



INTEGRATED REPORT 2025

House Foods Group Inc.

Policy for Integrated Report 2025

In addition to developing a wide variety of foods and services, including curry and spices, the House Foods Group is expanding its unique businesses globally, leveraging the know-how it has cultivated in Japan.

Our Group is transforming in big ways toward the goal of becoming a corporate group able to achieve sustainable growth even in a rapidly changing business environment.

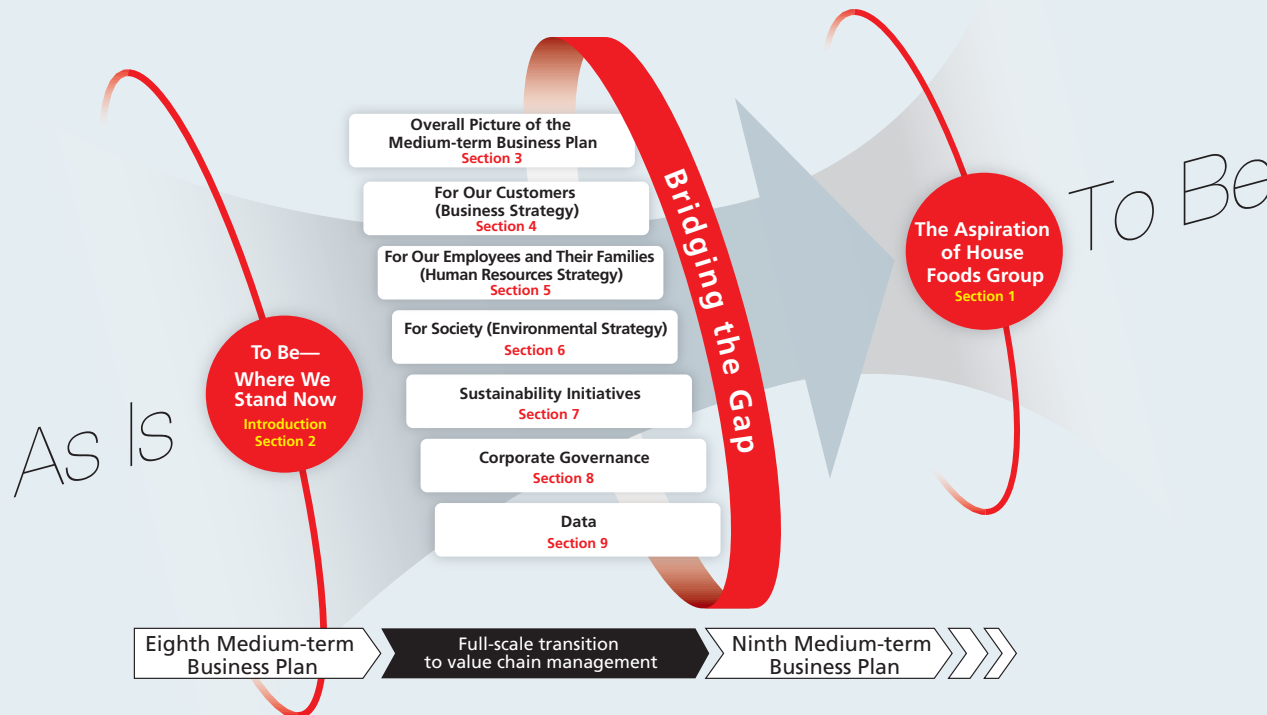
To continue creating new value, we will review how we build our business and transition to value chain management that leverages our strengths.

We are working to establish a system for full-scale transition under our next (ninth) Medium-term Business Plan.

We are in a transitional period of change, and so we recognize that some aspects of these challenges may not be readily apparent to those outside the company.

That is precisely why this report emphasizes clearly explaining the direction our Group plans to go and why.

By working with all of you, we look forward to creating a vision for the future together.



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Editorial Policy

House Foods Group Integrated Report 2025 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.

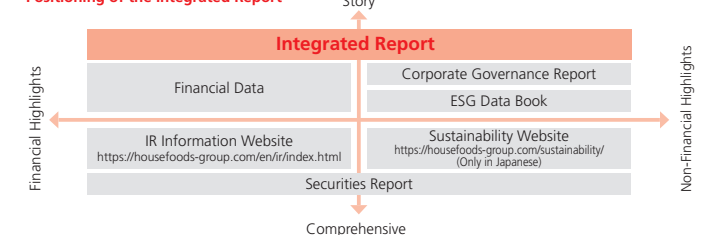
Target Period

While the target period is mainly FY2024 (April 1, 2024, through March 31, 2025), 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 the available information when the report was created, 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.

Positioning of the Integrated Report



At a Glance

Stable Business Base in Japan

A Group that Is Expanding Globally

FY2024 Business Results

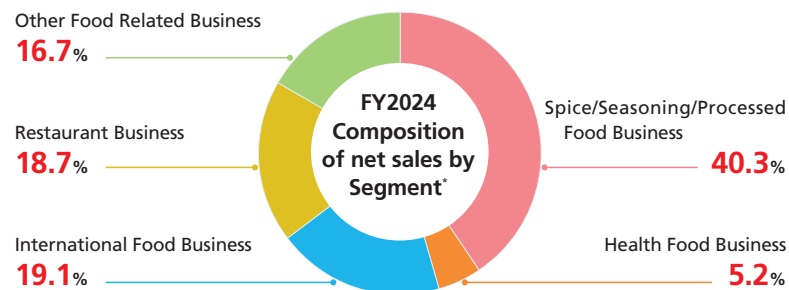
Net sales

315.4 billion yen

Operating profit

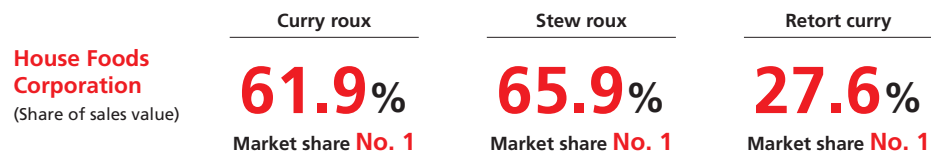
20.0 billion yen

Business portfolio



*Before inter-segment eliminations

High market share in Japan that forms profit base

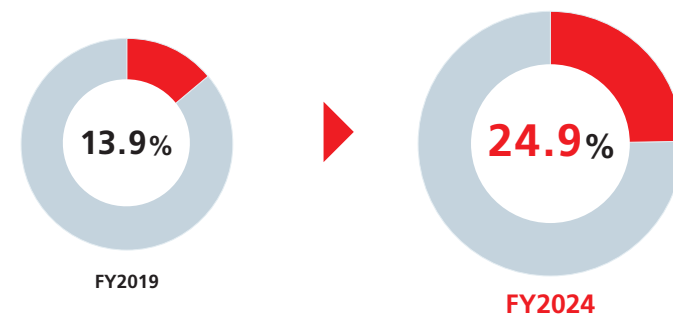


*Source: Monthly SRI+ data by INTAGE Inc. (curry roux, stew roux and retort curry markets, April 2024 through March 2025)



*Source: Fuji Keizai, "Food Service Industry Marketing Handbook 2025 No. 1," actual results for 2024

Overseas net sales ratio



Number of Group companies (As of March 2025)

48 companies



*Equity-method Affiliates (Japan: 2 companies, overseas: 3 companies)

Number of employees (As of March 2025)

6,666



The Path to Value Creation

The House Foods Group carries on its founding spirit of “In every happy home throughout Japan, you will find the warm flavor of home cooking, House,” and has always taken on the challenges of the times and created a new food culture.

In this era of great change, we will continue to take on new challenges so our corporate group can continue to leverage our diversity and group synergies to create value globally.



* PBF (Plant-based food): Plant-derived food
(Note) Primarily use the latest packaging for product images

1913

From 1960

2003 to 2014

2015 onward

Growth Period

Selection and concentration

Striving to become a high quality company that provides "Healthy Life Through Foods"

Transitioning from herbal medicines to the world of curry Provide rich dining experiences that go hand-in-hand with Japan's economic growth

- 1913: Established as Urakami Shoten, an enterprise dealing in herbal medicines
- 1926: Started producing and selling curry
- 1963: Launched Vermont Curry
- 1969: Introduced the first food company product manager system
- 1981: Opened Los Angeles office
- 1997: Opened first restaurant in Shanghai



Review mature domestic businesses and strengthen profitability Turn "health" and "overseas" into growth pillars

- 2003: Introduced Medium-term Business Plan
- 2006: Established House Wellness Foods
- 2010: Transferred Mineral Water Business
- 2013: Shifted to a Holding Company System
- 2013: Brought Vox Trading into the Group

Target growth from a value chain point of view Become a corporate group with a global presence

- 2015: Expanded from upstream to downstream business sectors Made Ichibanya (2015), Gaban (2016) and Malony (2017) Group companies
- 2018: In order to transform the Group's diversity into synergies, we started GOT (Groupwide initiatives)
- 2021: Discovered new growth opportunities from a global perspective Defined the four-way value chains (Spices, Functional Ingredients, Soybean, and Value-added Vegetables) as the area in which to provide "Healthy Life Through Foods"

Environmental changes that affected Group management

Rapid economic growth

Market maturity

As the Japanese market enters its mature phase, customer needs are shifting from quantity to quality

Great East Japan Earthquake

The growing tendency for people to eat out or buy food to eat at home raises concerns about the sustainability of existing businesses focused on home-cooked meals

Spread of the COVID-19 pandemic

Changes in lifestyles and values, changes in awareness of corporate responsibility, and accelerating changes in digital technology

Rising global inflation

Rising raw material prices, energy costs, labor costs, etc.

Overseas Expansion

The House Foods Group operates unique businesses around the world, and is not limited to curry.

We are expanding business by creating new food scenes by combining the strengths we have cultivated in Japan with our ability to blend with overseas food cultures to meet the different needs of each development area.

Q. What motivated you to start business in each primary area?

China



Curry

We are focusing on the possibilities represented by China, which has no curry rice culture. Believing that it was important to show people how good Japanese-style curry is, we opened a curry restaurant in Shanghai in 1997. At this restaurant we both demonstrated how delicious Japanese-style curry is to Chinese customers, and investigated whether the market would accept it. Our success here led us to sense further possibilities in the market, leading us to then begin selling retort curry and *Vermont Curry*. We popularized curry by adjusting flavors to suit local needs and selling samples.



Southeast Asia



Vitamin C drinks

In 2011, we established a base for our functional drink business in Thailand. Through our licensing business in Indonesia, we have identified potential needs in Southeast Asia; especially in Thailand, where there is a keen interest in beauty and demand for products that provide adequate intake of vitamin C. At the time, there were bottled drinks containing vitamins in Thailand, but none that allowed people to easily take in vitamins, leading us to utilize the technologies developed in Japan to launch *C-vitt*.



United States



Soybeans

In the 1970s, we attempted to commercialize tofu and soy milk products in Japan, but they failed to achieve significant growth. So, we went looking for markets where we could utilize our soybean technology and know-how, and found a Japanese company that was manufacturing tofu in the United States, and began expanding into that country. The technology was popular, especially among Asians and vegetarians, and its health-conscious and environmentally friendly qualities led to market growth.



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 contributions 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.

Our 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.

Food may vary by country and time. But the power of food never varies.
 Good food is tasty and healthy. It has the power to sustain life,
 to bring people together... to bring joy to the world.
 In every facet of our activities, House Foods Group is always creating new value.
 Through food, we at House Foods Group help nurture relationships
 our own and others.
 Together with all our stakeholders we treasure
 the warmth of family and friendship
 as we seek to bring more happiness into people’s lives.
 At the dining table and when dining out. In our homeland and around the world.
 On every occasion that involves food, we strive to serve as a good partner putting
 smiles on the faces of our customers, our employees and their families.
 So that all the world may be a happier place.

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

The entire Group will work together to advance reforms for accelerating growth by building a global value chain (VC)

浦上 博史

Hiroshi Urakami

Representative Director and President
House Foods Group Inc.



What kind of company does the House Foods Group aspire to be?

Through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives. This is our Group philosophy. We will build a global value chain (VC) for transforming into a high quality company that delivers “Healthy Life Through Foods,” creates new value it proves to customers, and achieves sustainable growth.

