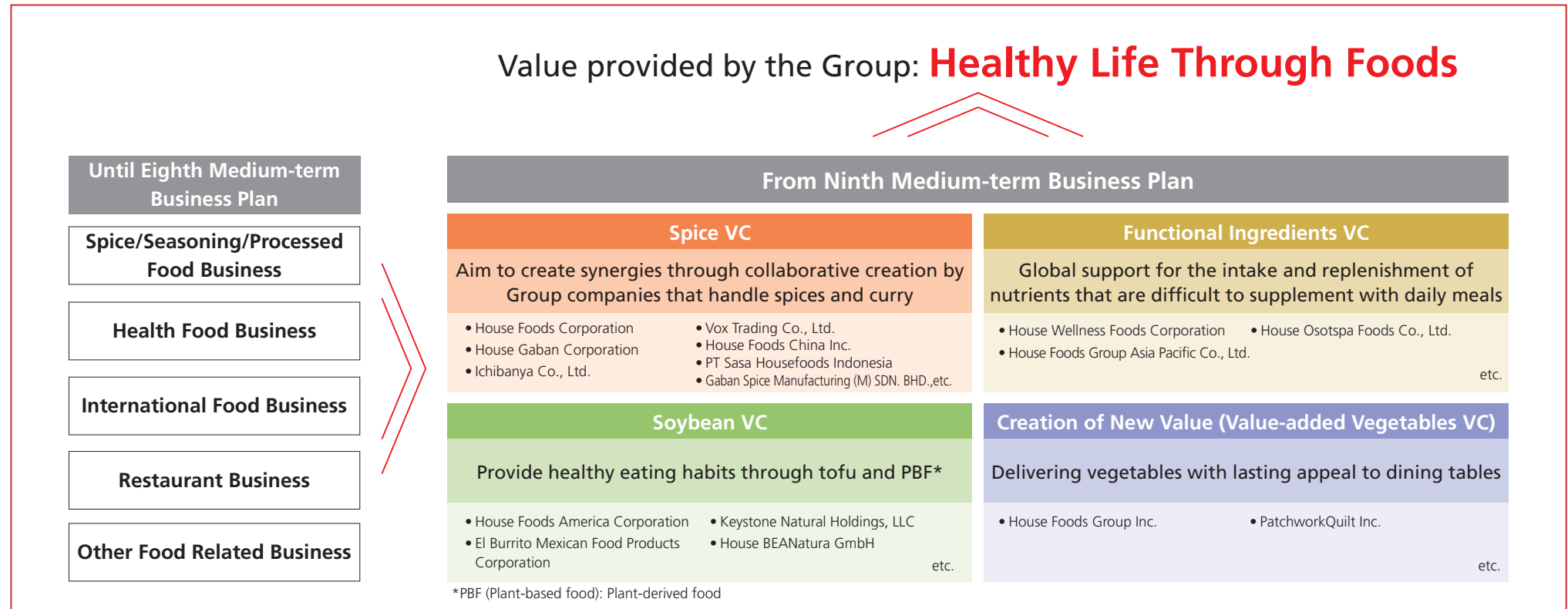


For Our Customers (Business Strategy)

Overview of Our Four Value Chains



Concept of Four Value Chains (VCs)

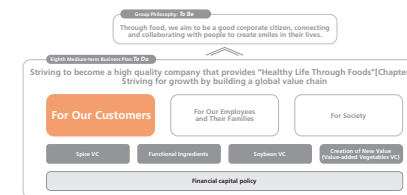


The Group has designated the four VCs of Spice, Functional Ingredients, Soybean, and Value-added Vegetables as domains in which it will provide value, and will deliver “Healthy Life Through Foods” in these areas. By clarifying the areas and themes to be addressed by each VC from a backcasting perspective and actively investing management resources in growth and new areas, we will expand the VCs and create businesses to achieve growth.

From the perspective of these five business segments, each segment is limited in its business domain and the product portfolio is unbalanced. By reconfiguring to a VC perspective and envisioning the future, we will draw a new growth story.

In the Seventh Medium-term Business Plan, we worked toward the construction of VCs under the theme of “striving for four value chains.” The six-year period of the Eighth–Ninth Medium-term Business Plans will be the period for building a foundation for future growth based on the theme of “striving for growth by building a global value chain.” With a view to the full-scale transition from the Ninth Medium-term Business Plan to VC management, the Eighth Medium-term Business Plan will accelerate sales growth and strengthen profitability, shift to a VC-optimized organization, and create new value with external partners.

For Our Customers



Deliver new value from a global perspective

In terms of “For Our Customers,” we aim to connect the value chains (VCs) from upstream to downstream and create new value to deliver “Healthy Life Through Foods” globally across our four VCs: Spices, Functional Ingredients, Soybeans, and Value-added Vegetables.

In order to bolster our ability to provide value to our customers, we felt that rather than looking solely at product development, we needed to identify a number of VCs in which we should exhibit our strengths, and strengthen those VCs themselves. We have subsequently identified four such VCs and will strive to provide new value by enhancing the knowledge and technology possessed by each of these VCs. We are

transitioning to a structure suitable for managing the VCs. In this situation, we will expand our points of contact with customers from a global perspective and accelerate growth.

Furthermore, we will also focus on providing new value to our customers, and while continuing to develop Group-wide human resources to take on challenges, we will strengthen external collaboration frameworks, such as CVC funds, accelerate collaborative creation, and aim to become a good corporate citizen delivering “Healthy Life through Foods,” selected as an external partner.



Hiroshi Urakami
Representative Director &
President
House Foods Group Inc.

Results of the previous Medium-Term Business Plan	Achievement of growth driven by four VCs	Realization of three GOT* themes	Creation of new value through collaborative creation
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Issues of the previous Medium-Term Business Plan	Achievement of growth driven by four VCs	Realization of three GOT themes	Creation of new value through collaborative creation
	Realization of three GOT themes	Creation of new value through collaborative creation	
	Creation of new value through collaborative creation		

*GOT: Groupwide initiatives

Medium-term Business Plan KPIs

KPIs	Seventh Medium-Term Business Plan (FY2023)	Eighth Medium-Term Business Plan (FY2026)	Ninth Medium-Term Business Plan (FY2029)
Net sales	¥299.6 billion	¥360.0 billion	¥450.0 billion
ROS	6.5%	7.5%	8.9%
EBITDA margin	11.0%	11.4%	12.7%
ROIC	4.6%	6.0% or above	8.0% or above

Eighth Medium-term Business Plan

Connect VC and create new value to deliver “Healthy Life Through Foods” globally

Based on VC management accelerated growth	Seize new business opportunities, strengthen profitability We will expand the contact points of the three VCs (Spice, Functional Ingredients and Soybean) that have business bases not only in Japan but also on a global scale
Establishment of a VC system	Gradually transition management resources to an organization that can make decisions based on “VC optimization” Spice: VC integration is focused on House Foods Functional ingredients: Reinforce the functionality of House Foods Group Asia Pacific and set up the VC Promotion Conference Soybean: Enhancing the functionality of House Foods Holding USA Inc. as an operating holding company controlling Soybean VC House Foods Group: Reinforce the foundation that supports VC management
Creation of new value through collaborative creation	Promote initiatives aimed at building business models through collaborative creation with internal and external partners Taking on the challenge with Value-added Vegetables VC positioned as our new business



For Our Customers

• Spice Value Chain

Our ideal vision

In the Spice VC, we have taken on the challenge of creating a new food culture centered on curry using our knowledge of spices and curry. Efforts are underway in Japan through House Foods for Japanese household use, House Gaban for commercial use, and Ichibanya for eating out, as well as in overseas markets such as China and Indonesia, to increase our contact points with customers. In the near term, we are working on reforms to enable the creation and provision of sustainable value across VCs from upstream to downstream, amid challenges such as rising raw material prices and changing consumption conditions.

