

# INTEGRATED REPORT 2024

House Foods Group Inc.



# 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,

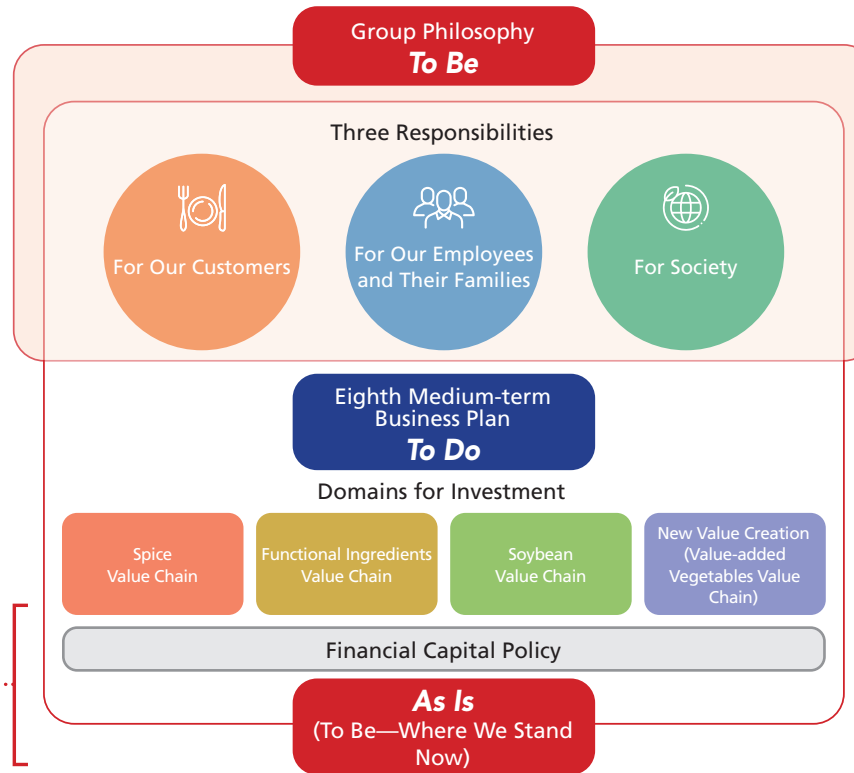
Section 2

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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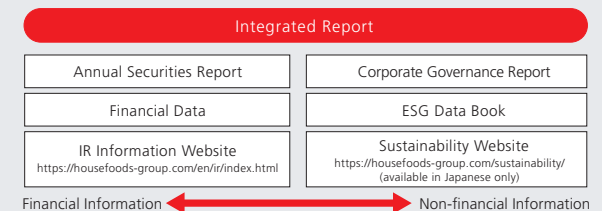
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## Positioning of the Integrated Report



**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 CO<sub>2</sub> 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.

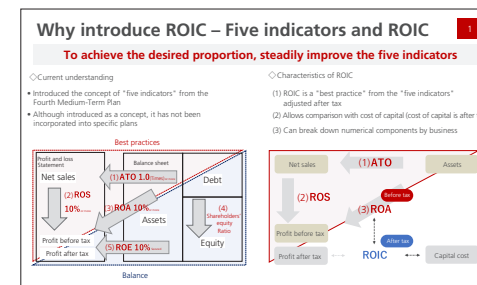
➔ See pages 41–46 For Society

### 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**

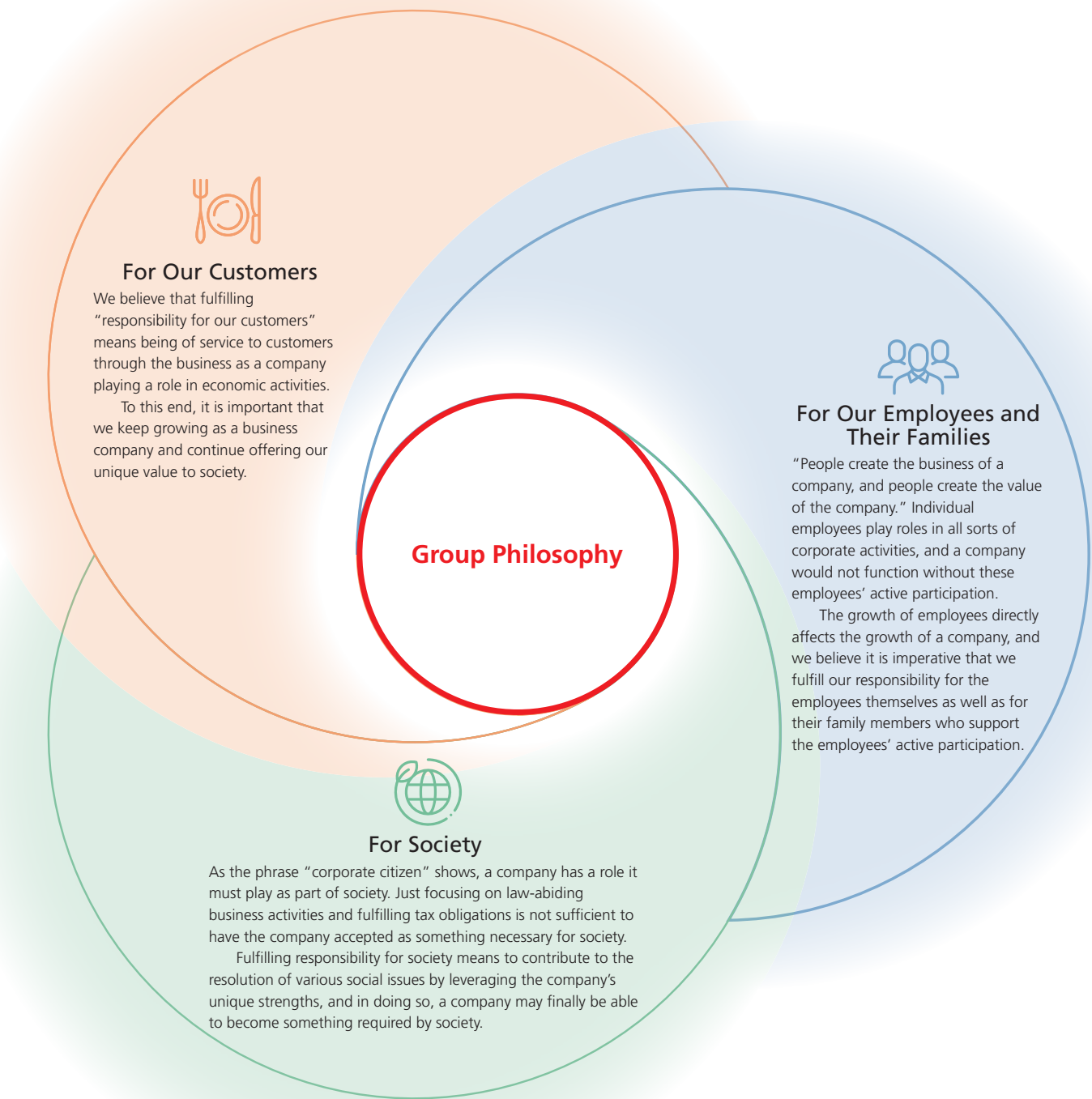
- We contribute to the rich and healthy lives of our customers in both body and mind by always providing products and services that are safe and secure, and also provide value.

**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

# Value Creation Process

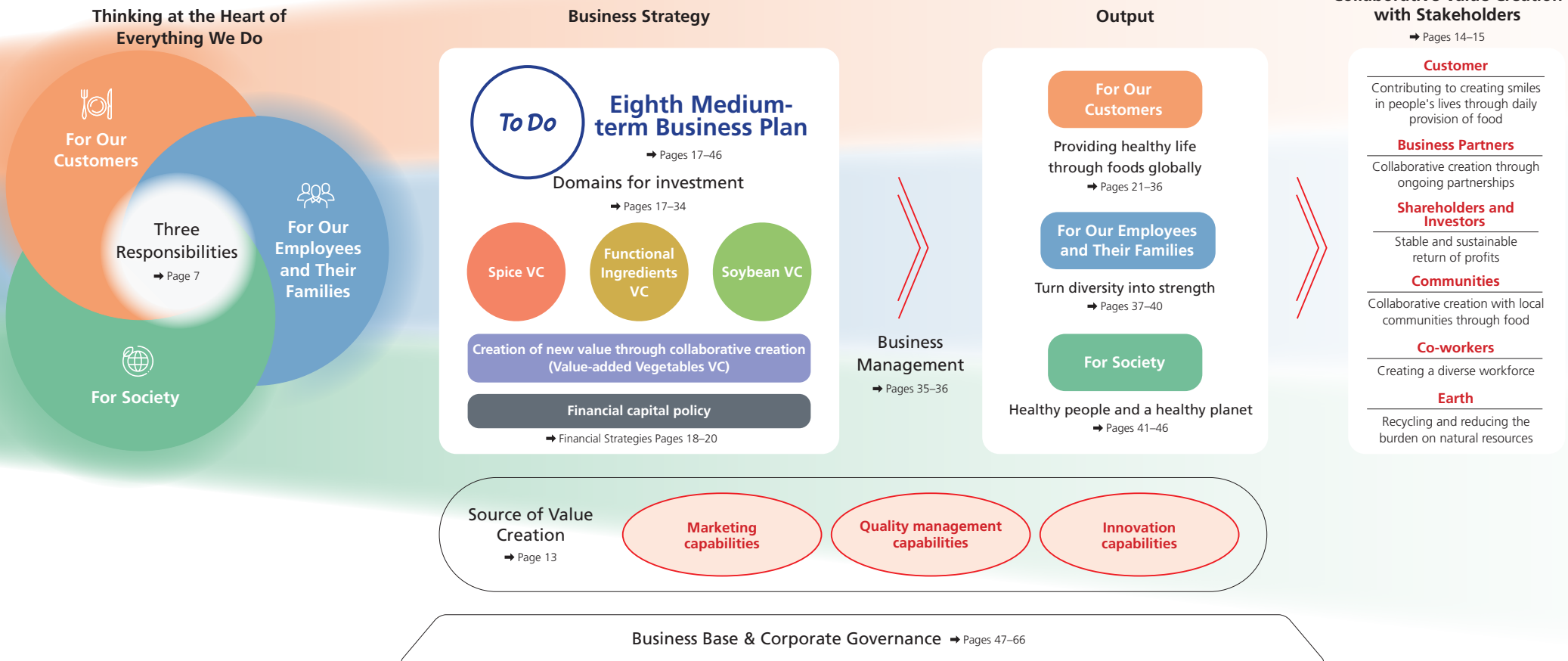
Based on its Three Responsibilities, containing core elements of all of its business activities, House Foods Group is striving to achieve global growth by strongly cultivating the four value chains. It is also constantly creating value as a good corporate citizen for all its stakeholders.



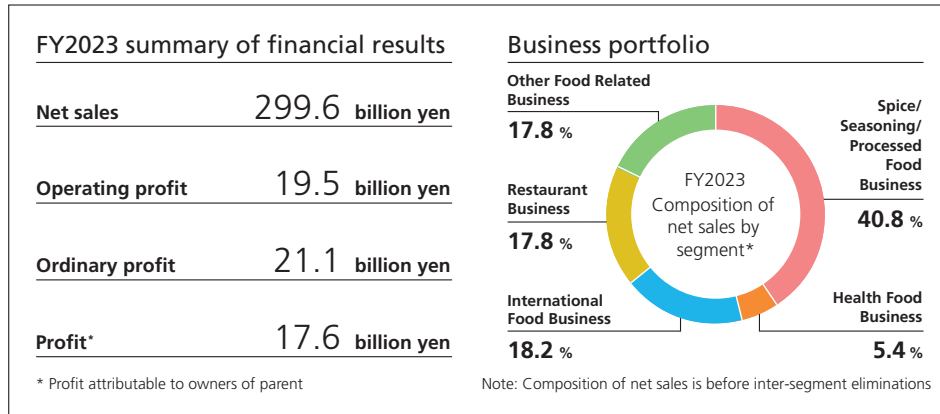
**Through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives.**

**The Six Capitals** → Page 13

- Manufacturing capital**  
A manufacturing system that achieves “safety and security” and “high quality” on a global basis
- Social capital**  
“Relationship with stakeholders” from the perspective of the Three Responsibilities
- Intellectual capital**  
Long-selling brands and diverse knowledge that continue to develop and deepen
- Natural capital**  
Sustainable and diversified raw materials, energy and water
- Human capital**  
Sharing values through The HOUSE WAY and a culture that accepts and makes the most of diverse individuals
- Financial capital**  
Solid financial foundations for value chain management



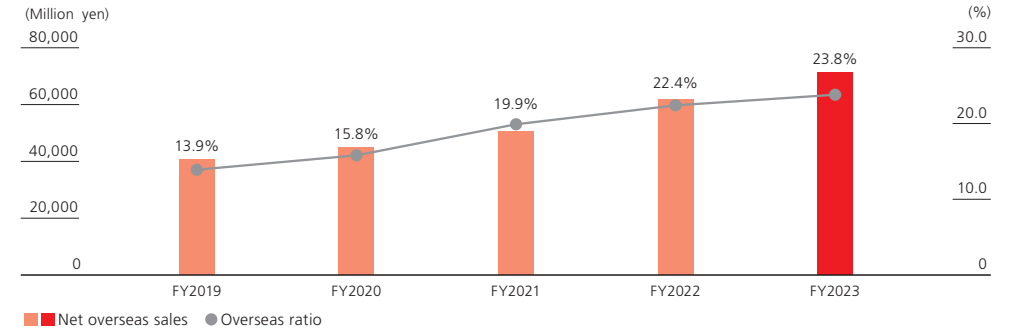
# At a Glance



## 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.



## High market share in Japan that forms profit base

### House Foods

#### Share of sales value

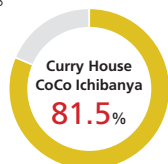
Source: Monthly SRI+ data by INTAGE Inc. (curry roux, stew roux and retort curry markets, April 2023 through March 2024)



### Ichibanya

#### Share of sales in curry shops

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

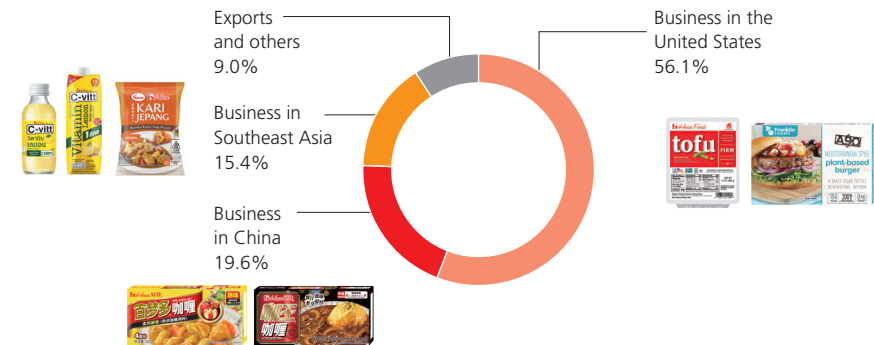


#### Number of Ichibanya restaurants (As of February 2024)

Japan: **1,245** Overseas: **212**

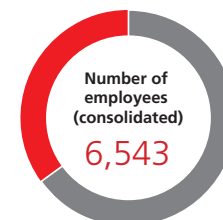


### Ratio of net sales in three priority business areas overseas (FY2023)

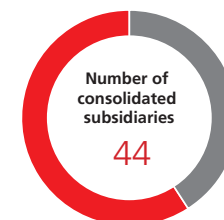


## Numbers of employees and Group companies (As of March 2024)

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 CO<sub>2</sub>. 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

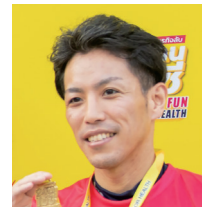


**Isoji Taya**  
Procurement Division  
House Foods Group Inc.

## 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions.

- Cut down on the activities that emit CO<sub>2</sub>.
- Switch to activities that do not emit CO<sub>2</sub> (such as using renewable energies).
- Conduct rational activities that reduce the amount of CO<sub>2</sub> 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



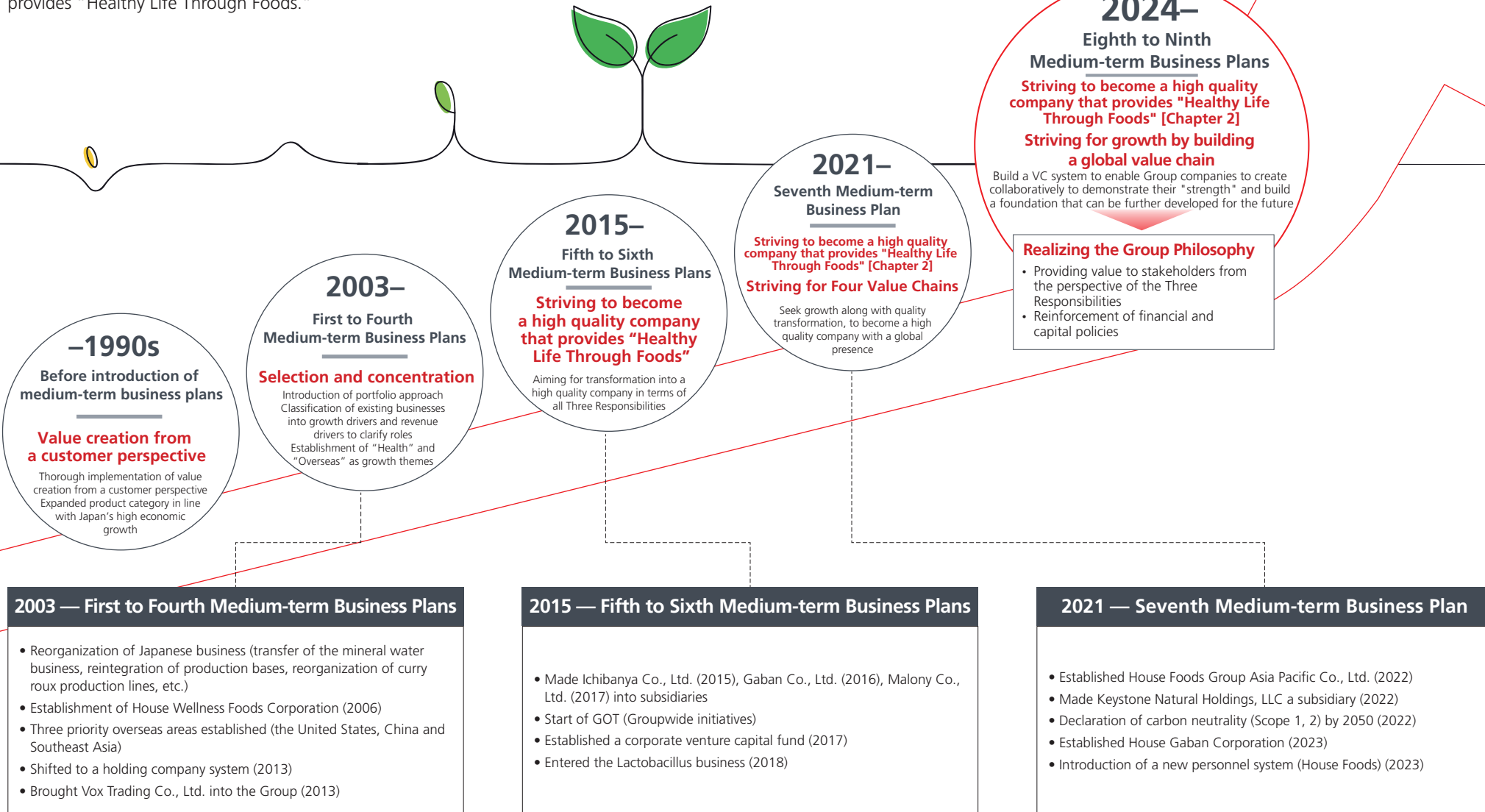
Gas cogeneration system



# Progress of the Medium-term Business Plans (Up to Now)

House Foods Group has positioned each Medium-term Business Plan as a milestone for the realization of its Group philosophy. We have changed our corporate strategy and organizational structure at each turning point in order to respond to the business environment that changes over time.

With the aim of growing by creating a global value chain (VC), we will continue to transform into a high quality company that provides “Healthy Life Through Foods.”



**2003 — First to Fourth Medium-term Business Plans**

- Reorganization of Japanese business (transfer of the mineral water business, reintegration of production bases, reorganization of curry roux production lines, etc.)
- Establishment of House Wellness Foods Corporation (2006)
- Three priority overseas areas established (the United States, China and Southeast Asia)
- Shifted to a holding company system (2013)
- Brought Vox Trading Co., Ltd. into the Group (2013)

**2015 — Fifth to Sixth Medium-term Business Plans**

- Made Ichibanya Co., Ltd. (2015), Gaban Co., Ltd. (2016), Malony Co., Ltd. (2017) into subsidiaries
- Start of GOT (Groupwide initiatives)
- Established a corporate venture capital fund (2017)
- Entered the Lactobacillus business (2018)

**2021 — Seventh Medium-term Business Plan**

- Established House Foods Group Asia Pacific Co., Ltd. (2022)
- Made Keystone Natural Holdings, LLC a subsidiary (2022)
- Declaration of carbon neutrality (Scope 1, 2) by 2050 (2022)
- Established House Gaban Corporation (2023)
- Introduction of a new personnel system (House Foods) (2023)

# Overall Eighth Medium-term Business Plan

Group Philosophy: *To Be*

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

Eighth Medium-term Business Plan: *To Do*

Striving to become a high quality company that provides “Healthy Life Through Foods” [Chapter 2]  
Striving for growth by building a global value chain

For Customers

Aim to achieve value chain management that delivers healthy life through foods globally

For Our Employees and Their Families

Turn diversity into a strength and support initiatives to become a quality company in powerful terms

For Society

Tackle the environmental impact caused by our global corporate activities as corporate responsibility

Spice VC

Functional Ingredients VC

Soybean VC

Creation of New Value  
(Value-added Vegetables VC)

Financial Capital Policy

The House Foods Group's Medium-term Business Plan is formulated from the perspective of backcasting the Group's philosophy, the “to do” action plan for approaching our “to be.”

The main theme of the Eighth Medium-term Business Plan, which began in 2024, is “Striving to become a high quality company that provides 'Healthy Life Through Foods' [Chapter 2], Striving for growth by building a global value chain.” Following on the Seventh Medium-term Business Plan, we have given it the title “Striving to become a high quality company that provides 'Healthy Life

Through Foods' [Chapter 2]. We also set up a new subtitle, “Striving for growth by building a global value chain.”

Based on the concept of the “Three Responsibilities,” which form the basis of the Group's philosophy, the entire Group is playing a role in the action plan, each with its own “to do.” By implementing these plans, including reinforcement of financial and capital policies, we aim to become a high quality company with a global presence.

# Message from the Director in charge of Financial Strategies

We will implement ROIC to improve company value, and continue to transform to meet market expectations

## Yoshiyuki Osawa

Representative Director & Senior Managing Director /  
General Manager, Administration Headquarters /  
Responsible for Secretariat Division



## Scope of my responsibilities and understanding my roles

In 2021, I assumed the position of Managing Director and became the General Manager of the Administration Headquarters/ Responsible for the Secretariat Division. In April 2024, I was appointed as a Representative Director and Senior Managing Director.

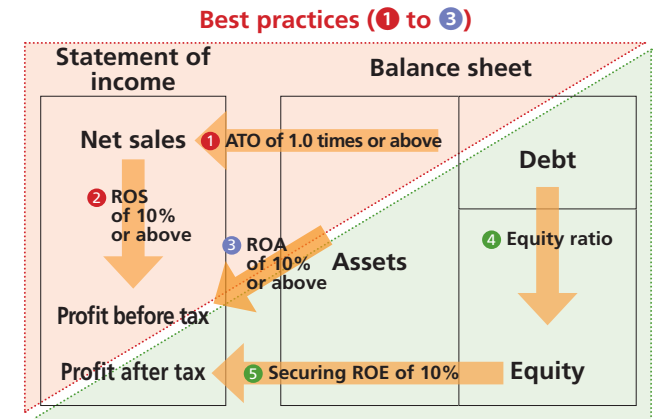
My understanding is that the scope of my responsibilities and roles has three major aspects. First is to maintain governance building and to demonstrate management and supervision functions for business activities from the stance of management divisions that do not directly supervise the business divisions. The second is not only to manage and supervise, but to also support and promote business activities by full use of

expertise in each company function domain. The third is to implement the Medium-term Business Plan by executing a financial capital policy toward enhancing corporate value, and also by addressing the themes raised in one of the Three Responsibilities, “For Employees and Their Families.” In every effort, the members and I strive toward “decision-making in management,” “direct support to worksite operations,” and “becoming an communication engine between management and worksites.”

## Direction of the Eighth Medium-term Business Plan

The Group upholds “Through food, we aim to be a good corporate citizen, connecting and collaborating with people to

## Five indicators of the ideal proportions



- Balance (3 to 5)**
- 1 Asset turnover (ATO): Net sales / Total assets
  - 2 Return on sales (ROS): Operating profit / Net sales
  - 3 Return on assets (ROA): Operating profit / Total assets = ATO × ROS
  - 4 Equity ratio: Equity / Total assets
  - 5 Return on equity (ROE):  
Profit / Equity = ROA (adjusted for after tax) × Financial leverage (1/equity ratio)

create smiles in their lives” The realization of this is the basis of our activities. While we remain fully conscious of the Group’s raison d’être in society, we will become a company capable of realizing the Group philosophy through measures aimed at achieving the goals of the Medium-term Business Plan. I believe this will earn praise from society and lead to an increase in company value.

As for the financial and capital policy, the Group’s idea gained internally through discussions of the “five indicators” (ATO, ROS, ROA, Equity ratio and ROE), and our policy is to achieve the desired proportions.

The profit and loss statement (PL) and balance sheet (BS) items can be split along the diagonal line, with the upper left triangle (ATO, ROS and ROA) aimed at a higher level of best practices, and the lower right triangle (Equity ratio and ROE) emphasizes balance (see the upper diagram). However, while

## Message from the Director in charge of Financial Strategies

ensuring a balance in the triangle on the bottom right is our basic stance, the ideal proportion of ROE remained at 6.2% in the FY2023. In the Eighth Medium-term Business Plan, we would like to strive toward a goal of 7.0%, from the perspective of firmly meeting market expectations also.