We will build a VC as an initiative for realizing our Group philosophy

House Foods Group has the aim, established in 2013, that “through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives.” This is our “To Be” Group philosophy. We are currently working on our Eighth

Medium-term Business Plan, which is an action plan called “To Do” that adds a time axis to realizing “to be” by fulfilling our “Three Responsibilities” (“For Our Customers,” “For Our Employees and Their Families,” and “For Society”) that form the basis of our Group philosophy.

We first formulated our Medium-term Business Plan in 2003, and over 20 years later we came up with the Eighth Medium-term Business Plan. Along the way, the landscape has changed each time we move forward with our Medium-term Business Plan. Up until

President’s Message



our Fourth Medium-term Business Plan, which marked our 100th anniversary, we focused on selection and concentration as the domestic market maturity progressed. However, after the Great East Japan Earthquake in 2011, people in Japan quickly showed a growing tendency for eating out or buying food to eat at home, which had a major impact on us because our core source of revenue was cooking products, and so our selection and concentration strategy stopped working. Under such conditions, we decided that the best direction for our Group was to strive to become a high quality company, and, beginning with our Fifth Medium-term Business Plan, to strive to become a high quality company that provides “Healthy Life Through Foods.”

However, while we envisioned becoming a high quality company, which is the opposite of an opportunistic company that grows by capturing customer needs, we lacked a clear vision of how to achieve this, and thus struggled to gain understanding internally. So, to make it easier for employees to put the vision into practice, we established two physical requirements for becoming a high quality company: VC and R&D. Starting with the Seventh Medium-term Plan, we adopted our “Four Value Chains” theme. Under this, the four VCs are spices, functional ingredients, soybeans, and value-added vegetables (promoted as part of the creation of new value through collaborative creation in the Eighth Medium-term Business Plan), which are areas in which we can maximize the strengths of the group. We changed the subtitle of the Eighth Medium-term Business Plan to “striving for growth by building a global value chain,” but the key theme is that of building a structure that enables “VC-optimized” decision-making regarding management resources, and we are promoting VC management efforts as a cohesive medium-term business plan. We believe that striving to become a high quality company and promoting VC management are synonymous, and we continue to take on the challenges of achieving these things.

Now in the second year of the Eighth Medium-term Business Plan, how do you view the current state of change?

Building a global VC is a major transformation for our Group, and we have set the Eighth Medium-term Business Plan, which is currently underway, and the Ninth Medium-term Business Plan that will follow as periods for building a foundation for further growth in the future. As we make steady progress, we are beginning to see signs of global growth.

Capturing new opportunities while resolving issues with three VCs

We see the Eighth Medium-term Business Plan as an important period for transitioning to full-scale global VC management beginning with the Ninth Medium-term Business

Plan. Because we are taking on such major changes, I must confess that our Eighth Medium-term Business Plan is only halfway there.

Having previously promoted our business mainly in five segments, we recognize that it is important to completely eliminate fixed ideas about upstream, midstream, and downstream segments in order to transition to VC management. The Spice VC, in particular, has a large number of related business companies, each with a very different

President’s Message

business model, which makes communication difficult due to differences in standards and language. However, learning to understand one another will be crucial in our efforts, so we will work to change the mindsets of our employees while building the VC. There are fewer conflicts between companies in the Functional Ingredients VC and Soybean VC fields than in the Spice VC, so we will simply promote building a VC aimed at medium- to long-term business growth and a global shift.

These efforts have also given us a real sense of transformation. For example, in the Spice VC, we have established a procurement and technology review committee to evaluate new technologies and new materials and explore potential solutions, and it has already borne fruit. At a wasabi farm owned by PT. Java Agritech, the House Foods Group R&D department led the way in developing new methods of preserving imports to Japan. Also, adapting multiple technologies has enabled us to collect seeds locally, which had previously been difficult to do. In Japan, the production of sansho peppers is declining because many aging growers have no successors. While this is a problem, procurement and R&D divisions and farmers have collaborated to launch a project for developing sansho pepper growing areas. This is also driving change in upstream bottlenecks. These successes will accelerate VC integration and give us a competitive edge.

Striving to transform into a corporate group that can generate sustainable profits by building a VC

The current external environment is being shaped by changes in social conditions, including changes in political regulations. For example, the rice issue in Japan is being debated as a food security issue. The food industry is also facing a difficult situation, and, from a macro perspective, we believe discussions regarding escaping deflation and correcting the gap between rich and poor are needed.

Although we find ourselves in an increasingly difficult business environment, we will steadily build a VC while reliably increasing our top line, and lay the foundation for further growth in the future. For the Spice VC to grow, the core business company, House Foods Corporation, must undergo a self-transformation, and I believe the key to that is for House Foods Corporation to grow globally. At the same time, House Gaban Corporation will expand its business area and scale by promoting its domestic BtoB business and incorporating spice BtoB sales strategy functions in Southeast Asia. Both themes center on how to overcome current barriers, with House Foods acting as the engine of change for the Spice VC, and working with House Gaban to unify domestic and overseas management.

The Functional Ingredients VC has the potential to grow into a unique VC. We can aim for higher returns on smaller investments than with other VCs. We will take on the challenge of developing new fields and new areas, and build a solid foothold in the medium term.

We recognize that we need to take a long-term perspective with the Soybean VC. Although there are still issues with investment returns, we provide soybeans, which are rich in vegetable protein, and is an important VC for supporting the human food supply in the 21st century from both health and environmental perspectives.

➡See “For Our Customers” of the medium-term business plan on pages 23–34

We take the capital market’s assessment seriously, and will take actions to address the issues

We know the capital market has always expected growth from our International Food Business, but in recent years, our stock price has fallen, and our PBR has dropped below 1, meaning our evaluation from the capital market has also declined. Since our Seventh Medium-term Business Plan, we have been promoting a story of steady global growth through VC management, but we must continue to promote careful IR communication so that shareholders and investors can better understand our shift from a business segment perspective to a VC perspective.

We know the challenges we face in terms of investment profitability, and to ensure that our approach to the ideal proportions for the five indicators of ATO, ROS, ROA, equity ratio, and ROE does not end up being merely a pipe dream, we have introduced ROIC into our Eighth Medium-term Business Plan, and we proactively explain its significance at internal financial results briefings for employees and other opportunities. We also use ROIC to verify the profitability of each piece of manufacturing equipment to analyze and evaluate whether we are obtaining returns commensurate with the scale of our investments. This will serve as a guidepost for making the most effective use of existing assets and for improving decision-making regarding new investments. We will also look at revising our business portfolio in the future.

➡See “Message from the Director in Charge of Financial Strategies” on pages 19–22

President’s Message

How can you maximize the potential of the organization and human resources?

With the theme of “Turn Diversity into Strength,” we are challenging ourselves to transform diversity into a driving force for building a global VC. To encourage innovation, we focus on breaking down stereotypes both individually and across the organization while deepening our understanding of others.

Transforming diversity into strength by balancing centrifugal and centripetal forces

In “For Our Employees and Their Families,” we have set the theme of “Turn Diversity Into Strength.” Our Group includes business companies with a variety of business models. The solar system exists because the planets maintain a balance between centrifugal and centripetal forces, even though they orbit at different distances from the sun. Similarly, we can transform diversity into strength by creating a good balance between the centrifugal force that emphasizes diversity and the centripetal force that binds it together through the penetration of our Group philosophy.

We have traditionally promoted role-based hierarchical management by revising the personnel systems of Group companies, which has increased personnel exchanges within the Group and made it easier to achieve cross-sectional coordination. Additionally, managing talent via nomination has promoted the autonomous career development of candidates for managerial and other executive positions. In FY2025, we will accelerate development of human resources and organizations that support VC management by linking “position management,” which defines key position requirements for building a global VC, to past measures. By doing so, we hope to evolve further into a group that can carry out major changes together.

➡See “For Our Employees and Their Families” of the medium-term business plan on pages 35–38

How are you addressing important environmental issues?

In order to manifest “healthy people and a healthy planet,” we are working on our two key issues of “Action on climate change” and the “Creation of a resource recycling-oriented society.” We changed our specific target for reducing CO₂ emissions from a per-unit to a total emissions target.

Set high goals as a member of society to promote the establishment of a recycling-oriented model

Our Responsibility for Society compels us to achieve the House Foods Group Long-term Environmental Strategy 2050 by addressing the important issues of action on climate change and the creation of a resource recycling-oriented society. In light of this, we looked at how we should respond to the global environment and decided to change to

a policy of counting total CO₂ emissions, rather than setting specific targets in basic units. We are also working to visualize progress toward our goals to ensure we recognize progress internally in a timely manner. We also began operating the Multisite Energy Total Service in April 2024 as part of our collaborative venture with JFE Engineering Corporation. This initiative will supply electricity to 18 locations at eight House Foods Group companies, and enable us to reduce CO₂ emissions 16% at those locations.

➡See “For Society” of the medium-term business plan on pages 39–44

President's Message

How can you strengthen governance functions to build a global VC?

We will continue to pursue optimal governance for the Group in order to build a global VC and meet the expectations of all our stakeholders.

Proactively incorporate the perspectives of outside directors to strengthen governance in support of building a VC

In terms of governance, it is important to incorporate external perspectives into management, and our outside directors do this by providing many proactive and valid opinions at the Board of Directors meeting. To encourage more open discussion among directors, we have set aside "Audit and Supervisory Committee Time" at the ends of Board of Directors meetings, where the meetings, including proceedings, are handed over to an internal director who serves as an Audit & Supervisory Committee member, providing an opportunity for the executive directors and the Audit & Supervisory Committee to discuss what takes place at Audit & Supervisory Committee meetings.

The effectiveness of the Board of Directors is also evaluated, not through a survey conducted by a third-party organization, but through a detailed questionnaire prepared independently by the General Affairs Division. The outside directors carefully write their qualitative opinions in free-form, which has greatly contributed to improvements to enhance effectiveness. When it comes to matters such as investment projects that are to be decided by the Board of Directors, we typically take preliminary steps carefully, and our outside directors have pointed out that this can slow things down. In the future, as we build the VC, we will need to make many accurate and swift decisions on many projects. Therefore, we will use digital technology to increase business productivity and make better and faster management decisions. Furthermore, based on the evaluation of the effectiveness of the Board of Directors and the opinions of our outside directors, we will build a governance system that will enable us to aim for growth through a global VC.