In the Eighth Medium-term Business Plan, we will focus on the “vertical” connections that link VC from upstream to downstream, as well as the expansion of “horizontal” connections that aim to expand customer contact points on a global basis. We aim to expand our customer contact points by expanding our view into global markets and reverse-innovating the findings gained through our global expansion so far. From the Ninth Medium-term Business Plan, we will create new value and strengthen our competitiveness through a full-scale Spice VC system.

S (Strengths)

- Brand capabilities backed by marketing capabilities and flavor-making technology
- Production and quality assurance system to ensure stable delivery of high quality products
- Various customer contact points spread from upstream to downstream in the value chains
- Extensive research findings and processing techniques for spices and curry

W (Weaknesses)

- Flexibility in procurement of raw materials in the upstream
- Identify growth areas in mature markets
- System for integrated management of value chains has not been developed

O (Opportunities)

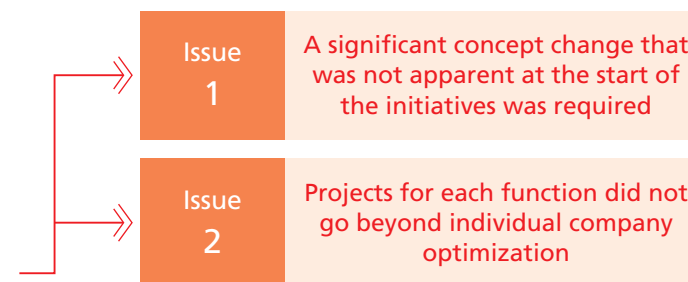
- The global expansion of spices and Japanese curry due to increased awareness of health and food diversification
- Development of new customer contact points and creation of business models that leverage technological superiority
- Strengthened profitability and creation of new value in upstream, midstream and downstream areas by promoting the integration of value chains

T (Threats)

- Prices of raw materials soared due to exchange rates and market fluctuations
- Failure of the supply chain due to climate change and geopolitical risks
- Population decrease and aging in mature markets

Review of the Seventh Medium-term Business Plan

- **BtoB-GOT:** House Gaban Corporation was launched by integrating the commercial business of House Foods Corporation with Gaban in April 2023. We will move to a business model that is appropriate for BtoB, and aim for further growth.
- **Production GOT:** “Rebuilding Spice Packaging Base” began in FY2022. “Ichibanya Curry Sauce Development” was verified at the store level, while high-mix, variable-volume retort production was becoming more concrete in terms of investment plans.
- **Procurement GOT:** We have been working to strengthen our global procurement capacity and reduce costs, but we have not progressed as expected.



For Our Customers

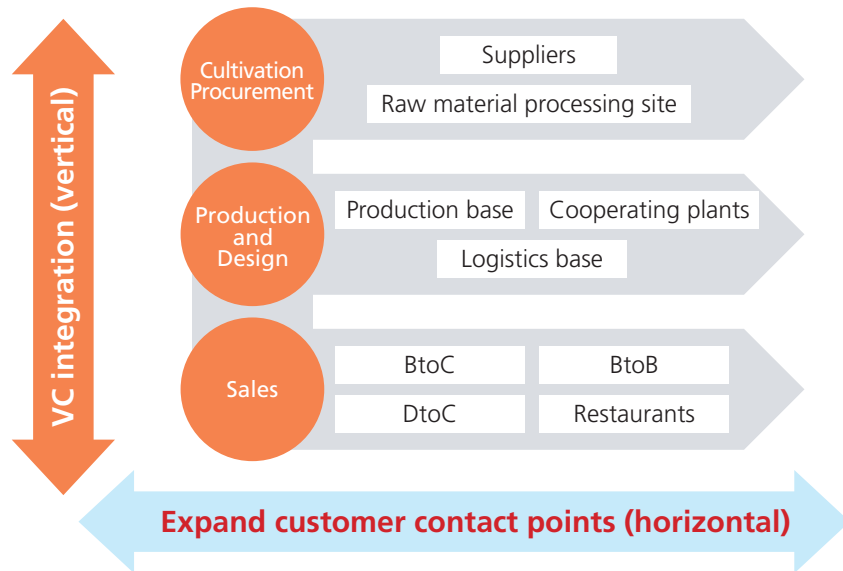
• Spice Value Chain

Direction of the Eighth Medium-term Business Plan

In the Eighth Medium-term Business Plan, we will expand our VCs two dimensionally. In other words, we are creating a strategy focusing on expanding “vertical” connections linking VC from upstream to downstream, and expanding “horizontal” global connections that aim to expand customer contact points.

With Spice VCs, there are many Group companies both vertically and horizontally of the VC, and up to the Seventh Medium-term Business Plan, there were challenges in promoting and coordinating VC as a whole under the project leadership. In order to solve this problem, the Eighth Medium-term Business Plan will build a system that will enable the implementation of optimal VC strategies by establishing a new headquarters within House Foods Group to centralize responsibility and authority.

■ Perspective of promoting the Eighth Medium-term Business Plan: Spread of VCs



Expanding customer contact points (horizontal strategy)

Under the Eighth Medium-term Business Plan, we will expand the scope of our House Foods operating company from defending existing Japanese core businesses. We will become a leader in Spice VC businesses, and take on the challenge of expanding global customer contact points (spreading horizontally).

Throughout the three years of the Eighth Medium-term Business Plan, House Foods will promote a single management system not only in Japan, but also in China and Indonesia, with the aim of overseeing the curry business globally. We aim to expand our customer contact points by expanding our view into global markets and reverse-innovating the findings gained through our global expansion so far.

In the BtoB field, we will incorporate the spice BtoB sales strategy function promoted by House Gaban in Southeast Asia with GOT, and we will continue to transform it into a “solutions company” that can provide solutions to users globally.

By unification of Japanese and overseas management, the Global Headquarters, responsible for international business operations, will continue to be dissolved.

▪ Expanding customer contact points (horizontal strategy)

House Foods and House Gaban playing central roles in promotion (unification of domestic and overseas management)

House Foods

Consideration of integration strategy with Global Headquarters

- Integrate the global curry business including China and Indonesia
- Broaden perspective to encompass the global market (Development of products for overseas export, development of non-rice businesses)
- Expand sales by utilizing the technologies and knowledge gained from global expansion

House Gaban

- Pursue the expansion of business domains and scale by incorporating BtoB sales strategy functions for Spice in Southeast Asia

Toward constructive dissolution of the Global Headquarters

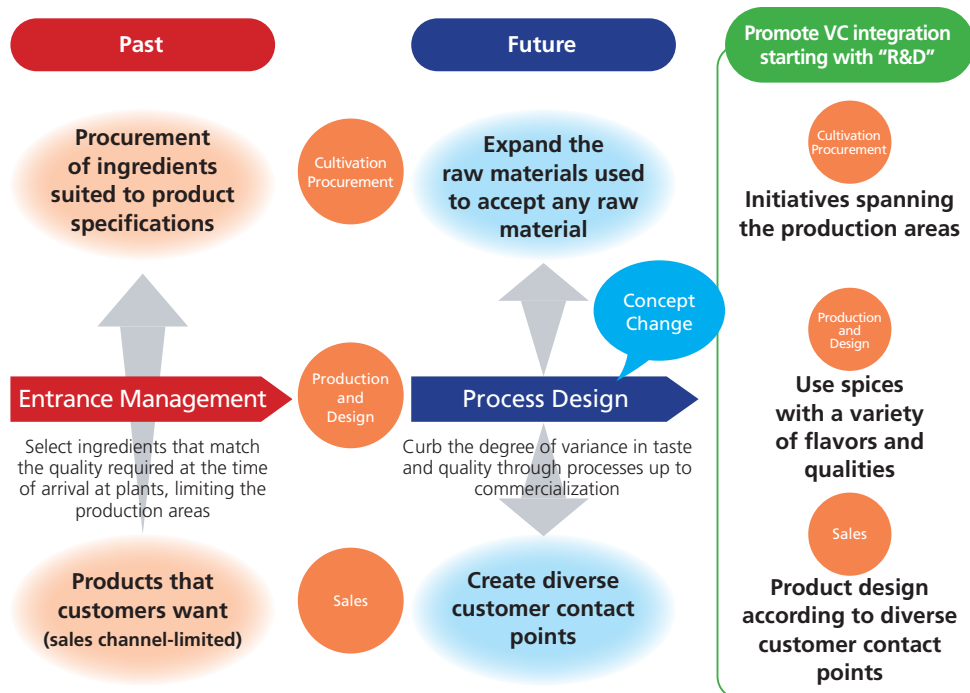
For Our Customers

• Spice Value Chain

VC integration (vertical strategy) (1) Process design

House Foods Group and House Foods will work together on VC integration (vertical connection.)