In the Eighth Medium-term Business Plan, ROIC is introduced as a new management indicator to strengthen BS-oriented initiatives with these five management indicators, promote management with a greater awareness of capital costs. It will be used while deepening employee understanding. Even though we have been mentioning the “five indicators” up to now, we recognize that our business activities were PL-centric, as we move toward achieving our Medium-term Business Plan, we believe that our approach was insufficient from the standpoint of asset profitability and capital efficiency, which resulted in a divergence from market expectations.

In addition, the Group has been growing for a long time by actively investing in capital and delivering high-value-added products to the market as the Japanese market expands. However, we need to rethink and transform our thinking that “if we make good things they will sell, and doing so requires

significant investment.” Future, we need to reexamine and transform this sensibility from the perspective of invested capital in the difficult environment in which we find ourselves. Using ROIC as an indicator, to improve the profitability of invested capital, we will take measures, judgment criteria, and behavior patterns up to now and take them apart to identify issues and improve them. Then, while also taking into account the individuality of each Group company, we will work on the themes including how to change out business base to create VCs.

ROIC (all-company) will be broken down into “Business ROIC” and “Proportion of operating capital,” and we aim to improve the profitability of the Group’s invested capital as a whole by improving these indicators. For “Business ROIC,” NOPAT (net operating profit after taxes) will be divided by operating capital, and we will work to improve business divisions. In order to pursue ROIC improvements on a business basis at present, we will organize evaluation categories for core businesses and create KPIs for themes on improving them, as we discuss and incorporate them into our plan to improve effectiveness.

On the other hand, with regard to the proportion of

operating capital, we will increase the proportion of operating capital to invested capital and reduce the equity of non-business capital. Specifically, we will promote initiatives with targets for reducing the number of cross-shareholdings, and enhancing shareholder returns, including repurchases of treasury shares. At present, we recognize that the Group’s capital cost is 6.0%. In order to continue to invest in growth areas based on the Eighth Medium-term Business Plan, we believe it will take a little longer for the effects of “Business ROIC” to appear. The “Proportion of operating capital” will be improved significantly by reducing non-operating capital, with the goal of achieving an ROIC (company-wide) of at least 6.0%. In the Ninth Medium-term Business Plan, we aim to achieve an overall ROIC of 8.0% or more by improving the capital return (Business ROIC) of our core business generated from investment, as investment in growth areas will be completed.

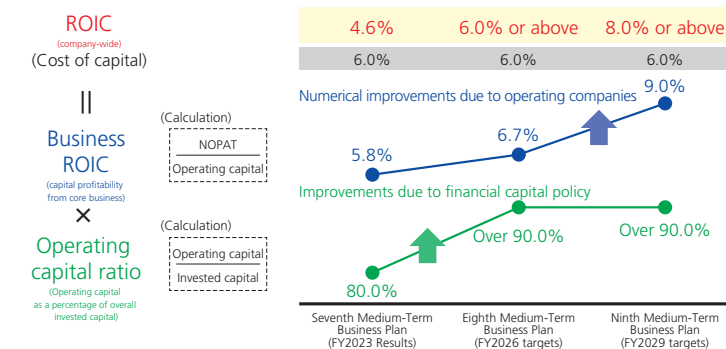
In the Eighth Medium-term Business Plan, the allocation of resources is clarified based on the ROIC improvement policy described previously. We plan to invest a total of 70 billion yen in growth investment, business investments and infrastructure strengthening investments, including DX and environmental investments, to build VC. Shareholder return is a total of 30 billion yen, of which 15 billion yen will be used to purchase treasury shares. As a source of funds for investment, besides the operating cash fund, we will consider external procurement through liabilities with interest, such as through sustainable financing.

### Eighth to Ninth Medium-term Business Plan Consolidated Numerical Targets

■ Consolidated targets	Seventh Medium-Term Business Plan (FY2023)	Eighth Medium-Term Business Plan (FY2026)		Ninth Medium-Term Business Plan (FY2029)	
	Results	Targets	vs. Seventh Medium-term Business Plan	Targets	vs. Eighth Medium-term Business Plan
Net sales	299.6 billion yen	360.0 billion yen	+60.4 billion yen	450.0 billion yen	+90.0 billion yen
Operating profit	19.5 billion yen	27.0 billion yen	+7.5 billion yen	40.0 billion yen	+13.0 billion yen

■ Management indicators	Seventh Medium-Term Business Plan (FY2023)	Eighth Medium-Term Business Plan (FY2026)		Ninth Medium-Term Business Plan (FY2029)		Ideal proportions
	Results	Targets	vs. Eighth Medium-term Business Plan	Targets	vs. Eighth Medium-term Business Plan	
ROIC	4.6%	6.0% or above	—	8.0% or above	—	—
ATO (Total asset turnover)	0.72 times	0.83 times	+0.11 times	0.96 times	+0.13 times	1.0 time or greater
ROS (Return on sales)	6.5%	7.5%	+1.0 pt	8.9%	+1.4 pt	10% or higher
EBITDA margin	11.0%	11.4%	+0.4 pt	12.7%	+1.3 pt	—
ROA (Return on assets)	4.7%	6.2%	+1.5 pt	8.6%	+2.4 pt	10% or higher
ROE (Return on equity)	6.2%	7.0%	+0.8 pt	—	—	Securing 10%

### Introduction of ROIC management (Image of ROIC trends)





## Message from the Director in charge of Financial Strategies

With regard to shareholder returns, we have changed the basic policy for allocating profits from FY2024 to (1) a dividend payout ratio of 40% or more, and (2) an annual dividend per share of 46 yen or more as a consecutive dividend. During the period of the Eighth Medium-term Business Plan, we will promote shareholder returns through share buybacks using the reduction of cross-shareholdings as a source of funds, aiming for a total return ratio of 50% or more.

Because the Eighth Medium-term Business Plan raises issues that came to light during the Seventh Medium-term Business Plan, employees are certainly getting better understanding of and capacity for what needs to be done in the medium-term business plan. President Urakami has been actively setting up a venue for direct communication with employees and listening to their opinions. He has proactively promoted dialogue through two-way communication that responds to questions and opinions from employees. A strong response from employees could be felt, and I believe that steady progress will be made in the Eighth and Ninth Medium-term Business Plans.

The House Foods Group's Medium-term Business Plan is considered an execution plan for the "Three Responsibilities" that it will pursue as a corporate citizen, as stated in the Group

Philosophy. We raised "Turn diversity into a strength" to describe "For Our Employees and Their Families" in the Eighth Medium-term Business Plan. The initiative to achieve this to focus on "Deepening understanding of others, break down stereotypes about self and the organization, and produce innovation." So, we will actively invest in our employees, proceed with support so they will independently further their careers and extract various challenges. By doing so, we would like to realize the Group Philosophy. These initiatives truly follow the approach of human capital management.

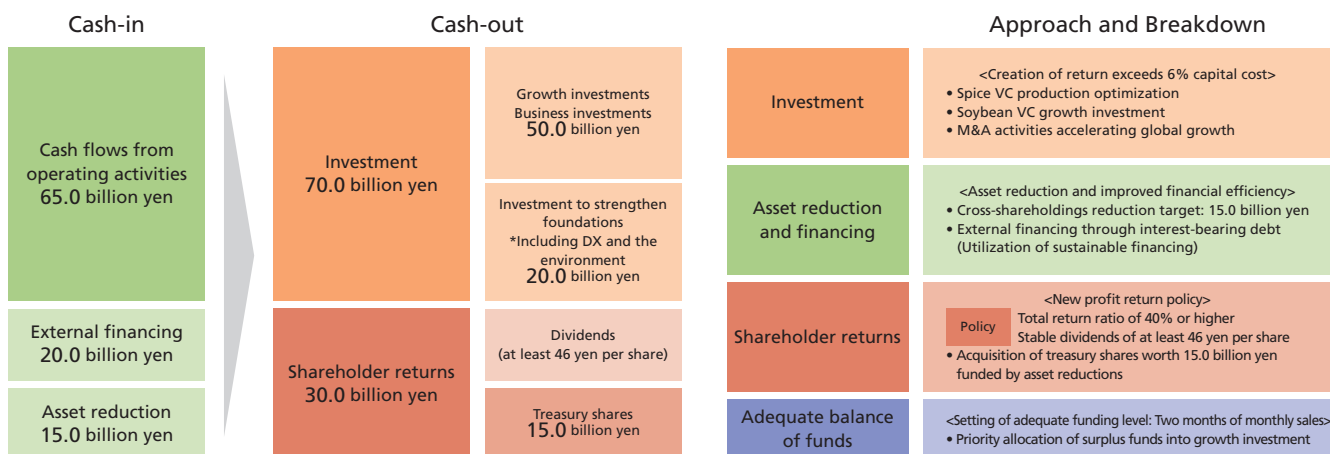
### Dialogue with stakeholders to improve company value

While the PBR1x rating has been attracting attention as an evaluation criterion in the stock market, our PBR has been trending downward since peaking in FY2018, and is now around 1. When breaking down PBR into ROE and P/E for consideration, the P/E is basically at the industry average, although it has declined over the past few years. One of the key points toward improvement is how we can improve our overseas business

growth by promoting the creation of VCs globally. The average ROE level for five years is 5.0%, which is due to the fact that one of the management indicators, ATO, is below 0.72 times, which is below one revolution. Even based on the above, we will work to improve ROIC as an easy-to-control indicator against capital costs in these efforts and will focus on efforts to achieve a PBR over 1. To achieve our Medium-term Business Plan, we must strengthen our efforts in growth areas and fully meet the expectations of our shareholders and investors.

House Foods Group's stance on developing businesses that deliver carefully created high quality products and services to our customers has not changed. In our communication with shareholders and investors, we are committed to carefully and honestly communicating the facts to create a common understanding. In addition, we take findings and opinions given from shareholders and investors from various angles seriously. We are proceeding with discussions on them in the Board of Directors' meetings. By carefully explaining the Group's status and approach and its investment in growth domains and return plans, we will deepen understanding of our Group. Then, by varying out our Medium-term Business Plan, we will steadily build up trust in the process and will answer the expectations of the market to improve our corporate value.

## Eighth Medium-term Business Plan's resource allocations (excluding Ichibanya)



## New Profit Distribution Policy

### Until FY2023

**Continued to pay stable dividends with a consolidated payout ratio of 30% as the basis**

\* Excluding the effects of extraordinary income/losses arising from business combination and the amortization of goodwill

### FY2024—New profit distribution policy

#### (1) Total return ratio of 40% or higher

\* During the period of the Eighth Medium-term Business Plan, since we will pursue treasury share acquisitions funded by reductions in cross-shareholdings, we will aim to improve the total return ratio to at least 50%.

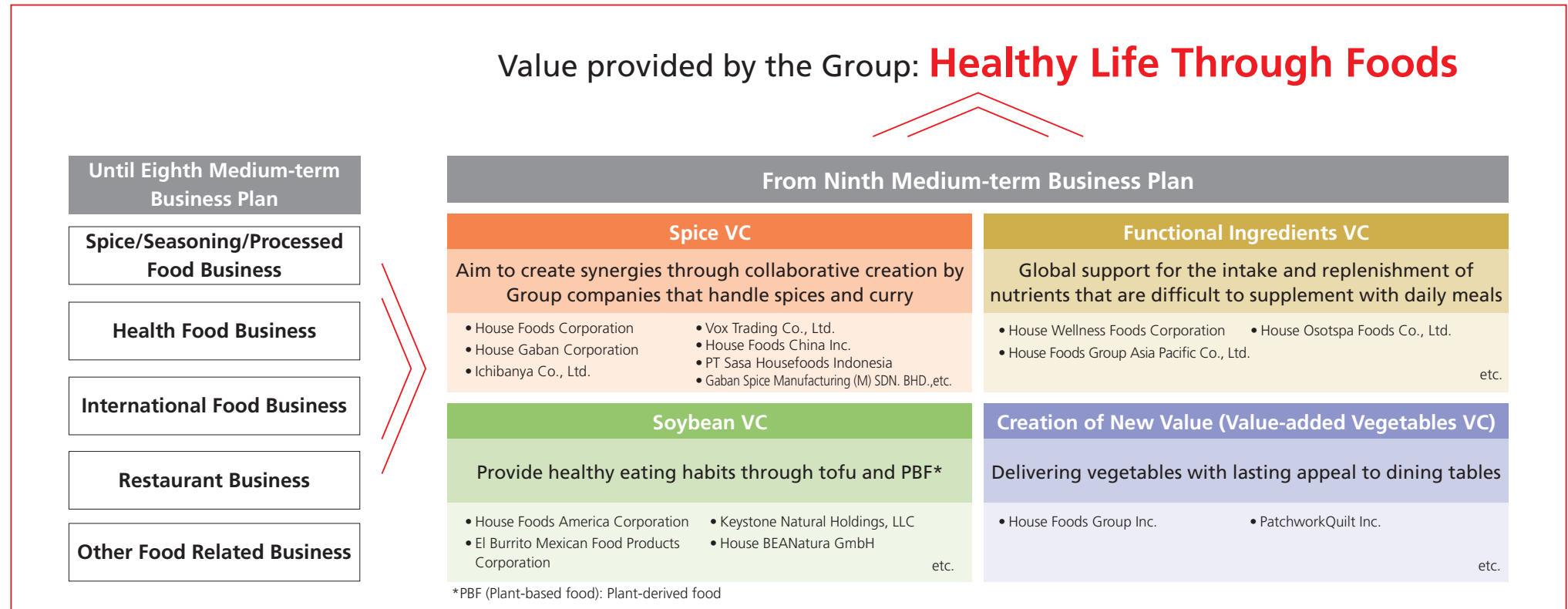
#### (2) Ongoing payment of annual dividends of at least 46 yen as stable dividends

# 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
	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		
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
	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

<b>Based on VC management accelerated growth</b>	<b>Seize new business opportunities, strengthen profitability</b> 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
<b>Establishment of a VC system</b>	<b>Gradually transition management resources to an organization that can make decisions based on “VC optimization”</b> <b>Spice:</b> VC integration is focused on House Foods <b>Functional ingredients:</b> Reinforce the functionality of House Foods Group Asia Pacific and set up the VC Promotion Conference <b>Soybean:</b> Enhancing the functionality of House Foods Holding USA Inc. as an operating holding company controlling Soybean VC <b>House Foods Group:</b> Reinforce the foundation that supports VC management
<b>Creation of new value through collaborative creation</b>	<b>Promote initiatives aimed at building business models through collaborative creation with internal and external partners</b> 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)

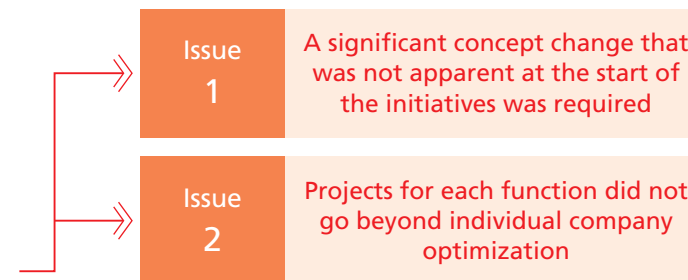
- The global expansion of spices and Japanese curry due to increased awareness of health and food diversification
- Development of new customer contact points and creation of business models that leverage technological superiority
- Strengthened profitability and creation of new value in upstream, midstream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

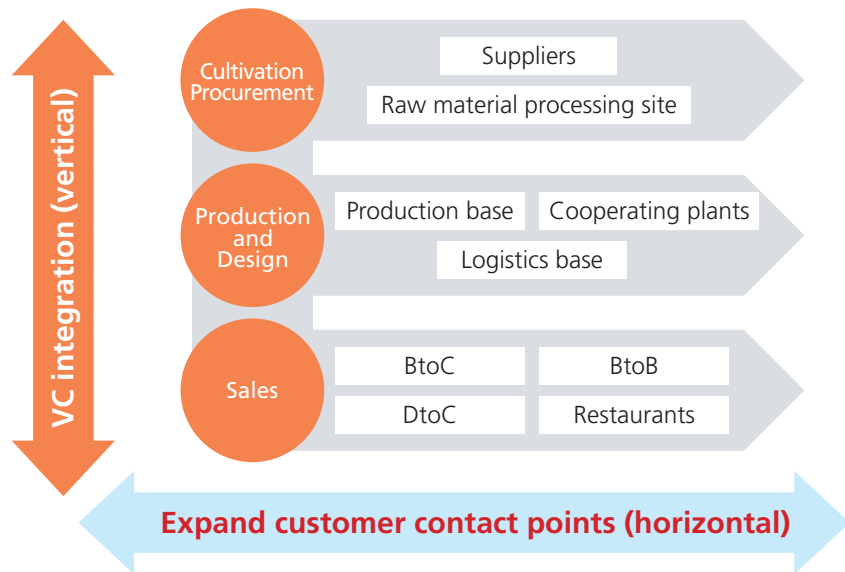
### • Spice Value Chain

## 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

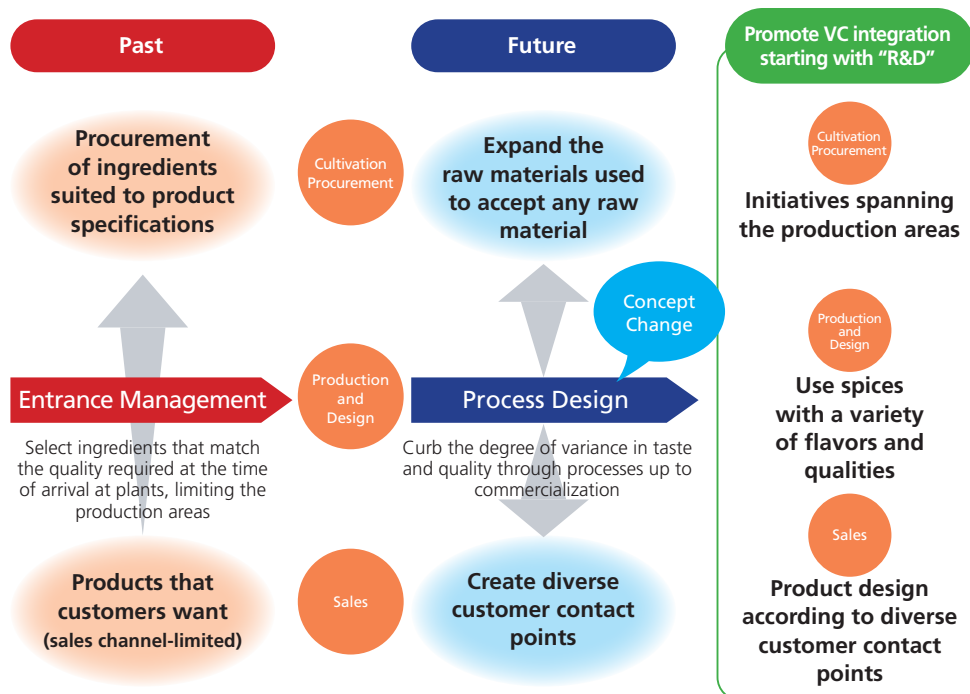
## For Our Customers

### • Spice Value Chain

## VC integration (vertical strategy) (1) Process design

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

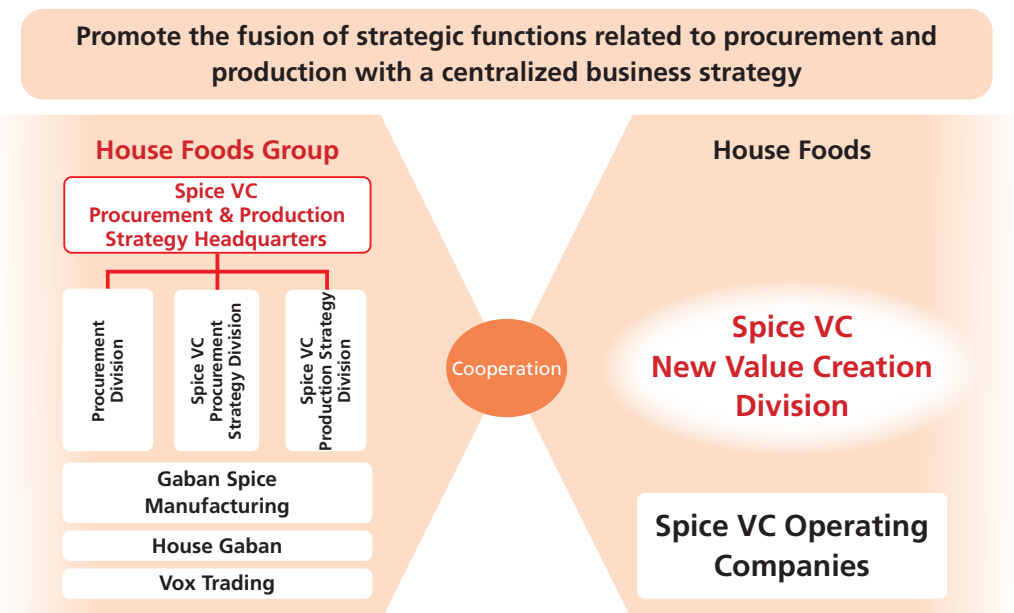
Up until now, we have been in a business process of determining product specifications that meet customer needs unidirectionally from downstream to upstream, and procuring raw materials that meet those specifications. “Entrance management” means limiting the production of raw materials, establishing 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.

Midstream  
Development,  
Production and  
Logistics

### 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.

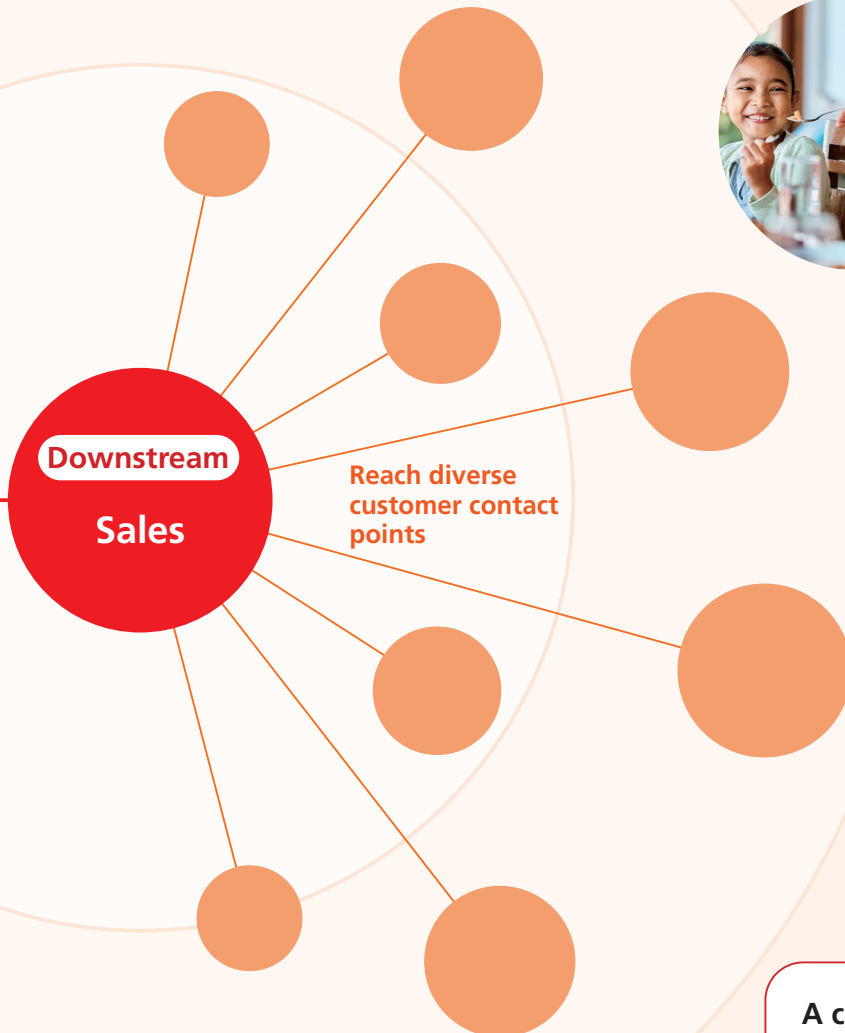
However, the business environment surrounding the Company changed significantly over the three years of the Seventh Medium-term Business Plan. As lifestyle changes and the sustainability of procurement were threatened, there is an increasing risk that conventional long-term initiatives, particularly 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.