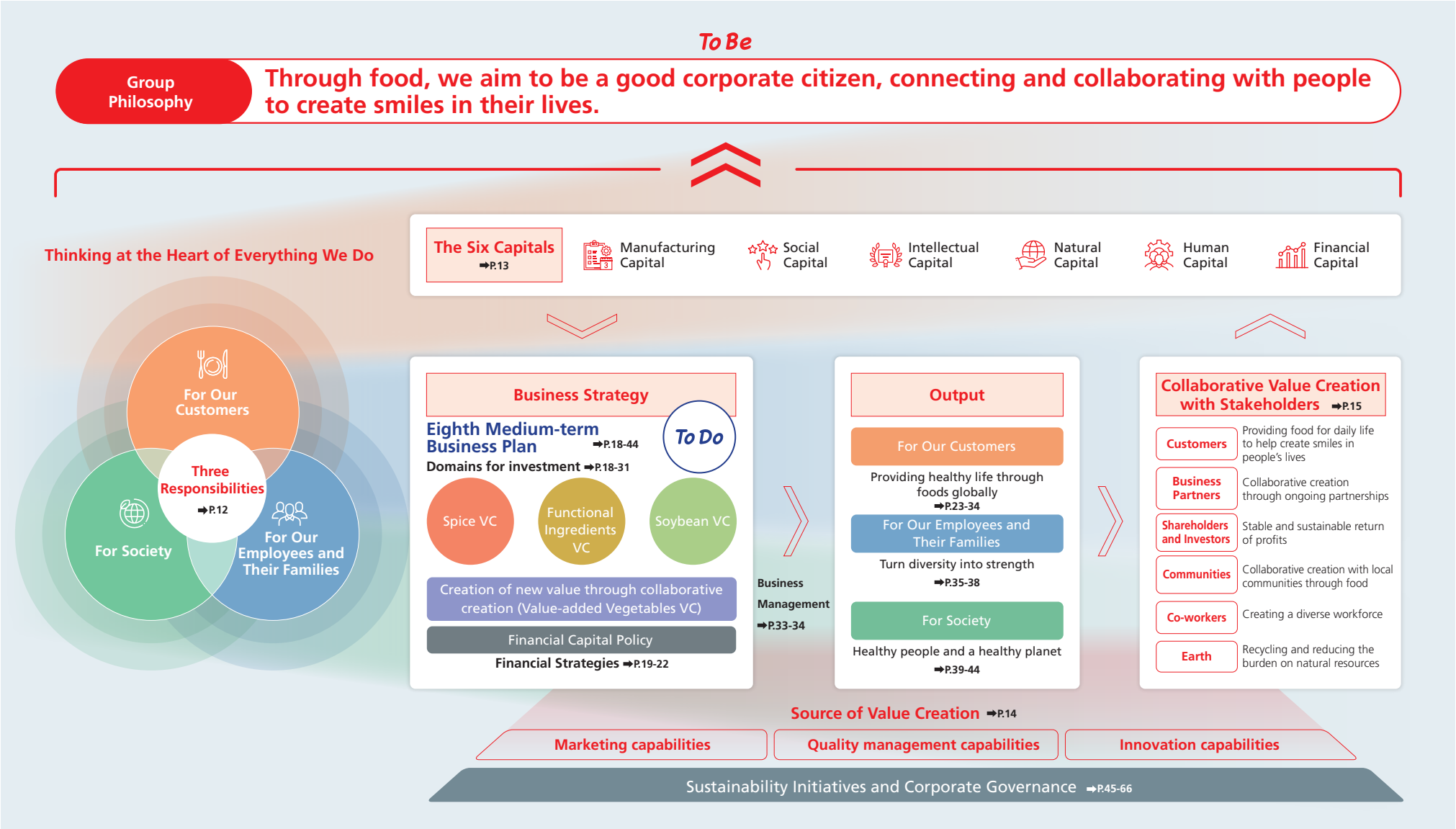
➡See "Corporate Governance" on pages 59–64



The House Foods Group aims to be a good partner that brings happiness to our customers, employees and their families, and helps create a society filled with joy through food. Building a global VC is a huge transformation. Although we are still only halfway there, we believe that our steady progress will meet the expectations of our stakeholders. We will further accelerate our transformation by leveraging the challenges and lessons learned from our efforts to date.

Value Creation Process

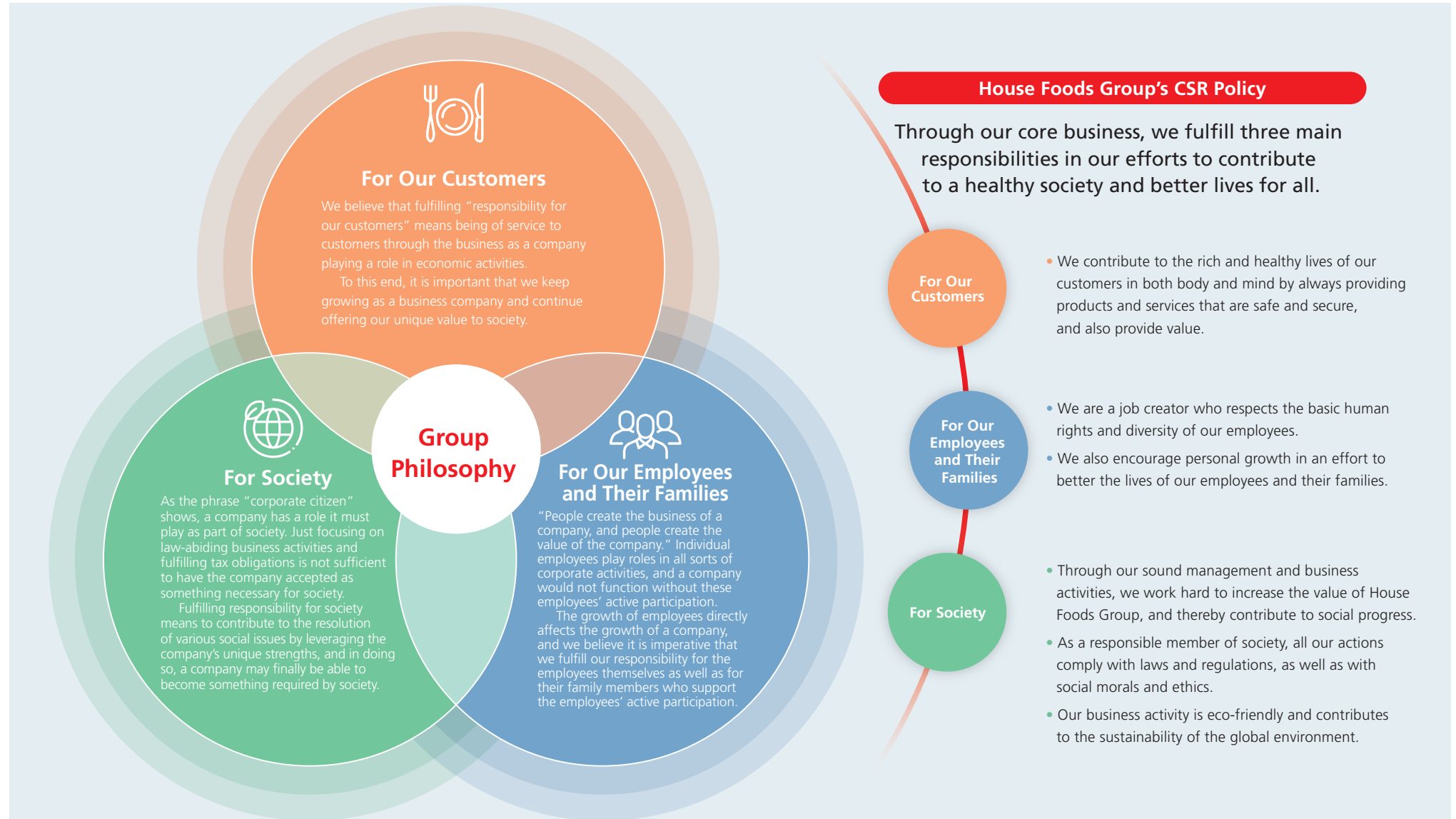
Based on our Three Responsibilities, which lie at the core of all of our business activities, House Foods Group intends to realize business growth manifested through significant development of four value chains (VC) by working to create sustainable value as superior partners to all of our stakeholders.



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

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.

Quality management capabilities

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.

Innovation capabilities

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

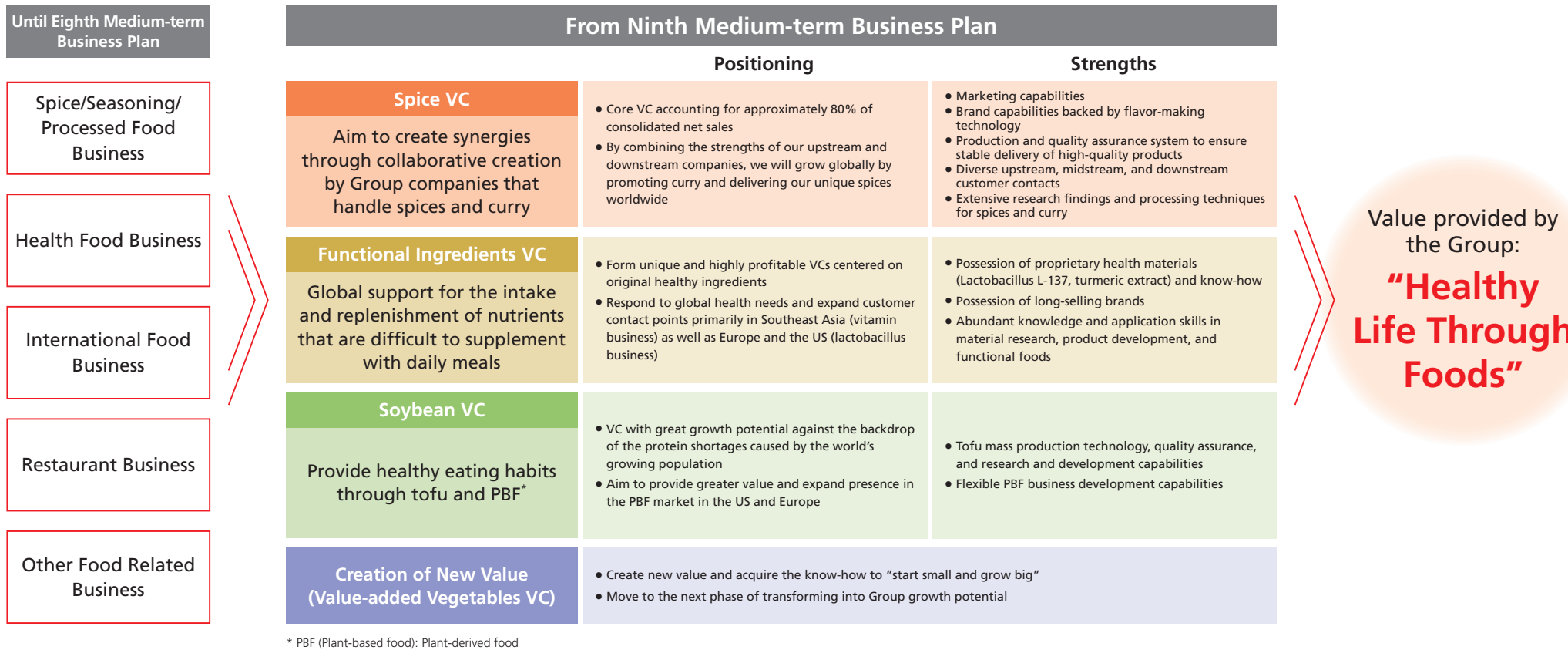
The Group has designated the four VCs of Spice, Functional Ingredients, Soybean, and Value-added Vegetables as domains in which it will provide value, and will deliver “Healthy Life Through Foods” in these areas. By clarifying the areas and themes to be addressed by each VC from a backcasting perspective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