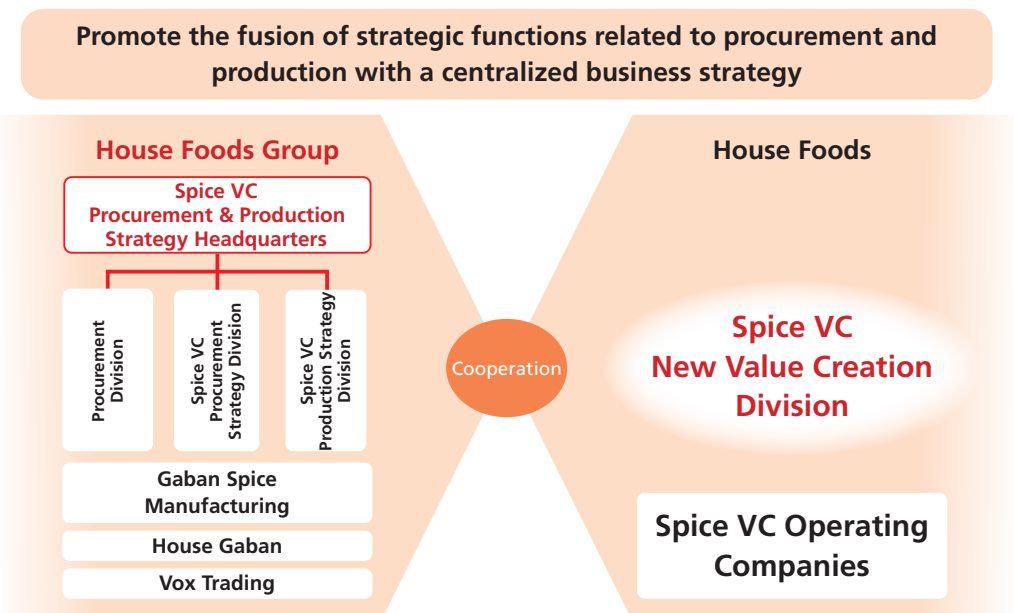
Up until now, we have been in a business process of determining product specifications that meet customer needs unidirectionally from downstream to upstream, and procuring raw materials that meet those specifications. “Entrance management” means limiting the production of raw materials, establishing strict standards, and accepting only raw materials that meet those standards into plants. However, with this method alone, there were challenges. These included flexibly responding to variations in raw materials on the upstream, mainly natural products such as spices, cost competitiveness and strengthening risk management for procurement. In order to solve these challenges, we will create a variety of customer contact points by strengthening the ability to respond to variations in flavor and quality, starting with R&D, and updating the concept of product design. This new approach is called “Process design.”



VC integration (vertical strategy) (2) Changes to organizational structure

From the Sixth Medium-term Business Plan, we have been working on procurement transformation activities by strengthening our global procurement capabilities as a “Procurement GOT,” but we have seen two issues as we have proceeded. First is the need to change our concept to a new approach called “Process design.” And the other is that responsibilities and authority for project-level activities have been divided, limiting the promotion of change. From the Eighth Medium-term Business Plan, we will unify strategic functions related to organization-level procurement and production to solve this problem, rather than on the project-level. The Spice VC Procurement & Production Strategy Headquarters was established at House Foods Group, and the procurement and production strategies and procurement practices were integrated under it. In addition, we will establish a new organization called the “Spice VC New Value Creation Division” to enhance House Foods' cooperation with House Foods Group and improve upstream literacy. Both organizations will work closely together to promote the unification of procurement and production strategies and business strategies.

Spice VC Procurement & Production Strategy Headquarters of House Foods Group will manage key operating companies responsible for the vertical themes of Spice VCs, Gaban Spice Manufacturing, House Gaban and Vox Trading. So, we will also continue to integrate VCs from an organizational perspective.



For Our Customers

• Toward the strategic promotion of the Spice Value Chain

Spice VCs have reached the core of change. Here's a message from various key managers on how we are working to create value in upstream, midstream and downstream.



**Upstream
Cultivation
Procurement**



Create a system to maximize the value of the value chain

Yuichi Okamoto
Director and General Manager of Spice VC Procurement & Production Strategy Headquarters, House Foods Group Inc.



In response to recent deterioration in the raw material procurement environment due to poor weather conditions caused by global warming, the issues of Ukraine, and the depreciation of the yen, the Seventh Medium-term Business Plan focused on transforming the business structure from upstream, centered on the Procurement GOT. However, the cooperation with the operating companies downstream did not lead to results. The reasons were because there was a limit to the promotion of transformation at the GOT project level and because flexibility toward the upstream side was low, meaning that product design and the procurement of suitable raw materials was only considered as "entrance management," namely as a one way process from downstream to upstream. In the Eighth Medium-term Business Plan, we will centralize the strategic functions of procurement and production and form closer links with House Foods for centralized and establish a system to incorporate a new concept of "Process Design" that is not only for "Entrance management," but also expands the range of raw materials to be sourced, and controls the extent of variation in flavor and quality through the process of the product-to-market process.

In the Eighth Medium-term Business Plan launched this fiscal year, the headquarters will draw a strategy for the entire process from procurement to production (for example, ensuring a stable supply by sourcing the same spice from multiple regions, and ensuring that the flavor is consistent through the processing technology of House Foods). By leading the integration with the strategies of each operating company, we will work with our mission to strengthen our ability to respond to procurement risks and gain growth capabilities through the creation of diverse customer contact points, thereby, contributing to the creation of a foundation for VC management that maximizes the value of Spice VCs.

To a new stage in the Chinese market

Hiroyuki Miyato
President, House Foods China Inc.



House Foods China (HCI) has been working to provide customers in China with a stable supply of quality-related products based on its long-term vision of "making curry with rice a national meal in China." We believe that the procurement of spices, one of the main ingredients, is the key to providing a stable supply of products. Starting with the Eighth Medium-term Business Plan, we are actively working to increase the volume of spice material procurement from Gaban Spice Manufacturing (GSM), a Group company that specializes in the manufacture and sale of spices. By strengthening procurement from GSM within the Group, we believe that the expansion of the market (sales volume) will enable us to continuously and consistently procure spices and ensure quality that is more suitable for our products, even if usage values increase in the future.

In order to further expand Japanese curry with rice to the 1.4-billion-population market in China, we need to ensure the Spice VC supported by all Group companies functions effectively. In 20XX, the new stage will come when the volume of sales of curry roux in HCI exceeds that of Japan. In preparation for this new stage, HCI will continue to work more closely with GSM, and will continue to provide stable supplies of products that will delight customers.



For Our Customers

- Toward the strategic promotion of the Spice Value Chain

House Gaban Corporation's role in the transformation

Seiji Ikoma

Representative Director & President
House Gaban Corporation



In our business operations, we aim to become a company with the ability to respond to the individual needs of each customer, and to make proposals. The realization of a scrum development and sales system (which handles sales, development and production through integrated management) and high-mix, variable-volume production, which are business models for this purpose, steadily progressed in the Seventh Medium-term Business Plan. We will continue to address these in the Eighth Medium-term Business Plan. Furthermore, we recognize that we need to increase opportunities for customers to deepen their understanding of the more versatile seasonings and ingredients that we position as a growth region.