## 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)

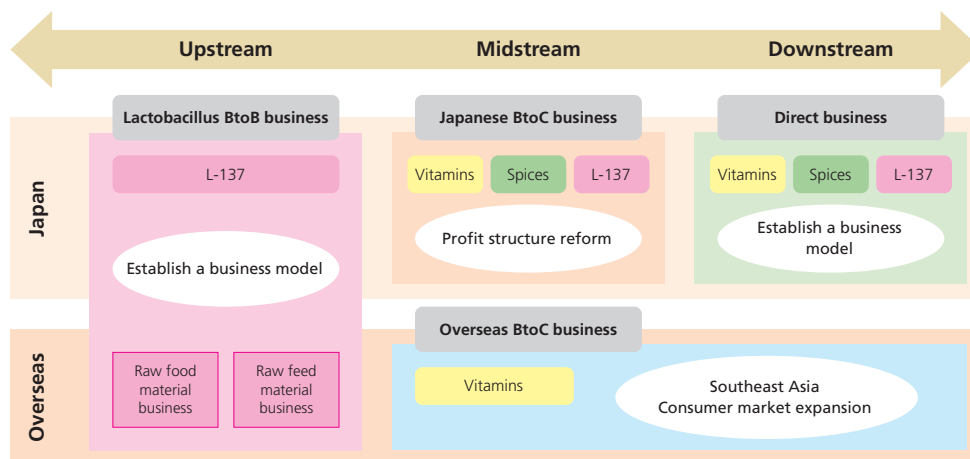
- Early shift to global markets
- Balance of revenue between businesses

### 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

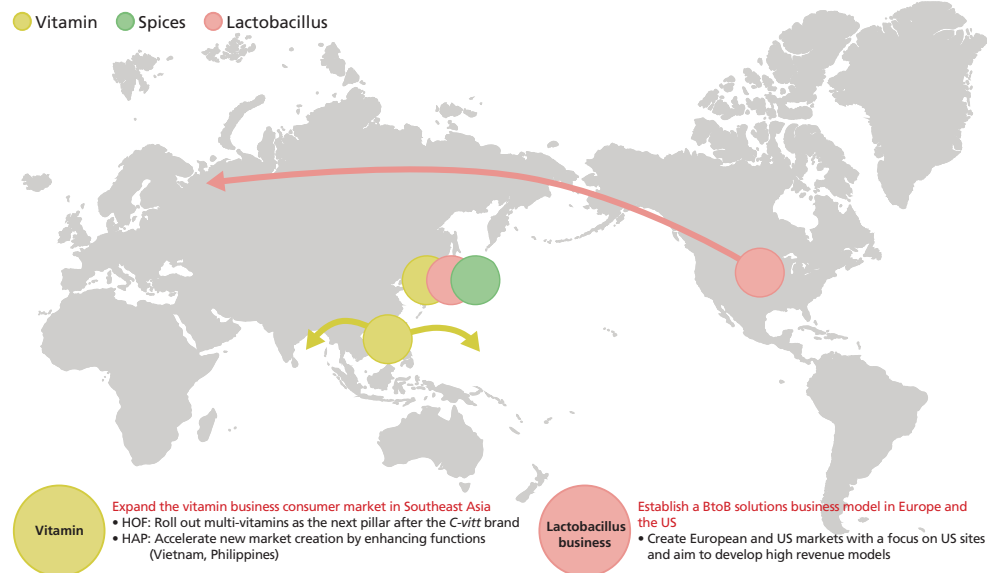
In the Eighth Medium-term Business Plan, we will continue to reform the earnings structure of our Japanese business and build a foundation for our global business, as well as promote a global shift with strategic materials as the key.

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

<b>Results of the previous Medium-Term Business Plan</b>	<ul style="list-style-type: none"> <li>• 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&amp;D, production, logistics and sales has been steadily promoted.</li> <li>• Launch of a new line at the Los Angeles plant</li> <li>• The Company has worked to strengthen its business base by implementing governance project through a Japan-US collaboration and external partner companies.</li> </ul>
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<b>Issues of the previous Medium-Term Business Plan</b>	<ul style="list-style-type: none"> <li>• Restructure the business portfolio based on improvement in profitability by anticipating changes in the market environment</li> <li>• Strengthening and optimizing the production system amid inflation and an environment of rising costs</li> <li>• Strengthen overall functions for VC management execution.</li> </ul>
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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

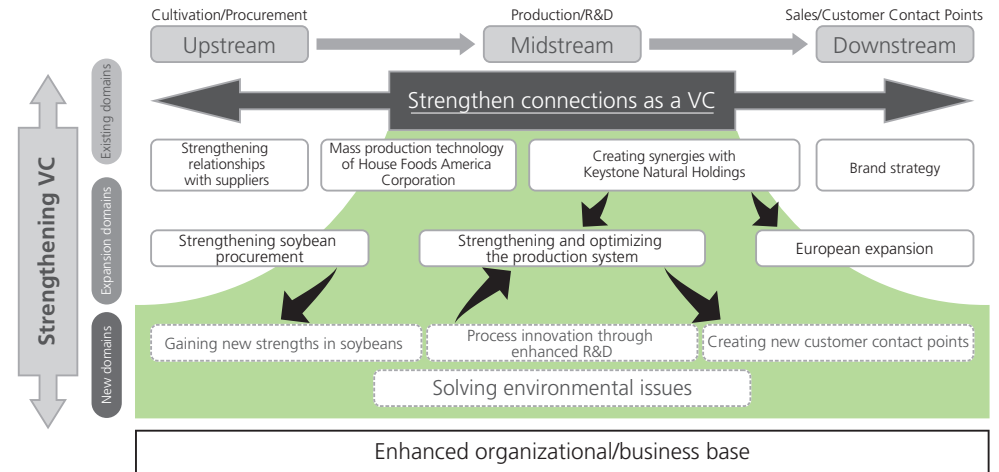
### • Soybean Value Chain

## 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, Kidslation 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”

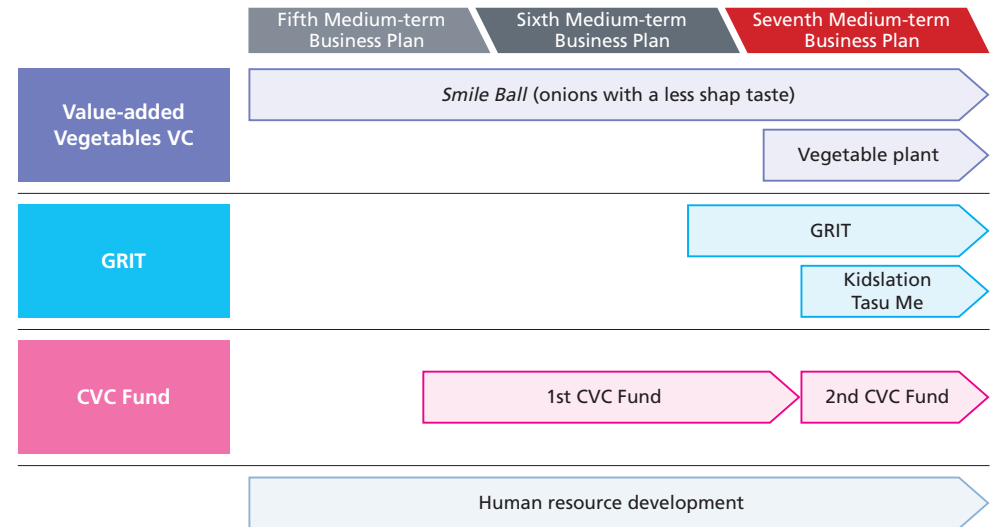
GRIT has been a new business creation program with an internal public offering since 2020 and is now in its fifth phase. The themes of “Kidslation” and “Tasu Me” adopted for the first year are in the phase before commercialization.

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 “Kidslation” 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.



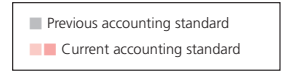
# For Our Customers

## Overview of Business Segments

House Foods Group (FY2023)

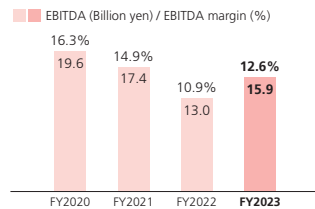
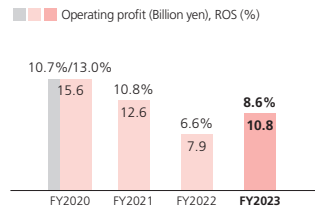
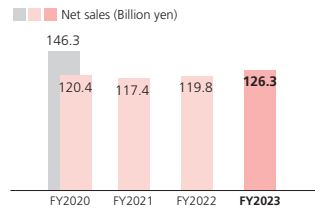


Notes: 1. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc., are applied from FY2021 onward.  
2. Regarding the business combination with Keystone Natural Holdings, LLC on September 30, 2022, the price purchase allocation (PPA) was completed in FY2023. Accordingly, figures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



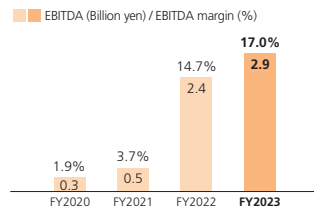
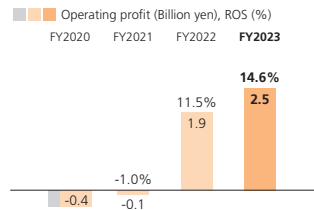
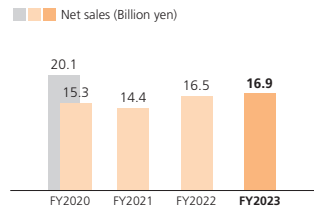
### Spice/Seasoning/ Processed Food Business

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



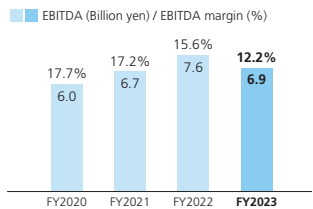
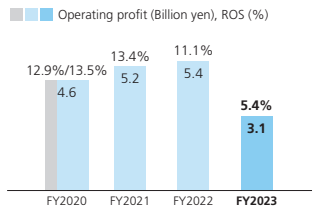
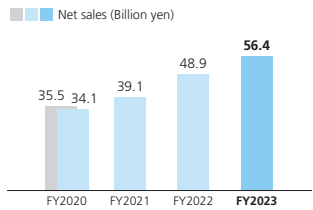
### Health Food Business

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



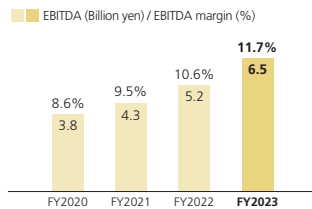
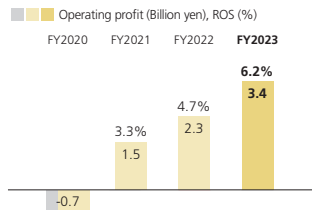
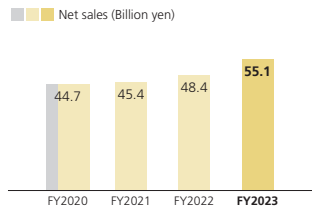
### International Food Business

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.



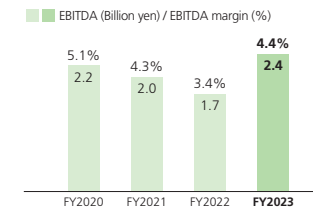
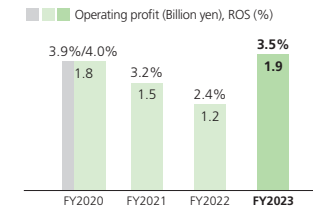
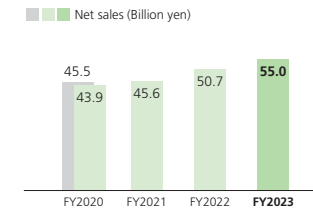
### Restaurant Business

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



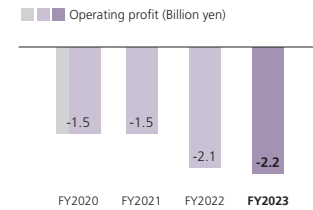
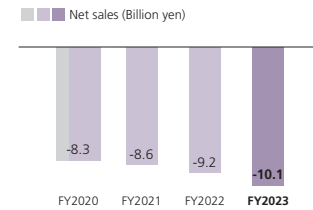
### Other Food Related Business

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

### 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.

### 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 KNH<sup>1</sup> and HFA<sup>2</sup> 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.

### 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.

# For Our Employees and Their Families



## We have promoted five initiatives under the theme of “turn diversity into a strength”

The Eighth Medium-term Business Plan calls for growth by building a global VC. In order to achieve this, we need to turn our increasing diversity into growth for our employees and the Group, and we need diverse human resources to work together and collaborate dynamically across organizational boundaries while demonstrating their individual qualities. Based on this, in the Eighth Medium-term Business Plan, “turning diversity into a strength” will be the theme of “for our employees and their families,” and we will work to “deepen understanding of others, break down stereotypes about self and the organization and produce innovation.”

As a measure to realize this goal, we will implement five concrete

measures in three perspectives: “Development of an in-house environment in which a diverse group of individuals is gathered and perceives job fulfillment,” “individual and organizational revitalization” and the “development of a human resource portfolio to build a global value chain (VC).” In order to encourage these efforts, the Eighth Medium-term Business Plan sets “proactive behavior to take on challenges,” “organizational culture diagnostic results” and the “active participation of women” as KPIs for targets of “responsibility for our employees and their families.”

Furthermore, we consider initiatives “for our employees and their families” as the promotion of human capital management.

**Yoshiyuki Osawa**  
Representative Director &  
Senior Managing Director  
General Manager of  
Administration Headquarters/  
Responsible for Secretariat  
Division  
House Foods Group Inc.



**Results of the previous Medium-Term Business Plan**

With the “realization of diversity” as the core, we have taken steps to improve our infrastructure to enhance diversity, including the introduction of a new personnel system

- Human resource development: Implement measures to increase diversity in the three areas of “attributes,” “experience” and “aptitude,” and promote measures to improve job satisfaction.
- Establishment of internal environment: Promote infrastructure development to enhance diversity. At major operating companies, we have shifted away from an ability-based personnel system emphasizing internal activities to a role-based personnel system that is open to the labor market both internally and externally. We have also promoted initiatives to improve our corporate culture through joint efforts of 14 Group companies in Japan

**Issues of the previous Medium-Term Business Plan**

Future issues based on initiatives and progress up to the previous medium-term business plans

- Further development within the Group of open mechanisms that enhance the mobility of human resources
- Introduce new perspectives, such as taking on challenges for change, to improve the quality of “job satisfaction”
- Pursue optimal organizational structure and staffing to realize business strategies with the aim of building a global VC, etc.

## Medium-Term Business Plan KPIs

Items	Eighth Medium-Term Business Plan (FY2026)	Ninth Medium-Term Business Plan (FY2029)
<b>Proactive behavior to take on challenges</b> (Percentage of Group employees taking on challenges or responding to internal calls for submissions)	20% or higher	30% or higher
<b>Organizational culture diagnostic results</b> (Percentage of employees who gave positive responses regarding “culture that is accepting of diversity” and “culture that encourages people to take on challenges”)	70% or higher	75% or higher
<b>Active participation of women</b> (Ratio of Group female managers)	20% or higher	30% or higher

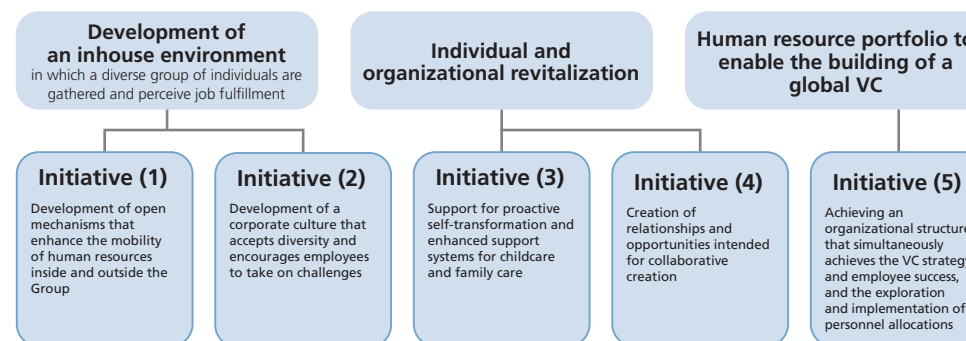
## Direction of the Eighth Medium-term Business Plan

Turn diversity into a driving force for building a global VC

# Turn Diversity Into Strength

—Deepen understanding of others, break down stereotypes about self and the organization, and produce innovation—

### Three perspectives and five initiatives to “turn diversity into a strength”



## For Our Employees and Their Families

### An overview of human capital management

The Group will fulfill its Three Responsibilities as a corporate citizen together with its stakeholders to realize the Group Philosophy. Furthermore, the implementation of the initiatives established in the medium-term business plan as “for our employees and their families” are placed under the promotion of human capital management at the Group.

In the Seventh Medium-term Business Plan, we have been working to develop human resources and improve our internal environment with the aim of gathering human resources with diverse individual qualities who can demonstrate those qualities while enjoying job satisfaction. In terms of human resource development, we have pursued diversity in three areas: Attributes, experience and aptitude and measures to improve job satisfaction. In terms of improving the internal corporate environment, we have shifted away from an ability-based personnel system emphasizing internal activities to a role-based personnel system that is open to both the internal and external labor market at major operating companies. We have also promoted efforts to improve our corporate culture across 14 Group companies in Japan. As a result, we made progress improving our infrastructure to enhance diversity.

In order to turn diversity into “a driving force for building a global VC,” the Eighth Medium-Term Business Plan sets forth the theme of “turn diversity into a strength” and promotes five concrete initiatives from three perspectives as its action themes.

In terms of creating an internal corporate environment that attracts a diverse workforce and gives employees job satisfaction, we will promote the transformation of our personnel and other systems as part of [Initiative (1)] “Development of open mechanisms that enhance the mobility of human resources inside and outside the Group.” For [Initiative (2)] we will strive for the development of a corporate culture that accepts diversity and encourages employees to take on challenges, as we pursue our organizational transformation and job satisfaction for employees.

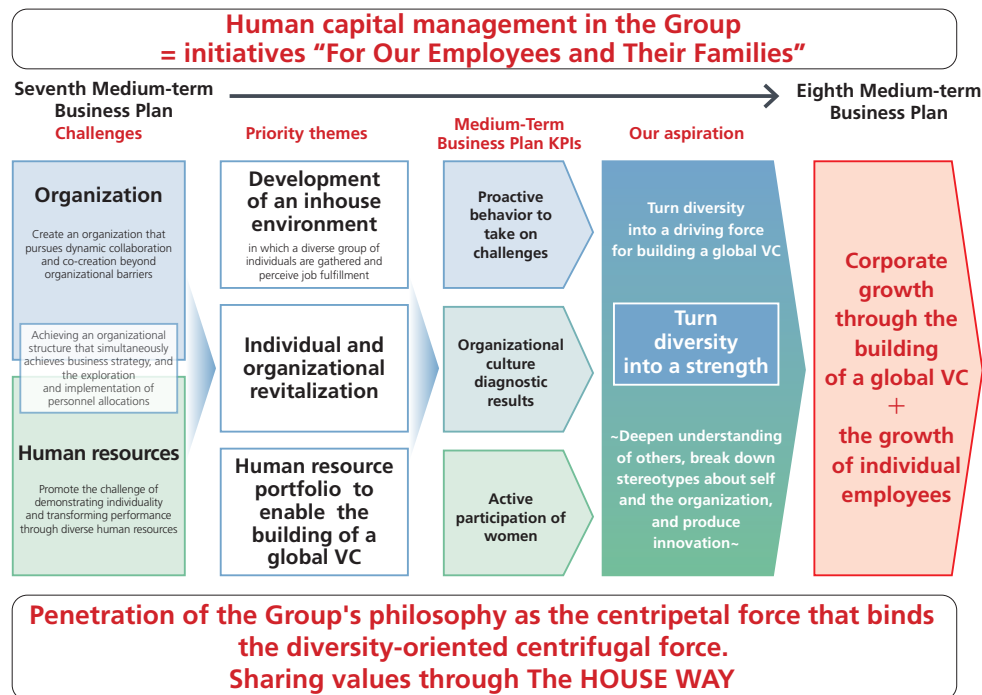
In terms of individual and organizational revitalization, we will expand [Initiative (3)] support measures for employees' proactive self-transformation, as well as offer enhanced support systems for childcare and family care so that employees can contribute to their work even if they have limitations. Regarding [Initiative (4)]—Creation of relationships and opportunities intended for collaborative creation—we will promote the dissemination of the Group's philosophy, encourage employees to consider the Medium-Term Business Plan a personal matter, and transform management so that it can make the most of diversity.

From the perspective of a human resources portfolio to enable the building of a global VC, we will [Initiative (5)] promote position management and talent management within the Group so that Group employees can play an active role in all aspects of the Group.

By promoting the above initiatives, we aim to ensure House Foods Group can co-create with Group companies demonstrating their strengths and turning diversity into the growth of employees and the Group.

### As Is

Striving to achieve diversity to become a high-quality company, we have made progress improving our infrastructure to enhance diversity. The new personnel system, which was introduced in the Seventh Medium-term Business Plan and entails engaging in human resource development that pursues diversity in the three areas of “attributes,” “experience,” and “aptitude,” is being introduced by major operating companies in a role-based personnel system that is open to the labor market within and outside the Group. In addition, we have established a cycle of implementing necessary improvements



in each workplace, while using quantitative data (scores) on the corporate culture, which leads to a workplace where employees feel job satisfaction. However, as we aim to build a global VC, we are partway through instilling these measures and diversity standards. As the Group's vision and environment and issues change rapidly, it is necessary to further enhance the linkage between management and human resource strategies.

### To Be

The Eighth Medium-term Business Plan sets three KPIs: “Proactive behavior to take on challenges,” “Organizational culture diagnostic results” and “active participation of women.” All of these are important indicators for transforming diversity into a strength, and we believe that achieving them will lead to an in-house environment where diverse individuals can feel job satisfaction, as well as individual and organizational revitalization.

Improving these indicators will also help to promote autonomous career development and increase the ratio of female managers, which has been an area of focus recently, and is directly linked to our goal of turning diversity into a strength and achieving growth for both the company and individual employees by building a global VC.

Although our aim to improve significantly from the current figures is a challenging goal to set, we aim to achieve this by tackling the various measures outlined in the theme of “for our employees and their families.”

## For Our Employees and Their Families

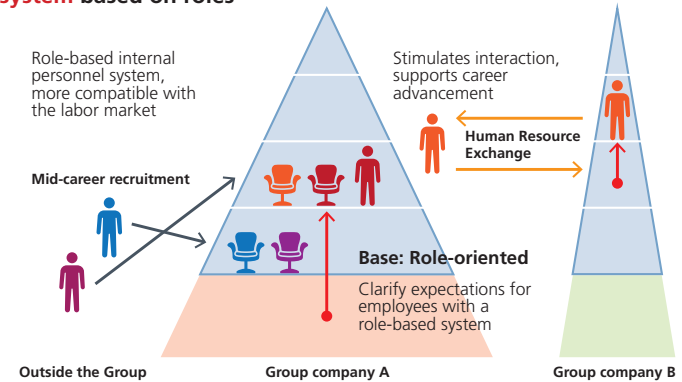
### Five initiatives to “turn diversity into a strength”

#### Initiative (1) Development of open mechanisms that enhance the mobility of human resources inside and outside the Group

We will secure talented personnel and promote their activities by enhancing mechanisms that allow people inside and outside the Group to be used borderlessly.

Specifically, we will promote the introduction of a new personnel system centered on major operating companies and develop an open system based on roles within the Group to clarify expectations of roles to employees and revitalize in-house human resource exchanges, including accommodating career advancement. In addition, consideration of remuneration levels with an awareness of the external labor market and diversification of recruitment methods (referrals, alumni and second jobs). We will continue the Seventh Medium-term Business Plan’s target of 40% for the ratio of career hires. At the same time, we will strengthen on-boarding measures so that new employees can become more entrenched and make the most of their abilities.

#### Overview of a new personnel system Open system based on roles



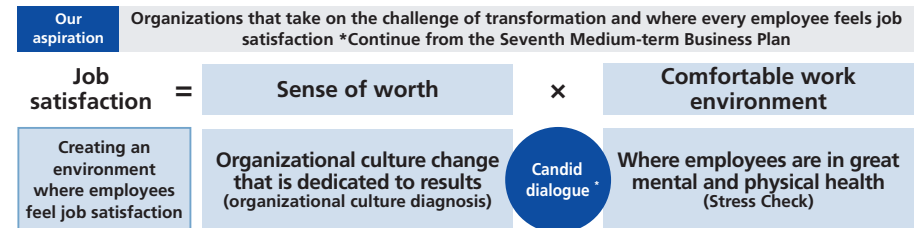
#### Initiative (2) Development of a corporate culture that accepts diversity and encourages employees to take on challenges

We will continue to implement initiatives for improvement based on the corporate culture assessment result (promotion of PDCA), and further promote organizational culture transformation by encouraging action planning and implementation at each workplace. In the Eighth Medium-term Business Plan, measures will be promoted based on progress in quantitative aspects, such as setting scores related to diversity acceptance and challenge promotion as KPIs. In addition, we have newly added the indicators of “improve job satisfaction (work engagement)” and “encourage taking on challenges toward change (proactive behavior)” to strengthen our efforts to transform our organizational culture with the participation of all Group employees.

In addition, creating a workplace where job fulfillment is perceived is an important factor in encouraging employees to take on challenges. We define “job satisfaction” as a combination of “sense of worth” and “a comfortable work environment,” and aim to create an organization that engages in organizational culture change and the health of minds and bodies. Through this synergistic effect, we will enhance job satisfaction and encourage change while every individual feels job satisfaction.

From the Eighth Medium-term Business Plan, we will position health management as the foundation for employee job satisfaction, and, based on the Group health management declaration, we will promote it strategically from a management perspective.

#### About job satisfaction



#### Group health management declaration

**In our efforts to contribute to a healthy society and better lives for all, the House Foods Group will fulfill the Three Responsibilities “for our customers,” “for our employees and their families” and “for society” through our core business.**

In one area of responsibility, “for our employees and their families,” we will support diverse and enriching careers by ensuring all employees lead healthy lives and feel job satisfaction.

We will promote health management by supporting the mental and physical health of our employees and creating a workplace that is easy to work in.

\*Candid dialog: Visualize organizational issues, and have relevant staff confirm them and discuss them seriously, giving their frank, honest opinions



## For Our Employees and Their Families

Initiative  
(3)

### Support for proactive self-transformation and enhanced support systems for childcare and family care

Further measures to improve and expand diversity in the three areas of attributes, experience and aptitude. In terms of the diversity of attributes, we will set numerical targets for the hiring of people with disabilities and—as a KPI of the Medium-Term Business Plan—the active participation of women. Furthermore, we will promote the development of global human resources that will be active in building a global VC.

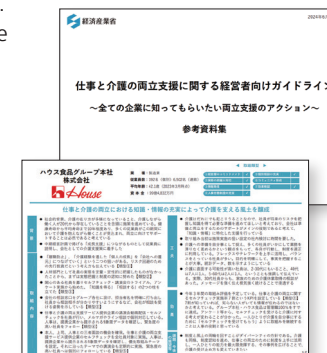
In addition, in order to enhance the diversity of experience and aptitude, we are making efforts to further increase the number of employees taking on challenges or responding to internal calls for submissions, and we are promoting measures to enable proactive career development. In addition, the percentage of Group employees taking on challenges or responding to internal calls for submissions is promoted as a KPI (proactive behavior to take on challenges) in the medium-term business plan. In addition, we will press forward with reviewing our human resource development system and foster a culture that encourages autonomous career development through learning sessions and other means.