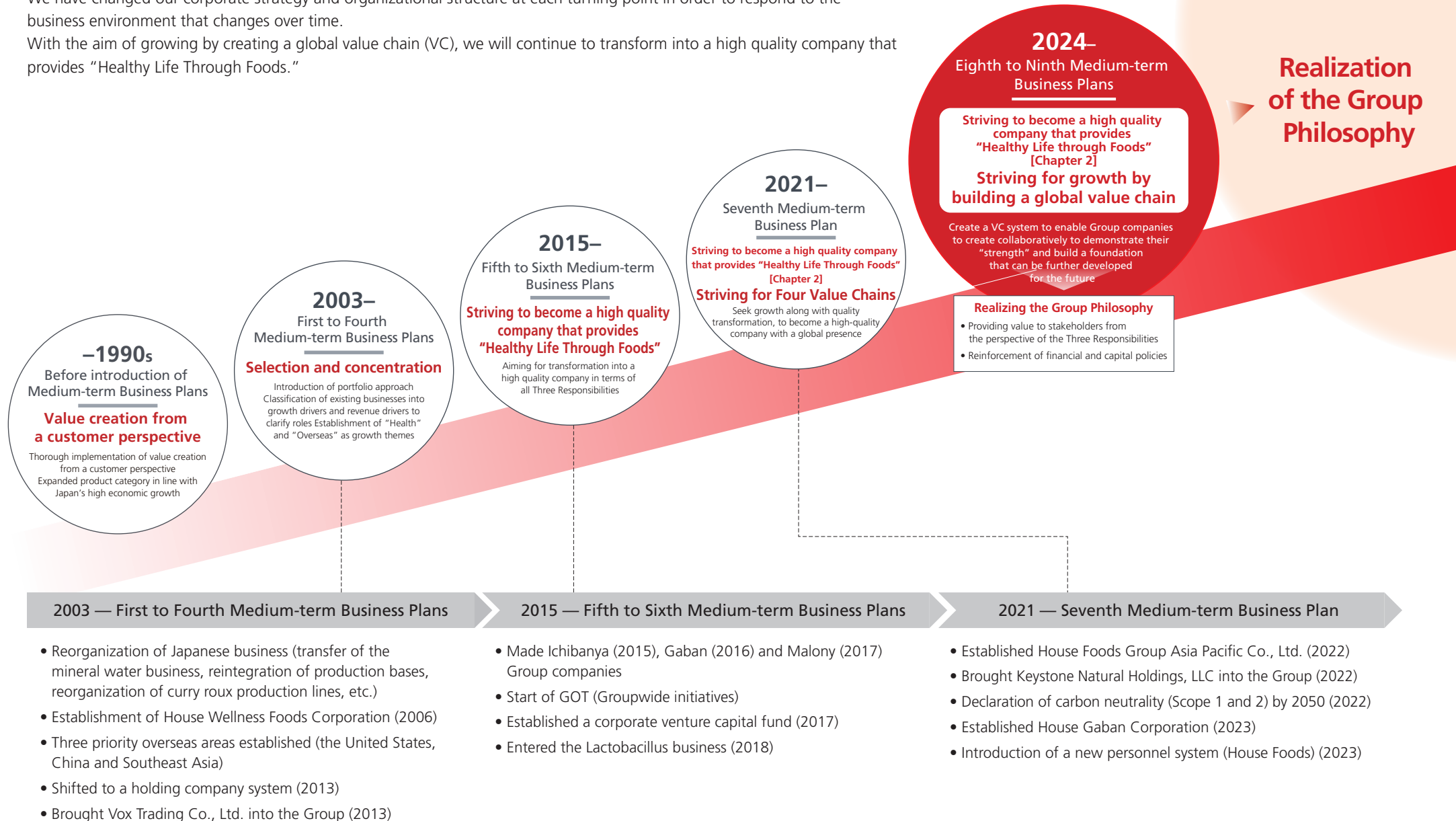
In the Seventh Medium-term Business Plan, we worked toward the construction of VCs under the theme of “striving for four value chains.” The six-year period of the Eighth–Ninth Medium-

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.



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

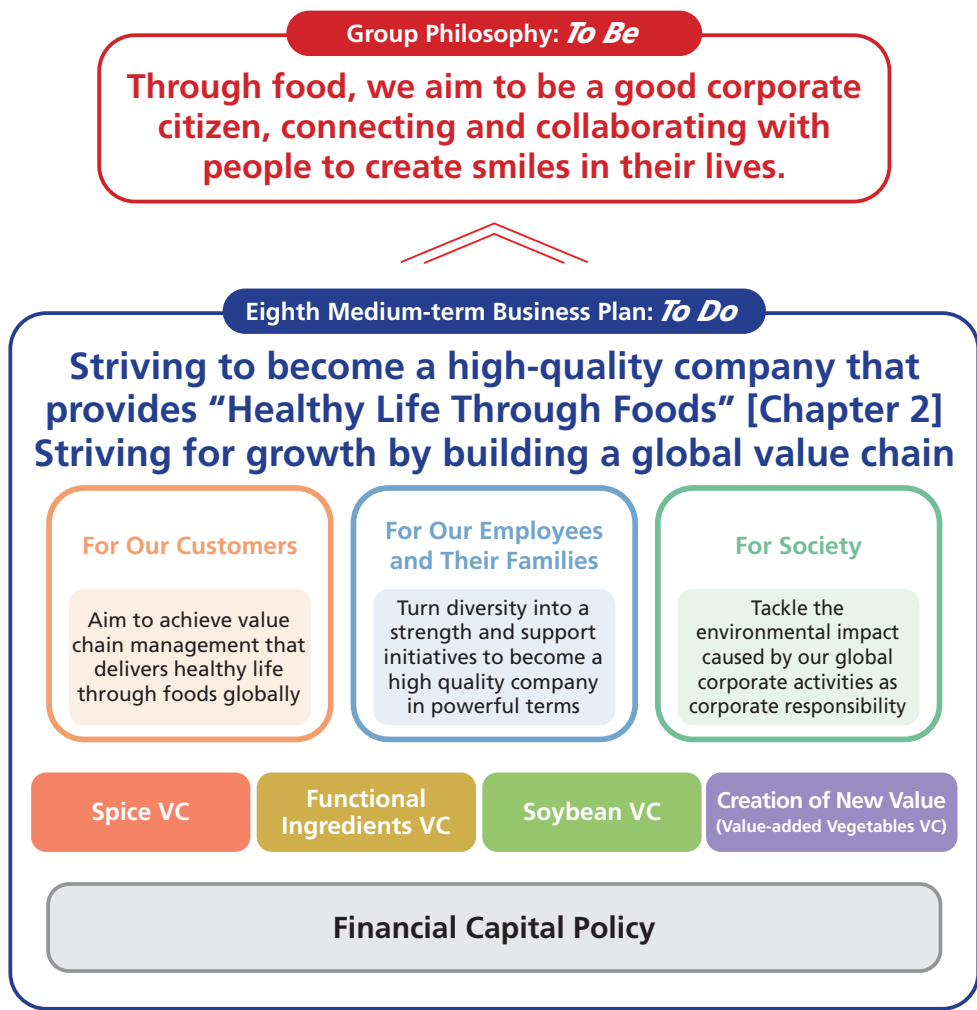
House Foods Group has positioned each Medium-term Business Plan as a milestone for the realization of its Group philosophy. We have changed our corporate strategy and organizational structure at each turning point in order to respond to the business environment that changes over time. With the aim of growing by creating a global value chain (VC), we will continue to transform into a high quality company that provides “Healthy Life Through Foods.”



Overall Eighth Medium-term Business Plan

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 FY2024, 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 (VC).” 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 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 qualitycompany with a global presence.

Overall Picture



Three Responsibilities - KPIs

| Three Responsibilities and KPIs | Seventh Medium-term Business Plan Results (FY2023) | Eighth Medium-term Business Plan (FY2026) | Ninth Medium-term Business Plan (FY2029) |
|---|--|---|--|
| For Our Customers | | | |
| 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 higher | 8.0% or higher |
| For Our Employees and Their Families | | | |
| Proactive behavior to take on challenges (Percentage of Group employees taking on challenges or responding to internal calls for submissions) | 17.7% | 20% or higher | 30% or higher |
| Organizational culture diagnostic results (Percentage of employees who gave positive responses regarding “culture that is accepting of diversity” and “culture that encourages people to take on challenges”) | Embracing diversity 63.1% A culture that encourages challenges 59.3% | 70% or higher | 75% or higher |
| Active participation of women (Ratio of Group female managers) | 12.2% | 20% or higher | 30% or higher |
| For Society | | | |
| Scope 1 and 2 (Total, compared to FY2013) | −27% (per unit of production compared to FY2013) | −27% | −38% |
| Scope 3 (Compared to prior to initiatives) | −26,483 tons (compared to prior initiatives) | −5,000 tons | — |
| Waste (Net sales per unit of materials, compared to FY2021) | −1.8%* (units of materials at production sites in Japan, compared to FY2019) | −25.0% | — |
| By-products (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 | — |

*Total waste disposal

Message from the Director in Charge of Financial Strategies

Leveraging ROIC-based analysis, we will engage in Group-wide reforms and pursue enhanced capital returns.

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



Current situation and issues

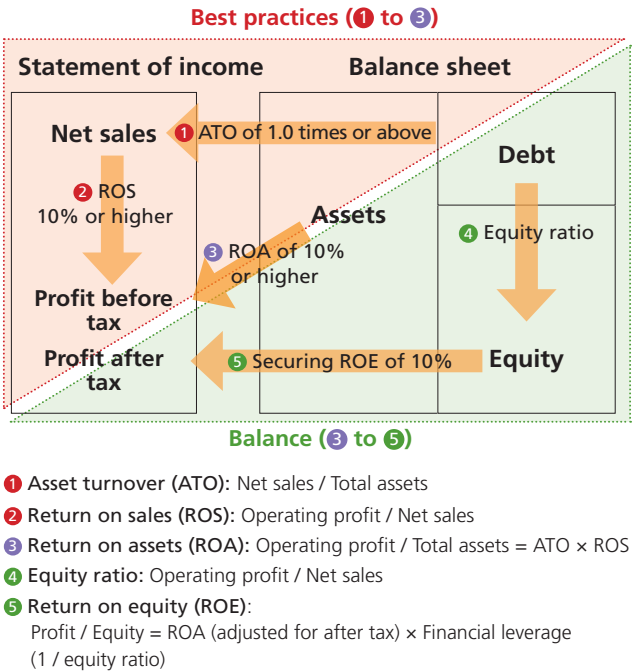
In our business performance for FY2024, sales, operating profit, and ordinary profit increased from the previous fiscal year, driven by the Spice/Seasoning/Processed Food Business. On the other hand, the profit attributable to owners of parent fell due to the impact of the rebound from gain on revision of the retirement benefit plan recorded in FY2023 and impairment losses associated with the goodwill of Keystone Natural Holdings, LLC (KNH). In the Spice/Seasoning/Processed Food Business, we continued to implement cost-cutting initiatives in response to rising commodity and raw material prices, while also introducing new products and revising the prices of some of our commercial spice products.

As raw material prices continue to rise, we decided to revise

prices in FY2025. Looking ahead, we face challenges such as how to cope with rising raw material prices and how to compete in the mature market of Japan. We also need to consider how to engage with overseas markets where we seek growth in light of the business development of the Group as a whole. We are implementing various measures to strengthen vertical connections and solidify businesses in each value chain (VC), thereby expanding our potential to grow our businesses horizontally.

As for our business in the United Sates, although we recorded an impairment loss on the goodwill of KNH in FY2024, we are currently reviewing our recent measures to grow our Soybean VC, and Group headquarters is directly involved in restructuring the company to ensure future growth.

Five Indicators of the Ideal Proportions



Pursuing ROIC Management and Capital Returns

Our Group has declared “through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives,” as our Group philosophy. In order to grow as a superior partner to all of our stakeholders, we have established five management indicators (ATO, ROS, ROA, equity ratio, and ROE) and have made it our policy to aim for the ideal balance among them. However, looking back on our actual initiatives up to this point, since our perspectives emphasized profit and loss (statement of income), our efforts focused on improving the top line or product-by-product profit loss management, resulting in inadequate discussions and initiatives pertaining to our balance sheet.

Message from the Director in Charge of Financial Strategies

With this awareness in mind, we have introduced return on invested capital (ROIC) in the Eighth Medium-term Business Plan as a new management indicator. Using ROIC allows us to compare ROA with capital cost in order to improve investment profitability, so that we can promote management that stays conscious of capital cost. Doing so will also bring us closer to the ideal state for our top three of five management indicators (ATO, ROS, and ROA), which we pursue as part of our best practices.

To improve ROIC, we will break it down into “business ROIC,” which measures the return on capital of our core business, and “business capital ratio,” which measures the ratio of business capital to invested capital; and to improve on business ROIC, we will advance efforts to improve the return on investment of existing facilities and new investments, and will ensure improvement during the Ninth Medium-term Business Plan.

In terms of our existing facilities, we broke down Facility ROIC

(i.e., ROIC at each facility) into three elements: marginal profit ratio, operating rate, and equipment efficiency. By reexamining the profitability and viability of each production line, we were able to determine the characteristics of, and issues facing, each production line, and recognized that the challenges inherent to investment return lie within our core businesses. Up to this point, the Group’s approach to capital expenditures has tended to focus on ideas centered around our roux products, realized through our cumulative experience and know-how, but our traditional approach to investments in our non-roux products can create challenges for us in terms of investment returns, due in part to the fact that marginal profit ratio and appropriate utilization rates can differ between categories. By further clarifying challenges through the breakdown of Facility ROIC into three elements, the mission of each department will grow clearer through day-to-day work operations, and we will promote greater understanding and behavioral reforms amongst

Group members in various positions to better link our profit and loss statements with our balance sheet. Specifically, the research and production departments will be primarily working to improve marginal profit ratios, while the product development, marketing, and sales departments will steadily implement measures to improve utilization rates. As for equipment efficiency, the technology and production departments will work to improve investment productivity, and by clarifying roles and further linking these roles, the departments will strive to improve Facility ROIC.

