY2023

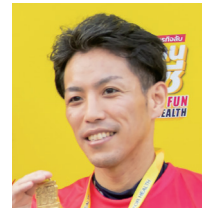


Isoji Taya
Procurement Division
House Foods Group Inc.

Communities

Supporting the health of children in Thailand

House Osotspa Foods Co., Ltd. decided to give back to society in Thailand in a different way beyond expanding its business. In 2022, the company launched a project entitled “C-vitt, Together to Create Health and Happiness for Thai Children.” Through the project, our products are delivered to children through local schools and nutritional awareness-raising activities are held. The root of these activities is to promote children’s health. We believe that they will also unify the company and increase the brand support base in the future. The whole company will keep promoting these initiatives, encouraged by children’s smiles and “thank yous.”



Ryuichi Kawamura
House Osotspa Foods Co., Ltd.

Shareholders and Investors

Exploring the enhancement of corporate value through dialogue and collaborative value creation

Various activities are held, led by a Director and the Public & Investor Relations Division, including briefings on medium-term business plans and financial results, meetings with analysts and investors and small meetings focused on individual themes. Feedback from the stock market is shared with the Board of Directors and relevant divisions, and all employees are provided with the opportunity to receive an explanation. These are then reflected in our business strategies and information disclosure. Moving forward, we will continue to value dialogues with shareholders and investors and proactively facilitate new opportunities for them.



Takahiro Yamashita, Hiroki Nakajima, Kazuya Iinuma and Nodoka Fujita
Public & Investor Relations Division
House Foods Group Inc.

Co-workers

Aiming to be an organization where work and care provision can be balanced

“What preparations are necessary to balance work and care provision?” To facilitate understanding and assistance with preparation, we introduced a self-check support program for the employees of 15 Group companies in Japan in October 2020. We do not simply support continued employment. We regard the experience of coping with care provision as a path to growth. We hope to connect “individual growth” achieved through these experiences to “feed it back to the company” to make it an organizational strength. We see care provision as a team and organizational matter, not solely an individual one. So, we intend to extend this support measure to as many employees as possible.



Junko Kato
Diversity Promotion Division
House Foods Group Inc.

FOCUS: Voices of Our Stakeholders

Here Are Some Comments That We Received From Stakeholders Working on the Creation of New Value with House Foods Group.

Customers | Ministry of Agriculture, Forestry and Fisheries: Forging a connection between “food” challenges and consumers

The risk factors impacting Japan's food supply, including climate change and massive natural disasters, are increasing in variety as world population growth drives up the demand for food, and sustainable food security becomes a universal issue. At the same time, the distance between food and agriculture in Japan has widened as people increasingly tend to eat out or buy food to eat at home, and convenience has increased. This has led to a decline in public awareness of, and interest in, agriculture and rural communities.

“Thinking of Japan through food, NIPPON FOOD SHIFT,” began in FY2021. It is a public-private campaign to improve the connection between food and agriculture. Bringing together consumers, producers, and food companies with Generation Z as our main target audience, we are developing video content, disseminating information through social media platforms and media outlets and holding events to promote opportunities to think about the future of “food” in Japan and its challenges.

We want to help transform people's awareness and actions through new discoveries and insights into food. We want them to change their behavior and see the state of “food” in Japan as a personal matter. We aim to encourage people to obtain Japanese agricultural products by doing so.

Based on the understanding that curry contains many hints for appreciating food, such as savoring seasonal ingredients, enjoying cooking and eating, and understanding the importance of food, House Foods Group will continue to provide suggested recipes using local seasonal ingredients. This coincides with the “Thinking About Japan Through Curry” project of “NIPPON FOOD SHIFT,” which aims to create opportunities for people to think about the food of Japan. We also believe this will lead consumers to proactively choose local food products.

Working with House Foods Group, which has taken the initiative in solving societal issues involving food loss and self-sufficiency from the perspective of “it's possible with curry,” we expect that our activities will link consumers and producers and generate opportunities for people to think about food in Japan.



Mr. Ikuo Miyanaga
Director of Food Security Office,
Policy Planning Division,
Minister's Secretariat,
Ministry of Agriculture,
Forestry and Fisheries
(As of June 2024)



Thinking through Japan Through Curry.



Earth | JFE Engineering: We hope to collaborate further to realize carbon neutrality

Extreme weather events are increasing in frequency worldwide, and their impact on society is worsening in severity. In the midst of this, the national government of Japan has set long-term targets to reduce CO₂ emissions. Each company also sets individual management targets that align with each other. However, it has not happened overnight, and many companies probably wonder what exactly they should be doing.

Only three actions effectively reduce CO₂ emissions.

- a. Cut down on the activities that emit CO₂.
- b. Switch to activities that do not emit CO₂ (such as using renewable energies).
- c. Conduct rational activities that reduce the amount of CO₂ emitted (such as energy-saving measures).

The “Total Energy Services for Multiple Sites” was introduced at House Foods Shizuoka Plant. It enables centralized control and operation of energy procurement, transmission and distribution at multiple sites. Furthermore, the system can effectively utilize the waste heat generated when converting gas to electricity as steam or hot water, which falls under a. above. This approach allows a company to expand while maintaining business activities and maximizing energy use. We believe this produces a virtuous circle for society.

Climate change is a critical concern that directly impacts food security and safety. Because House Foods Group is capable of touching people's lives directly through food, we hope that it will keep leading the way for food companies in Japan.

JFE Engineering's company activities are based on “creating and supporting foundations of life, and passing on to the future.” We look forward to working with House Foods Group to create new value, starting with the “Total Energy Services for Multiple Sites,” to achieve the target of carbon neutrality by 2050 and to promote cooperation in all spheres of our activities.



Mr. Yasumi Sakamoto
General Manager,
Energy Service Project
Promotion Department,
Energy Business Project
Department,
JFE Engineering Corporation



Gas cogeneration system