In addition, as a leader of the food service business in the Spice VC, we will work in parallel with vertical (VC integration and fusion) and horizontal (customer contact expansion) efforts, rather than seeing it as an individual company.

As a concrete vertical initiative for the VC, we will work with the VC's upstream to understand the customer's latent needs and potential points, and to search for and discover new spices and seasonings to address them.

A concrete horizontal effort will be to expand customer contact points from a global perspective, not just in Japan. We will strengthen cooperation with other operating companies within the Group and work to expand contact with customers by demonstrating our ability to respond and propose to Japanese and local companies, mainly in Southeast Asia.



House Foods Corporation proactively leads transformation

Kotaro Kawasaki

Managing Director, House Foods Group Inc.
Representative Director & President,
House Foods Corporation



For the 10 years after the shift to the holding system in 2013, House Foods has been responsible for providing resources through stable profit generation in Japan as the main market, and the development of human resources and technology to support the Group's global growth.

However, the business environment surrounding the Company changed significantly over the three years of the Seventh Medium-term Business Plan. As lifestyle changes and the sustainability of procurement were threatened, there is an increasing risk that conventional long-term initiatives, particularly optimized business models for the Japanese market, will not be able to maintain competitiveness.

In order to provide opportunities for growth as a change point in our role and business area, we will look at our existing business model from a global perspective and link the functions of the Group, such as procurement, production, and technology, to create value and strengthen our competitiveness.

Rebuilding and redesigning Spice VC independently of past success experiences is a challenge for further strengthening profitability and growth. We will create the future of curry and spices through the construction of VC.

Midstream

Development,
Production and
Logistics

For Our Customers

- Toward the strategic promotion of the Spice Value Chain



Overseas BtoC Business



Activities of the business for an Indonesian household curry

Hiro Yoshi Tsuchiya

Director & Vice President, PT Sasa Housefoods Indonesia



In Indonesia, House & Vox Indonesia sold Japanese-style curry starting with Ichibanya in 2013 and a halal-certified roux business in 2016. Starting in 2024, Sasa Housefoods Indonesia has sold roux for households, and continues to expand customer contact points. As we enter the retail channel, traditional trade (TT), which still accounts for more than 70% of the condiment market area, will be positioned as a major market in the future, and Sasa Inti, a leading local seasoning company with strong distribution power for TT, will be a joint venture partner to make it a faster and bigger business. In addition, in order to achieve a price range that can be purchased repeatedly in regular shopping (TT) of the target middle class, we have developed a new roux production technology with a minimum unit of 20 g, and introduced production facilities at the Group's Java Agritech. This technology is expected to be viable in other countries, and Indonesia is the leading example. The products launched were highly appreciated for their taste-making and the ease of roux cooking, were first introduced by modern trade (MT), which has been very popular, and shipments are proceeding smoothly. In the future, we will accelerate the transition to a daily buying space (TT) by increasing product awareness, leveraging the knowledge of our joint venture partner to promote sales and leverage our distribution capabilities. We aim to contribute to even more families in Indonesia by creating smiles in their lives.

Restaurants



Global expansion of CoCoICHI

Since opening the first "Curry House CoCo Ichibanya" in 1978 and the first overseas store in 1994, it has expanded to 1,245 Japanese and 212 overseas stores (as of February 2024). We are expanding the appeal of "Japanese curry with rice" around the world.

A challenge to the wheat food culture area

To date, we have been aiming to penetrate the global rice food culture, eyeing the spread of "Japanese curry with rice." In addition, we are considering providing value for curry on a wider global scale, including expanding our business of curry bread to the wheat food culture.

New Business



Leading Japanese example
"Curry Pan no Hi"

For Our Customers

• Functional Ingredients Value Chain

Our ideal vision

The purpose of the Functional Ingredients VC is to focus on functionality of ingredients to provide the efficacy and performance to respond to the universal need to be healthy. We have positioned vitamins, spices (turmeric), and Lactobacillus as our strategic ingredients. By providing the efficacy and effectiveness of each ingredient in terms of nutrition, vitality and health maintenance, we help to extend healthy life expectancies and improve quality of life (QOL).

Specifically, we operate BtoC businesses that offer products directly to customers, such as for *C1000* in Japan and *C-vitt* in Thailand. We also provide Lactobacillus L-137 and other raw ingredients to customer companies, as a way of developing BtoB businesses that business partners of our customer companies make use of in turn. Through these efforts, we meet the diverse needs of our customers globally. We will move forward with initiatives in each region with the aim of continuing to support the health of our customers around the world. These initiatives include further expansion of our vitamin business in Southeast Asia and forging ahead with our Lactobacillus business in the United States and Europe. With a VC that provides healthy life through foods, we will support our customers in leading energetic lives.

S (Strengths)

- Possession of the Group's proprietary health materials (Lactobacillus L-137, turmeric extract) and know-how
- Possession of long-selling brands
Japan: *C1000*, *Ichinichibun No Vitamin* and *Ukon No Chikara* Overseas: *C-vitt* (Thailand)
- Materials research and product development capabilities, quality stabilization and long-standing knowledge of functional foods and applied expertise

W (Weaknesses)

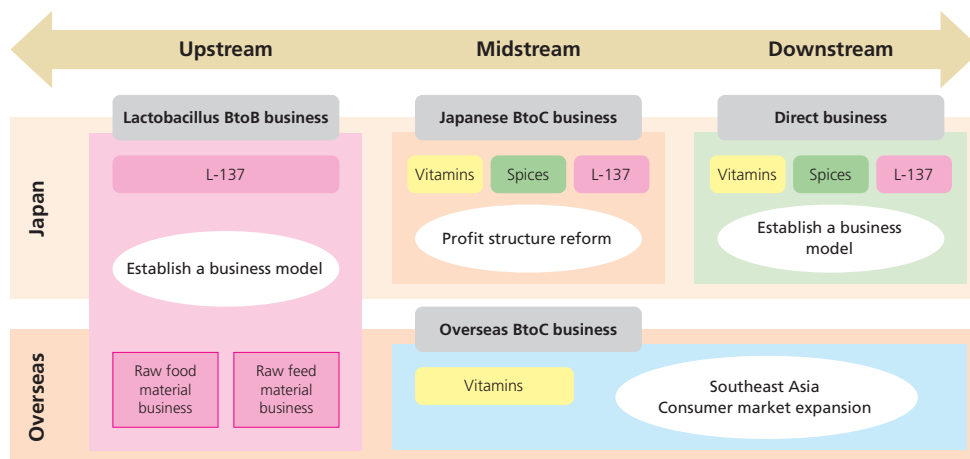
- Early shift to global markets
- Balance of revenue between businesses

O (Opportunities)

- Deploying products in line with lifestyle changes and increased global health consciousness as a result of the COVID-19 pandemic (changes in purchasing behavior and channels, changes in health needs) in countries where we operate
- Development of materials to conform with trends in ethical consumption and awareness of the SDGs, and expansion of animal welfare (Lactobacillus L-137)

T (Threats)

- Rising prices of raw materials, energy, and logistics



Review of the Seventh Medium-term Business Plan

An achievement related to the Functional ingredients VC in the Seventh Medium-term Business Plan was achieving both backcasting and forecasting perspectives. After setting up a structure in which House Wellness Foods Corporation would be in charge of the entire VC ahead of others, we established House Foods Group Asia Pacific (HAP) in Thailand as an interim holding company that oversees the functional beverage business in Southeast Asia in April 2022. Then, we began working to expand to countries in Southeast Asia. As a result, the company was able to begin its business development in the Philippines in November 2023. Meanwhile, in Japan, we have been able to restore profitability in the health food business, which suffered from losses for the second consecutive term due to the effects of COVID-19, and allocate management resources to growth areas through the breakup of profit and loss structure reforms.