In addition, we will review our investment criteria for new investments and raise the hurdle rate, leading to stricter judgment and decision-making regarding investments. The Investment Committee, which has previously evaluated and monitored M&As and other business investments, has decided to also evaluate and verify important capital investments starting from FY2025. Rather than simply evaluating whether to go ahead or stop investing, the Committee recognizes risks and opportunities via the three-element breakdown analysis method, and advance the consideration of strategies to secure solid investment returns.

Meanwhile, the Committee aims to raise our business capital ratio to 90.0% or higher by FY2026, by reducing cross-shareholdings, promoting the sale of fixed assets, and returning profits to shareholders. With respect to cross-shareholdings, as the Eighth Medium-term Business Plan delineates a reduction of 15 billion yen within the plan term, we are steadily working toward that goal. To deepen employee understanding of our efforts to implement ROIC management, top management is assertively explaining to employees the significance of and approach to ROIC implementation through various opportunities like financial results briefings for employees. Certain departments within the Group have begun voluntary initiatives, such as collaborating with the accounting department to conduct learning sessions on ROIC management, and thanks to these efforts we are beginning to see changes in employee awareness, giving us the strong impression that this approach is beginning to take root in the Group.

As we continue to develop our VC concepts, we will establish ROIC management and pursue investment profitability in ways that suit the various upstream, midstream, and downstream business characteristics.

Eighth and Ninth Medium-term Business Plan Consolidated Numerical Targets

Consolidated targets

| | FY2024 | 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 | 315.4 billion yen | 360.0 billion yen | +60.4 billion yen | 450.0 billion yen | +90.0 billion yen |
| Operating profit | 20.0 billion yen | 27.0 billion yen | +7.5 billion yen | 40.0 billion yen | +13.0 billion yen |

Management indicators

| | FY2024 | Eighth Medium-term Business Plan (FY2026) | | Ninth Medium-term Business Plan (FY2029) | | Ideal proportions |
|------------------------|------------|---|---------------------------------------|--|--------------------------------------|-------------------|
| | Results | Targets | vs. Seventh Medium-term Business Plan | Targets | vs. Eighth Medium-term Business Plan | |
| ROIC | 4.5% | 6.0% or higher | — | 8.0% or higher | — | — |
| ATO (Asset turnover) | 0.73 times | 0.83 times | +0.11 times | 0.96 times | +0.13 times | 1.0 times or more |
| ROS (Return on sales) | 6.3% | 7.5% | +1.0 pt | 8.9% | +1.4 pt | 10% or higher |
| EBITDA margin | 10.8% | 11.4% | +0.4 pt | 12.7% | +1.3 pt | — |
| ROA (Return on assets) | 4.6% | 6.2% | +1.5 pt | 8.6% | +2.4 pt | 10% or higher |
| ROE (Return on equity) | 4.3% | 7.0% | +0.8 pt | — | — | Securing 10% |

Message from the Director in Charge of Financial Strategies

Growth Investments for Building Global Value Chains and Shareholder Returns

Under the Eighth Medium-term Business Plan we intend to advance proactive investments into growth sectors, and harvest returns from those investments during the Ninth Medium-term Business Plan and onward. To develop our global VC concept, we plan to invest 50 billion yen in growth strategies and businesses, and 20 billion yen in infrastructure strengthening investments (including DX and the environment) for production optimization in the spice VC, growth investments in the soybean VC, and M&A activities to accelerate global growth.

In FY2024, in light of the diversification of needs and reduced labor pool of the restaurant industry, as well as the increased need for commercial retort pouched products, we advanced construction on the House Foods Group Tohoku Factory, a new Factory for commercial retort pouched products that will implement production facilities capable of producing a wide variety of products in variable quantities, set to begin operation in 2026. We also proceeded with

restructuring our domestic spice packaging facilities and made investments of 15 billion yen.

In FY2025, we plan to invest 23.2 billion yen in the construction of the House Foods Group Tohoku Factory and a new factory in Indonesia, among other projects. At our new factory in Indonesia, we plan to begin production of halal-certified curry roux products for both home and commercial use in 2027. We are promoting the development of individually packaged products rather than conventionally packaged roux so that they can be purchased not only at established retailers but also at local traditional markets. Furthermore, we will expand sale of these produced products into global halal markets outside of Indonesia, and are aiming to develop a business with a scope of 10 billion yen in net sales.

As for shareholder returns, our new policy as of FY2024 was: (1) a total return ratio of 40% or higher, and (2) a stable, continuous dividend of at least 46 yen per year. Under the Eighth Medium-term Business Plan, we are striving for total return ratio of at least 50% based on our advancement of repurchases of treasury shares made possible through funds from reducing cross-shareholdings. In

accordance with this policy, we set a per share dividend of 48 yen for FY2024, 1 yen higher than the dividend amount for the preceding fiscal year. In addition, although 15 billion yen in treasury shares repurchases were originally planned under the Eighth Medium-term Business Plan, in FY2024 we made repurchases of 6 billion yen, with another 10 billion yen scheduled for FY2025, as a result of bringing the planned repurchase amounts forward into the following year.

Communicate with stakeholders to improve corporate value

As of FY2024, our PBR is below 1.0, which we recognize as an issue. Our PER has been hovering at around 21 times, while ROE was 4.3% for FY2024 and was below 5% on average over the past five years, making improvements to ROE essential. First, we urgently need to raise ROE to above our recognized capital cost of 6.0%. To achieve this, we will focus on efforts to increase ROIC, which we are working on as a new indicator, and by producing results, we will work to receive positive recognition from the market.

In addition, to ensure that our stakeholders understand and can expect great things from our growth strategy, we understand how critical it will be to work with the IR departments to explain in easy-to-understand ways our goals and initiatives for the Eighth Medium-term Business Plan, as well as our progress in those goals and initiatives, and to connect these efforts to improved corporate value for the Company.

As is evident from the attitude of top management at general shareholders’ meetings, small meetings, and large meetings, we strive to communicate and reach mutual understanding with our shareholders and investors in a courteous and honest manner. We will listen earnestly to the opinions we receive from you as we work to identify the areas in which we require greater improvement, and what elements require greater explanation in order to foster better understanding.

| | FY2024 Business Results | FY2025 Plan |
|---------------------|---|--|
| Investment | <div>Capital investment: 15 billion yen</div> <div>[Growth investments]</div> <ul style="list-style-type: none"> • Construction of a new commercial retort food factory (Tohoku Factory) • Reorganization of domestic spice packaging bases, etc. | <div>Capital investment: 23.2 billion yen</div> <div>[Growth investments]</div> <ul style="list-style-type: none"> • Construction of Tohoku Factory • Construction of curry roux factory in Indonesia, etc. <div>[Investment to strengthen foundations]</div> <ul style="list-style-type: none"> • Spice/Seasoning/Processed Food Business Sales logistics system reconstruction, etc. |
| Shareholder returns | <div>Total return ratio: 84.4% (63.7% excluding KNH impairment loss)</div> <div>[Dividend] 48 yen per share</div> <div>[Repurchase of treasury shares] Acquired 6 billion yen</div> | <div>[Dividend] 48 yen per share planned</div> <div>[Repurchase of treasury shares] Resolved May 8, 2025</div> <ul style="list-style-type: none"> • Total acquisition amount: 10 billion yen (maximum) |

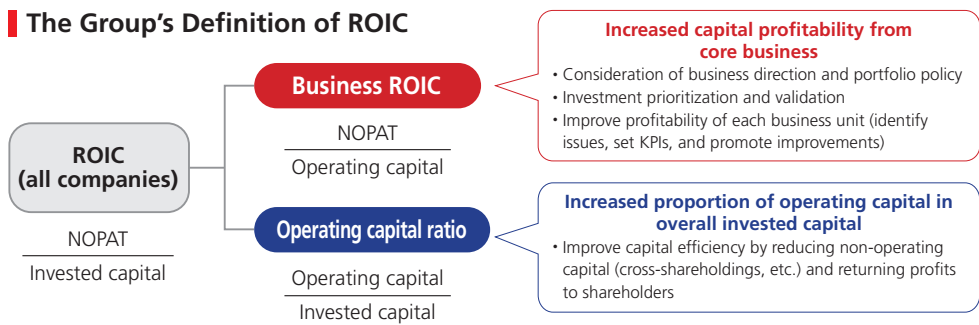
Financial Capital Policy

To advance management that takes capital costs (our policy: 6.0%) and stock prices into account, under the Eighth Medium-term Business Plan, we are working to implement ROIC management, clarify capital allocation, and create mechanisms to increase shared value with our shareholders.

Introduction of ROIC management

To achieve the ideal proportions, we are further strengthening our balance sheet (BS)-oriented efforts and introducing ROIC management to promote management that is more conscious of capital costs.

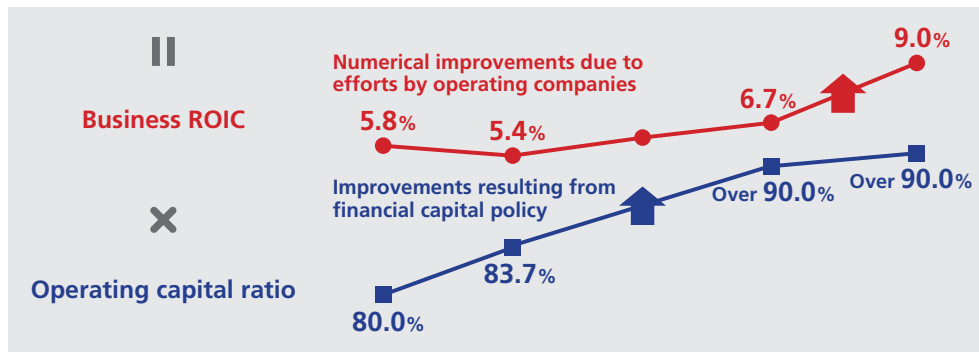
The Group’s Definition of ROIC



As we will continue to invest in growth areas for the Eighth Medium-term Business Plan, although business ROIC improvements will be limited, we will aim to significantly improve the ratio of operating capital by further promoting reduction in non-operating capital ratio, thereby improving ROIC (all companies).

Under the Ninth Medium-term Business Plan, we aim to further improve our ROIC (all companies) by improving capital returns (Business ROIC) of our core business generated from investment, as investment in growth areas will be completed.

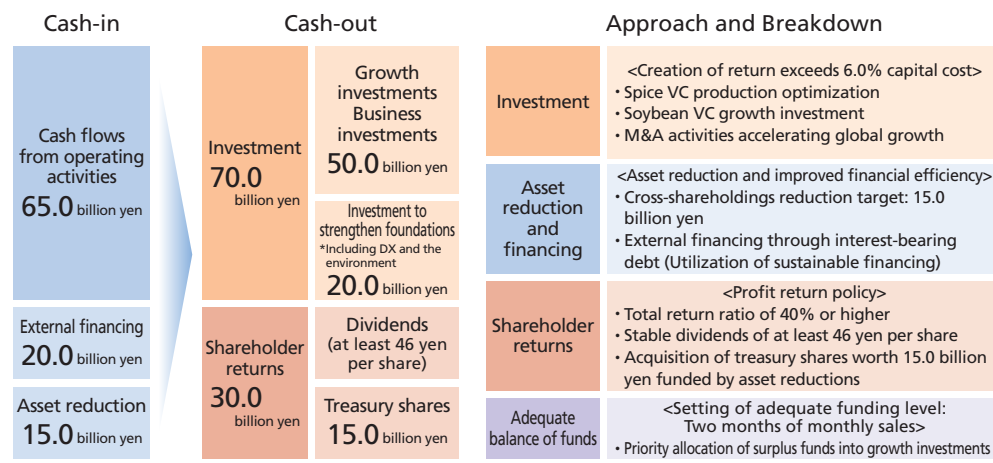
| Illustration of ROIC Outlook | FY2023 Results | FY2024 Results | FY2025 Forecast | FY2026 Targets | FY2029 Targets |
|------------------------------|----------------|----------------|-----------------|----------------|----------------|
| ROIC for all companies | 4.6% | 4.5% | 4.7% | 6.0% or higher | 8.0% or higher |
| Capital cost | 6.0% | | | | 6.0% |



Clarification of resource allocation

Under the Eighth Medium-term Business Plan, we will utilize new fund-raising methods in addition to our operating cash flow, continue to make active investments to build value chains (VC), and promote management that is conscious of capital costs by improving capital efficiency through measures such as reducing cross-shareholdings, and allocating the resulting capital to shareholder returns.