At the same time, we will continue to enhance the support system for childcare and nursing care, holding these experiences as a valuable one among a wide range, so that circumstances such as childcare and nursing care do not impede the proactive development of careers and their performance.

## TOPICS

### Efforts to support a balance between work and family care

The balance between work and family care is an important issue for employees, families and the company. The Group has been engaged in internal seminars and self-checks, and in efforts aimed at all employees, regardless of age. We have also received many opportunities to communicate the Group's efforts outside of the office. Recently, we presented case studies at the Council for the Realization of an Aging Society that Addresses Dementia (November 2023), organized by the Cabinet Office and composed of the Minister of Health, Labour and Welfare and experts. In addition, the Group's efforts were introduced as examples of advanced companies in the “Guidelines for Management of Work and Nursing Care” published by the Ministry of Economy, Trade and Industry (METI) in March 2024 following a Council on Corporate Management and Healthcare (October 2023 to March 2024), which we participated in.



Initiative  
(4)

### Creation of relationships and opportunities intended for collaborative creation

To turn diversity into a strength, we believe it is important for diverse human resources to deepen understanding of others, break down stereotypes about self and the organization and produce innovation. We will advance measures to achieve this.

Specifically, learning about unconscious biases will enhance opportunities for awareness, such as one-on-one dialogue and multifaceted diagnostics to eliminate unconscious biases, increase understanding of others, and reform management and enhance communication to create diversity and alignment.

At the same time, as businesses expand, the importance of instilling a philosophy and initiatives to turn medium-term business plans into self-action will increase as a focus on bringing together the centrifugal force that emphasizes the diversity of human resources. In addition to disseminating information through the House Way Book, we will continue to promote the diffusion of dialog and discussion at each of our locations, such as by supporting the establishment of a promotion system and development of evangelists to convey such information.

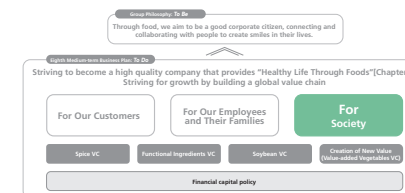
Initiative  
(5)

### Achieving an organizational structure that simultaneously achieves VC strategy and employee success, and the exploration and implementation of personnel allocations

In order to build a human resources portfolio to realize the creation of VCs, we are pursuing an optimal organizational structure and staffing from a backcasting perspective. By introducing the “Group position management” approach, we clearly define the key posts and functions, roles and requirements for realizing our business strategy. In addition, we will continue to advance the sophistication of “Group talent management.” We will simultaneously enable the active participation of employees and build a competitive organization that will realize our business strategy by assigning the right people developed by our talent management measures to the optimal position system clearly identified by these measures.

As an infrastructure to promote these initiatives, we will promote efforts to centralize information to visualize, understand and utilize Group human resource information, whether in Japan or overseas, and push forward with initiatives to create a human resource database.

# For Society



## We aim to build a resource recycling-oriented society in order to realize healthy people and a healthy planet

Among the Three Responsibilities that form the basis of all activities of the House Foods Group, the fundamental idea is to establish a recycling-oriented model (environment) as a priority theme “for society/healthy people and a healthy planet.” The basic approach is to engage in sustainable corporate responsibility in relation to the environmental impact of global corporate activities (external diseconomies).

In order to fulfill “For Society,” we have announced the “House Foods Group Long-term Environmental Strategy 2050” and are aiming to build a resource recycling-oriented society that is unique to the House Foods Group.

The two important environmental issues we consider are “climate change action” and “the creation of a resource recycling-oriented society.” Among them, the CO<sub>2</sub> (Scopes 1 and 2) 2030 target (38% in total volume compared to FY2013) and the carbon-neutral target of 2050 are very high, but ICP (internal carbon pricing: 6,000 yen/t-CO<sub>2</sub>) will accelerate the reduction of CO<sub>2</sub> (Scopes 1 and 2). In resource recycling, we will actively work with external parties to acquire new technologies and further promote efforts to avoid wasting the bounty of the earth.

### Atsushi Sakuma

Director  
General Manager of Corporate  
Communication Headquarters  
Responsible for Digital Strategy  
Headquarters, Domestic  
Affiliated Companies  
House Foods Group Inc.



Results of the previous Medium-Term Business Plan	Establishment of a recycling-oriented model	Specific targets	Seventh Medium-term Business Plan Targets	Seventh Medium-term Business Plan Results
		Scopes 1 and 2 (per unit of production: compared to FY2013) Scope 3 (compared to prior to initiatives)	-9% -17,000 tons	-28% -26,483 tons
Issues of the previous Medium-Term Business Plan	<ul style="list-style-type: none"> <li>Accelerate efforts to reduce CO<sub>2</sub> emissions to achieve the ambitious goal of carbon neutrality by 2050, and promote environmental investment using ICP</li> </ul>			

## Medium-Term Business Plan KPIs and priority themes

Items	Eighth Medium-Term Business Plan (FY2026)	Ninth Medium-Term Business Plan (FY2029)
Scopes 1 and 2 (total volume, compared to FY2013)	-27%	-38%
Scope 3 (compared to prior to initiatives)	-5,000 tons	—
Waste (net sales per unit of materials, compared to FY2021)	-25.0%	—
By-product (Recycling rate)	99.5%	100.0%
Plastics (container packaging for Japanese products, derived from fossil-fuel resources, compared to FY2018)	-8.5%	—
Water (affected sites: “Areas at risk of water depletion” at production sites)	Implement water conservation measures	—

## The story of the “for society” initiative

### ◇ Basic approach

Tackle the environmental impact caused by our global corporate activities as corporate responsibility

### House Foods Group Long-term Environmental Strategy 2050

- Enhanced capacity to implement carbon neutrality in 2050
- Reduced the amount of waste, plastic and water used in order to recycle resources
- Contributed to a sustainable future

### ◇ Important issues for realizing House Foods Group Long-term Environmental Strategy 2050

**Action on climate change**  
Aiming to become carbon neutral by 2050, we will make efforts to reduce CO<sub>2</sub> emissions

**Creation of a resource recycling-oriented society**  
Make effective use of limited resources from the three perspectives of reduce, utilize and return



## For Society

### Healthy people and a healthy planet: Establishment of a recycling-oriented model House Foods Group Long-term Environmental Strategy 2050

The basic approach behind House Foods Group Long-term Environmental Strategy 2050 is to work on the establishment of a recycling-oriented model to realize healthy people and a healthy planet. The Group has stated that “action on climate change” and “the creation of a resource recycling-oriented society” are important environmental issues.

The first important issue is “action on climate change,” which aims for carbon neutrality in response to climate change, which threatens the provision of sustainable food, and protects the foundation of our business and society.

The second important issue is the creation of a resource recycling-oriented society, which aims to ensure the sustainability of the value chains by creating mechanisms for recycling by reducing, utilizing and returning the earth's limited resources.

#### House Foods Group Long-term Environmental Strategy 2050

As a company that delivers delicious and healthy food, we aim to establish a recycling-oriented model that will preserve the bounty of nature and continue to generate value.

#### The Recycling-oriented Model the House Foods Group aims to create

A recycling-oriented model is one that makes the food value chain sustainable through action on climate change and the creation of a resource recycling-oriented society.

##### 1. Action on climate change

We aim to be carbon neutral in response to climate change, which threatens the supply of sustainable foods, and will protect the foundation of our business and society.

##### 2. The creation of a resource recycling-oriented society

Creating a system to recycle limited resources on the planet by “reducing,” “utilizing” and “returning,” thereby making the value chain sustainable.

### Key issue 1

#### Action on climate change

**Aiming to become carbon neutral by 2050, we will make efforts to reduce CO<sub>2</sub> emissions**

### Initiatives for Scopes 1 and 2

For Scopes 1 and 2, we declared that we set a carbon-neutral target for 2050 and would work to reduce emissions.

In FY2023, the total volume of reduction (energy sources) was 16% compared to the baseline year (FY2013). The FY2030 target is set in accordance with the Japanese government's goals. To meet these very high goals, we will make reductions by lowering the barriers to realizing new environmental capital investment through ICP.

#### ■ Introduction of an Internal Carbon Pricing (ICP)\* system

In terms of capital investment that contributed to the reduction of CO<sub>2</sub> (Scopes 1 and 2), environmental investment standards were applied from FY2018 on conditions such as “the feasibility of return on investment in the number of years in production.” In March 2024, we introduced an ICP system in conjunction with the raising of our reduction target.

#### ◇ Outline of the policy

Internal carbon price	6,000 yen/t-CO <sub>2</sub>
Subject	Capital investment that contributes to the reduction in our CO <sub>2</sub> emissions (Scopes 1 and 2)
Operation method	The amount of CO <sub>2</sub> emission reductions associated with a qualifying capital investment multiplied by the internal carbon price is considered a cost benefit. In addition, investment decisions are made based on the return on investment in “actual years” that are longer than our investment payback criteria.

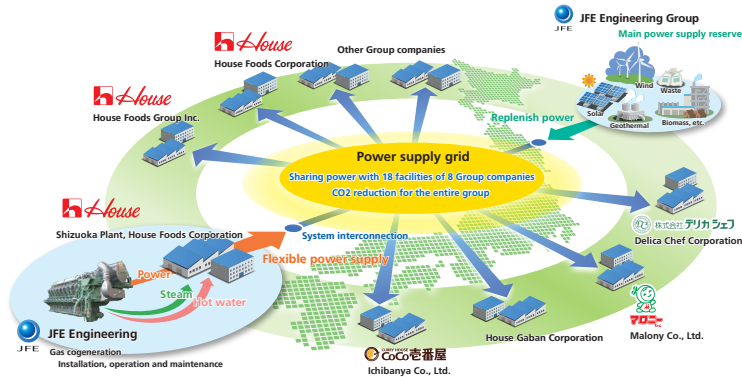
\* Internal Carbon Pricing (ICP) system: A system whereby companies independently put a price on CO<sub>2</sub> emissions and use it as a cost for investment decisions.

## For Society

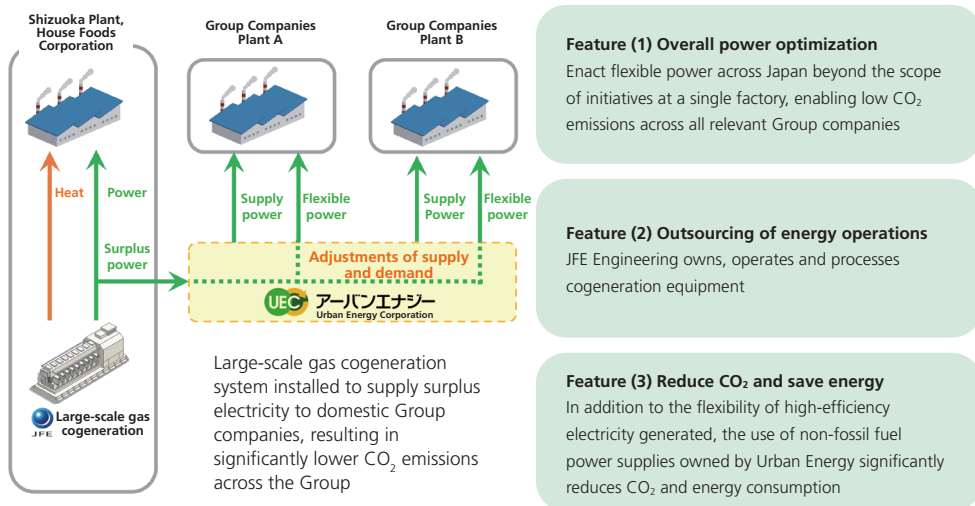
### Commenced operation of the Total Energy Services for Multiple Sites

In order to achieve carbon neutral in 2050, we began operating the Total Energy Services for Multiple Sites in April 2024. This service connects multiple locations and provides energy flexibility to reduce CO<sub>2</sub> and costs across the Group. We have installed large-scale gas generation systems at the House Foods Group's production sites and are working to reduce CO<sub>2</sub> emissions by 16% at the target sites by providing efficient use of the heat energy generated there, and by flexible use of the electrical energy generated at the same time to 18 sites at 8 Group companies

#### Image diagram of Total Energy Services for Multiple Sites

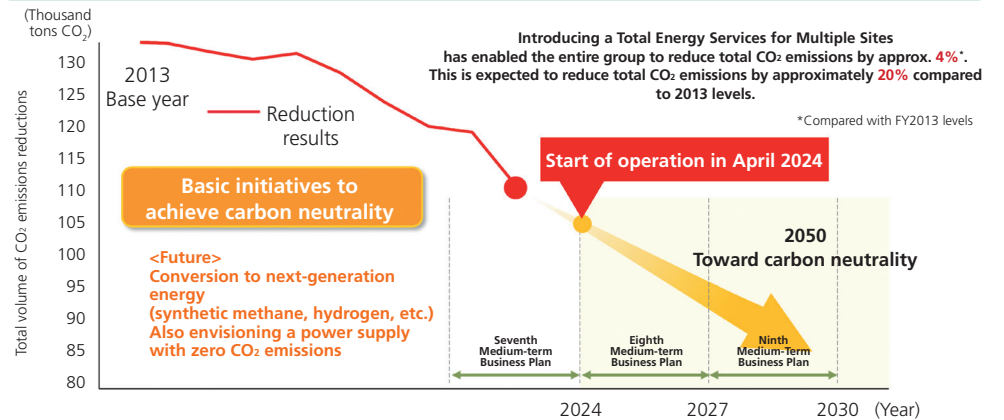


#### - Mechanism of the Total Energy Services for Multiple Sites



### Effect of introducing the Total Energy Services for Multiple Sites

Anticipated CO<sub>2</sub> emission reductions of **5,300 t** per year  
 Projected **16.3%** reduction in CO<sub>2</sub> emissions at target sites (18 sites at eight companies)  
 (compared to FY2022)  
 Estimated **21.5%** reduction in energy use at Shizuoka Plant (compared to FY2020)



Total Energy Services for Multiple Sites  
 The ceremony to commemorate the start of operation  
 (May 2024, Shizuoka Plant, House Foods)

#### Future initiatives

As a transition strategy to being carbon neutral, we believe that reducing fossil fuel energy consumption through the use of gas cogeneration systems is very effective. The effect can be even greater if hydrogen and methanation gases can be available for use in the future.

In addition to this initiative, we are also making use of renewable energy sources, such as solar power. Going forward, we will work to achieve carbon neutrality by 2050, considering further measures to reduce CO<sub>2</sub> such as the use of hydrogen fuel.

## For Society

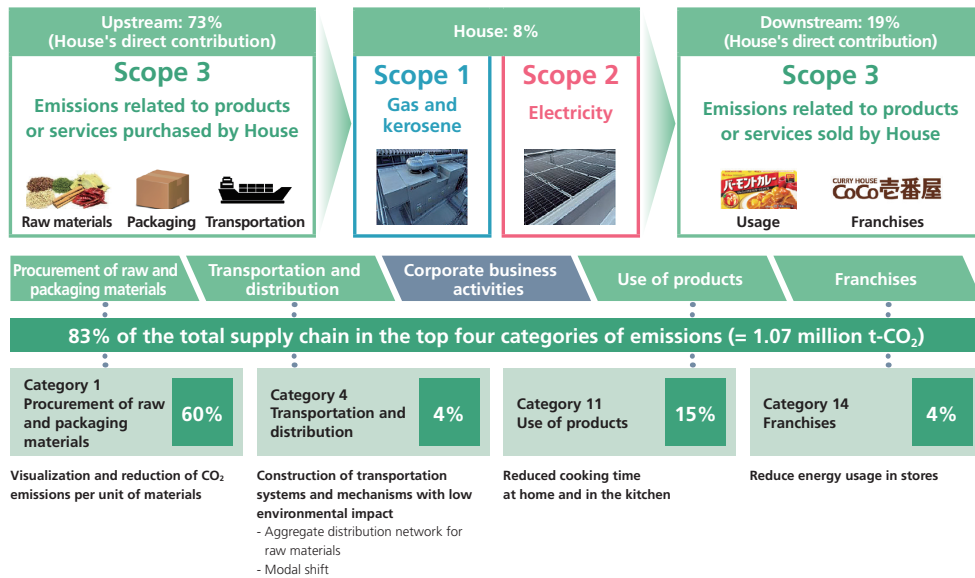
### Scope 3 initiatives

The CO<sub>2</sub> emissions in Scope 3 are very high, and approximately 1.18 million tons of the 1.28 million tons of CO<sub>2</sub> emissions from the House Foods Group in FY2023 also fall under Scope 3. Of these, 1.07 million tons, or 83% of the entire supply chain, are from the top four categories of all fifteen Scope 3 categories.

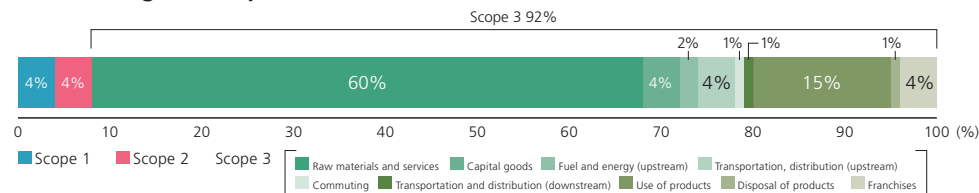
In the Eighth Medium-Term Business Plan, we will focus on these top four categories and aim to reduce CO<sub>2</sub> by 5,000 tons as the goal of the Medium-Term Business Plan.

In particular, we will work with materials suppliers to calculate and reduce CO<sub>2</sub> emissions per unit in Category 1, which produces the most emissions, “raw materials and packaging materials procurement.”

We also look at the challenge of calculating CO<sub>2</sub> emissions (CFPs) for each product.



Percentage of Scope 1, 2 and 3 emissions (FY2023 results)



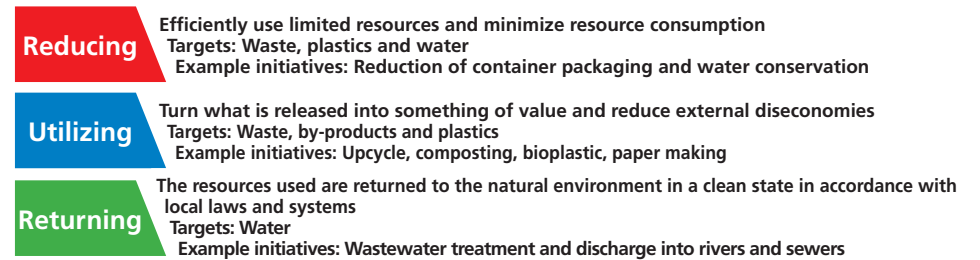
### Key issue 2

## Creation of a resource recycling-oriented society Make effective use of limited resources from the three perspectives of reduce, utilize and return

The second important issue of the long-term environmental strategy is the creation of a resource recycling-oriented society.

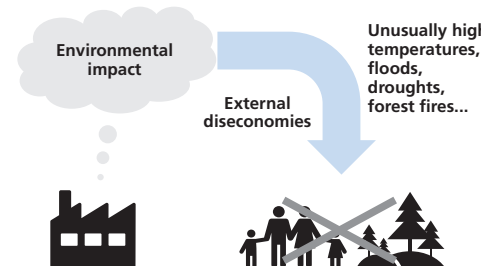
In cooperation with stakeholders, we will build a system to cycle through the three perspectives of reducing, utilizing and returning limited resources on the planet, thereby making the VC sustainable.

The Eighth Medium-term Business Plan addresses waste and by-products, plastics and water.



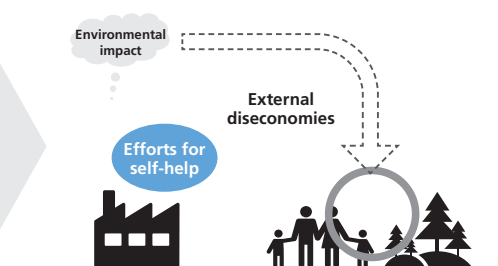
By recycling limited resources by reducing, utilizing and returning, we will ultimately aim to achieve zero waste (external diseconomies).

### Image of external diseconomies



Failure to address environmental issues increases extreme weather events, disasters and pollution, and those that suffer (and pay the cost) are nature and unrelated people

### The “responsibility for society” according to the House Foods Group



Significantly reduce CO<sub>2</sub> emissions to “internalize” as much as possible within our Group the costs paid by society

## For Society

### Waste

First, we will try to control generation, and then we will eliminate external diseconomies by making anything that is still generated a valuable resource.

#### In-house fermentation and composting

Vegetable residue discharged from the process is composted by primary fermentation using the power of microbes at our sites and transferred into a valuable resource. The transfer site further ferments the product to compost and is used by local farmers.



Primary fermentation device

#### Considering the use of lipid degradation technology

Through the second House Foods Group Innovation Fund, we are working to make use of the lipid degradation technology of Friend Microbe Inc., with which it has a capital and business alliance. At present, we are promoting joint efforts to break down high concentrations of lipids in plant wastewater. In the future, we will continue to develop a wider range of microorganisms for lipid degradation, in addition to handling lipids in wastewater. We will also develop systems for introducing them into grease traps and for applying them to waste disposal machines.



Test of lipid degradation technology

### By-products

In the process of producing products, we are working to make valuable resources from the by-products that are inevitably generated from the use of natural products. By-products are extremely difficult to control and are managed separately from waste.

The by-products of the Group are soy pulp (House Foods America, Keystone Natural Holdings), mustard residue (Tim Food) and okra and wasabi residue (Java Agritech).

#### We are working on "recycling internal resources" that we ferment, compost and use in our farms

Java Agritech uses compost made from residues produced by its farms.

In 2021, we promoted the development of technology for composting residue with external experts. In 2022, we were able to expand the scale.

We are working to achieve 100% composting by 2030.



Generated okra residue



Composting

### Plastics

We aim to solve both resource and environmental issues by designing plastic products to prevent waste from being released through recycling of resources during all processes, from design to manufacturing and after use.

#### Use of bioplastics

*Vermont Curry* (230 g) has reduced petroleum-derived plastic raw materials and has also developed and adopted a new tray that uses some plant-derived raw materials.



#### New packaging format for curry roux

In February 2024, we released a household Japanese curry roux product in Indonesia. This new product has environmentally friendly packaging that contains solid curry roux directly in the outer bag and does not use a plastic tray.



### Water

#### Water shortage at Group operating company plant locations

Water Stress is an evaluation index of the Aqueduct Country Ranking developed by the World Resources Institute, which is used to check the water stress status in different regions.

In areas with high water risk, we are conducting follow-up studies and considering water saving measures as necessary.

Water stress risk in 2050	Country/region
>80% (very high)	California, USA, and Dalian, China
40–80% (high)	New Jersey, USA; Shanghai and Zhejiang, China; Bangkok, Thailand; and Semarang, Indonesia
20–40% (medium)	Japan; Pennsylvania, USA; and Dong Nai, Vietnam
<10% (low)	Penang, Malaysia

#### Status of initiatives related to water

House Foods Group purifies water in its wastewater treatment facilities according to local rules and customs before releasing it to rivers or sewers. In addition, the limited number of plants that do not have water treatment facilities drain the fluids according to rules for local public sewers. No production bases in Japan or overseas released water directly into the natural environment such as rivers, and we are committed to protecting such natural environments, including basins.



## For Society

### Response to the Task Force on Climate-related Financial Disclosures (TCFD)

In May 2021, the Group declared its endorsement of the recommendations of the “TCFD,” formed by G20’s Financial Stability Board (FSB) and joined the TCFD Consortium. Since FY2022, the Sustainability Management Division has been leading an examination of our response to climate change in line with the TCFD recommendations, as our division in charge of climate action, and four items are disclosed below.

#### Governance

Reducing the environmental burden throughout value chains is a priority challenge that the Group is taking on and reducing CO<sub>2</sub> is included in our medium-term business plan. We have incorporated strategies and targets for CO<sub>2</sub> emissions reductions into our medium-term business plans, and are making progress. Following discussions by the House Foods Group Management Committee, the initiatives and targets of each medium-term business plan are subject to approval and a final decision by the House Foods Group Board of Directors.

The Group CSR Committee, which is comprised primarily of Directors, confirms the progress of initiatives and targets, supervises and advises management and works to strengthen collaboration within the Group.

In addition, in May 2022, it set and announced a carbon-neutral target for 2050 (Scopes 1 and 2), leading to accelerated efforts in reducing emissions.



#### Risk management

The Sustainability Management Division, which is the main department in charge of climate change response, carries out evaluations of risks and opportunities. We are considering countermeasures to address the high-priority risks and opportunities among those identified. Countermeasures are incorporated into long-term environmental strategy and Group-wide strategy and reported to the House Foods Group Management Committee, after which a final decision is made by the House Foods Group Board of Directors.

The Group Environmental Management Committee, in which the environment managers of each company and site participate, reports to the Group CSR Committee (Secretariat: Sustainability Management Division) on the progress and management of measures.

### Strategy

In addition to reducing CO<sub>2</sub> in our own production activities, we are also developing environmental activities that take into account climate change throughout the value chain. In the Seventh Medium-term Business Plan, which began in FY2021, we aim to accelerate our CO<sub>2</sub> emissions reductions and broaden the scope of our initiatives. Taking both a global and a supply chain perspective, we are working to reduce emissions in collaboration with suppliers and in all aspects of our internal Group activities.

In FY2022, we conducted a scenario analysis for House Foods Corporation, a core Company within the Group. Through this analysis, we identified climate change risks and opportunities and considered countermeasures to address them. In FY2023, we formulated a long-term environmental strategy and formulated the Eighth Medium-term Business Plan based on that strategy. Responses to key risks and opportunities identified through scenario analysis will be prioritized and reflected in our businesses and medium-term business plans.

### Indicators and targets

With the aim of becoming carbon neutral in 2050, we have set new indicators and targets in the Eighth Medium-term Business Plan that begins in FY2024.