For Our Customers

• Functional Ingredients Value Chain

Eighth Medium-term Business Plan initiatives

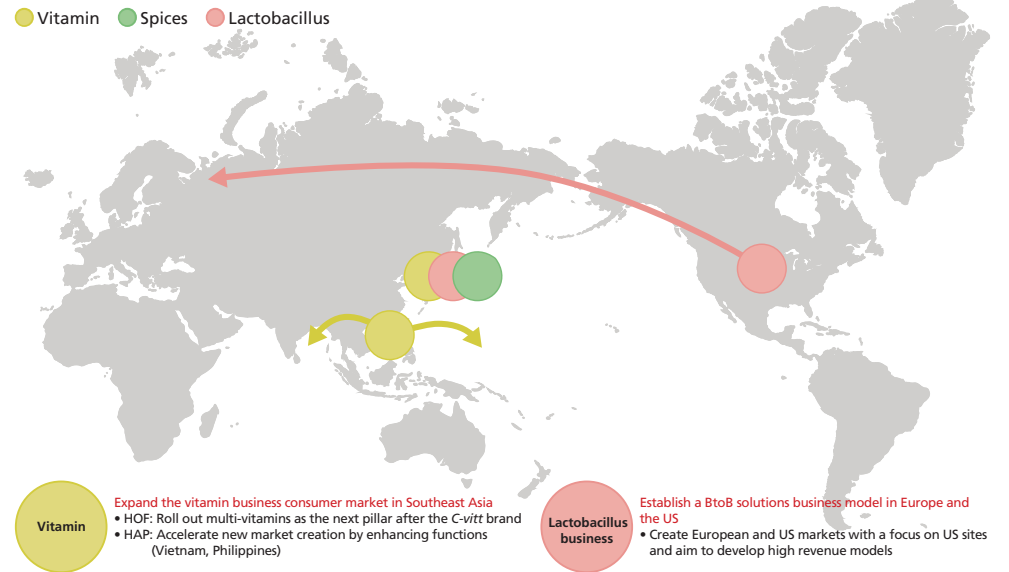
In the Eighth Medium-term Business Plan, we will continue to reform the earnings structure of our Japanese business and build a foundation for our global business, as well as promote a global shift with strategic materials as the key.

In Japan, we are working to reform our earnings structure by reviewing product design and implementing measures to improve delivery efficiency, as we expect that cost increases related to logistics and materials will continue in the next fiscal year. In addition, we will improve sales by reviewing our approach to customers for key products and strengthening our brand capabilities through effective marketing costs.

Globally, we will expand the midstream consumer market in Southeast Asia. In the existing area of Thailand, following *C-vitt*, we will expand into the field of multi-vitamins, and accelerate the development of new markets in Vietnam and the Philippines through House Foods Group Asia Pacific (HAP). We will focus on the BtoB business in Europe and the United States, utilizing the strength of our Lactobacillus business, our strong evidence. Then, we will focus on growing into a business that will support the future of Functional Ingredients VC.

In addition, since the final year of the Seventh Medium-term Business Plan, the VC Promotion Meeting was launched to direct the Functional Ingredients VC. Starting with the Eighth Medium-term Business Plan, we aim to ensure smooth global collaboration and VC development as a decision-making institution for VC management issues.

▪ Promote a global shift with strategic materials as the key



Framework Implement global coordination through the VC Promotion Meeting

Focus

Promotion of vitamin business in Southeast Asia

In April 2022, we established HAP, an interim holding company in Thailand, to promote and expand business in Southeast Asia. House Osotspa Foods Co., Ltd. (HOF) has also transitioned from a subsidiary of House Foods Group to a subsidiary of HAP, and has developed a system that will allow for smooth re-investment of new business development in the Southeast Asian region for the Functional Ingredients VC.

HAP aims to create markets in new areas that will continue to Thailand by 2030. As one foothold, we started the vitamin business in the Philippines in November 2023. In collaboration with Asia Brewery, a leading local beverage company, we are introducing imports from Thailand

to convenience stores, mini stores and drug stores in the Manila metropolitan area, and we are working to create opportunities for customers to drink through sampling and product announcements through social media. We will also promote market penetration in Vietnam, mainly through modern distribution.

We will continue to support the active lives of people around the world with the strengths of Functional Ingredients VC: materials research and product development capabilities, quality stabilization and long-standing knowledge of functional foods and applied expertise.



Shuichiro Ito
Representative Director & President,
House Foods Group Asia Pacific

For Our Customers

• Soybean Value Chain

Our ideal vision

In Soybean VC, we aim to sustain growth to achieve the Group's philosophy and achieve "Three Responsibilities" through the global expansion of PBF*, which has tofu as its core. Also, our long-term vision for the VC is to be a global PBF company that supports healthy and flexible food lifestyles through clean and functional value offerings.

In order to realize this vision, in the Seventh Medium-term Business Plan, Keystone Natural Holdings, LLC. joined the Group in September 2022 to strengthen customer contact points in the United States mainstream market and expand its portfolio of value-added PBF products. In June 2023, the new Los Angeles plant began operating its new line, strengthening its supply capacity. We have built a system that will continue to respond to strong tofu demand.

In the Eighth Medium-term Business Plan, in order to further deepen initiatives during the Seventh Medium-term Business Plan, we will promote collaborative creation efforts across the entire VC and focus on synergies. We will use our existing strengths and challenge new change themes to demonstrate our uniqueness and increase our value as a VC.

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

S (Strengths)

- Tofu production technology, quality and R&D capabilities developed by House Foods America in the midstream area
- Keystone Natural Holdings' ability to develop PBF business flexibly
- Unique product position held by El Burrito Mexican Food Products
- Various ideas based on the diversity of employees
- United States/multinational and Japanese-style operating model

W (Weaknesses)

- Building brand stories, marketing organizational capabilities
- Organizational sales capabilities and sales management systems
- Weakness in cross-sectional issue setting capabilities through split-level responsibilities

O (Opportunities)

- Continue to expand the PBF market by increasing health needs and increasing awareness of environmental considerations
- Potential for expansion through category and area marketing
- Possibility of market expansion in countries neighboring the United States and Europe
- Expansion of the consumer segment by expanding the product line
- Setting growth themes and transforming organizational structure in line with business growth

T (Threats)

- Expansion of the presence of competitors in the tofu and PBF areas and intensifying price competition
- Rising business costs

Review of the Seventh Medium-term Business Plan

Results of the previous Medium-Term Business Plan	<ul style="list-style-type: none"> • The effect of bringing Keystone Natural Holdings into the Group. Expansion of value-added tofu and PBF portfolios as a VC. The creation of synergies through collaboration in procurement, R&D, production, logistics and sales has been steadily promoted. • Launch of a new line at the Los Angeles plant • The Company has worked to strengthen its business base by implementing governance project through a Japan-US collaboration and external partner companies.
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Issues of the previous Medium-Term Business Plan	<ul style="list-style-type: none"> • Restructure the business portfolio based on improvement in profitability by anticipating changes in the market environment • Strengthening and optimizing the production system amid inflation and an environment of rising costs • Strengthen overall functions for VC management execution.
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Under the Seventh Medium-term Plan, the structure of a Soybean VC has been developed. By bringing Keystone Natural Holdings, LLC. into the group, we will be able to expand our value-added tofu and PBF portfolios, and manage procurement, R&D, production, logistics, and in terms of sales, synergies have been steadily generated through the joint efforts of both companies. In addition, we have strengthened our supply capacity, which was lacking, by launching a new building at the Los Angeles Plant, and have also worked to strengthen our business base to support growth by conducting governance projects in collaboration with company departments and external partners at the United States local organization and House Foods Group. In addition, the competitive environment in the United States is becoming more challenging in terms of sales. Moreover, we need to strengthen our sales organization capabilities. We need to restructure our business portfolio in view of improving profitability, and strengthen our overall functions for implementing VC management.