Resource Allocations under the Eighth Medium-term Business Plan (excluding Ichibanya)

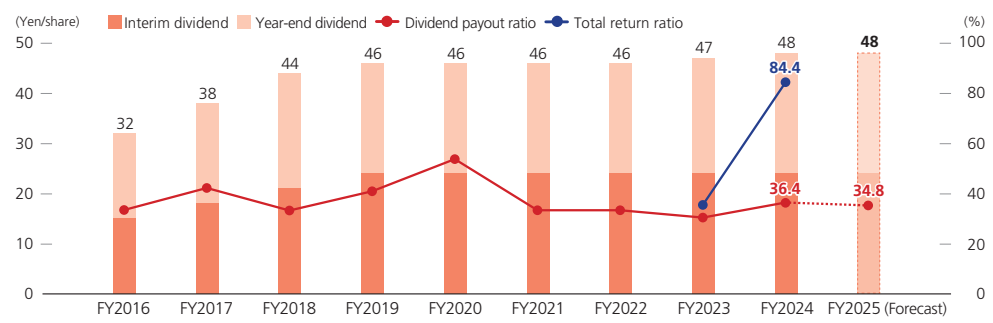


Profit Distribution Policy

- Total return ratio of 40% or higher
- Ongoing payment of annual dividends of at least 46 yen as stable dividends

*Under the Eighth Medium-term Business Plan, the Company will promote the repurchase of treasury shares through the reduction of cross-shareholdings, enabling our goal of a **total return ratio of 50% or higher**

Trends in dividends



For Our Customers (Business Strategy)

Eighth Medium-term Business Plan Themes

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

◇ Three Initiatives

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

◇ Medium-term Business Plan KPIs

| Item | FY2024 results | Eighth Medium-term Business Plan (FY2026) targets | Ninth Medium-term Business Plan (FY2029) targets |
|---------------|-------------------|---|--|
| Net sales | 315.4 billion yen | 360.0 billion | 450.0 billion |
| ROS | 6.3% | 7.5% | 8.9% |
| EBITDA margin | 10.8% | 11.4% | 12.7% |
| ROIC | 4.5% | 6.0% or higher | 8.0% or higher |

Q. Please tell us about the initiatives in the first year of the Eighth Medium-term Business Plan.

Under the theme of our Eighth Medium-term Business Plan, “striving for growth by building a global value chain,” we are working to strengthen our profitability by capturing new business opportunities.

In terms of business performance, House Foods, which is responsible for our core business, led the efforts overall thanks to the residual effects of price revisions implemented in FY2023 and a recovery in sales volume due to the implementation of measures for stimulating demand. However, many other Group companies faced challenges, and this year we were reminded of the need to strengthen the revenue base of each Group company. In particular, in our overseas food business, which has supported the Group’s growth so far, the US tofu business posted a loss due to struggling sales at Keystone Natural Holdings (KNH), which we welcomed into the Group three years ago. The curry business in China also saw a decline in profits due to a focus on optimizing inventory that had ballooned due to the COVID-19 pandemic, which presented challenges in both the US and China.

In the medium term, we will take a step-by-step approach in the Spice VC to consider how to develop a strategy and the structure and management necessary to pursue it, and House Foods, which is responsible for the core business, will take the lead in expanding the business from domestic to global customer contact points. We are also steadily investing in growth, and in the domestic commercial business, a growth area, we will start operations at the House Foods Group Tohoku Factory in 2026, which uses a new method for manufacturing a wide variety of products in variable quantities. Furthermore, in our Indonesian curry business, where we are working to develop a new market for Japanese-style curry rice following our efforts in Japan and China, the household-use business, which began sales in February 2024, is off to a good start and we established a new production subsidiary, House Foods Indonesia, and have begun construction of a second factory.

In existing business areas in Thailand, for the Functional Ingredients VC, we are focusing on increasing the amount of vitamin C in flagship *C-vitt* products to revitalize the vitamin drink market, and on launching new products to create a multivitamin market. At the same time, we are also working to develop new areas beyond Thailand.

In the Soybean VC, KNH’s high-priced PBF business has been hit by the sharp rise in prices in the United States, causing a significant decline in business performance. To address this issue, we established a meeting body for reforming our profit and loss structure, through which we have identified many issues and discussed solutions for them. After making profit and loss by product more visible, we formulated a revival plan which we will begin implementing in FY2025.

Going forward, we will continue transforming the Spice VC into an entity that can play a major role in global expansion, and will accelerate efforts to further strengthen and expand the VC foundations in the Functional Ingredients and Soybean VCs.

Hiroshi Urakami
Representative Director & President,
House Foods Group, Inc



For Our Customers (Business Strategy)

● Spice Value Chain

Direction of the Eighth Medium-term Business Plan

In the Eighth Medium-term Business Plan, we have formulated a strategic story that considers the vertical connections binding value chains (VC) upstream and downstream, and the horizontal expansion that comes from expanding customer contact points globally. House Foods will use the expansion of customer contact points (horizontal strategy) to transform itself into a leading player in these VCs. Additionally, in the BtoB area, we will transform House Gaban into a “solutions company” that can provide solutions globally, including incorporating sales strategy functions in Southeast Asia. As a vertical strategy, the R&D department will take the lead in pursuing flexible procurement and cost competitiveness for upstream raw materials, primarily spices, while also working to create value through innovations in manufacturing and production methods.

The Spice VC operates under this concept, and in this report we focus on, (1) House Foods’ efforts to transform itself, (2) House Gaban’s efforts to expand its presence in commercial business, and (3) efforts to create value globally.



Progressing with employees toward self-transformation

In the Eighth Medium-term Business Plan, House Foods’ role changed significantly from its previous core business of generating stable cash and developing human resources to leading the transformation and growth of the Spice VC. In FY2024, the first year of the Eighth Medium-term Business Plan, we have gone beyond conventional thinking to address a rapidly changing environment, and have worked to strengthen the revenue base of existing businesses and expand customer contact points by leveraging our procurement and development technological capabilities. Going forward, our role and scope will expand beyond domestic to global BtoC, and, to ensure all employees take growth and change personally, we have focused on reforming our organizational culture and awareness through direct communication at all bases. This enables collaboration across companies and departments, and is allowing management and worksites to share the same perspective in discussions on how to provide value that is more than just an extension of the past. For example, in our production and R&D departments, we have begun lively and concrete discussions on the theme of “future manufacturing,” which focus on reducing environmental impact, improving production efficiency, and anticipating the future business environment and customer needs.

We also started transferring some functions of the Group headquarters to House Foods in April 2025. This will enable House Foods to take the lead in formulating a global strategy centered on curry and spices, including determining the global brand, product development and quality assurance tailored to the food culture of each region, and a sales system that includes exports. There are many areas where House Foods can leverage the strengths it has cultivated in Japan by sharing domestic and international assets, resources, and know-how, so we are working to link this to future growth.

There are two years left in our Eighth Medium-term Business Plan, and we want to start by accumulating successful experiences by incorporating a VC perspective into the strengths we have cultivated in Japan, and share the “image of growth for House Foods” with all our stakeholders. We will also advance the realization of the Spice VC strategy and establish a system and mechanisms to further enhance its effectiveness, which will lead to the creation of new value and make us more competitive.

Kotaro Kawasaki

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



R&D Department Initiatives

House Foods’ R&D Department is moving away from traditional BtoC-centered product and technology development and aims to contribute to the entire Spice VC industry both in Japan and overseas. In the Eighth Medium-term Business Plan, we outline initiatives for working to (1) strengthen procurement flexibility and cost competitiveness by connecting upstream materials, mainly spices, with technology, and further create new demand and expand customer contact points, and (2) establish a new style of innovation for the Spice VC. In this context, we set themes in the first year of the medium-term plan that will contribute to the entire VC, such as “developing technologies that could become future core competencies and implementing them in our business” and “rethinking an asset-light production strategy that is global and optimal for the Group,” and expanded the breadth of our role.

Our efforts have resulted in technological developments in the form of intellectual property and strengthened competitiveness in upstream areas, and the seeds of new businesses are beginning to grow. Using these new technologies as a starting point, we are exploring new businesses not only through BtoC but also through Spice VC operating companies and external co-creation.

Our global strategy is to combine our fundamental technology with research into food culture in each region to create value that meets needs, and to circulate the knowledge and know-how gained in the process within the VC. For example, in Indonesia, we have developed a roux with minimum portions of 20g (equivalent to two servings) to achieve a price that allows our target middle-class customers to make repeated purchases. We will also introduce the latest production technology at our new factory in the country. This technology has been verified as suitable for local food culture, and we will continue to pursue reverse innovation that transcends domestic and international boundaries and realizes products that meet the needs of individual diets.

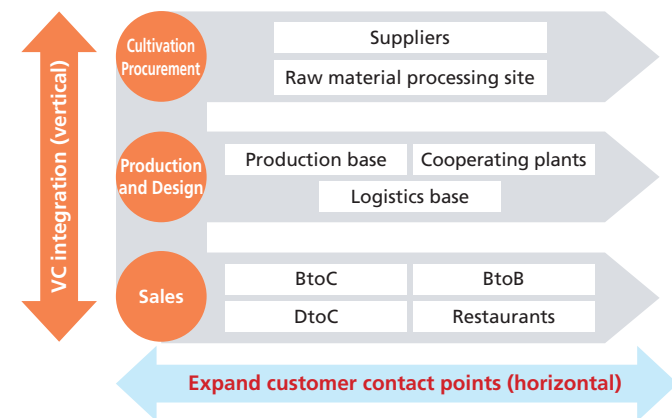
Our R&D Department has an organizational culture that allows employees, who are also consumers, to transform their daily dietary challenges and their own thoughts into unique value. We believe that the intersection of this organizational culture of value creation and a VC perspective will contribute to the Spice VC as a whole.

Atsushi Nakashima

Director
Manager in charge of the Research & Development Institute
Responsible for the Quality Assurance Division
House Foods Corporation



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



For Our Customers (Business Strategy)

● Spice Value Chain



House Gaban initiatives to expand its presence in the commercial market

Expanding our presence in the commercial market

House Gaban was established in April 2023 through a simplified absorption-type split in which Gaban took over House Foods’ domestic commercial food business in order to grow its BtoB business. Our food service business clients range from general and major food service companies such as restaurants and hotels to home meal replacements and processed food manufacturers, and responding to their diverse individual needs is essential to making us more competitive. In the face of these challenges, our strength lies in combining House Foods’ wide range of highly processed products, such as roux and retort pouched products, with Gaban’s expertise in spice ingredients, which will enable us to further expand the value we provide while building on the brands and products of both companies that have many satisfied customers. We will leverage this strength to become a “solutions company able to respond and propose solutions to meet individual customer needs.”

Under the Eighth Medium-term Business Plan, we are working to realize the business models we envision, namely, a “scrum-type development sales system (single-step support from sales to development to production)” and “manufacture of a wide variety of products in variable quantities,” in order to achieve our vision. We will also expand our points of contact with customers in the highly versatile seasonings and ingredients sector, which we have positioned as a growth area. In FY2024, the first year of our Medium-term Business plan, the entire Group began working to build an optimal BtoB business structure that will enable us to produce a wide variety of products in variable quantities and to integrate product development, sales, and production. We also decided to establish and start construction of a commercial retort factory (House Foods Group Tohoku Factory). In terms of sales and development, we are working to expand customer contact points by going beyond the boundaries of our operating companies and leveraging the technologies the Group owns. Since the integration, we have been promoting initiatives at House Gaban aimed at maximizing synergy effects, primarily in sales. The numerous processing technologies we have developed in the household-use business have the potential to provide clues to solving problems for food service business customers as well. As we take on the challenge of collaborating beyond existing frameworks and fields, we will strive to grow further as a company that leads the Spice Value Chain (VC) food service business.

