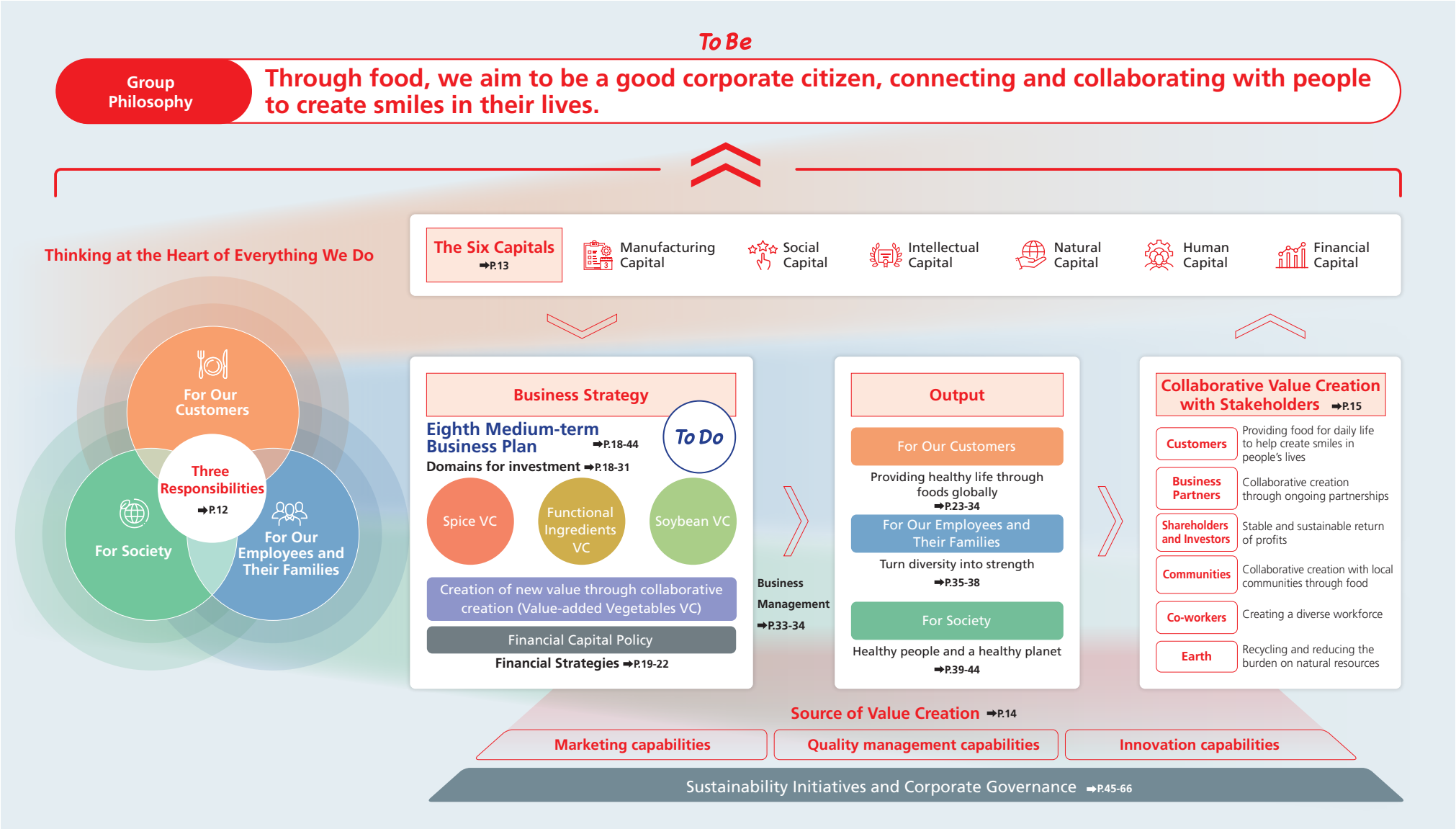


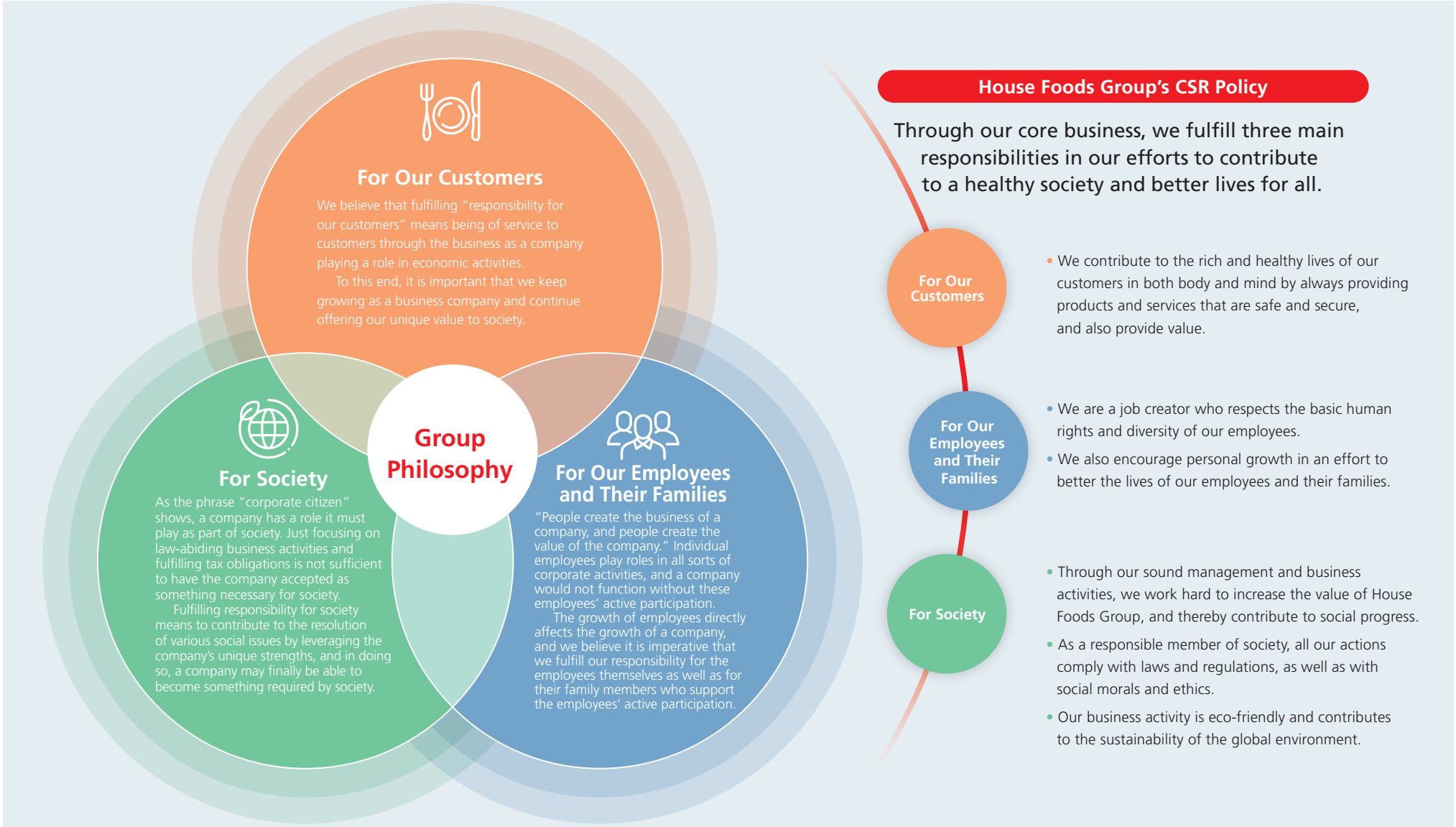
Value Creation Process

Based on our Three Responsibilities, which lie at the core of all of our business activities, House Foods Group intends to realize business growth manifested through significant development of four value chains (VC) by working to create sustainable value as superior partners to all of our stakeholders.