#### [CO<sub>2</sub> reduction targets]

##### ■ Scope 1 and 2

As we aim to achieve carbon neutrality in CO<sub>2</sub> emissions from our company toward 2050, we have changed the index from units of materials to total volume, setting the total target for 2030 to -38% of total volume and the total target for the Eighth Medium-term Business Plan to -27% of total volume (both compared to FY2013).

##### ■ Scope 3

In order to reduce in-house CO<sub>2</sub> emissions and throughout our supply chain, we have set a target of -5,000 tons in the Eighth Medium-term Business Plan (compared to prior to initiatives) and aim to reduce CO<sub>2</sub> in cooperation with our stakeholders.

Initiatives	Management	Last performance	Medium- to long-term goals		
		FY2023	FY2026 (Eighth Medium-term Business Plan)	2030	2050
Scopes 1 and 2	Ratio of CO <sub>2</sub> emissions reductions in total volume (compared to FY2013 baseline year)	16%	27%	38%	Carbon neutrality
Scope 3	Emissions reduction (t) (Compared to prior to initiatives)	26,483	5,000	—	—

➔ See here for details of disclosure  
<https://housefoods-group.com/sustainability/report/esg/pdf/tcfd.pdf>  
 (Japanese only)

# Procurement

Through food, House Foods Group aims to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives. We are working to realize a sustainable society based on the Group's philosophy.

In order to continue to provide products and services that are trusted and satisfy our customers, we will respect the importance of our business partners, and conduct fair, transparent and appropriate transactions in consideration of social responsibilities such as human rights, work practices and the environment.

➔ See here for the Procurement Policy of House Foods Group  
<https://housefoods-group.com/sustainability/policy/csr.html>  
(Japanese only)

## About sustainable procurement

The House Foods Group joined Sedex\* in December 2021 as an AB member (buyer/supplier member) and is working on responsible procurement and building an ethical and sustainable supply chain. Through the use of Sedex tools and services, we aim to maintain safe, ethical and sustainable business practices with our suppliers and to protect the working conditions of people working in the supply chain.

Since FY2022, we have been confirming compliance with the CSR Guidelines, including human rights issues, with all our clients, including House Foods, House Wellness Foods, House Gaban and Malony.



➔ See here for CSR Guidelines  
[https://housefoods-group.com/sustainability/otorihikisaki/pdf/en\\_guideline.pdf](https://housefoods-group.com/sustainability/otorihikisaki/pdf/en_guideline.pdf)

\* Sedex: Sedex is headquartered in the UK and is one of the world's leading member-system organizations that provides ethical trading services, working to improve working conditions in the global supply chain. Sedex provides the practical tools, services and community networks that companies need to improve their responsible, sustainable business operations and responsible procurement.

## Initiatives for sustainable palm oil

In response to the intent of the Roundtable on Sustainable Palm Oil (RSPO)<sup>1</sup>, which promotes sustainable production and use, the House Foods Group joined the RSPO in January 2018, taking into consideration the environment of the production site (forest and biodiversity conservation) and the economy and the human rights of the people working there (elimination of forced labor and child labor). In January 2020, we acquired RSPO supply chain certification for all our House Foods

plants (Kanto, Shizuoka, Nara and Fukuoka plants) and for Sun House Foods, which manufactures the House Foods brand's retort products. In April 2020, we began switching the palm oil purchased at our factories to RSPO-certified palm oil<sup>2</sup>, and we are currently procuring the equivalent amount of palm oil used in roux products<sup>3</sup>. In addition, since July 2020, we have also switched the amount used for retort products<sup>4</sup> in the same way.

➔ See here for progress of initiatives  
<https://rspo.org/members/4-0994-18-000-00/>

1. RSPO: Roundtable on Sustainable Palm Oil to promote the production and use of sustainable palm oil in order to prevent the production around the world from having a serious negative impact on tropical forest conservation, the diversity of living organisms in them and the lives of people who depend on forests
2. MB (mass balance) certified oil has been used
3. Excluding granules and paste products
4. This applies to retort products manufactured at Group offices in Japan (Sun House Foods)



4-0994-18-100-00

## TOPICS

### Procurement Market Briefing

In November 2023, we held a Procurement Market Briefing to educate Group employees on the rapidly changing procurement environment and methods for procurement based on COVID-19, the Russian-Ukraine conflict and abnormal weather conditions. Approximately 140 participants from 12 Group companies participated in the briefing session. The Procurement Division explained the impact of changes in the procurement environment on each company's products, information on prices for raw materials and packaging materials, including spices, and various procurement initiatives to address changes in the environment. This gave us the opportunity to deepen our understanding of procurement and look up the VC upstream, including the structure of material prices and the connections between various events and businesses that occur around the world. We will continue to provide information on procurement risk initiatives and market information.





# Human Rights

The House Foods Group recognizes that human rights may be affected directly or indirectly in all stages of its business activities. We have established a human rights policy for the House Foods Group to respect the human rights of all persons involved in our business activities. In accordance with this policy, the Group will further promote efforts to respect human rights.

➔ See here for the Human Rights Policy of House Foods Group  
<https://housefoods-group.com/sustainability/policy/human.html>  
(Japanese only)

## Promotion system

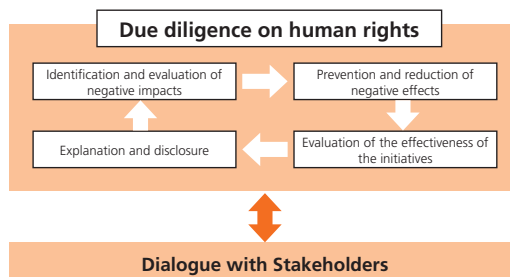
The Human Rights Promotion Team is responsible for reviewing mechanisms and systems for promoting human rights issues and for continuously collecting information. It regularly makes proposals and reports to the Management Committee. The materials and minutes reported at the Management Committee are shared with all directors, including outside directors.

In addition, the Audit & Supervisory Committee regularly reports on the status of the helpline and provides detailed explanations on human rights issues reported at the Management Committee as necessary. Opinions of the Audit & Supervisory Committee are reported by the Board of Directors and fed back to the relevant divisions.



## Human rights due diligence

Human rights due diligence is a preventative measure, and there is always a potential negative impact on human rights. Therefore, the cycle needs to be maintained (identifying/evaluating negative impacts, preventing/mitigating them, evaluating the effectiveness of initiatives and explanation/disclosure).



For FY2023, after reorganizing information on human rights risks, which have become an international concern, we identified two key human rights risk areas for priority action: “1. Foreign nationals who use the Technical Intern System and Specified Skilled Worker System in Japan” and “2. Raw materials and packaging suppliers,” and conducted evaluations on these matters.

Identification and evaluation of negative impacts		Prevention and reduction of negative impacts	
1. Foreign nationals who use the Technical Intern System and Specified Skilled Worker System in Japan	<p>The first step in human rights due diligence was risk assessment for foreign nationals who use the Technical Intern System and Specified Skilled Worker System in Japan, in the presence of a third-party institution, the Caux Round Table Japan.</p> <p>Although no serious human rights issues were observed as a result of the survey and meetings conducted at the Group companies, there were findings and recommendations related to support functions and improvement of the working environment.</p>	<p>Based on the findings and recommendations from the third-party organization, we have reviewed support functions and made efforts to partially improve the living environments of said employees. We will continue to consider improvement measures, and create a safe and secure workplace and living environment.</p>	
2. Raw materials and packaging supplier	(1) External business partners	<p>In 2021, we joined Sedex. In 2022, we held an explanatory meeting on the Sedex and CSR surveys for suppliers of Group companies in Japan.</p> <p>As of February 2024, the response rate to the Sedex self-assessment and CSR survey* is approximately 82% (based on procurement amount), and we will continue to follow up on this. Based on the results of the survey, we also enacted responses regarding suppliers determined to have high risks related to human rights.</p> <p>* Sedex (Supplier Ethical Data Exchange): CSR self-assessment survey based on global standards</p>	<p>Individual checks were conducted with suppliers who were judged to have high human rights risks, and then confirmed that corrective measures were taken. We will continue to aim to maintain safe, ethical and sustainable business practices with our suppliers and to protect the working environments of people working in the supply chain.</p>
	(2) Our manufacturing base	<p>We have completed a briefing session for completing the Sedex New Self-Assessment Questionnaire for Group companies in Japan that are also suppliers. (March 2024). We have confirmed that there are no major problems based on the responses of 14 Group companies in Japan and one overseas Group company.</p>	<p>We will continue to review and improve our ongoing response status.</p>

## Remedies

We have established an internal helpline and a supplier helpline about remedies.

➔ See here for the Help Line System  
<https://housefoods-group.com/sustainability/compliance.html>  
(Japanese only)

## TOPICS

### Educational activities

Based on the Human Rights Policy of the House Foods Group, which was revised in April 2023 to ensure thorough execution of human rights initiatives, we conducted video-based learning to ensure that everyone working in the House Foods Group understands better. We also prepared a version of the video that has phonetic characters so a wide variety of people can learn from it.



Audience: Domestic Group Companies in Japan (executives and all employees)

# Production

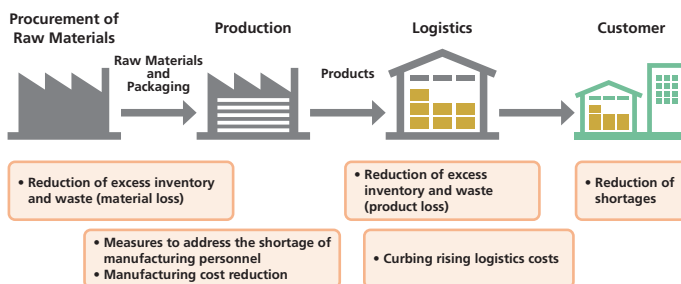
With the mission of “pursuing production and SCM systems” to support the Group’s sustainable growth, we produce safe and reliable, high-quality and cost competitive products, and carry out daily production activities to deliver them to our customers. In recent years, we have been working to create a production and logistics system that will reduce the environmental impact, while also building a system that is optimized for the Group.

## Utilization of a unified supply and demand/production management

House Foods, House Wellness Foods and Sun House Foods have a unified tri-company system for managing demand forecasting and production activities.

By using AI and big data to improve the accuracy of demand forecasting, and by drafting production plans to respond quickly to demand fluctuations, we are reducing overstocking and waste of materials and products.

### System for integrated supply and demand/production management



## TOPICS

### HPS activities

The House Foods Group is conducting improvements in the production sites of each Group company as part of its HPS (House Production System) activities. HPS activities are bottom-up initiatives based on the participation of all employees. They form the root of production with human resource development as the objective.

At the 14th overall HPS Activity Presentation Meeting in FY2023, 10 offices from seven Group companies participated in the event, sharing improvement activities in their respective sites.



# Logistics

The House Foods Group recognizes that ensuring the sustainable and stable distribution required for its business activities is a management issue. In order to realize highly productive logistics and work-style reforms, the Group is working to improve logistics through mutual understanding and cooperation with suppliers and logistics business companies.

We are also working to resolve issues such as the “2024 logistics problem” through the creation of a sustainable logistics system by utilizing F-LINE\* Corporation, which was established in April 2019.

\* F-LINE: In February 2015, six food manufacturers launched the F-LINE project with the aim of creating a new platform for processed food logistics. Then, F-LINE Corporation, a logistics company, was created by five food manufacturers in April 2019: Ajinomoto Co., Inc., House Foods Group Inc, Kagome Co., Ltd., Nisshin Seifun Welna Inc. and the Nisshin Oillio Group, Ltd.

## TOPICS

### Reconstruction of joint deliveries in the Hokkaido region

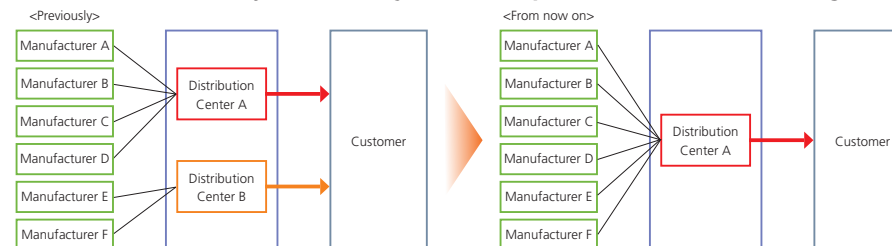
Six food manufacturers (Ajinomoto, Kagome, the Nisshin Oillio Group, Nisshin Seifun Welna, Mizkan and House Foods Group) and F-LINE restructured their joint distribution system in the Hokkaido region in October 2023 to improve logistics efficiency. By jointly using delivery sites and delivery vehicles, each company can create a sustainable logistics system and reduce CO<sub>2</sub> emissions by approximately 16% in the environment.



Consolidating the two storage and delivery locations into one location, this initiative will improve the loading efficiency of each vehicle and reduce the number of deliveries by means of joint storage and delivery.

This will reduce the number of vehicles delivered to the delivery destination and will also reduce the burden on receiving.

### Illustration of the joint delivery of six companies in the Hokkaido region



We will continue to work with food manufacturers and F-LINE to build a sustainable logistics system and further reduce our environmental impact.

# Quality Assurance

To continuously provide safe and reliable products and services to our customers, all employees of the Group work together to maintain and improve quality across the entire value chain, from raw material procurement, product planning and design, cultivation and manufacturing, to logistics and sales.

## Quality assurance approach

The approach to quality assurance in the House Foods Group is “process assurance,” which assures links between processes. We think of the downstream as the customer, and we create and guarantee quality in each process.

In addition, based on the idea of a worksite-centric approach, the Group shares insights based on experience, including past failures and successes, and applies them to quality assurance.

In order to implement the approach to “process assurance,” we are working to prevent the outflow of defective products through a combination of “mechanisms that prevent anomalies” and “mechanisms that recognize them.”

In addition, the quality assurance divisions, production divisions and the quality assurance management divisions of each House Foods Group company are collaborating to make efforts to improve the workplace by enabling objective observations of differences and insights.

## House Foods Group Policy on Quality

### <Quality Philosophy>

We will contribute to the diets and healthy lives of our customers by providing recognizable products and services that are valuable in their everyday lives.

### <Action Guidelines>

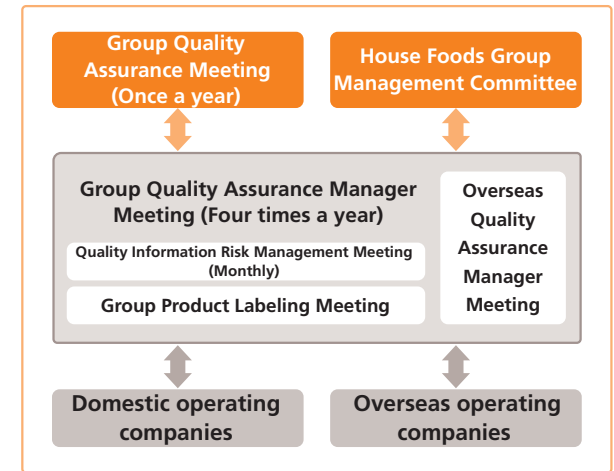
Every member of the House Foods Group will act in accordance with the following action guidelines:

1. We will act with integrity and stand in our customer's shoes.
2. We will ensure the safety of our customers first and foremost.
3. We will listen to the voice of our customers and continue to develop and improve products and services based it.
4. We will provide accurate and easy-to-understand information in order to respond to the trust of our customers.

## Quality assurance system

The House Foods Group is conducting ongoing quality assurance activities by discussing important issues related to quality assurance at the Group Quality Assurance Meeting, which consists of executives of House Foods Group, operating company presidents and outside experts.

At the Quality Assurance Manager Meeting, which is held by the Quality Assurance Management Division of the Group Headquarters and the heads of the quality assurance divisions of operating companies, the Group collaborates with its operating companies to address issues common to the Group, and is working to improve its quality assurance capabilities by holding discussions from a high-level perspective and actual worksite conditions of each company. In addition, we are working to improve our quality assurance capabilities by collecting information on legal revisions through specialized meetings such as the Quality Information Risk Management Meeting and the Group Product Labeling Meeting and taking action to comply with the legal revisions.



## TOPICS

### Professional Commendation System

With various “human, equipment, raw materials and method” changes in production, we have created many ideas and techniques that lead to the realization of safe and secure products. In 2018, we launched the Professional Commendation System, which is based on the sense that it is important to continue the steady activities of the workplace in order to maintain safe and secure quality. In addition to thanking the winners by nominating them from each office, the Group shares the thoughts and values of the winners, and the positive impressions of their supervisors, and strives to foster a quality-oriented culture.



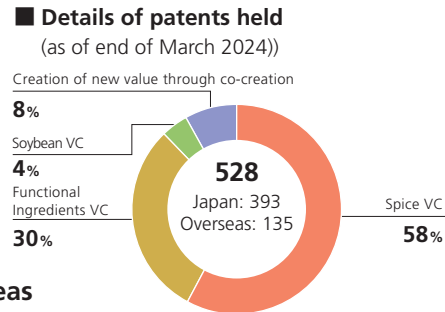
The communication between the winners and the executives

# Intellectual Property Strategy

The Group considers intellectual property as an important management capital and is integrated with business and research and development. The basic policy of its intellectual property strategy is to protect and utilize intellectual property from the perspective of the VC and from a global perspective.

## Competitive advantage through strategic patent acquisition

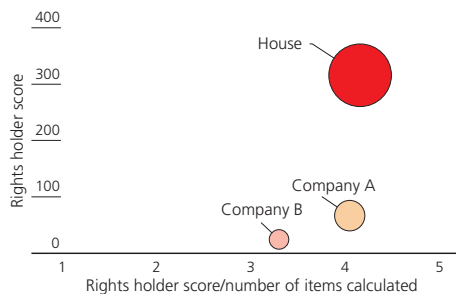
The Group holds strategic patents for each VC in line with its business strategy.



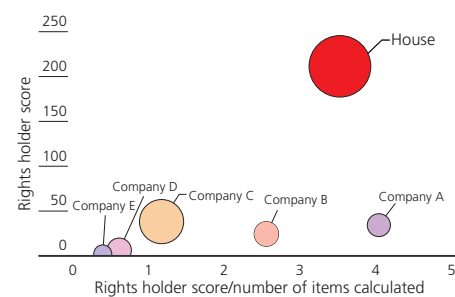
## Patent competitiveness in key business areas

Use patents to properly protect technologies for curry roux and retort products that continue to develop through constant research and development. The results are not only reflected in the number of patents held but also in the competitiveness of the patents.

### ■ Patent competitiveness of the curry roux product\*



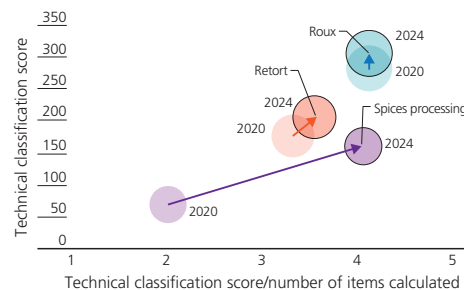
### ■ Patent competitiveness of retort products\*



In recent years, we are also focusing on initiatives to create new value. In the Seventh Medium-term Business Plan, significant progress was made in the development of spice processing technology upstream, and the results are reflected in the score map. In the Eighth Medium-term Business Plan, we will link these new strengths to create VCs.

\* Created by our company using Biz Cruncher® by Patent Result. Scores were calculated by assigning points to the degree of focus on obtaining patents and the degree of attention from competitors

### ■ Changes in core business areas and new value areas (spice processing) scores\*

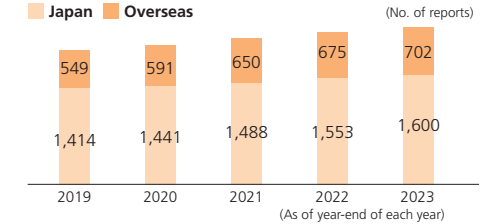


In addition, in the case of the Functional Ingredients VC, we are working to acquire patents in Southeast Asia and Europe to promote global business development. In the Soybean VC, we will work to create and acquire intellectual property in light of the future expansion of the PBF market and our competitive strategy. We will also promote joint value creation in areas where new value is created, including the Value-added Vegetables VC, by actively utilizing the technology openly while protecting the technology.

## Trademark strategies aligned with brand personalities

By acquiring strategic trademark rights that match each VC's brand personality, we protect our brands in each region, both in Japan and overseas, as well as raise awareness and enhance the value of brands that are loved globally.

### ■ Change in the number of registered trademarks in Japan and overseas



## Overseas expansion of Vermont Curry

The yellow packaging and ribbon combination of *Vermont Curry*, loved for over 60 years since its release, is trademarked in multiple countries and regions, contributing to both brand value enhancement and the elimination of counterfeit products.



## TOPICS

### Spice processing technology: An example of the use of salt treatment drying technology

We have developed a salt treatment drying technology to provide customers with dried spices and herbs that retain much of the color and aroma of their fresh counterparts. An example of this technology in use is the Salty Green Pepper that was developed to deliver the clean green color and aroma of fresh pepper.

Fresh pepper turns from green to black and loses its fresh, lush aroma after being harvested. We therefore cooperate with Indonesian farmers to grow fresh pepper and process it in our own factory immediately after harvest using salt treatment drying technology, so that it can be sold under the VOXSPICE brand as a unique product that retains its original color and aroma. This was made possible by connecting the VC we have built with farmers and other stakeholders, with technology at the core. Moving forward, we will continue to harness the natural benefits of spices through technology to bring out their appeal and connect them, offering new value to our customers.

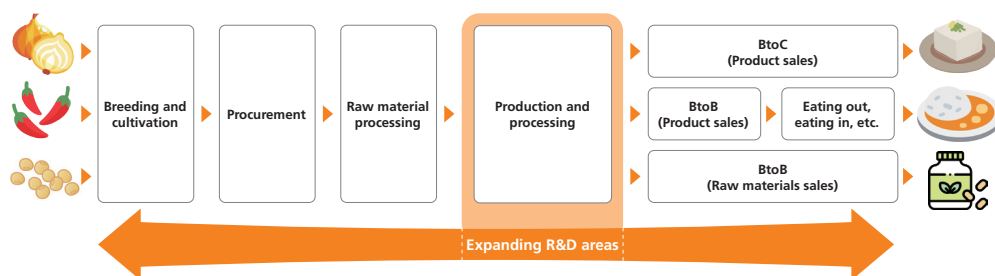


## R&D

R&D will play a central role in making us a high-quality company that connects VC upstream and downstream to create new value and deliver “Healthy Lives through Food.” In the creation of the Spice VC in particular, we will promote technology and application development to integrate VCs and expand customer contact points through collaboration with procurement, production and business as well as R&D. We will continue to develop technologies and research materials that will strengthen our competitiveness and business base in the areas of the Functional Ingredients VC, Soybean VC and Value-added Vegetables VC. In addition, we will focus on leading collaborative creation both inside and outside the Group in order to identify new technological seeds and commercialize new businesses.

### R&D functions and scope of activities

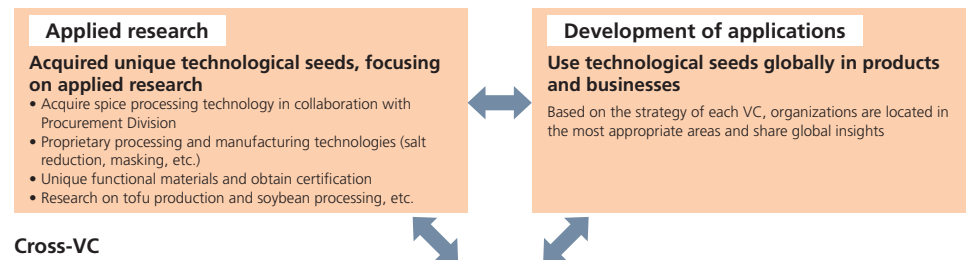
In order to bring smiles to our customers, we are working to solve a variety of issues using a scientific approach. This is not only in the development of BtoC products at Group companies but also in the development and cultivation technology on the upstream of the value chain. These efforts also extend to the primary processing technology for providing food raw materials, to the technology related to the downstream BtoB and the provision of food service.



### Building an organization that is suitable for a global VC

The starting point for our unique technological seeds is in our existing business and in our daily work. In addition to application development, we will also create unique value in applied, fundamental and basic research. In addition, we will promote collaboration within VCs by engaging in applied research and application development by VC. In addition, we aim to maximize our unique value by utilizing the results obtained across VCs and globally.

### By VC



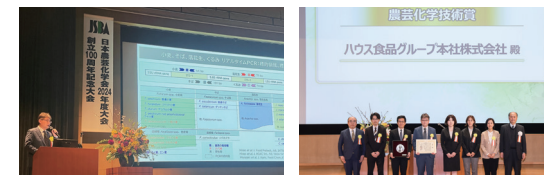
### Cross-VC



## TOPICS

### Food allergen analysis techniques

We are working on food allergen analysis techniques to provide accurate information about food allergies and to broaden food options. To date, we have developed testing methods for six of the eight specific allergenic ingredients that are required to be labeled in Japan: wheat, buckwheat, peanuts, shrimp, crab, and walnuts, all of which are subject to PCR verification testing. Through these technologies, we have made it possible to distinguish between shrimp and crab, which was not possible until then, and detect trace amounts of wheat in highly processed foods. Both test methods are listed in a notice by Consumer Affairs Agency as part of Japanese civil law and are sold as reagent kits by the licensed company, Fasmac, for widespread use around the world. In March 2024, we won the Japan Society for Bioscience, Biotechnology, and Agrochemistry (JSBBA) Award for Achievement in Technological Research for these efforts. In the future, we will continue to develop a test method for cashew nuts under consideration for specific raw materials and develop technology that utilizes liquid chromatogram mass spectrometry to measure allergen concentrations.