Seiji Ikoma

Representative
Director & President
House Gaban
Corporation



IN FOCUS

Initiatives for building business models suited to the commercial market

Our Group sees food service business as one of the growth drivers in the Spice VC. In recent years, the restaurant industry has seen an increase in demand for commercial restaurant foods, which offer highly reproducible flavors and support simple restaurant operations, due to diversifying food needs and labor shortages, and this demand is expected to continue to grow significantly. To address this business environment, House Gaban is striving to respond flexibly and quickly to diversifying customer needs by having its nationwide sales and R&D teams, along with the Planning Department that oversees them, work together to expand contact points with customers. By focusing R&D on meeting customer needs in a timely manner, we will be able to develop and sell products with an emphasis on speed in the rapidly changing restaurant industry. In the future, we will use digital transformation to produce product proposals faster and more accurately.

Amid these efforts, the next step for our Group is to build the House Foods Group Tohoku Factory in Fukushima City, Fukushima Prefecture, a new factory for commercial retail foods that will introduce new methods for producing a wide variety of products in variable quantities. The factory is scheduled to begin operations in June 2026 as a production base primarily for commercial retort curry. When this factory goes into full production, House Gaban will be able to build a system that can respond quickly and consistently to all aspects of product development, sales, and production. Going forward, we will work to expand our food service business and strengthen our profitability by proposing better solutions that meet individual needs, and by improving productivity.



House Foods Group Tohoku Factory (Image of factory's Exterior)

Creating food together that warms the heart

House Gaban manufactures food service products specializing in flavors and fragrances. We provide quality products and ideas to those in the food service business, often collaborating with professionals with excellent skills and intuition, to deliver food that will warm the hearts of customers.



Show kitchen located at headquarters

IN FOCUS

Helping resolve problems in the restaurant industry

House Gaban has released curry flakes that form a “curry sauce base that can be boiled in hot water,” reproduce flavor well, and fit easily into store operations. In the restaurant industry, where labor shortages have made it difficult to maintain traditional operations, this product is highly regarded because it is delicious and reduces cooking operations, and was awarded the 28th Commercial Processed Food Hit Award, sponsored by the Japan Food Journal.



House Gaban Corporate Philosophy

For Our Customers (Business Strategy)

● Spice Value Chain



IN FOCUS

Curry business in China
Chinese food service business takes on the challenge of traditional food culture

To sustain growth in China's food service business, it is essential to build a presence in the Chinese cuisine market, which is said to account for approximately 80% of the 4.7 trillion yuan restaurant market. What prompted this need was independent restaurants going out of business due to the COVID-19 pandemic, and multi-location wide-region operators (such as restaurant and convenience store chains) emerging to fill the gap, making it essential to devise strategies to compete with them. Since this trend will accelerate in the post-COVID market environment, we have adopted a policy of "shifting to solution-based sales" and away from traditional sales of curry products mainly to individual restaurants.

Based on our slogan of "developing markets for 'curry rice and curry dishes,'" we are working to shift to solution-based sales for solving customer problems through menus, starting with building an organizational structure. We have established a sales support organization with the aim of strengthening our menu proposal and development capabilities, and have also hired a chef dedicated to developing menus tailored to customer needs and established a test kitchen.

Since 2024, we have seen steady progress in introducing curry-flavored menu items to Chinese cuisine chains (including major chains) (serving noodles, meat buns, Sichuan cuisine, traditional regional cuisine, etc.), and we are seeing positive results from this initiative. We will continue to create new points of contact with consumers by fusing Japanese-style curry with rice, noodles, steamed buns, stir-fried vegetables, and other local food staples, with an aim to achieve sustainable growth.



Strengthen development functions by hiring a dedicated chef

IN FOCUS

Restaurant Business
Bringing Japanese curry rice to the world Briskly, Sharply, and with a Smile

Curry House CoCo Ichibanya began full-scale overseas expansion in 2004 with the opening of its first restaurant in Shanghai, China. Since then, its Japanese-style curry has made its mark in other Asian countries such as Taiwan and Korea, and in 2011 it opened its first restaurant in Los Angeles, USA. In 2020, we realized the long-held ambition of opening a restaurant in India.

As of February 2025, Curry House CoCo Ichibanya has opened 216 restaurants in 12 countries and regions, and is winning the hearts of customers around the world through both the delicious taste of Japanese-style curry and its "Briskly, Sharply, and with a Smile" service.

*The Ichibanya motto. Refers to always moving briskly and responding sharply with a smile.

IN FOCUS

Indonesian curry business
Raise awareness of Japanese-style curry for both home and commercial use

Our Group opened its first Ichibanya store in Indonesia in 2013, and PT House and Vox Indonesia, Inc. began selling Halal-certified commercial roux products in 2016. The curry business has grown steadily in Indonesia due to the popularity of Japanese-style curry and the spread of Japanese food in the country. In addition, Indonesians eat a large proportion of their meals at home, and with the increase in dual-income and nuclear families in urban areas, there is a growing need for easy and convenient processed foods. In 2024, Sasa House Foods Indonesia began selling home-use roux products.

Our home-use roux products have been highly praised for the ease with which they can be used to create flavors that suit local tastes and for how easy they are to prepare. In Indonesia, which has the largest economy in Southeast Asia and excellent growth potential, we will continue to expand customer contact points for both home and commercial use products.



Home-use roux products sold via hanging displays

Establish a subsidiary to produce Halal-certified curry roux products (for home and commercial use)

In April 2025, we announced plans to establish a production subsidiary and build a new factory in Indonesia. This will be our Group's second curry roux factory in Indonesia and our sixth overseas.

The roux products to be produced for home and commercial use will be sold mainly within Indonesia, but we also have plans to expand sales to the global halal market. We will look to further strengthen our production system in line with the progress of our promotional activities, and will work toward creating a business with net sales of 10 billion yen.



Household-use products

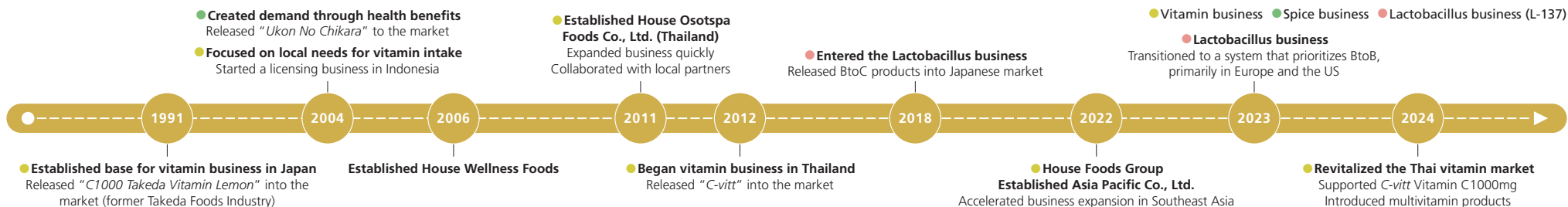


Food service products

For Our Customers (Business Strategy)

● Functional Ingredients Value Chain

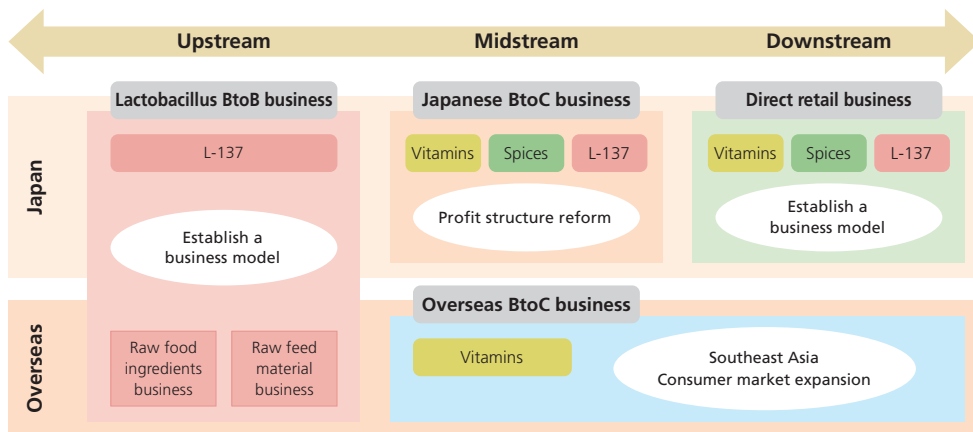
History of the Functional Ingredients VC



Direction of the Eighth Medium-term Business Plan

In the Functional Ingredients Value Chain (VC), we position vitamins, spices (turmeric), and lactic acid bacteria as strategic ingredients, providing them to customers in delicious and readily consumable forms that leverage the efficacy and effects of each ingredient from the perspective of the three health-related elements of "nutrition," "vitality," and "maintenance," thereby helping our customers live healthy longer, and improving their quality of life (QOL). In the Eighth Medium-term Business Plan, we aim to develop our business globally by focusing on these three ingredients.

As for the main initiatives for each of these businesses in the first year of the Eighth Medium-term Business Plan, in the domestic BtoC business, we focused on expanding the vitamin business. Sales in the vitamin business remain strong thanks to expanded promotional measures, product renewals, and the addition of new products. In our overseas BtoC business, which also operates a vitamin business, we took advantage of changes in regulations in Thailand to launch a product for which we increased vitamin C to 1,000 mg. We also launched a multivitamin product to create a new market for vitamins. Our lactic acid bacteria BtoB business is seeing increasing adoption of its products as food ingredients by leading companies both in Japan and overseas.



Envisioning growth in Southeast Asia centered on the vitamin business

We are working to create markets in Japan and Southeast Asia for products that enable anyone to get plenty of vitamins, anytime, anywhere. The Functional Ingredients VC has its roots in the vitamin business, as it has been more than 50 years since we started production in Japan, and 35 years since we launched C1000, our main domestic brand. In Japan, where our vitamin business originated, people have become more health-conscious since the COVID-19 pandemic, and so the preferences and motivations that lead them to consume vitamin drinks are becoming more diverse. We will continue to expand our product lineup and develop new vitamin drink products, aiming to further expand this business as the core of our domestic BtoC business.

In Southeast Asia, we launched C-vitt products with the aim of establishing a drink market in new areas (the Philippines and Vietnam). In Thailand, we will work to expand into the multivitamin sector to give consumers more opportunities to gain nutritional benefits from taking vitamins. While Southeast Asia has growth potential, customer needs are diverse. We will achieve sustainable growth by developing our business in consideration of the market conditions in each region.

Chihiro Kurata
Representative
Director & President
House Wellness Foods
Corporation



Vitamin products available in Japan



Vitamin products available in Southeast Asia



For Our Customers (Business Strategy)

● Functional Ingredients Value Chain

Vitamin drink business case study

IN FOCUS

Functional Ingredients VC

Creating a global brand that transcends domestic and international boundaries

To promote the Functional Ingredients VC, we held a “C1000 × C-vitt Summit” to share knowledge and know-how about the vitamin business both domestically and internationally, with the aim of creating a global brand. We shared examples of the development of C1000 in Japan, YOU C1000 in Indonesia, and C-vitt in three Southeast Asian countries, and discussed directions of horizontal expansion. This initiative brought representatives from operating companies and the House Foods Group’s R&D department together to share their thoughts on the differing customer needs that arise from different lifestyles in different areas, and the common values the brands should provide.



Workshops

IN FOCUS

House Osotspa Foods Co., Ltd.

Strategy for growing our vitamin drink business in the Thai market

Our C1000 vitamin drink launched in Japan in 1991, and as a result of our steady use of the technology and knowledge to produce a vitamin drink that is both tasty and functional, it is now sold as “C-vitt” in Thailand. House Osotspa Foods Co., Ltd. specializes in marketing and product development, which are strengths of the Group, and has successfully established C-vitt as a leading brand of vitamin C drink. C-vitt initially contained 120 mg of vitamin C, however changes in regulations there now allow us to add up to 1,000 mg. House Osotspa Foods Co., Ltd. was the first to capitalize on this and relaunch a new product containing 1,000 mg of vitamin C. In addition to product development, the company is also focusing on marketing efforts to improve brand loyalty by promoting it as a brand that provides plenty of vitamin C. We also launched “One Day Vitamins,” a new concept product that allows consumers to take in a day’s worth of balanced vitamins, and are working to develop new demand for the product.