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. The Group CSR Policy incorporates perspectives of corporate sustainability, the Earth, and society into each of our “Three Responsibilities,” with the aim of ensuring that each employee understands the intent and makes it the foundation of their day-to-day activities.



The Six Capitals


The Six Capitals support the House Foods Group’s business activities.
We accumulated these capitals through our journey to date and are striving to create even greater value by strategically utilizing and expanding them to their full potential.



Manufacturing Capital

A manufacturing system that achieves “safety and security” and “high quality” on a global basis


- In Japan: **21 sites**, overseas: **16 sites**
- Capital expenditures: **15,030 million yen**
*Including leases



Social Capital

“Relationship with stakeholders” from the perspective of the Three Responsibilities


- Time spent building customer trust: **112 years**
(Founded in 1913)
- My First Time Cooking Workshop participants: **10.95 million people**
*As of the end of 2024



Intellectual Capital

R&D that produces innovation Long-selling brands and diverse knowledge that continue to develop and deepen


- Research and development expenses: **4,776 million yen**
- Patents: **556 patents**
Trademarks: **2,144 trademarks**



Natural Capital

Sustainable and diversified raw materials, energy, and water


- Energy usage: **1,643 TJ**
- Water usage: **4,116,000 tons**
- Long-term Environmental Strategy 2050



Human Capital

Sharing values through the HOUSE WAY and a culture that accepts and makes the most of diverse individuals

- Number of employees who share the Group philosophy: **6,666**
- Percentage of managers who are female: **13.6%**
- Percentage of employees who are from overseas: **34.2%**



Financial Capital

Solid financial foundations for value chain management

- Credit rating: **A (R&I)**
- Operating cash flow: **26.6 billion yen**

As of the end of March 2025

Source of Value Creation

The source of the House Foods Group’s value creation lies in its marketing, quality management, and innovation capabilities, that utilize the six areas of capital. By pursuing quality that only our Group can offer and continuing to create new value, we aim to be a good partner to all stakeholders.

Marketing capabilities

Quality management capabilities

Innovation capabilities

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.

Since our founding, we have been committed to food safety and security through consumer-oriented management that is committed to learning from our customers. This 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 International Business. This calls for cooperation with partners for collaborative creation and compliance with various regulations as we work to improve quality throughout the value chain.

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.

The birth of X-BLEND CURRY

As a leading curry manufacturer, we want to create a curry that has never been seen before, and with the recent spice boom as a backdrop, we developed *X-BLEND CURRY* in August 2023 with the aim of creating a household curry that can be enjoyed by everyone from children to adults, with spices as the main ingredient.

Our focus in developing this product was on the increased spice use in households. Developed in response to changes in lifestyles during the COVID-19 pandemic, this product is a curry that satisfies both adults who want to enjoy a spicy flavor and children who want something mild to eat, and thus brings out the aroma and umami of spices rather than their spiciness.

Since its launch, we have received requests from customers to make a hot curry version, so in February 2024, we launched one. In addition, starting in February 2025, we made changes to the packaging to make the brand name easier to read, and have improved the flavor by adding heated spices and onions while maintaining the spicy taste.

We will grow this into a pillar of our home curry brands, following House Foods’ three main curries (*Vermont Curry*, *Java Curry*, and *Kokumaro Curry*).



Evolution of C1000 - 35th Anniversary

For 35 years since its release in 1990, the *C1000* series is a long-selling brand enjoyed by many customers as a vitamin C supplement drink. In response to changes in preferences for and reasons customers drink vitamin C supplement drinks over time, we will carry out a major renewal of five existing products in February 2025. In March 2025, we also launched sugar-free *C1000 Vitamin Lemon Zero Sugar** and *C1000 Vitamin Jelly Citric Acid 5000*. The latter contains 5,000mg of citric acid, the most in the series.