Enhance cooperation with Keystone Natural Holdings

For Our Customers

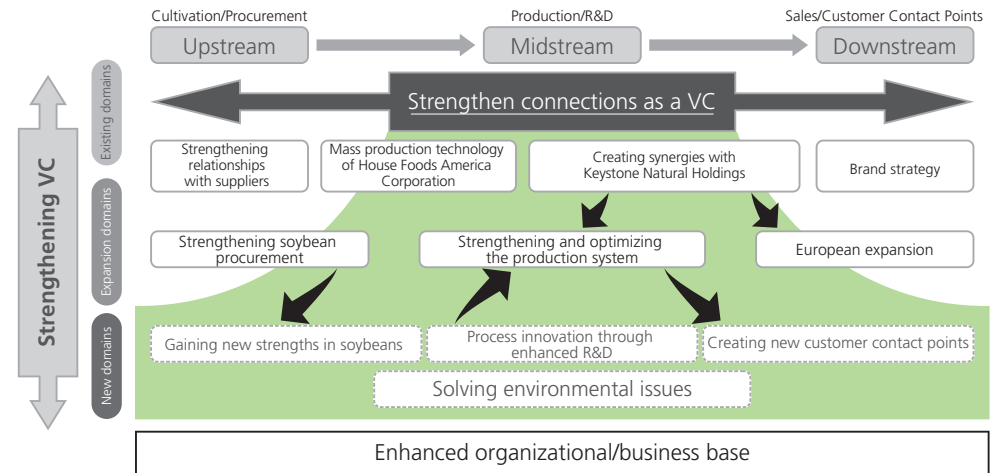
• Soybean Value Chain

Initiatives in the Eighth Medium-term Business Plan

In the Eighth Medium-term Business Plan, we will work to expand our presence in the plant-based food (PBF) market. First, in brand marketing, we aim to improve brand recognition and added value by communicating appropriately with customers about company and product brands. In addition, we will strengthen our ability to build customer contact points by strengthening our sales proposal capabilities and by developing new areas and channels.

From the perspective of VC construction, we will support the dramatic growth of our business by strengthening our functions such as R&D and business strategy functions, reorganizing our organization into an organization suitable for VC, and strengthening our company structure such as in terms of governance, human resources framework and systems. In addition, in order to strengthen the production SCM management system, we will consider the optimal system for procurement, production and distribution.

In addition, we will recognize common issues not only from the perspective of individual companies, but also from the perspective of the entire VC, by promoting cross-sectional initiatives of Group companies within the VC, and will work toward resolving these issues.



Focus

Synergy generation with Keystone Natural Holdings (KNH)



Takahiro Kominami
House Foods Holding USA Inc.

We are communicating with KNH based on the Eighth Medium-term Business Plan on the aim of becoming a Soybean VC and the growth story. In particular, brand strategy, organization, and optimization of production and logistics are crucial for enhancing competitiveness and aiming for growth. We are engaging in vigorous discussions with KNH to align on a common direction and focus on creating synergies. For example, joint sales conversations with customers, integration of mainstream channel sales functions, and unification of brokers led to increased items handled and sales. We are also working to promote all of the brands of both companies effectively through joint exhibitors. In terms of production and logistics, we have been able to improve efficiency and reduce costs through joint delivery in the East Coast area. We are currently reorganizing our logistics bases in the West Coast area,

and we are moving toward reviewing and optimizing production items at each production site. In the future, we will take advantage of the reorganization of the company's structure to provide a wide range of PBFs, mainly tofu, as the Soybean VC, to customers around the world.

Focus

European expansion



Gen Ono
House BEANatura GmbH

In Europe, the PBF market is strong and there are new business opportunities. Europe, when divided into the member countries of the European Union (EU), consists of a collective of 27 countries with a total population of approximately 449 million. Therefore, considering the market starting point (scale/potential) and the focus of activities, we selected Germany as the country for expansion. Germany has the largest population in the EU (84 million people) and the largest bio (organic) and tofu market in the European continent, and the vegetarian population is also at a higher level than in other European countries. Since May 2022, we established a representative office under House Foods Holding USA Inc. to conduct marketing activities in order to understand local needs. In May 2024, we established our local sales company, House BEANatura to move to the business practice phase. In Germany and Europe, there are also PBF competitors, but we will differentiate ourselves from our competitors by offering value-added products to our customers in Germany and Europe and creating new genres on the sales floor, and take the first step toward entering Europe with Soybean VC.

For Our Customers

● Creation of New Value through Collaborative Creation (Value-added Vegetables Value Chain)

Connect outside and connect to the future

The theme of “Creation of New Value through Collaborative Creation” was presented during the Fifth Medium-term Business Plan for the Group, which was described as “Transformation into a Quality Company.” Almost a decade has passed, and although it is still small, it has gained a lot of insight.

Given the inevitable need for business transformation, trial and error in creating new value is essential. We believe it’s crucial to develop the ability to “start small and grow big” by co-creating with stakeholders and generating much new value through a rapid cycle of creation and elimination.

The fourth VC, “Value-added Vegetables VC,” has many new business elements. So, the Eighth Medium-term Business Plan will promote it under the theme of “Creation of New Value through Collaborative Creation.” We will work with collaborative creation partners who have met through searches by corporate venture capital (CVC) funds and others to create new value.

In addition, two projects, Kidslotion and Tasu Me, which are proposals made by employees for the first GRIT contest, are currently conducting verification of the value provided by PatchworkQuilt Inc., which is a subsidiary for the business verification. The Eighth Medium-term Business Plan aims to move from one theme of creating new value to the next phase of the Group’s ability to grow. At the same time, through these initiatives to create new value, we will also strengthen our employees’ sense of challenge and future orientation.

Example initiatives: “GRIT”

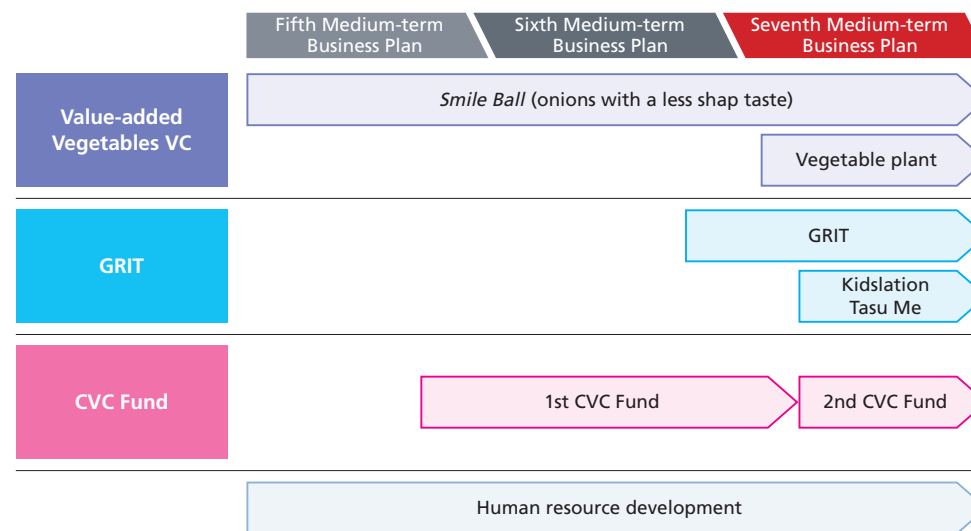
GRIT has been a new business creation program with an internal public offering since 2020 and is now in its fifth phase. The themes of “Kidslotion” and “Tasu Me” adopted for the first year are in the phase before commercialization.

The aim of this program is to create new businesses that are driven by the aspirations of employees. In this rapidly changing era, we need to challenge areas that differ from the current scope of business. We will continue to generate new value through a system that collects a wide range of business types from many Group employees and conducts detailed hypothesis verification.

To do this, we need to foster an organizational culture that is easy to reach and desirable to raise. In addition to “Kidslotion” and “Tasu Me” for the first year, we will also accelerate our activities for the second and third years toward commercialization, and will focus on creating as many results as possible

By acquiring new revenue sources for the Group, internalizing the accompanying knowledge, and fostering a corporate culture within the company, we will contribute to the transformation into a quality company.