➔ Enriching lives with food! House Foods Group's research on food allergies [Part 1]  
<https://housefoods-group.com/activity/andhouse/magazine/08/index.html>  
(Japanese only)

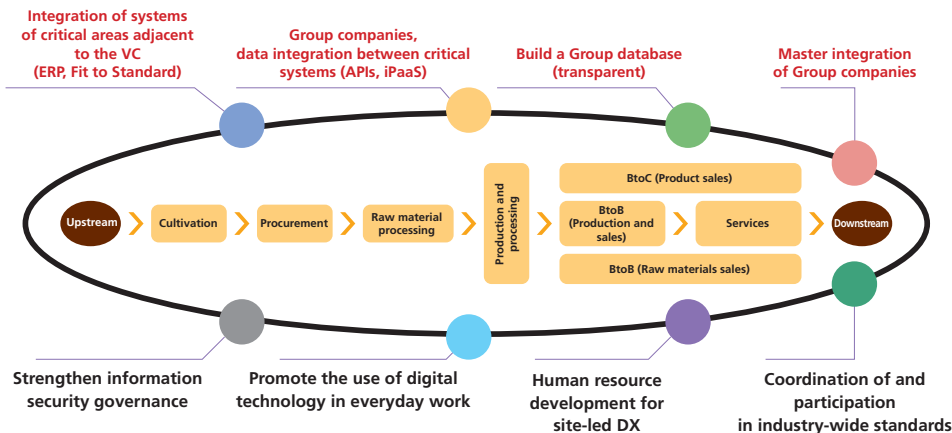
➔ Enriching food for people everywhere: Social contributions enabled by food allergen analysis technology [Part 2]  
<https://housefoods-group.com/activity/andhouse/magazine/09/index.html>  
(Japanese only)

# Digital Transformation Strategy

We are working to strengthen our digital strategy to support growth through the creation of global VCs. In order to achieve this, we will further enhance the competitiveness of the current business area, which is the source of growth, through our digital strategy. To realize flexible VC management starting from upstream, we will connect the Group internally to make goods, money and information visible. In order to achieve these, we are working to build a Group information platform. In addition, we will contribute to improving the value we provide to our customers, creating a workplace where people can feel job satisfaction by using and learning digital skills, and solving environmental issues. The Eighth Medium-term Business Plan is considered an important “build-in” period to create VCs, and as an “aggressive” DX (digital transformation), it is necessary to change the way of working from a VC perspective (business improvement and labor saving). We will also focus on strengthening information security and governance as a “defensive DX.” In addition, we will continue to acquire human resources and technology to support business transformation and digital strategies, both in an aggressive and defensive way.

## Realizing VC management

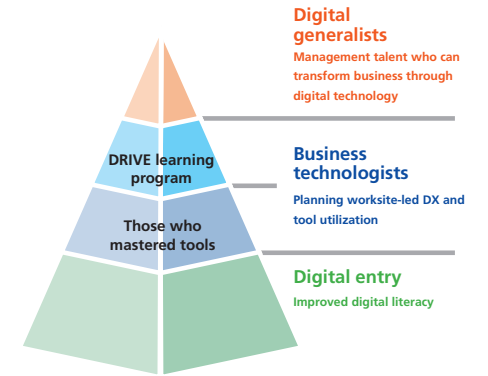
In order to realize VC management, we need to make efforts to acquire technologies such as ERP integration for each Group company and business that support VC, data linkage between systems and master integration in the Group. In addition, security assessments and development of response plans related to technology and operations in response to information security risks that increase with Group collaboration are also important topics. We will work comprehensively, including through participation in industry standards.



## Human resource development

### Worksite-led DX to support human resource development

In the midst of a rapid wave of digital transformation, we believe that not only those at IT divisions but also those on-site who understand the business the most, can use their digital skills to achieve transformation. In order to achieve this, the digital strategy divisions and the human resource strategy divisions are working together to develop human resources to support work site-led DX. In order to expand the reach of all employees by improving literacy, such as e-learning and the utilization of generative AI, and to further enhance their perspective, we offer a variety of learning opportunities to develop skills for setting up on-site issues and leading to change, as well as digital skills as practical solutions.



## TOPICS

### Implement the “DRIVE” learning program

As part of our efforts to “develop human resources to support worksite DX,” we are implementing the DRIVE learning program aimed at training human resources that can proactively tackle work issues and formulate and promote DX measures that lead to business transformation. This program involves selecting a theme from actual business challenges, generating DX ideas, thoroughly exploring the issues, evaluating the effectiveness of solutions, and finally developing a DX proposal (PoC plan). The greater the issue, the more efforts we need to take place across business areas, and we can expect new themes for business transformation through cooperation across departments and companies. One of the goals is to have employees who completed the program return to their worksites and play a central role in digital transformation.



## Three Director Talk

To achieve growth through the creation of a global value chain, we will improve the effectiveness of governance and strengthen risk management.



### Fukuichi Sekine

Director  
Audit & Supervisory Committee  
Member (Outside)

### Yoshiyuki Osawa

Representative Director & Senior  
Managing Director  
General Manager of Administration  
Headquarters/ Responsible for  
Secretariat Division

### Tsuneo Kubota

Director  
Audit & Supervisory Committee  
Member (Full-time)

### The process for formulating the Eighth Medium-term Business Plan

**Osawa:** The Eighth Medium-term Business Plan, which was launched in FY2024, retains the position of the Seventh Medium-term Business Plan in “striving to become a high-quality company that provides ‘Healthy Life through Foods’ [Chapter 2]” but instead of “Striving for Four Value Chains (VC),” the subtitle is “Striving for growth by building a global value chain.” We thought it was time for us to set our action objectives to not to strive for the sake of striving, but to achieve growth through building the global VCs. The current business segment is divided between Japan and overseas, but we will shift our paradigm to a phase where we will consolidate various businesses we developed around the world in each VC, connect the upstream and downstream operations, expand our customer contact points, and grow our business. When formulating the medium-term business plan, we formulate plans based on (1) thoroughly reviewing the current medium-term business plan, (2) understanding changes in the external and internal environment and (3) ensuring that we base it on our core Group philosophy. In addition to discussions at the Board of Directors and Management Committee, an off-site Management Committee was established on the executive side. Then, we held repeated discussions about initiatives that were 60–70% achieved from various perspectives.

**Kubota:** While the executive directors played a central role in the discussions, the Audit & Supervisory Committee confirmed the direction and content of discussions with respect to the medium-term business plan. The quality of the medium-term business plan will be further enhanced by the input of outside directors who have expertise and insight. In order to receive better recommendations, it is important to eliminate the gap in the amount of information received by outside and inside directors. The Audit & Supervisory Committee has been working with the slogan of “increasing points of contact and dialog” since 2023. An Audit & Supervisory Committee meeting related to the formulation of the medium-term business plan was held to reflect the opinions of outside directors. We held discussions

## Three Director Talk

with the top managers of overseas operating companies in the United States, Southeast Asia and China, and we also had meetings about the content and status of discussions with the representatives of each VC. After that, we received opinions from outside directors, discussed them, and reflected them in the plan.

**Osawa:** The meeting minutes and materials for discussion at the Management Committee are provided to all members of the Audit & Supervisory Committee. Those responsible for business and functions make proposals by attending the Audit & Supervisory Committee to provide direct explanations based on the importance of the proposal. In addition, the content of the proposals that need to be understood more deeply to be resolved by the Board of Directors is also presented in advance. As the General Manager of the Administration Division, I and the General Manager of the Corporate Strategy Division set aside time to individually communicate with and provide information to the two Outside Directors and Audit and Supervisory Committee Members. Then, we take questions and receive advice. In communications with outside directors, we learn a lot and gain insight from those who have perspectives and ideas we do not have. I believe it is important for the Board of Directors to hold discussions by highlighting the differences in



its member's viewpoints while deepening mutual understanding.

**Kubota:** We, the Directors and Audit & Supervisory Committee members, play roles in monitoring, supervision and auditing. We are engaged in strengthening governance from both offensive and defensive perspectives. We receive advice from outside directors on carrying risks while taking on business challenges in governance in an offensive way. We use a bad news first perspective for engaging in governance in a defensive way. We receive feedback from the perspectives of our shareholders and third parties, not only from the perspective of financial losses but also from the viewpoint of reputational risk. At the end of each Board of Directors meeting, we hold "Audit & Supervisory Committee Time." Then, on behalf of the president, who chairs the Board of Directors, I serve as the moderator. We receive unrestricted comments about the discussions at the Audit & Supervisory Committee and opinions on executive aspects from the Audit & Supervisory Committee members, and actively discuss these matters with the internal directors.

**Sekine:** In June 2023, I was appointed as a member of the Group's Audit & Supervisory Committee of the Board of Directors. I received a lecture on the medium-term business plan directly from President Urakami. The framework of the Eighth Medium-term Business Plan is to accelerate the establishment of a VC foundation based on the challenges seen in the Seventh Medium-term Business Plan. In order to build global VCs, we need to further refine the Group's strengths to expand our points of contact around the world in each VC in hand with our group companies that have diverse traits. As a member of the Audit & Supervisory Committee, I would like to continue to play a role in monitoring management and corporate governance, and also to provide opinions on the management system as necessary. We will strive to enhance corporate value and contribute to sustainable growth through aggressive and defensive governance. If companies do not increase corporate value from a long-term perspective, they will go into decline. At our company, we believe taking initiatives based on prioritizing and being unwavering in the "Three Responsibilities" perspective will lead to the company's continuity and the satisfaction of our stakeholders. Eating is living. Eating can help you get through hard times and put a smile on your face. My



involvement in the food industry makes me feel a great sense of responsibility but also happiness.

## Priority issues in the Eighth Medium-term Business Plan

**Osawa:** The Group includes companies that function as procurers of materials and trading companies on the upstream side, companies with BtoC and BtoB manufacturing functions at the midstream level, and companies that handle food service functions on the downstream side. Each company has worked to establish a unique corporate culture and business model in the food industry. In the Eighth Medium-term Business Plan, the development of global VCs will be conducted through the integration of the VCs in Japan, overseas and without the boundaries of values and culture. We will link the upstream to the downstream globally to create new business areas and aim for growth. Our plan is not to make every company the same. As we stated in the Eighth Medium-term Business Plan when we mentioned that we will "transform diversity into a strength" as a



## Three Director Talk

way of being responsible for our employees and their families, we will use the unique corporate culture and business model of each company for creation and turn it into a strength.

**Kubota:** At the start of the Eighth Medium-term Business Plan, the head of the Group went to the worksites and directly communicated and explained his feelings to the members. I strongly feel that efforts are accelerating, with each employee having a sense of ownership, shifting their vectors and moving together toward goals. In discussions at the Management Committee, I have started to hear the wording “in unity” and “fusion” instead of “in cooperation.” In the past, House Foods Group and its operating companies each spun their metaphorical gears separately. Now, I have the impression that the gears of each company are starting to connect in an effort to bring a new driving force to the Group. My goal is to become a lubricant for these gears to further improve our corporate value. Enhancing governance and risk management is also important in global expansion. We will continue to monitor, supervise and audit our sites so they can focus on business. We will strengthen governance by looking at the entire Group globally from an overarching perspective, and it will also become important to build a system that is tailored to the laws, environment, culture, and customs of each country, as well as the scale of the overseas operating companies. In addition, I believe that the key to enhancing risk management capabilities will be to link up and collaborate with local third parties, such as accounting and law firms, that have a strong understanding of each country’s situation. We will proceed with risk countermeasures ahead of time based on the direction of our business strategy, and promote thorough monitoring, supervision, and auditing to ensure that governance systems and mechanisms are in place and operating properly so that those on the frontlines can focus on their business.

**Sekine:** In my view, while the domestic BtoC business is solid, the major challenge of building global VCs is how to develop in the BtoB area. I think there is still room for growth in the BtoB market. So, I think it would be beneficial to expand our points of contact with customers by broadening our reach with hospital, business and school cafeterias without being bound by existing channels, and broaden the base of the VCs. I also have the

impression that Group employees are serious, hard workers and meticulous. At the same time, I sometimes think it could be beneficial to have mistakes shared openly, and to use this in taking on the next challenge.

## Evaluation of the effectiveness of the Board of Directors

**Osawa:** We have been evaluating the effectiveness of the Board of Directors since 2023. I believe it is important for members of the Board of Directors to reflect on their activities over the past year and to identify improvements on their own. This is done in a questionnaire-based evaluation with questions unique to our company. Rather than evaluating activities with general questions, we check whether the discussion contents, materials provided, timing and times of discussions, and management of the Board of Directors are appropriate for individual themes based on the contents of actual discussions at the Board of Directors. The results of the questionnaire are compiled by the Administrative Secretariat, which is the General Affairs Division, to determine the themes for improvements, which lead to actual improvements following discussions at the Board of Directors meeting. In 2023, based on the evaluation of effectiveness, the five areas of improvement were “streamlining and revitalizing discussions on resolution items,” “improving and enhancing the Audit & Supervisory Committee’s operations,” “promoting the outside directors’ understandings of worksites and establishing opportunities for dialog,” “streamlining reporting items” and “changing the decision-making standards of the Board of Directors.” In 2024, we will continue our search for the next themes for improvement and work on them. Many companies conduct effectiveness evaluations through third-party institutions, and we might do so in the future. However, it is important to first reflect on our activities, understand and discuss issues and build a cycle for improvement independently. We believe that this is the foundation for taking advantage of findings from outside parties.



**Kubota:** In the effectiveness evaluation, there were some comments about the benefits of further increasing the number of open and frank discussions. The Board of Directors meeting and the “Audit & Supervisory Committee Time” within it have time limits. The Audit & Supervisory Committee will therefore consider methods of “points of contact and dialog” that will enable more useful discussions, such as setting themes for in-depth discussions.

**Sekine:** The evaluation of the effectiveness of the Board of Directors gave us a good opportunity to reflect on our activities. The survey questions were appropriate and well thought out. We would like to use them to improve the effectiveness of the survey in the future. We can speak openly and freely in Board of Directors meetings, and many initiatives are carried out at a higher level than other companies. If I had to name an issue, it is our need to have more in-depth discussions on management and business strategies and further enhance our effectiveness. In the Eighth Medium-term Business Plan, we believe that the success of the plan will be directly linked to efforts to address issues being clarified and enhance the business.

# Executives (As of June 25, 2024)



## Directors

### Hiroshi Urakami 1

Representative Director & President  
Responsible for Corporate Strategy  
Division

### Yoshiyuki Osawa 2

Representative Director & Senior  
Managing Director  
General Manager of Administration  
Headquarters/ Responsible for  
Secretariat Division

### Kotaro Kawasaki 3

Managing Director  
Representative Director & President,  
House Foods Corporation

### Yoshiyuki Miyaoku 4

Director  
General Manager of Global  
Headquarters

### Tatsumi Yamaguchi 5

Director  
General Manager of Research &  
Development Headquarters  
Responsible for Quality Assurance  
Management Division, New Business  
Planning & Development Division,  
Value-added Vegetables Business  
Development Division

### Atsushi Sakuma 6

Director  
General Manager of  
Corporate Communication  
Headquarters/Responsible for  
Digital Strategy Headquarters,  
Domestic Affiliated Companies  
Planning Support Division

### Yuichi Okamoto 7

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

### Tsuneo Kubota 8

Director  
Audit & Supervisory Committee  
Member (Full-time)

### Hiroyuki Kamano 9

Director  
Audit & Supervisory Committee  
Member (Outside)

### Atsuko Okajima 10

Director  
Audit & Supervisory Committee  
Member (Outside)

### Fukuichi Sekine 11

Director  
Audit & Supervisory Committee  
Member (Outside)

### Yasuyuki Kawasaki 12

Director  
Audit & Supervisory Committee  
Member (Outside)

Notes: Please refer to our corporate website for a brief biography of each Board member. <https://housefoods-group.com/en/company/information02.html>



**Executives** (As of June 25, 2024)

**Skills matrix and attendance rate at meetings of the Board of Directors and various meetings**

Name	Position	Expertise and experience required for a Director in supervision and execution												Attendance rate at meetings of the Board of Directors and various meetings (FY2023)				
		Corporate Management	Personnel affairs and Diversity	Finance and Accounting	Legal Affairs, Compliance and Risk	Public Relations, Investor Relations and corporate social responsibility	R&D and Intellectual Property	Global	IT/DX	Quality Assurance	Production and Procurement	Sales, Marketing and Advertisement	Management of Other Companies	Board of Directors	Audit & Supervisory Committee	Compensation Advisory Committee	Nomination Advisory Committee	
1	<b>Hiroshi Urakami</b>	Representative Director & President	●			●							●	●	100% (14/14)		100% (6/6)	100% (2/2)
2	<b>Yoshiyuki Osawa</b>	Representative Director & Senior Managing Director	●	●	●	●							●		100% (14/14)		100% (6/6)	100% (2/2)
3	<b>Kotaro Kawasaki</b>	Managing Director	●				●						●	●	100% (14/14)			
4	<b>Yoshiyuki Miyaoku</b>	Director	●					●	●	●	●	●	●	●	100% (14/14)			
5	<b>Tatsumi Yamaguchi</b>	Director	●					●	●	●		●	●	●	100% (14/14)			
6	<b>Atsushi Sakuma</b>	Director	●				●	●		●	●		●		100% (10/10)			
7	<b>Yuichi Okamoto</b>	Director	●								●	●						
8	<b>Tsuneo Kubota</b>	Director Audit & Supervisory Committee Member (Full-time)				●		●							100% (10/10)	100% (10/10)		
9	<b>Hiroyuki Kamano</b>	Director (Audit & Supervisory Committee Member, Outside)	●			●			●				●		100% (14/14)	100% (13/13)	100% (6/6)	100% (2/2)
10	<b>Atsuko Okajima</b>	Director (Audit & Supervisory Committee Member, Outside)		●		●									100% (14/14)	100% (13/13)	100% (6/6)	50% (1/2)
11	<b>Fukuichi Sekine</b>	Director (Audit & Supervisory Committee Member, Outside)	●	●		●					●		●		100% (10/10)	100% (10/10)	100% (4/4)	100% (2/2)
12	<b>Yasuyuki Kawasaki</b>	Director (Audit & Supervisory Committee Member, Outside)	●	●	●	●			●				●					



# Corporate Governance

## Changes in strengthening of corporate governance

	2004	2008	2013	2016	2017	2020	2021	2022	2023	2024
Systems and policies	● Introduced the Corporate Officer System (Abolished in 2013)		● Shift to a holding company system			● Established the Group Compliance & Risk Management Division	<div style="border: 2px solid red; padding: 5px;"> <p><b>Transitioned to a Group with an Audit &amp; Supervisory Committee</b></p> <ul style="list-style-type: none"> <li>✓ Strengthened the supervisory function of the Board of Directors</li> <li>✓ Further enhanced the corporate governance system</li> </ul> </div>		● Evaluated the effectiveness of the Board of Directors	
Director (Outside Directors)		● Elected an Independent Outside Director (1 out of 9 Directors)		● Increased the number of Independent Outside Directors (2 out of 10 Directors)					● Change in the number of Independent Outside Directors (4 out of 12 Directors)	
Voluntary advisory committees					● Established the Compensation Advisory Committee		● Established the Nomination Advisory Committee	● Established the Investment Committee (Advisory body to the Management Committee)		
Compensation system					● Introduced a stock compensation plan through an officers' shareholding association system (Abolished in 2021)		● Introduced the restricted stock compensation plan			● Introduced the performance stock compensation plan

## Basic policy on corporate governance

The Group aims to enhance the adequacy and effectiveness of management and optimize its corporate value by engaging in speedy management, with the intention of revitalizing the management organization and enabling prompt decision-making.

The Group's approach is based on its philosophy, "through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives." The three main pillars of our corporate activities are our "three responsibilities": "for customers," "for employees and their families," and "for society."

To manage our Group based on this philosophy to properly respond to the dramatic changes taking place in the management environment, we have been striving to improve its transparency and its role in society, as well as achieving accountability, while developing a corporate governance system to ensure thorough compliance.

The Company made Ichibanya Co., Ltd. a consolidated subsidiary in December 2015. Ichibanya is a listed company, and the Group undertakes the operation of that company's internal control system with due respect.

### Approach to keeping the subsidiary listed

As the parent company, House Foods Group Inc. exercises a certain level of supervisory functions over Ichibanya Co., Ltd. For example, seconding a Director to the subsidiary as a non-standing Director, having the subsidiary regularly report on its business performance at its Board of Directors' meetings, and resolving at its Management Committee what proposals should be included in the agenda of the General Meeting of Shareholders of the subsidiary. On the other hand, the Group respects decisions on the execution of daily operations made by the subsidiary's management. The Group decides on the

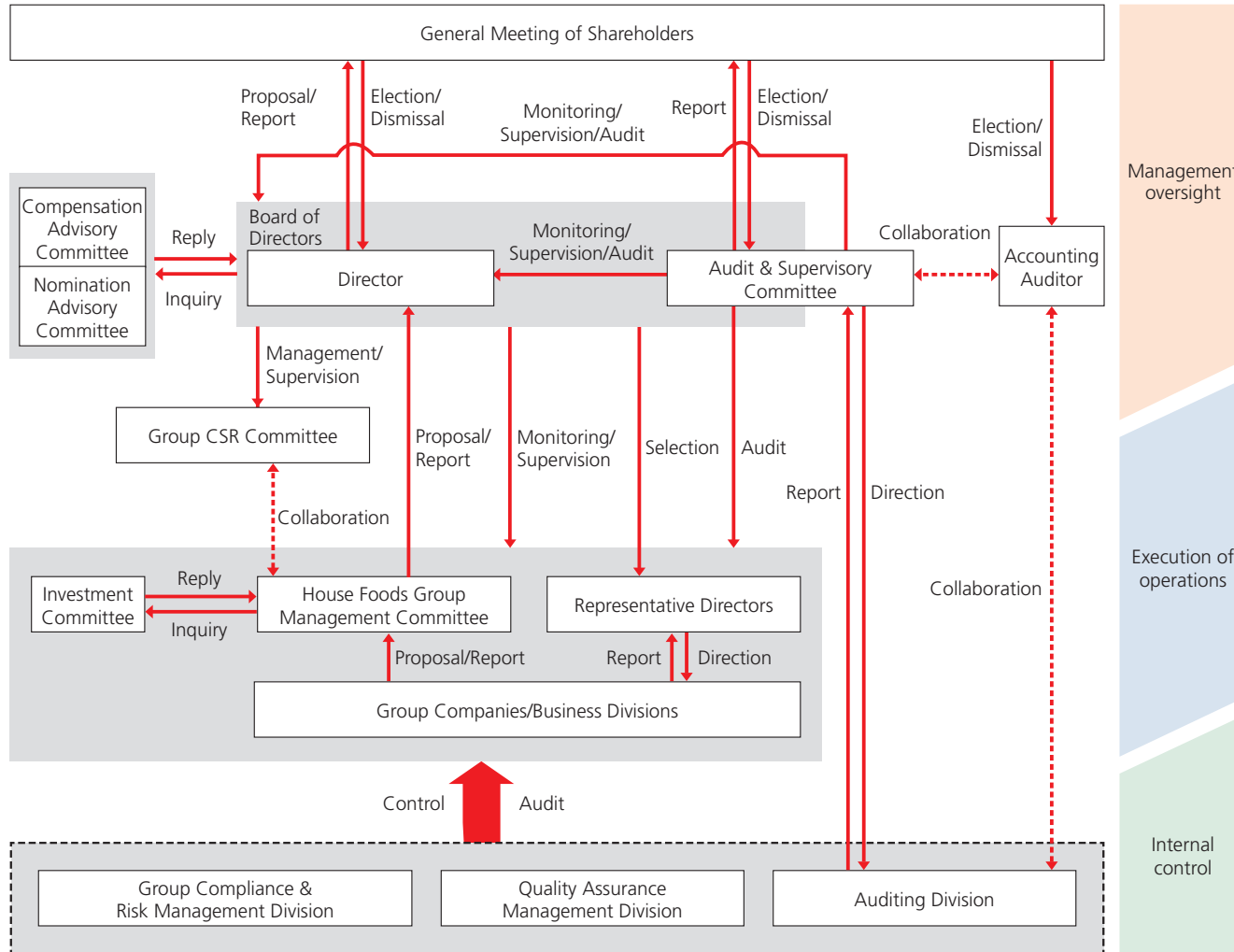
subsidiary's significant intra-Group transactions after seeking opinions from the Audit & Supervisory Committee. The Group has established a system that does not allow it to unreasonably prejudice the interests of other shareholders of the subsidiary.

The Group and the subsidiary, whose business models are different, work together to strengthen collaboration and promote cooperation themes while respecting each other's uniqueness, thereby enabling three parties (including franchise owners who are engaged in the management of stores) to enjoy the benefits together. In this way, the Group believes that it will also contribute to bringing benefits to other shareholders of the subsidiary. The Group's policy is to keep both itself and the subsidiary listed while ensuring the effectiveness of the corporate governance system of the subsidiary.

## Corporate Governance

### Corporate governance system

#### Diagram of corporate governance system (As of July 2024)



#### System for execution of operations

With the aim of strengthening our audit and supervisory functions and further enhancing the corporate governance system, the Group transitioned from a Group with a Board of Auditors to a Group with an Audit & Supervisory Committee after gaining approval at the Ordinary General Meeting of Shareholders held on June 25, 2021. As a Group with an Audit & Supervisory Committee, the Group monitors, supervises, and audits the execution of duties by Directors and the legality and validity of resolutions by the Board of Directors through the Audit & Supervisory Committee and its five Directors who serve as Committee Members (of whom four are Outside Directors).

The Board of Directors consists of 12 Directors (of whom four are Outside Directors), and it makes decisions on the execution of important operations of the Group and monitors and supervises the execution of operations by other Directors and Group companies. The Group has also established the Nomination Advisory Committee and the Compensation Advisory Committee as voluntary advisory bodies to the Board of Directors, each with the majority of members being Independent Outside Directors and each chaired by Independent Outside Directors, in order to ensure objectivity and transparency in the decision-making process for compensation and the election and dismissal of Directors.