The questions we asked when renewing the *C1000* series were: how do lemons taste and what makes them delicious? We began by reexamining this concept, and by pursuing the inherent deliciousness of lemon from the ground up, we arrived at a flavor that we were very satisfied with. In addition, since adding too much citric acid to our new product *C1000 Vitamin Jelly Citric Acid 5000* would make it too sour, we made it into a jelly drink that keeps the tongue from making direct contact with the product’s sour taste. That is how we succeeded in increasing the amount of citric acid while keeping the product delicious.

We will continue our efforts to make *C1000* brand products even more popular with customers by encouraging their use in a variety of situations.

*Based on food labeling standards, products containing less than 0.5g of sugar per 100ml are labeled as zero sugar.



Collaborative Value Creation with Stakeholders

Our Group stakeholders

As a corporate citizen in society, House Foods Group ensures that our employees interact sincerely with stakeholders and work to create new value together as good partners.



Customers Participation in “Project A,” a collaborative initiative on food allergies

House Foods Corporation is participating in Project A, a collaborative initiative between six food manufacturers¹ that produce food allergy-friendly products.

The project is built on a philosophy of contributing to the realization of a society where everyone can enjoy delicious meals, regardless of whether they have a food allergy or not, and work to promote food allergy-friendly products, collaboratively develop recipes, disseminate information, and raise awareness.

Starting in May 2021, we created a supplementary textbook on food allergies² to raise awareness of food allergies among young children. We have provided a total of approximately 270,000 copies of the textbook, which is helping many elementary school students learn about food allergies.

We will continue to disseminate information through this project in various ways to help people gain a deeper understanding of food allergies.

- SSK FOODS CO.,LTD., Otafuku Sauce Co., Ltd., Kenmin Foods Co., Ltd., Nagatanien Co., Ltd., NH Foods Ltd., and House Foods Corp.
- A book that complements textbooks that have passed inspection by the Ministry of Education, Culture, Sports, Science and Technology and are used in classes at elementary and junior high schools. Or they are used as substitute textbooks for subjects that do not have textbooks



Communities Disaster prevention initiatives through food

In recent years, Japan has been rocked by frequent large-scale disasters such as earthquakes, typhoons, and heavy rains. Even in such disasters, we can provide our usual comforting, delicious meals and leave no one behind. This is an expression of the concept that, “Through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives,” which is our group philosophy.

Visualizing nutritional needs over time from immediately after a disaster, we have proposed rolling stocks of the Group’s diverse products to be prepared on a regular basis in collaboration with the Cabinet Office’s Disaster Preparedness project, as well as for disaster prevention activities in collaboration with local residents and universities near our Tokyo headquarters. In addition, when a large-scale disaster actually occurs, we provide supplies to support the affected areas and victims. We will continue to actively engage in disaster prevention activities through food.

Nutritional Requirements for Each Phase of a Disaster



Disaster prevention activities at universities

The usual retort curry becomes rolling stock useful during emergencies

https://housefoods.jp/data/retortcurry/rolling_stock/index.html (Only in Japanese)

Shareholders and Investors Promoting dialogues to improve corporate value

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.



Financial Results Briefings for Employees

Status of dialogues with shareholders and investors (FY2024)

Activity details	Number of times	Main respondents
Financial Results Briefings	2	Representative Director & President, Directors
Small meetings with the President	2	Representative Director & President, Director and Head of Corporate Communications
Small meetings focused on individual themes	3	Business Managers, Public Relations & IR Department Managers, IR Managers
Securities firms conferences	1	Public Relations & IR Department Managers, IR Managers
Individual Meetings	135	Director and Head of Corporate Communications, Public Relations & IR Department Managers, IR Managers