The path to creation of new value through collaborative creation



Example initiatives: CVC

In October 2017, the House Foods Group established the first corporate venture capital (CVC) fund, the House Foods Group Innovation Fund, as a Japanese food manufacturer. In November 2022, the Japanese government also announced its policy of “increasing the amount of investment for startup companies by more than 10 times over five years.” Indicating that it regards investment in venture companies as an important part of the sustainable growth of the Japanese economy. The House Foods Group has invested in 11 companies from the first fund (the end of the investment period) and three companies from the second fund (established in January 2023) (as of July 2024). As part of our efforts toward open innovation, the first fund aimed to foster a collaborative spirit by shifting away from a self-sufficient approach and combining our company’s strengths with those of external partners. Moreover, with the second fund, we have further strengthened collaboration with our business divisions to create synergies. We have also been promoting partnerships with venture companies. Furthermore, since the fund’s inception, we have had a “CVC secondment program” open to all Group employees, where they can be seconded to our portfolio venture companies for one year. This program aims to cultivate management talent through cross-border experiences. Our investment focus extends beyond existing value chains to an “innovation domain” where we set growth themes based on a backcasting perspective. Alongside the growth of our existing businesses, our aim is to build new value chains for the future House Foods Group.

For Our Customers

● Value-added Vegetables Value Chain

Our ideal vision

In the Value-added Vegetables VC, we are pursuing the potential of new business models in the agricultural domain through collaborative creation within the Group and externally, such as with commercialization of *Smile Ball* (an onion with a less sharp taste) and plant factories.

We have spent a lot of time overcoming the challenges of stable quality and stable production, which is the core of our agribusiness. However, we have accumulated knowledge through activities closely related to each region, and are establishing a foundation for growing production areas. We have also found that there are limits to differentiation of vegetables that only value farming, production areas and functionality. In fact, despite the ongoing surge in prices, this trend has left behind fruit and vegetables, which are priced according to market supply and demand.

We will build a collaborative creation platform with other companies to implement data-driven sustainable agricultural production that overcomes the adverse external conditions such as bad weather and rising production material costs, process management that enables long-term freshness retention, and branding that converts the value of vegetables into demand (creating an affordable premium by multiplying the functionality and emotions). We aim to realize the concept of continuously delivering “vegetables with lasting appeal” to your dining table.

S (Strengths)

- Possesses a genetic resource for *Smile Ball*
- Research and development, data-driven cultivation technology and knowledge accumulation backed by careful data collection and insight
- Brand power through customer-initiated marketing
- Collaborative creation and collaboration with external partner companies

W (Weaknesses)

- Lack of know-how and resources to respond to laws and business practices in the fruit industry
- Lack of access to production areas and know-how to create production areas

O (Opportunities)

- Diversification of customer needs, such as increased awareness of the environment and increased demand for cut vegetables
- Collaborative creation system with external partners that have sustainable production (procurement) methods that can respond to external environmental factors
- Market expansion from the gap to the current level (280 g/day) relative to the target daily intake of vegetables (350 g/day, 2025)

T (Threats)

- Long time span from seed development to mass production and quality stabilization
- Stability supply (procurement) instability caused by increased production risk caused by climate change
- Increases in labor, distribution and energy costs

Develop and promote a business model with collaborative creation partners

Value-added Vegetable Project: Activities with Nousouken Corporation

We are working together to create value with the Nousouken Corporation, which concluded a capital business alliance in April 2023. For example, by branding small onions, which are generally considered difficult to sell, with the Nousouken Corporation through packaging and sales, we are able to deliver more *Smile Ball* onions to our customers and reduce waste. In addition to the Nousouken Corporation, we also utilized the various vegetables held by other collaborative creation partners in Value-added Vegetables VC midway, such as also using Saka no Tochu and Farmship. Along with our processed foods, we were able to create a themed sales area that embodies the concept of a curry and salad dining experience. In the future, we will further accelerate the development of vegetables that resonate with our customers and the development of attractive sales floors. We will also promote joint efforts in upstream (production and procurement) and downstream (storage and distribution), taking advantage of the strengths of our collaborative creation partners.



Low-order processed salad business: Initiatives with Farmship, Inc.

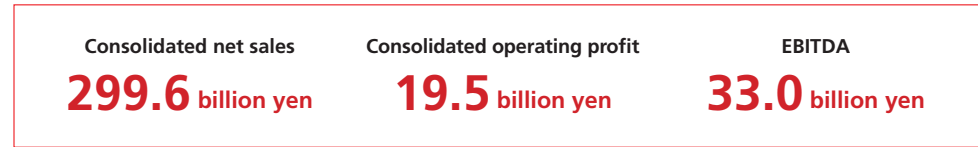
Since April 2022, we have been working together with the Ryoden, which has Farmship (CVC investment) and BlockFarm (Production plant in Numazu City, Shizuoka) in its Group. By having sales and production sites stationed, in addition to mass-producing sweet basil and improving quality while sharing wisdom, we developed new materials and took on the challenge of working to resolve various issues at actual plants. In December 2023, we launched an *Aromatic Salad*, an assortment of plant factory vegetables and sweet basil. Today, we are expanding our sales channels to high-end retail stores and supermarkets in the metropolitan area. Most recently, we have developed new products for the food-service business and started approaching new routes. Moving forward, we will also take on challenges in areas beyond fresh produce.



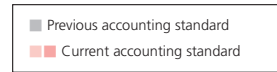
For Our Customers

Overview of Business Segments

House Foods Group (FY2023)

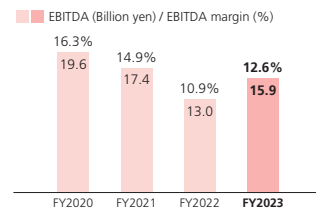
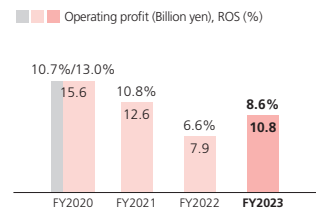
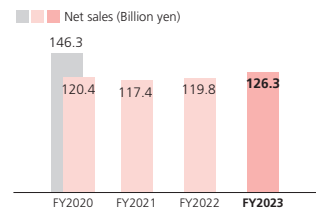


Notes: 1. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc., are applied from FY2021 onward.
2. Regarding the business combination with Keystone Natural Holdings, LLC on September 30, 2022, the price purchase allocation (PPA) was completed in FY2023. Accordingly, figures for the previous fiscal year reflect the completion of the PPA.



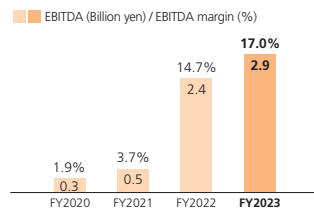
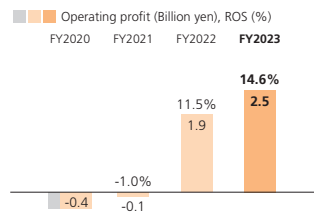
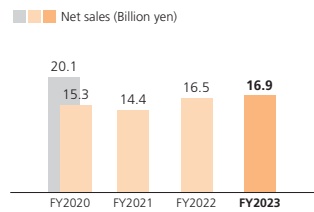
Spice/Seasoning/ Processed Food Business

Business lines: Production and sales of curry, stew, and spice, etc.
Main operating companies: House Foods Corporation, House Gaban Corporation, Malony Co., Ltd.