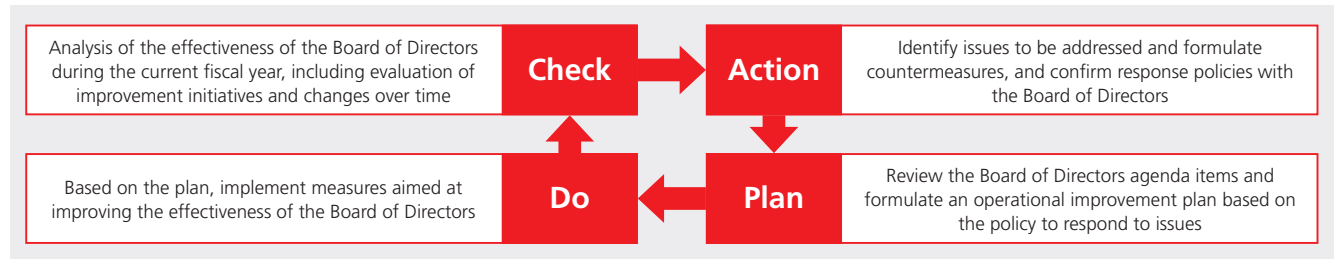
In close cooperation with the Auditing Division, which is responsible for conducting audits of operations and implementing internal controls in respect of financial reporting, and which the Audit & Supervisory Committee has the right to give instructions to, the Audit & Supervisory Committee confirms how the audits are conducted and how the internal control system is evaluated, and regularly exchanges opinions. The committee also audits the execution of duties by Directors in an organized way in cooperation with the Accounting Auditor and corporate attorneys.

The accounting audit is performed by Deloitte Touche Tohmatsu LLC. We have an audit agreement with this firm to perform audits under the Companies Act and the Financial Instruments and Exchange Act.

## Corporate Governance

### Evaluation of the effectiveness of the Board of Directors

From FY2022, we introduced an evaluation of the effectiveness of the Board of Directors. We then analyzed and evaluated the results. We will continue to work to improve the effectiveness of the Board of Directors by steadily implementing the PDCA cycle for improvements.



### Status of responses to issues based on analysis and evaluation of the results of the Board of Directors Effectiveness Evaluation conducted in FY2022

Major issues identified	Initiatives in relation to each issue
<ul style="list-style-type: none"> <li>Optimization of the Board of Directors' operations, through a review of proposal methods (a review of the proposal methods, frequency and applicable topics)</li> <li>Expansion of opportunities for officers to acquire knowledge and understand the situation on the ground at worksites</li> </ul>	<ul style="list-style-type: none"> <li>Commencement of practical use of the Board of Directors' Report, which compiles the report summary and the opinions of Inside Directors who are on the Management Committee into one document to be presented to the Board</li> <li>Further enhancement of opportunities for Outside Directors to visit branches and to interact with employees at worksites directly</li> <li>Revision of explanatory materials for better understanding of business issues on the agenda for reporting business status</li> <li>Partial revision of the standards for the Board of Directors resolution to delegate authority to the Management Committee</li> </ul>

### Evaluation of the effectiveness of the Board of Directors conducted in FY2023

#### 1. Evaluation method

- Eligible respondents: all 12 Directors (of whom four are Outside Directors)
- Response period: December 2023 to January 2024
- Implementation method: survey format (4-level rating scale + open evaluation)
- Main evaluation items:
  - The status of deliberations on matters to be resolved by the Board of Directors
  - The implementation status of matters to be reported to the Board of Directors
  - The status of the Board of Directors' functions and operations
  - The status of collaborations between the Audit & Supervisory Committee
  - The status of collaborations between the Nomination Advisory Committee
  - The status of collaborations between the Compensation Advisory Committee

#### 2. Summary of results of the Board of Directors Effectiveness Evaluation conducted in FY2023

The functions and operations of the Board of Directors continue to be adequate, and it was confirmed that the Board operated effectively, including its cooperation with the Audit & Supervisory Committee, Nomination Advisory Committee and Compensation Advisory Committee.

##### 1. Items that were evaluated particularly highly

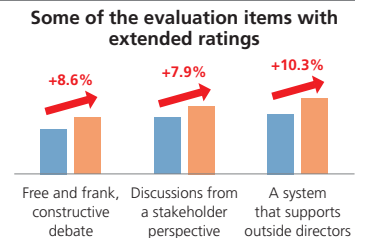
- Reporting on the status of dialog with shareholders is effective in both frequency and quality.
- Multifaceted opinions from the outside directors are being reflected in the Board's decisions.
- The Audit & Supervisory Committees audit, oversight and supervision functions are exerted, and the status of coordination with the Board of Directors is appropriate.
- The content of improvement initiatives after receiving the results of the previous year are also highly evaluated.

##### 3. Major issues identified

- The need to increase the frequency of regular reports and the expansion of agenda items
- Further enhance opportunities for executives to acquire knowledge
- A structure for stimulating discussion between internal and external directors

##### 2. Changes over time

Nine of the questions that were common to the previous year were improved from the previous year's rating.



##### 4. Initiatives in relation to each issue

- Review of the frequency of reports on some regular reporting agenda items
- Review of the agenda for annual reports and review of expansions to the report agenda items
- Enhancing educational sessions for executives
- In-depth study of issues aimed at stimulating discussion between internal and external directors through interviews with executive officers



## Corporate Governance

### Operations of the Audit & Supervisory Committee

One full-time staff member and a small number of concurrently serving staff members are assigned to the Auditing Division, to assist the Audit & Supervisory Committee, and the Directors who serve as full-time Audit & Supervisory Committee Members, with their duties. The Auditing Division, to which the relevant staff members are assigned, is an organizational structure directly under the Audit & Supervisory Committee which the Committee has the right to give instructions to, thereby ensuring the effectiveness of the instructions given by the Audit & Supervisory Committee and Directors who are full-time Audit & Supervisory Committee Members. In addition, the General Affairs Division is responsible for the Administrative Secretariat of the Audit & Supervisory Committee, and also assists the Audit & Supervisory Committee and the Directors who serve as full-time Audit & Supervisory Committee Members with their duties.

We carry out periodic information and opinion exchanges with full-time Audit & Supervisory Board Members of Group companies, through methods such as internal audit results and other reports from the Auditing Division, whistle-blowing, survey results and other reports from the Compliance & Risk Management Division, opinion exchanges with the Quality Assurance Management Division, and by holding Audit & Supervisory Committee meetings at Group company branches to establish points of contact with worksites. In addition, Directors who serve as full-time Audit & Supervisory Committee Members conduct audits of Group company branches, attend important meetings including Management Committee meetings, and inspect and confirm all key resolution-related documents. They also concurrently serve as part-time Audit & Supervisory Board Members of major Group companies, and attend Board of Directors' meetings and other meetings at those Group companies. Full-time Audit & Supervisory Board Members of Group companies regularly attend Audit & Supervisory Committee meetings and report the results of Group company branch audits.

### Election/dismissal of management executives and policy and procedures for nomination of candidates for Directors

The Group has established and disclosed the following selection criteria for the appointment of management executives and nomination of Directors. After deliberation by the Nomination Advisory Committee, chaired by an Independent Outside Director and composed of a majority of Independent Outside Directors, the Board of Directors resolves to nominate candidates who meet the selection criteria and submit them for discussion and approval at the General Meeting of Shareholders.

Personnel who are to serve as Directors in the future receive practical on-the-job training (OJT) mainly through gaining

experience as directors of operating companies as well as off-the-job training mainly through executive development programs and internal training, as part of the Company's efforts to nurture successors. If, after deliberation by the Nomination Advisory Committee, the Board of Directors determines that a management executive does not meet the election criteria, dismissal will be resolved by the Board of Directors and presented to the General Meeting of Shareholders for discussion and approval.

Directors (Excluding Directors who are Audit & Supervisory Committee Members)	<ul style="list-style-type: none"> <li>Persons who have the courage to stay committed to the Group philosophy, Our Motto, and mission statement</li> <li>Persons who have the knowledge, experience, and ability to engage in management</li> <li>Persons who aim to enhance corporate value, and who have the driving force to achieve performance targets</li> <li>Persons with excellent personal qualities appropriate for a Director of the Company</li> </ul>
Directors who are Audit & Supervisory Committee Members	<ul style="list-style-type: none"> <li>Persons who possess the ability to carry out an audit based on extensive experience and insight</li> <li>Persons with excellent personal qualities appropriate for an Audit &amp; Supervisory Committee Member of the Company</li> </ul>

### Outside executives (Directors who are Audit & Supervisory Committee Members)

Name	Status of significant concurrent positions	Reasons for election [Particularly expected roles]	Independent Director	Term of office*
<b>Hiroyuki Kamano</b>	<ul style="list-style-type: none"> <li>Representative Lawyer, Kamano Sogo Law Offices</li> <li>Outside Director, Spancrete Corporation</li> </ul>	Mr. Kamano has extensive experience and a broad understanding of corporate legal affairs gained during his long involvement in legal services as a lawyer. [Supervising and auditing response to legal risks and compliance management]	○	9
<b>Atsuko Okajima</b>	<ul style="list-style-type: none"> <li>Outside Director, DAITO KOUN Co., Ltd.</li> <li>Non-standing Advisor, Kyokuyo Co., Ltd.</li> </ul>	Ms. Okajima has abundant experience from her long service in administration as well as broad insight into the food and other industries. [Auditing and supervising the promotion of women's participation and advancement and diversity management]	○	4
<b>Fukuichi Sekine</b>	<ul style="list-style-type: none"> <li>Chairman and Director, Sumitomo Osaka Cement Co., Ltd.</li> </ul>	Mr. Sekine has a deep understanding of all aspects of company management, and has extensive experience as a corporate manager. [Supervising and auditing risk management and overall business operations]	○	1
<b>Yasuyuki Kawasaki</b>	—	Mr. Kawasaki has considerable experience as the head of a corporation, and has extensive experience as a corporate manager. [Supervising and auditing risk management and overall business operations]	○	Newly appointed

\* The years specified in the "Term of office" column are the number of years each Directors has served since they took office as Outside Executives of the Company.

## Corporate Governance

### Basic design of compensation for executives

As our basic policy, the compensation system and the amounts of compensation, etc., for Directors (excluding Directors who are Audit & Supervisory Committee Members) are based on the following points: “it gives motivation for the enhancement of corporate value and sustainable growth, and generates ambition to achieve the goals of the Medium-term Business Plan in order to realize the Group philosophy,” “it is commensurate with the role and responsibilities of the position held, considering the Company’s scale and social responsibilities,” and “objectivity and transparency are ensured in the decision-making process for compensation.” They are determined by the Board of Directors after deliberations of the Compensation Advisory Committee.

After gaining approval at the Ordinary General Meeting of Shareholders held on June 25, 2021, we introduced the restricted stock compensation plan as a new compensation system for Directors (excluding Directors who are Audit & Supervisory Committee Members).

The compensation system and the amounts of compensation, etc., for the Directors who are Audit & Supervisory Committee Members are deliberated by the Compensation Advisory Committee and, after the deliberation results are reported to the Audit & Supervisory Committee, determined by consultation among the Directors who are Audit & Supervisory Committee Members.

### Outline of the linkage with performance for Directors (excluding Directors who are Audit & Supervisory Committee Members)

#### Short-term incentives

Overall management as a member of the Board of Directors is evaluated mainly based on the Company’s performance (financial indicators), and results of management execution within each area of responsibility are evaluated mainly based on individual performance, and vary within the range of 70%–130% based on two evaluation indicators. (In the event that performance fluctuates significantly, the details are deliberated by the Compensation Advisory Committee, and short-term incentives vary within the range of 0–150%.)

Formula: Standard amount by position × (1 + Company performance evaluation coefficient<sup>1</sup> + Individual performance evaluation coefficient<sup>1</sup>)

1. Varies from -15% to +15% depending on performance

**Indicator of evaluation of the Company’s performance in relation to bonus**  
Bonus for final year of medium-term business plan: Respective status of progress in achieving EBITDA and ROIC

Bonus in relation to business years other than the above: Status of progress in achieving EBITDA

#### Medium- to long-term incentives

Vary within the range of 10%–190% based on evaluation indicators (non-financial indicators) listed in the medium-term business goals.

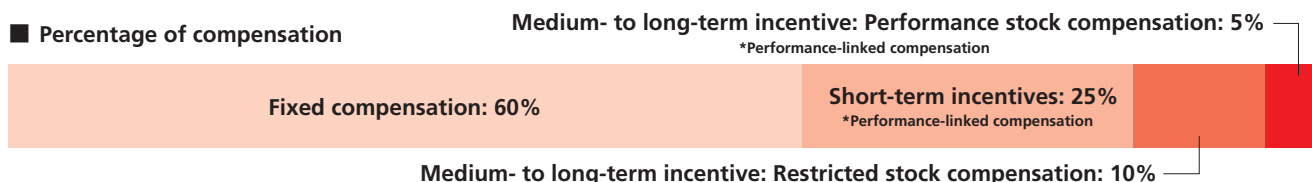
Formula: Standard amount by position × (1 + “Social” coefficient<sup>2</sup> + “employees and their families” coefficient<sup>2</sup>)

2. Varies from -45% to +45% depending on performance

### Composition of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members)

Compensation type			Evaluation indicators, method of payment, etc.
Fixed compensation			Add compensation according to the role to the compensation level determined by position, and pay as monthly compensation
Short-term incentives	Single-year performance-linked compensation	Evaluation of company performance	Based on the indicator determined by the Board of Directors, evaluate the degree of achievement of the relevant indicator for the Group or the operating company each Director is responsible for on a single fiscal-year basis, and pay as bonuses according to the results of the evaluation Note: EBITDA was selected as an evaluation indicator from FY2021
		Evaluation of individual performance	Define the degree of achievement of targets set by each Director as an evaluation indicator, and pay as bonuses according to the degree of achievement
Medium- to long-term incentives	Advance-issue-type restricted stock compensation	Pay for the purpose of motivation for the continuous improvement of corporate value and further encouraging value sharing with shareholders of the Company	
	Performance-linked, restricted stock compensation	In addition to the above, pay for the purpose of better incentivizing to Directors to achieve the medium-term business plans (adopt non-financial indicators prescribed in medium-term business plans as evaluation indicators for the stock compensation)	

Note: Compensation for Directors who are Audit & Supervisory Committee Members consists of only fixed compensation.



### Total compensation, etc., by type, and number of eligible executives by executive category (Status for FY2023)

Executive category	Total compensation, etc. (Million yen)	Total compensation, etc., by type (Million yen)			Number of eligible executives
		Fixed compensation	Performance-linked compensation for single fiscal year	Restricted stock compensation	
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	258	173	57	28	8
Directors (Audit & Supervisory Committee Members) (excluding Outside Directors)	23	23	—	—	2
Outside Executives	72	72	—	—	5

Note: Compensation for Directors does not include the employee portion of salaries for Directors who serve concurrently as employees.





## Corporate Governance

### Strengthening governance through the Investment Committee

The Investment Committee has been established as part of our efforts to strengthen governance. As an advisory body to the Management Committee, and in order to make more effective use of growth investment resources in regard to M&A, which is indispensable for building the four VCs, the committee will enhance corporate value by strengthening its checking function both in the deliberation phase when a proposal is made and in the monitoring phase after the investment is made.

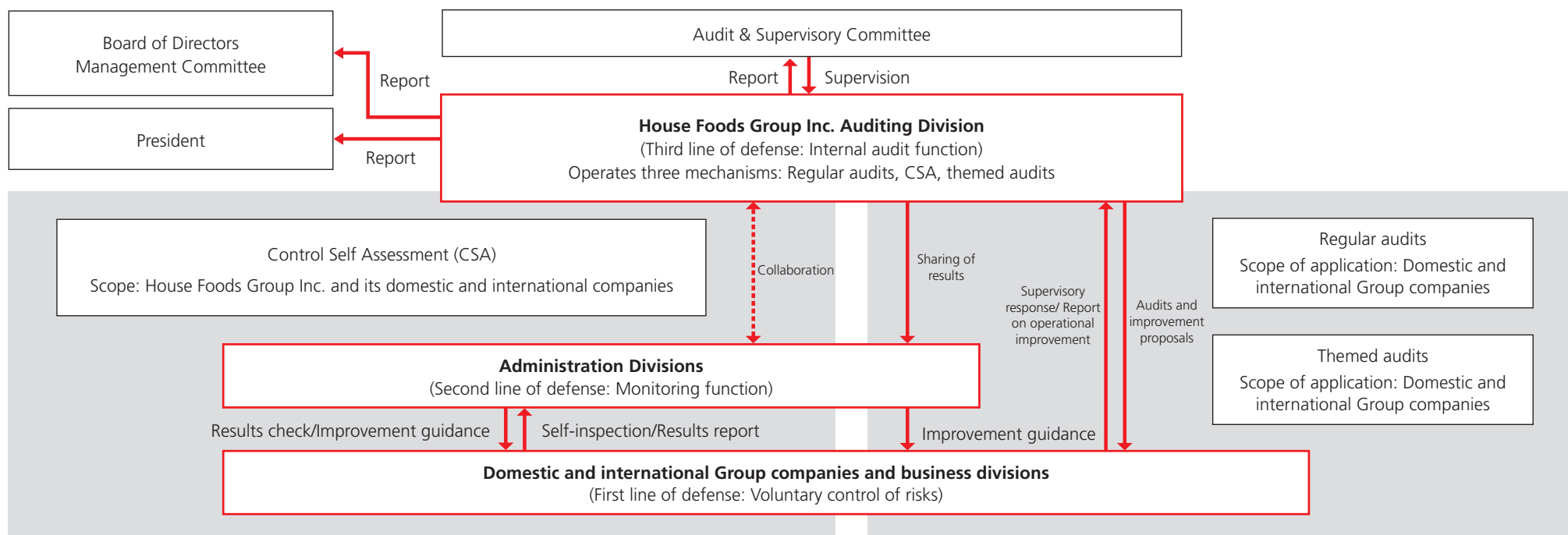
### Internal audit system

The Auditing Division reports directly to the Audit & Supervisory Committee and conducts audits of operations, including those of Group companies, in accordance with the audit plan. The Auditing Division systematically conducts internal audits at over 20 branches, divisions, and Group companies annually, and also separately conducts comprehensive audits across all Group companies in line with specific themes selected based on the Group's material risks and previous audit results. Results of audits are reported to the Audit & Supervisory Committee, President, and the Directors concerned. Audited divisions, if found to have room for improvement, shall be requested to come up with remedial action plans. The progress of said plans shall be checked against their stipulated time line for implementation, as part of the Group's effort to enhance its

internal control system. Starting in FY2018, the Company has introduced a survey-based Control Self Assessment (CSA), with the aim of having those in charge of operations (division heads) carry out their own evaluations and improvement of the effectiveness of control at the organization. In addition to implementing CSA at each domestic operating company, we carry out an international version of the CSA at overseas companies and make use of the results in a way that aligns with their respective business environments.

Development of internal controls related to financial reporting is the responsibility of the Auditing Division, which develops a framework for internal control of branches as well as divisions and evaluates the operation of the internal control system, ensuring a framework capable of providing financial reports with superior credibility.

### Diagram of House Foods Group internal audit system



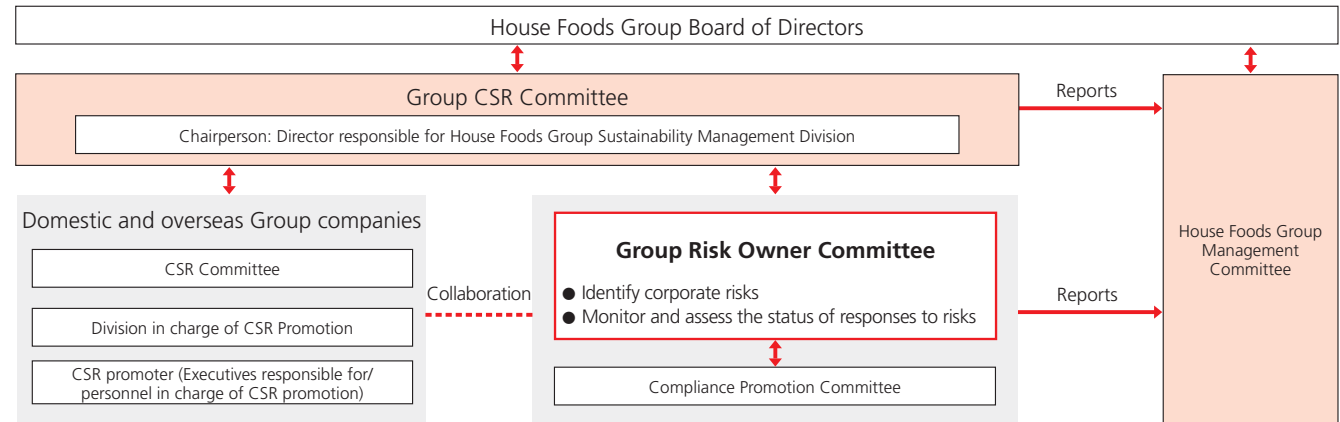
➔ See here for details on corporate governance  
<https://housefoods-group.com/en/company/governance.html>

# Risk Management

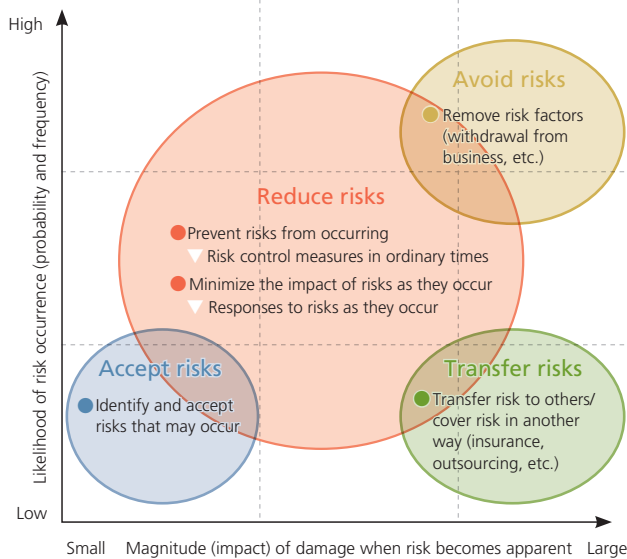
House Foods Group is fulfilling its social responsibility by appropriately identifying and managing various risks surrounding the Group’s business activities, while striving to minimize human, economic, and social damage, recover quickly, and prevent recurrence, in the event that any risk should occur.

## Risk management promotion system

At the Group, verification of risk management activities of the entire Group and voluntary control of risks by the Group companies constitute the two pillars of risk management.



## Approach toward prioritizing



## Risk management activities

The Group has defined risks that have material impacts on Group-wide management as corporate risks. The Group Risk Owner Committee (responsible person: Director responsible for Group Compliance & Risk Management Division) identifies, analyzes, and assesses risks, obtains advice from an external specialized organization, selects corporate risks, and submits reports to the House Foods Group Management Committee.

The Group also conducts regular risk investigation to identify potential risks, and evaluates their impact, occurrence likelihood and status of responses.

### Examples of corporate risks

- Natural disasters ● Infectious disease pandemics
- Accidents and incidents ● Information security
- Reputation ● Harassment

Each Group company and division considers risk control measures based on the results of such investigation so that the risks are managed appropriately. Each Group company particularly focuses on responding to “the company’s material risks” that have material impacts on the management of the company.

## Business continuity plan and business continuity management

The Group formulates and implements a business continuity plan (BCP) to fulfill its social responsibility and maintain trust when the businesses of Group companies face the risk of suspension due to some factors such as natural disasters. In addition, based on the belief that business continuity management (BCM), which is an initiative in normal times, is important to ensure the effective functioning of the BCP and to enhance its effectiveness, we are examining advance measures, conducting periodic drills, and reviewing various manuals and other documents. Starting with the Seventh Medium-term Business Plan, we have established detailed rules for BCM operations to firmly establish and strengthen our initiatives.

# Compliance

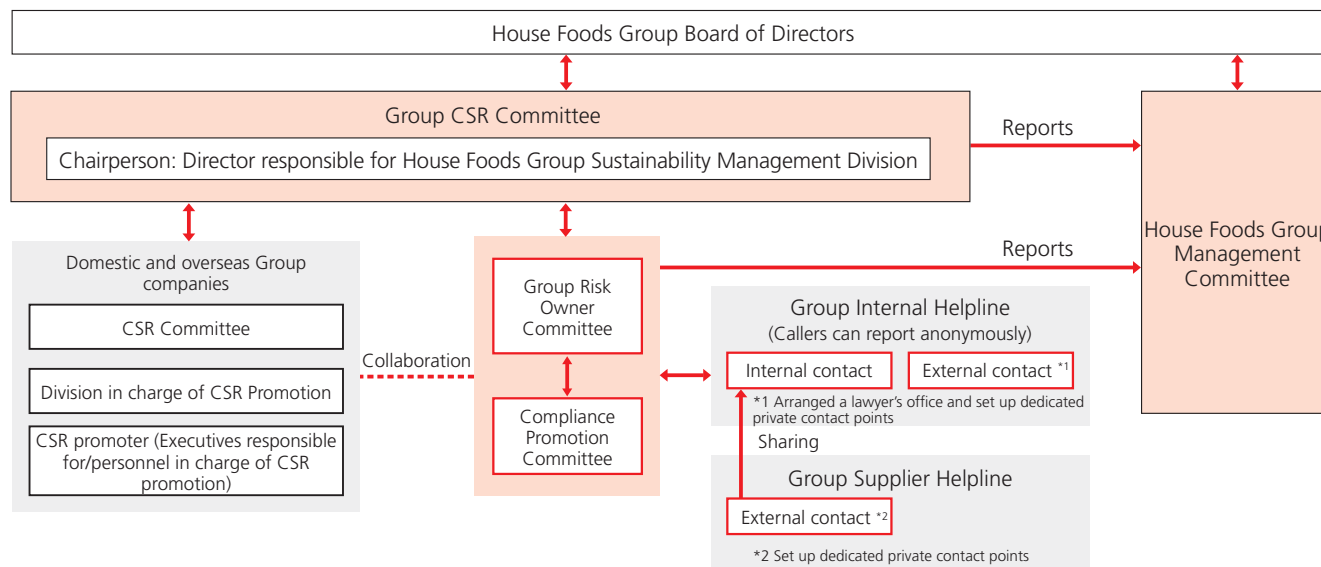
House Foods Group addresses compliance not merely in a narrow sense of adherence to laws and regulations but in a wider sense of comprehensive response to social demands including compliance with internal rules, social ethics, and social morals. In order to be trusted by society and ensure future development, we have established a compliance system that ensures the appropriateness of operations at each Group company, and have been engaged in specific initiatives accordingly.