The House Foods Group’s Envisioned Value Chain Management

Q. Why is the House Foods Group building a global value chain (VC)?

A. To seize new business opportunities and strengthen competitiveness by combining the Group’s upstream and downstream businesses, knowledge, and technologies

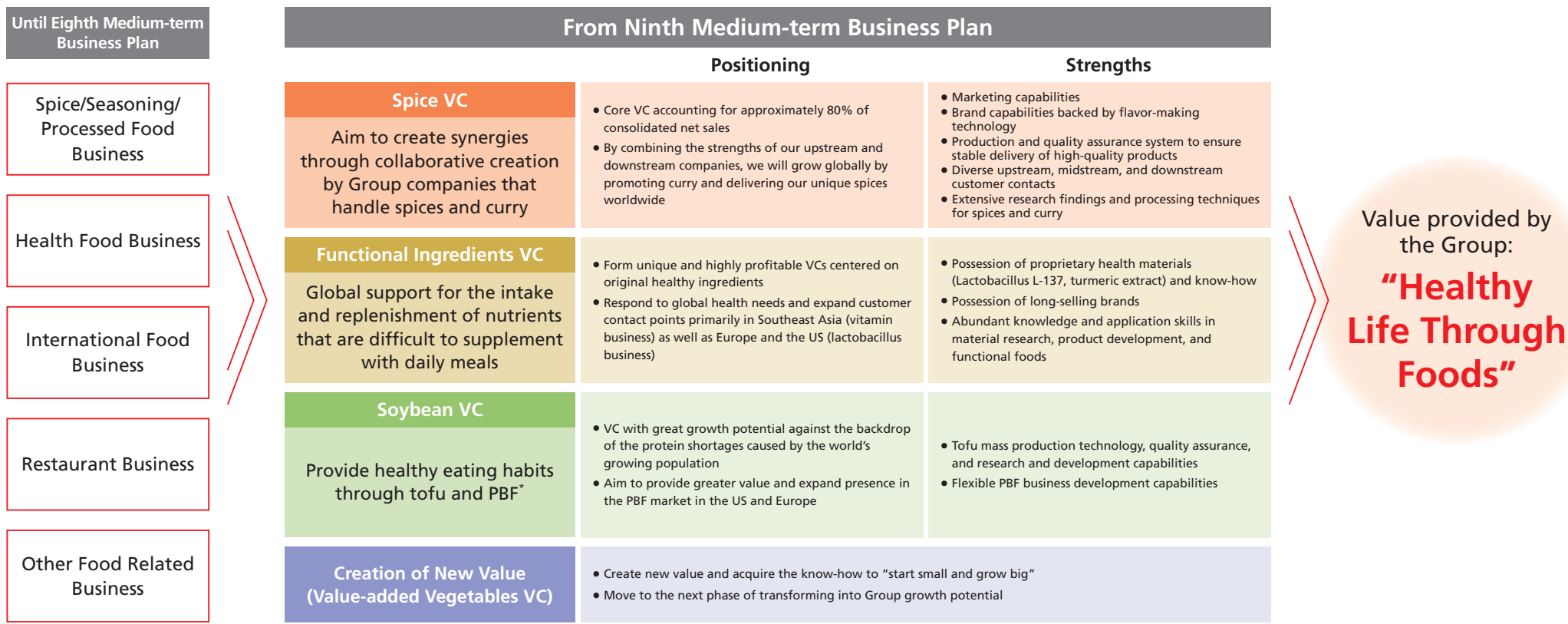
The Group has designated the four VCs of Spice, Functional Ingredients, Soybean, and Value-added Vegetables as domains in which it will provide value, and will deliver “Healthy Life Through Foods” in these areas. By clarifying the areas and themes to be addressed by each VC from a backcasting perspective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

along domestic and overseas lines, each segment is limited in its business domain and the product portfolio is unbalanced. **By reconfiguring to a VC perspective, envisioning the future, and combining the businesses, knowledge, and technologies possessed by the Group, 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 VC.” 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.



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