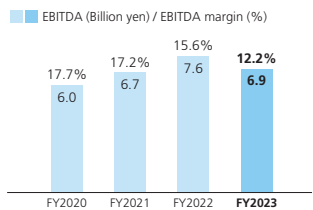
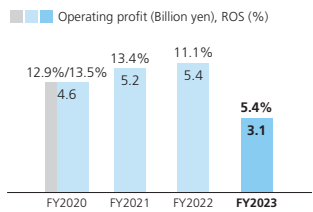
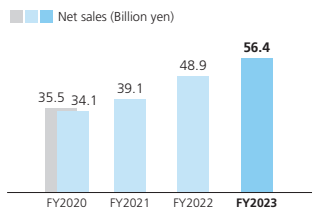
Health Food Business

Business lines: Production and sales of health foods and beverages
Major operating company: House Wellness Foods Corporation



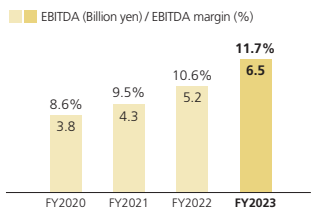
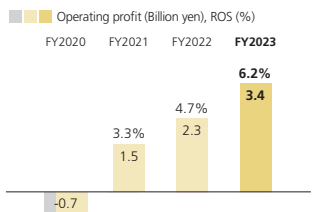
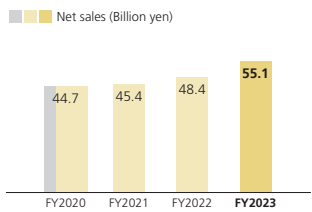
International Food Business

Business lines: Production and sales of soybean products, spices and condiments, and beverages
Main operating companies: House Foods America Corporation, Keystone Natural Holdings, LLC, House Foods China Inc., House Osotspa Foods Co., Ltd.



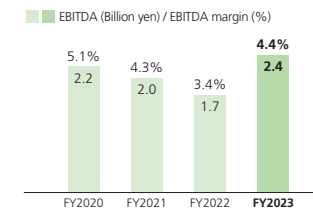
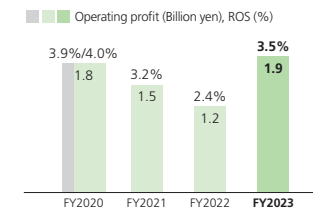
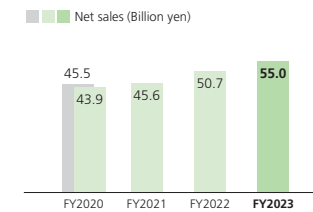
Restaurant Business

Business lines: Management, planning and operation of restaurants
Major operating company: Ichibanya Co., Ltd.



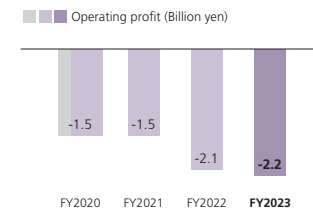
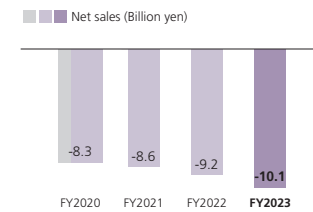
Other Food Related Business

Business lines: Production and sales of ready-made dishes, baked breads, and desserts; import, export, and sales of agricultural products and food products
Major operating companies: Delica Chef Corporation, Vox Trading Co., Ltd.



Adjustment (elimination)

Profit or loss not allocated to segments and inter segment eliminations



For Our Customers Strategies by Business Segment

Spice/Seasoning/Processed Food Business

In FY2023, we have restructured our business structure, which has changed due to the sharp rise in raw material prices, and it has also been a year for the Eighth Medium-term Business Plan to be implemented.

In the household-use business, we have implemented price revisions for the second consecutive period, and our profitability has recovered to a certain level. We focused on the development of the new brand *X-Blend Curry*, which caused demand to generally recover as expected. Meanwhile, we are expected to strengthen and accelerate responses to diverse customer needs in retort curry, a growing market. House Gaban Corporation was established as a food service business. The first year went generally according to plan, due to the recovery in food service demand accompanying the resumption of economic activity and the effect of a price revision implemented in September 2023.

In the FY2024, we will focus on recovering demand and acquiring new customer contact points in our household-use business. We will respond to changes in customers' lives and preferences in a timely manner and strengthen the development of new products and promotions. In our food-service business, we will utilize the strengths of both House Foods and Gaban to expand customer contact points and strengthen our ability to make proposals.

In order to acquire customers beyond the boundaries of Japan and abroad, we will expand menus and brands overseas by utilizing the technology and know-how cultivated in Japan. In addition, we will return knowledge gained through localization in China and Indonesia to Japan, and create new value by utilizing raw materials and technologies that have unique added value.



Kotaro Kawasaki
Managing Director
House Foods Group Inc.
Representative Director &
President
House Foods Corporation

International Food Business

In the U.S. business, demand for high-priced PBF products decreased due to increased awareness of life defense in FY2023. In the Chinese business, since the substantial easing of the zero COVID-19 policy, overall slump in the retail industry continued due to the expansion of the awareness of savings stemming from the economic downturn. As the market environment changes significantly, we recognize that we need to properly grasp area, channel, and competitive information in each market, and to provide a detailed sales and marketing strategy.

In FY2024, we will implement a sales and marketing strategy that precisely captures the market by area, ethnicity, and purchasing group in the United States, and focus on acquiring new accounts. In addition, with cross-selling of KNH¹ and HFA² products, joint exhibition of trade shows, optimization of production and logistics, integration of functions and organizations, and strategies for Europe, we will create synergies as much as possible. In the Chinese business, we will shift resources to buying places with a strong customer appeal, and we will effectively manage marketing costs through “selection and concentration” to secure profits. In Southeast Asia, we will continue to nurture the region as our fourth pillar, following the US, China, and Thailand. Our efforts will focus on growing the household rcurry roux market in Indonesia and achieving profitability in curry roux for food-service business in Vietnam.

1. KNH: Keystone Natural Holdings, LLC
2. HFA: House Foods America Corporation



Yoshiyuki Miyaoku
Director
General Manager of Global
Headquarters
House Foods Group Inc.

Health Food Business

In FY2023, sales of the *Ukon No Chikara* were restored in Japan due to marketing activities that took advantage of changes in post-COVID-19 customer awareness as an opportunity, and the *C1000* was focused on stimulating demand after the price revision in June 2023. For the *Ichinichibun No Vitamin Jelly*, we focused on increasing sales by spending money on promotional activities. On a global basis, we have launched a vitamin business in new areas in Southeast Asia and have also worked to strengthen sales activities in the Lactobacillus business, mainly in the United States and Europe.

For FY2024, we will continue to address the ongoing increase in logistics and materials costs in our domestic market through initiatives such as product design reviews and improved distribution efficiency. Additionally, we will strive to increase sales while maintaining profitability by effectively allocating marketing costs to our major products and strengthening our brand.

Globally, we will continue to focus on expanding our vitamin business, particularly in Southeast Asia. In the Lactobacillus business, we aim to build a high-income model by acquiring adoption by major global companies in order to create a core income overseas.



Yoshiyuki Miyaoku
Director
General Manager of Global
Headquarters
House Foods Group Inc.

Restaurant Business

In FY2023, we exceeded 100 billion yen in combined domestic and international store sales for the first time. This achievement was driven by the recovery of foot traffic both domestically and internationally, coupled with the positive impact of our efforts to improve Quality, Service, and Cleanliness (QSC) and our marketing initiatives.

In Japan, CoCo Ichibanya has been promoting its brand through TV commercials and social media. Additionally, we have introduced menu items such as “a hearty curry with huge chunks of tender meat” that combine strong product appeal and newsworthiness. In addition, as new business types through M&A, the Group welcomed the popular noodle store “Menya Takei” in Kansai and the famous hot pot store “Hakata Motsunabe Maedaya” in Fukuoka.

As we aim to achieve our long-term vision, “Ichibanya Long-term Vision 2030,” of a consolidated operating profit of 10 billion yen by FY2030, we have set an operating profit target of 7 billion yen for FY2027, the final year of our Eighth Medium-term Business Plan. At Curry House CoCo Ichibanya, we will continue to improve store profitability, implement marketing initiatives to strengthen our brand and expand our store network into new locations.

In addition, we will accelerate the speed of development in new types of business and international business, while striving to achieve our goal of being a “Food entertainment company.”



Mamoru Kuzuhara
President and
Representative Director
Ichibanya Co., Ltd.