Recognizing that the practice of compliance is one of the most important issues for the realization of CSR management, House Foods Group responds to the expectations and demands of society by acting in accordance with compliance policies in every aspect of its business activities.

## Promotion structure and specific initiatives

At House Foods Group, the division in charge of CSR activities of each Group company plays a central role in promoting and ensuring thorough compliance, together with CSR promoters

## Compliance promotion structure



(executives responsible for CSR promotion and personnel in charge of CSR promotion) who are selected on a division-by-division basis.

In order to strengthen risk management and establish, diffuse, and entrench a compliance system, we have established the Group CSR Committee headed by a Director of House Foods Group.

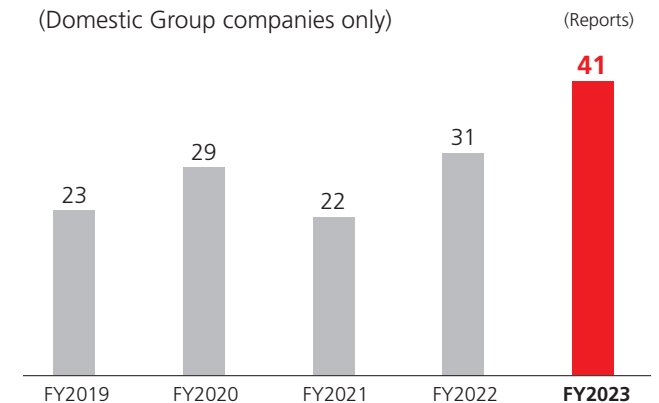
Under the supervision and guidance of the Group CSR Committee, we have also established the Group Risk Owner Committee, which plays a role in formulating and promoting risk management plans, and the Compliance Promotion Committee, which is comprised of executives responsible for CSR activities and division leaders in charge of CSR activities at Group companies. We regularly exchange information and promote unified initiatives across the Group. Important matters for management are reported to the Group CSR Committee, which then submits reports and makes recommendations on such matters to the Group Management Committee.

In addition, a compliance survey is conducted with all Group employees each year. Through this survey, we seek to identify

issues to ensure compliance, such as the awareness and status of understanding toward compliance, information management, and workplace environment. The survey results are fed back to the President and the executive responsible for CSR activities and division leaders in charge of CSR activities at each Group company. Based on their feedback, each Group company plans and takes necessary measures. We also carry out awareness-raising activities by rank ranging from new hires to management members, hold learning sessions on a workplace or office basis, and conduct individual learning that makes use of study materials. Across the Group, we uphold a three-year activity theme, and continue to carry out compliance promotion activities. Through these activities, we strive to cultivate a workplace climate that focuses on compliance.

In order to quickly identify and resolve compliance issues, the Group has established a group-wide “internal helpline” employees can use and emphasized initiatives to promote human rights to fulfill its responsibility for society. It also established a “supplier helpline” with the aim of ensuring transparency of transactions with all of the House Foods Group’s business partners and building trust.

## Number of reports received by the House Foods Group internal helpline

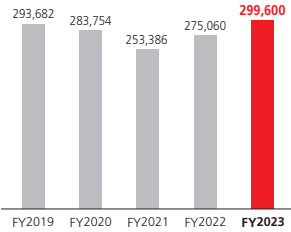




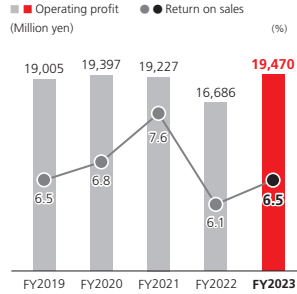
# Financial and Non-financial Highlights

## Financial Highlights → See pages 18–20 for Explanation of Financial Strategy

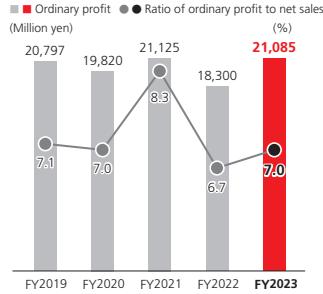
### Net sales (Million yen)



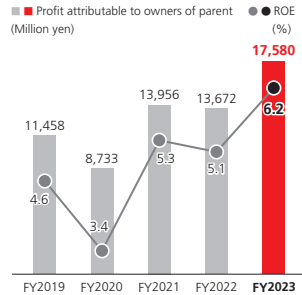
### Operating profit/Return on sales



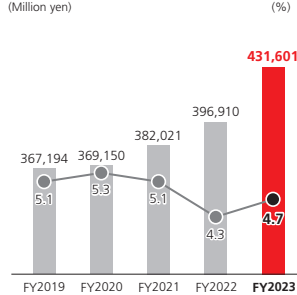
### Ordinary profit/Ratio of ordinary profit to net sales



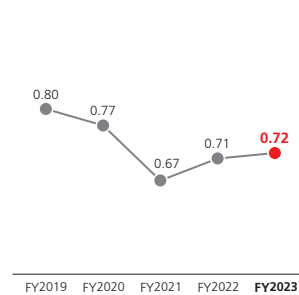
### Profit attributable to owners of parent/ROE



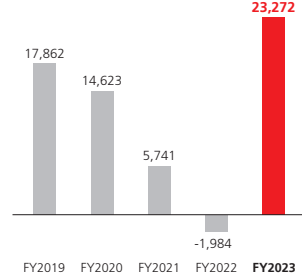
### Total assets/ROA\*



### ATO\*

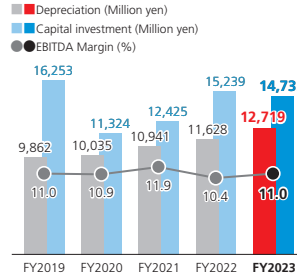


### Free cash flow\* (Million yen)



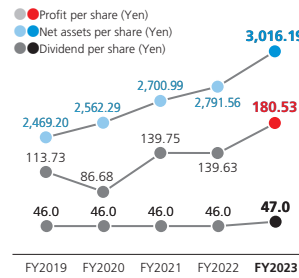
\* Operating cash flow + Investing cash flow

### Depreciation/Capital investment/EBITDA Margin\*



Note: EBITDA = (Operating profit before amortization of goodwill + Depreciation)/Net sales

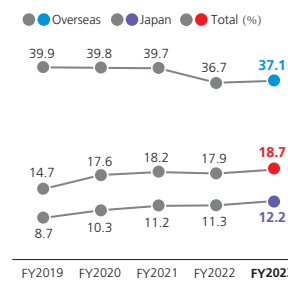
### Profit per share/Net assets per share/Dividend per share



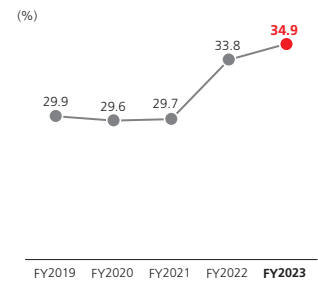
Notes: 1. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc., are applied from FY2021 onward  
2. Regarding the business combination with Keystone Natural Holdings, LLC on September 30, 2022, the price purchase allocation (PPA) was completed in FY2023. Accordingly, figures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

## Non-financial Highlights ESG Data → <https://housefoods-group.com/sustainability/esg/esgdata/> (bilingual PDFs)

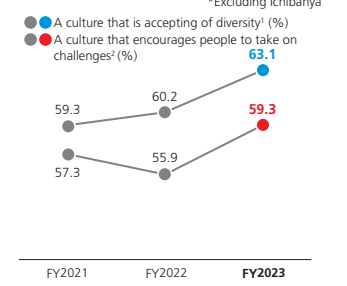
### Percentage of female managers (Consolidated)



### Percentage of overseas employees (Consolidated)

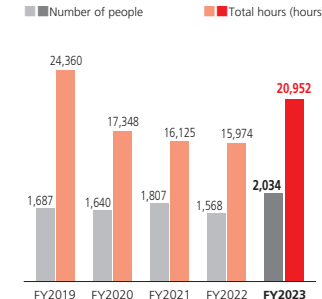


### Corporate culture assessment result (Domestic Group companies)



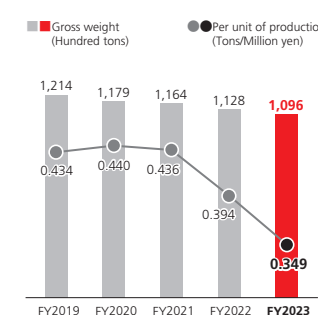
Both show the percentage of affirmative responses (%) to the following questions  
1. Generally speaking, a variety of employees are working enthusiastically and expressing their individuality at my workplace.  
2. Generally speaking, at my workplace, it is encouraged to take on challenges to make changes, and everyone works in a positive way.

### Study sessions held (Organized by House Foods Group Inc.)

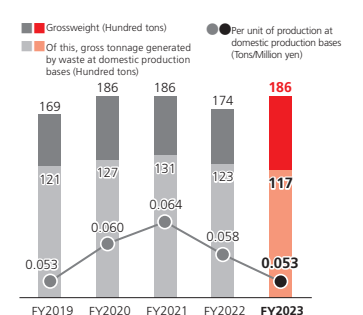


\* Human resource development programs, career formation, etc., at entire House Foods Group. Does not include various training and OJT at each business company

### CO<sub>2</sub> Emissions



### Total waste disposal



### Conditions for data calculations

- CO<sub>2</sub> emissions and total waste disposal  
Japan: House Foods Group Inc., House Foods Corporation, Sun House Foods Corporation, Sun Supply Corporation, House Wellness Foods Corporation, House Business Partners Corporation, House Logistics Service Corporation, House AI-Factory Corporation, Asaoka Spice K.K., Delica Chef Corporation, Ichibanya Co., Ltd., House Gaban Corporation, Malony Co., Ltd., and Vox Trading Co., Ltd.
- Overseas: House Foods America Corporation, Shanghai House Foods Co., Ltd., Dalian House Foods Co., Ltd., Zhejiang House Foods Co., Ltd., Gaban Spice Manufacturing (M) SDN. BHD., PT. Java Agritech, and Tim Food Co., Ltd. <Added to the calculation from FY2023> House Foods Vietnam Co., Ltd., El Burrito Mexican Food Products Corporation and Keystone Natural Holdings, LLC
- Notes: 1. All Group companies, branches, and bases in Japan are subject to initiatives to reduce CO<sub>2</sub> emissions and waste (excluding franchises of Ichibanya Co., Ltd. as their initiatives to reduce CO<sub>2</sub> emissions and waste are within Scope 3; and entities accounted for using the equity method)  
2. Amount of waste is the sum of waste matter and valuable resources (excluding by-products)
- Water usage  
The sum of production divisions in House Foods Corporation, House Wellness Foods Corporation, Sun House Foods Corporation, Sun Supply Corporation, House AI-Factory Corporation, and Delica Chef Corporation
- Per unit of production  
Figures from FY2021 onwards have been calculated after applying standards including the Accounting Standards Board of Japan (ASBJ) Statement No. 29 Accounting Standard for Revenue Recognition (Japanese only)



# 11-Year Selected Financial Data

		Previous standard								New standard <sup>2</sup>		
		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 <sup>3</sup>	FY2023
Net sales	(Million yen)	232,610	231,448	241,893	283,812	291,897	296,695	293,682	283,754	253,386	275,060	<b>299,600</b>
Operating profit	(Million yen)	9,589	8,686	10,775	12,312	16,288	17,559	19,005	19,397	19,227	16,686	<b>19,470</b>
Ordinary profit	(Million yen)	10,962	10,957	12,152	13,951	17,207	19,100	20,797	19,820	21,125	18,300	<b>21,085</b>
Profit attributable to owners of parent	(Million yen)	8,792	6,971	22,632	8,683	9,353	13,767	11,458	8,733	13,956	13,672	<b>17,580</b>
Depreciation	(Million yen)	5,056	5,789	6,908	9,345	9,126	9,262	9,862	10,035	10,941	11,628	<b>12,719</b>
Capital investment	(Million yen)	11,115	9,588	6,757	7,708	10,215	11,320	16,253	11,324	12,425	15,239	<b>14,735</b>
EBITDA (Operating profit (before amortization of goodwill) + Depreciation)	(Million yen)	14,815	14,642	18,699	25,235	28,978	30,242	32,284	31,059	30,112	28,493	<b>33,002</b>
Cash flows from operating activities	(Million yen)	8,818	8,428	12,518	21,298	23,608	20,913	24,218	23,181	16,140	19,483	<b>25,571</b>
Cash flows from investing activities	(Million yen)	(7,471)	(4,679)	(8,308)	(2,169)	(13,739)	(1,008)	(6,356)	(8,558)	(10,398)	(21,467)	<b>(2,299)</b>
Cash flows from financing activities	(Million yen)	(68)	(10,588)	(3,743)	(7,388)	(5,317)	(17,317)	(7,567)	(6,172)	(10,068)	(12,739)	<b>(7,382)</b>
Cash and cash equivalents at end of fiscal year	(Million yen)	49,586	43,832	44,156	55,594	60,202	62,495	69,870	78,343	75,705	62,682	<b>80,165</b>
Total assets	(Million yen)	273,368	286,149	349,427	353,888	378,864	371,025	367,194	369,150	382,021	396,910	<b>431,601</b>
Net assets	(Million yen)	210,097	221,456	260,329	266,615	283,719	279,144	280,930	287,291	298,567	301,335	<b>321,609</b>
Shareholders' equity	(Million yen)	208,801	219,927	228,812	235,246	251,814	247,275	248,770	258,145	268,996	272,285	<b>292,208</b>
Profit per share	(Yen)	83.13	67.61	220.48	84.53	91.02	134.32	113.73	86.68	139.75	139.63	<b>180.53</b>
Net assets per share	(Yen)	1,974.31	2,140.27	2,231.86	2,289.43	2,450.71	2,454.34	2,469.20	2,562.29	2,700.99	2,791.56	<b>3,016.19</b>
Dividend per share	(Yen)	35.0 <sup>1</sup>	30.0	30.0	32.0	38.0	44.0	46.0	46.0	46.0	46.0	<b>47.0</b>
Dividend payout ratio	(%)	42.1	44.4	13.6	37.9	41.7	32.8	40.4	53.1	32.9	32.9	<b>26.0</b>

## Key Indicators

		Previous standard								New standard <sup>2</sup>		
		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 <sup>3</sup>	FY2023
ATO (Total asset turnover)	(Times)	0.89	0.83	0.76	0.81	0.80	0.79	0.80	0.77	0.67	0.71	<b>0.72</b>
ROS (Return on sales)	(%)	4.1	3.8	4.5	4.3	5.6	5.9	6.5	6.8	7.6	6.1	<b>6.5</b>
EBITDA Margin	(%)	6.4	6.3	7.7	8.9	9.9	10.2	11.0	10.9	11.9	10.4	<b>11.0</b>
ROA (Return on assets)	(%)	3.7	3.1	3.4	3.5	4.4	4.7	5.1	5.3	5.1	4.3	<b>4.7</b>
Equity ratio	(%)	76.4	76.9	65.5	66.5	66.5	66.6	67.7	69.9	70.4	68.6	<b>67.7</b>
ROE (Return on equity)	(%)	4.3	3.3	10.1	3.7	3.8	5.5	4.6	3.4	5.3	5.1	<b>6.2</b>

1. Includes a commemorative dividend of 5 yen per share for its centenary

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

3. 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.



# Group Companies (As of June 30, 2024)

## Spice/Seasoning/Processed Food Business (8 companies)

Company name	Business lines	Location (Country or region)	Capital	Percentage of shareholding (%)
House Foods Corporation	Production and sales of curry, stew, spice, and commercial-use products	Higashiosaka City, Osaka	¥2,000 million	100.00
Sun House Foods Corporation	Production of retort pouched foods, etc.	Konan City, Aichi	¥100 million	100.00
Sun Supply Corporation	Production of processed meat products	Konan City, Aichi	¥50 million	100.00
House Ai-Factory Corporation	Production of spice products	Higashiosaka City, Osaka	¥60 million	99.89
Asaoka Spice K.K.	Sales of spices	Chiyoda-ku, Tokyo	¥16 million	100.00
House Gaban Corporation	Production, sales, export and import of spices and food products	Chuo-ku, Tokyo	¥490 million	100.00
Gaban Spice Manufacturing (M) SDN. BHD.	Production of spices	Penang, Malaysia	MYR 64.1 million	100.00
Malony Co., Ltd.	Production and sales of starch products, etc.	Suita City, Osaka	¥60 million	100.00

## Health Food Business (1 company)

Company name	Business lines	Location (Country or region)	Capital	Percentage of shareholding (%)
House Wellness Foods Corporation	Production and sales of health foods and beverages	Itami City, Hyogo	¥100 million	100.00

## International Food Business (17 companies)

Company name	Business lines	Location (Country or region)	Capital	Percentage of shareholding (%)
House Foods Holding USA Inc.	Holding company for U.S. subsidiaries	Garden Grove, California, U.S.A.	US\$187 million	100.00
House Foods America Corporation	Production and sales of soybean-related products, import sales of Group products	Garden Grove, California, U.S.A.	US\$2.35 million	100.00
Keystone Natural Holdings, LLC	Management of tofu, meat alternatives and other plant-based food products businesses	Folcroft, Pennsylvania, U.S.A.	US\$19.904 million	100.00
Nature Soy, LLC	Production and sales of tofu, meat alternatives and other plant-based food products	Philadelphia, Pennsylvania, U.S.A.	US\$23.955 million	100.00
Superior Natural ULC	Production and sales of soybean-related products	Vancouver, British Columbia, Canada	CND 2.209 million	100.00
House BEANatura GmbH	Sales of soybean-related products and other plant-based food products	Düsseldorf, Germany	EUR 25,000	100.00
El Burrito Mexican Food Products Corporation	Production and sales of soybean-related products	Industry, California, U.S.A.	US\$4.20 million	100.00
House Foods China Inc.	Sales of spices and condiments such as curry roux products and import sales of Group products; supervision of China business	Shanghai, China	RMB 610.943 million	100.00
Shanghai House Foods Co., Ltd.	Production of spices and condiments such as curry roux products	Shanghai, China	RMB 131.566 million	100.00
Dalian House Foods Co., Ltd.	Production and sales of foods	Dalian, Liaoning Province, China	RMB 194.880 million	100.00
Zhejiang House Foods Co., Ltd.	Production of spices and condiments such as curry roux products	Pinghu, Zhejiang Province, China	RMB 274.245 million	100.00
House Foods Vietnam Co., Ltd.	Production and sales of processed foods	Dong Nai, Vietnam	VND 479.8 billion	100.00
House Foods Group Asia Pacific Co., Ltd.	Management of functional drink business in Southeast Asia	Bangkok, Thailand	Baht 1,132 million	100.00
House Osotspa Foods Co., Ltd.	Sales of processed foods and beverages	Bangkok, Thailand	Baht 167 million	60.00
PT House And Vox Indonesia	Sales of spices and condiments and export sales of spices	Special Capital Region of Jakarta, Indonesia	Rp. 32.4 billion	99.59
PT Sasa Housefoods Indonesia	Sales of spices and condiments	Special Capital Region of Jakarta, Indonesia	Rp. 41.0 billion	49.00
House Foods Taiwan Corporation	Import sales of Group products	Taipei, Taiwan	NT\$29 million	100.00

## Restaurant Business (11 companies)

Company name	Business lines	Location (Country or region)	Capital	Percentage of shareholding (%)
Ichibanya Co., Ltd.	Planning and operation of restaurants	Ichinomiya City, Aichi	¥1,503 million	51.00
Ichibanya USA, Inc.	Planning and operation of restaurants	Torrance, California, U.S.A.	US\$7 million	60.80
Ichibanya Restaurant Management (China) Co., Ltd.	Planning and operation of restaurants	Shanghai, China	RMB 111.176 million	51.00
Taiwan Ichibanya Inc.	Planning and operation of restaurants	Taipei, Taiwan	NT\$107 million	40.80
Ichibanya International Hong Kong Limited	Restaurant operation guidance and trading services	Kowloon, Hong Kong, China	HK\$7.5 million	51.00
Ichibanya Hong Kong Limited	Planning and operation of restaurants	Kowloon, Hong Kong, China	HK\$26.375 million	58.37
Ichibanya UK Limited	Planning and operation of restaurants	London, U.K.	GBP 4.5 million	51.00
Ichibanya International USA, Inc.	Planning and operation of restaurants	Torrance, California, U.S.A.	US\$0.3 million	51.00
Daikoku Shoji Co., Ltd.	Planning and operation of restaurants	Asahikawa City, Hokkaido	¥3 million	51.00
Takei Co., Ltd.	Planning and operation of restaurants	Joyo City, Kyoto	¥5 million	51.00
LFD JAPAN Co., Ltd.	Planning and operation of restaurants	Fukuoka City, Fukuoka	¥3 million	51.00

## Other Food Related Business (6 companies)

Company name	Business lines	Location (Country or region)	Capital	Percentage of shareholding (%)
Vox Trading Co., Ltd.	Import, export, and sales of agricultural products and foods	Chuo-ku, Tokyo	¥500 million	86.28
Tim Food Co., Ltd.	Production and sales of frozen vegetables, mustard essential oil, and processed foods, etc.	Bangkok, Thailand	Baht 202 million	73.81
PT. Java Agritech	Agricultural management and processing and sales of agricultural products, etc.	Semarang, Middle Java, Indonesia	Rp.21.2 billion	82.90
Delica Chef Corporation	Production and sales of ready-made dishes, baked bread, and dessert products	Kuki City, Saitama	¥60 million	100.00
House Logistics Service Corporation	Transport and warehouse operations	Higashiosaka City, Osaka	¥80 million	100.00
House Food Analytical Laboratory Inc.	Analysis service concerning safety and sanitation of foods	Yotsukaido City, Chiba	¥60 million	100.00

## Common (2 companies)

Company name	Business lines	Location (Country or region)	Capital	Percentage of shareholding (%)
House Business Partners Corporation	Undertaking of outsourced operations of the Group	Higashiosaka City, Osaka	¥10 million	100.00
PatchworkQuilt Inc.	Undertaking demonstration of new value and new business within the Group	Chiyoda-ku, Tokyo	¥10 million	100.00

## Equity-method Affiliates (4 companies)

Company name	Business lines	Location (Country or region)	Capital	Percentage of shareholding (%)
Ichibanya Midwest Asia Co., Ltd.	Operation of restaurants in Thailand	Bangkok, Thailand	Baht 50 million	23.87
Vox Trading (Thailand) Co., Ltd.	Export sales of vegetables in Thailand	Bangkok, Thailand	Baht 23 million	42.28
Sanyo Can Corporation	Production and sales of retort pouched products and canned products, etc.	Fukushima City, Fukushima	¥155 million	30.97
F-LINE Corporation	Transport and warehouse operations	Chuo-ku, Tokyo	¥2,480 million	26.08

# Corporate Information

## Company overview (As of March 31, 2024)

Name	House Foods Group Inc.
Founded	November 11, 1913
Established	June 7, 1947
Capital	¥9,948,323,523
Business lines	To propose Group strategies, provide management support for business companies (domestic and overseas), and to supervise the International Business
Number of employees	448 (6,543 on a consolidated basis)

## External evaluations (As of July 31, 2024)



### 2024 CONSTITUENT MSCI Nihonkabu ESG SELECT LEADERS INDEX

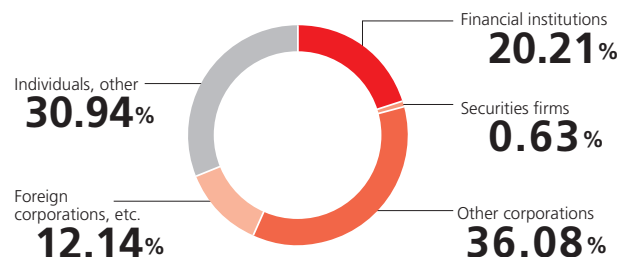
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## Stock information (As of March 31, 2024)

### Stock summary

Number of shares issued .....	100,750,620 shares
Number of shares authorized .....	391,500,000 shares
Number of shareholders.....	72,388 people
Number of shares per trading unit .....	100 shares

### Breakdown of shares by type of shareholder



Note: Treasury shares are included in "Individuals, other."

### Principal shareholders

	Number of shares held (shares)	Percentage of total shares outstanding (%)
House Kosan Co., Ltd.	10,711,116	11.06
The Master Trust Bank of Japan, Ltd. (Trust account)	8,836,100	9.12
HKL Co., Ltd.	7,908,100	8.16
Urakami Foundation for Food and Food Culture Promotion	2,900,218	2.99
Sumitomo Mitsui Banking Corporation	2,201,027	2.27
House Koushinkai	2,098,301	2.17
Setsuko Urakami	1,869,569	1.93
Nippon Life Insurance Company	1,844,810	1.90
Custody Bank of Japan, Ltd. (Trust Account)	1,803,100	1.86
Sumitomo Mitsui Trust Bank, Limited	1,750,000	1.81

Note: Percentage of total shares outstanding is calculated by excluding the number of treasury shares (3,870,800 shares).

### Information for investors

Fiscal year	From April 1 to March 31
Interim dividend system	Yes
General Meeting of Shareholders	Held annually in June
Stock transfer agent and account management institution for special accounts	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Stock transfer agency handling office	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Dept. 4-5-33 Kitahama, Chuo-ku, Osaka 168-0063, Japan
Mailing address and Contact	Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Business Planning Dept. 2-8-4 Izumi, Suginami-ku, Tokyo Tel: 0120-782-031
Method of public notice	By electronic public notice, published on the Group's website: <a href="https://housefoods-group.com">https://housefoods-group.com</a> .  However, should circumstances prevent electronic public notice, the notice shall be published in <i>The Nihon Keizai Shimbun</i> .
Stock exchange listing	TSE Prime Market
Stock code	2810



## House Foods Group Inc.

### ● Tokyo Head Office

6-3 Kioi-cho, Chiyoda-ku, Tokyo 102-8560, Japan

Tel: +81-3-3264-1231

### ● Osaka Head Office

1-5-7 Mikuriyasakae-machi, Higashi-Osaka City, Osaka 577-8520, Japan

Tel: +81-6-6788-1231

<https://housefoods-group.com/en/>

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### ● Contact for inquiries about this report

House Foods Group Inc.

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