IN FOCUS

House Wellness Foods

Developing Products in Response to Diversifying Customer Needs

In Japan, people have become more health-conscious since the COVID-19 pandemic, and the flavors and motivations to consume vitamin drinks are becoming more diverse. House Wellness Foods, which is responsible for the domestic BtoC business, has previously worked on customer-centric product development such as partially using rubber parts in the caps of its “Ichinichibun no Vitamin Jelly” to make them easier to open. Following on from this, in February 2025, the company significantly renewed and added new products to the lineup of its long-selling “C1000” series, which has been a customer favorite for many years.

Among these new products, C1000 Vitamin Lemon Zero Sugar* is targeted at health-conscious customers concerned about their sugar intake, and is also an example of horizontally expanding the “C-vitt 0% sugar” concept, which has been well received in Thailand, to the Japanese market. In this manner, the Functional Ingredients VC is developing products that meet customer needs by utilizing knowledge that transcends national boundaries between Japan and other countries.

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



Cap made partially from rubber parts



The C1000 website, designed with user-friendliness in mind.

IN FOCUS

House Foods Group Asia Pacific Co., Ltd.

Taking on the challenges of creating new markets

House Foods Group Asia Pacific Co., Ltd. is an intermediate holding company we established in April 2022 through which we are working to create vitamin drink markets in the new areas of the Philippines and Vietnam. We are focusing on modern trade marketing and increasing brand awareness. This company also has R&D capabilities that allow us to rapidly develop products in Southeast Asia, primarily Thailand, and to create new markets in new areas by developing products tailored to the preferences and typical drinking habits of local customers.

For Our Customers (Business Strategy)

● Soybean Value Chain

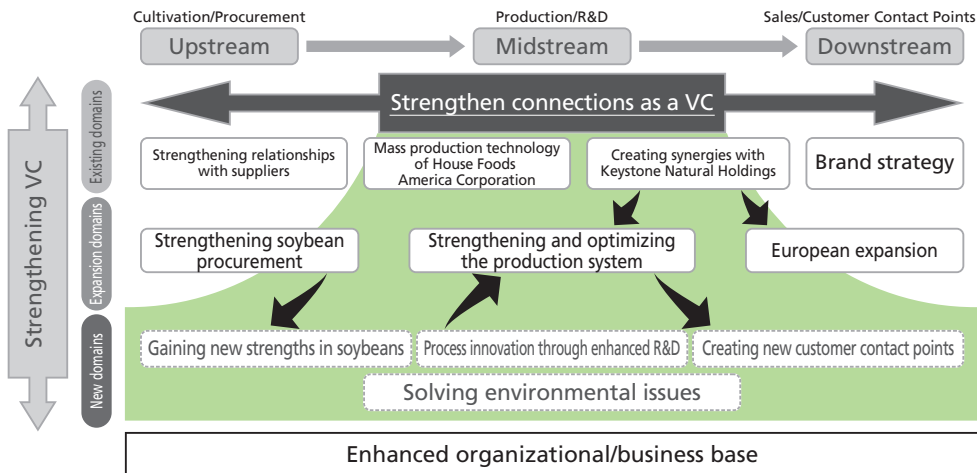
History of the Soybean Value Chain



Direction of the Eighth Medium-term Business Plan

In the Soybean Value Chain (VC), we aim to achieve sustainable business growth through the global expansion of PBF with tofu at its core to realize the Group philosophy and fulfill our “Three Responsibilities.” From a medium- to long-term perspective, we are working to expand our presence in the PBF market, and will work to strengthen our ability to build customer contact points by increasing brand awareness and developing new areas and channels. Meanwhile, in the short term, taking into account current business performance trends, we implemented organizational restructuring in January 2025 to integrate the strategic, sales, and marketing functions of all of our US tofu businesses. We will now introduce our efforts in the Soybean VC to solve current issues while aiming for sustainable growth.

■ Eighth Medium-term Business Plan Initiatives



Leveraged strengths to expand presence in the PBF market

Under our Eighth Medium-term Business Plan, we aim to grow our Soybean VC business beyond the US tofu business, and are proceeding with management in line with this aim. Finding the best way to consume a balanced amount of protein is one of the ongoing dietary challenges in the US food scene. The decline in market demand for meat alternatives is due to factors such as ultra-processed production processes, consumer resistance to additives, and relatively high retail prices. However, our tofu products, veggie burgers, and other plant-based foods such as tempeh, seitan, and soy milk are minimally processed products made from natural ingredients, so they are produced based on a very different concept from meat alternatives. We are working to strengthen this portfolio and become a “trusted guide (good partner) in the plant-based food category” for the distribution industry and consumers. We want to bring out and enhance the inherent value of soybeans and other ingredients, and communicate this globally. We will also use global interest and trust in Japanese food culture and quality as a key advantage to implement our differentiation strategy.

To achieve this, we quickly embarked on organizational restructuring of the operating companies within the Soybean VC, which is something we were considering for the Eighth Medium-term Business Plan. We are starting new business processes, including integrating all company supply chains. Organically reconnecting business functions that were previously scattered across companies will enable us to create value even more effectively in the future. By combining the knowledge of the companies to conduct market analysis, improving the speed and success rate from product development to retail sales, and optimizing fixed costs, we will demonstrate resilience even in adverse environments, capture certain needs in the European and American markets, and strive to become a “reliable choice for a long and healthy life.”

Takayuki Doue

House Foods Holding USA Inc.
President



For Our Customers (Business Strategy)

● Soybean Value Chain

Initiatives for recovering business performance and achieving sustainable growth

In a business environment, where political, economic, and social conditions are difficult to predict, we are increasing the speed of management by establishing a flexible forum where we can provide input on circumstances to top management at Group headquarters so they can consider measures starting in FY2024. We have changed from managing profit and loss on an operating company basis to managing through two business units (tofu and PBF), and clarifying challenges and strategies for each unit. First, in the tofu business, by leveraging the strength of our Los Angeles factory, which increased production capacity in 2023, we achieved steady top-line growth due to our stronghold in the Asian sales channel, which is a large market. However, we face challenges in the mainstream

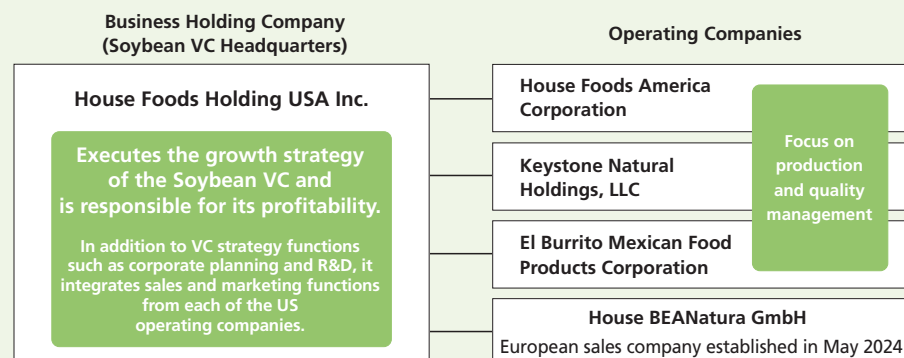
American sales channel because we lack contact points, so there is still room to grow. In addition to accepting orders for retail private brand products, we will also work to improve our ability to provide a wide range of value-added products and maximize profits per sales floor. In the PBF business, we will further select and concentrate on products based on their profitability, and concentrate resources in highly unique product categories such as tempeh, seitan, and soy milk. These two businesses share the same target customers, and thus allow us to provide more people with options for helping them get more protein by promoting various marketing activities to induce trial purchases, raising awareness of food culture, and communicating functional value.

IN FOCUS

Becoming more competitive by maximizing synergies between operating companies

To achieve sustainable business growth and resolve current issues in the Soybean VC, it is essential to maximize synergies between companies and to make the entire VC more competitive. Ever since we made it a part of the group in 2022, we have been working with Keystone Natural Holdings (KNH) to optimize logistics costs and have achieved some success. Meanwhile, the sales and marketing functions of the organizations of House Foods America and KNH have been virtually integrated, and we have worked to expand sales of both companies' products through cross-selling and other means. However, there are still many areas where we can improve, including doing better to clarify roles and responsibilities. To address these challenges, we reorganized the Soybean VC in January 2025, one year earlier than originally planned. For House Foods Holding USA Inc. to function as a business holding company, we are integrating the strategic, sales, and marketing functions of all companies doing business in the United States into it. Note that our US businesses will each shift their focus to improving quality and productivity as production subsidiaries. This will enable us to maximize top-line synergies by leveraging the strengths of each operating company, while at the same time establishing a management foundation for the VC, by, among other things, building an optimal production and logistics system more rapidly, leading to sustainable business growth.

■ Soybean VC Organizational Structure after January 2025



IN FOCUS

Sales and marketing initiatives aimed at expanding American market share

We restrained our marketing activities for a time in order to prioritize supply, but this organizational restructuring has led to a full resumption of these activities. By incorporating KNH strengths of speedy development and a highly agile work style, and integrating House Foods America Corporation's business processes for managing things like R&D, mass production, quality control, we are working to create value-added products faster and with greater certainty. One result of the collaboration following the reorganization, is that we will release new products such as vacuum-type tofu and baked tofu, primarily targeted at American consumers, into the market in the summer of 2025. We have carefully designed products to suit the lifestyles of our target demographic and their cooking habits, such as their use of ovens and air fryers, and have put a lot of thought into the packaging design, including creating familiar-feeling product form factors, popular dough textures, and flavors such as lemon herb. We will also promote initiatives to raise awareness of our products and strengthen contact points, including collaboration with the customer communication and sales departments and influencers.

With its House brands that include Nature Soy and Franklin Farms, House Foods Holdings USA, Inc. continues to lead the way in fostering a tofu culture, by interweaving tradition with innovation. By contributing to people's health and sustainability through business growth, we will position ourselves as a "reliable plant-based food company" in the United States, Europe, and other areas in the medium to long term.

■ New products primarily targeted at American consumers



For Our Customers (Business Strategy)

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

Direction of the Eighth Medium-term Business Plan

The Value-added Vegetables Value Chain (VC) has many elements of a new business, and we plan to use our Eighth Medium-term Business Plan under the theme of “creation of new value through collaborative creation.” In addition, as new business ventures, we are currently verifying two business proposals that were selected in the first phase of the employee new business solicitation program “GRIT” at a business demonstration subsidiary to verify the value the proposals provide. Under our Eighth Medium-term Business Plan, we aim to move at least one new value creation theme into a phase where it can be transformed into the next “growth potential of the Group,” and through these efforts, we will also inspire our employees to face new challenges and look to the future.

■ Initiatives for the Creation of New Value through Collaborative Creation

| Measures | Details |
|---------------------------|---|
| Value-added Vegetables VC | • Explore business models such as factories for Smile Balls and plants |
| GRIT | • Continuously creating new businesses driven by the passion of our employees |
| CVC Fund | • Promote collaboration with venture companies to create business synergies |

Initiatives for the Creation of New Value Through Collaborative Creation

VOICE

■ Value-added Vegetables VC Initiatives for stabilizing onion production and increasing value at the dinner table

Takumi Arakawa
Value-added Vegetables
Business
Development Division
House Foods Group Inc.



Yukiko Wakimoto
Value-added Vegetables
Business
Development Division
House Foods Group Inc.



In the Value-added Vegetables VC, we are challenging ourselves to explore the possibilities of new business models through collaboration with external parties, including the commercialization of “Smile Ball (onions with a less sharp taste)” and “controlled environment cultivation.” We have been producing and selling the Smile Ball we developed since 2015, and in the process we have accumulated knowledge and know-how regarding stable quality and stable production. On the other hand, various issues have become apparent, such as the impact of bad weather on production and a decline in the agricultural production population. Against this background, in June 2025, we launched the “Asutama-kai (Association for Continuing Onion Production Tomorrow)” to promote activities aimed at stabilizing onion production. Through this association we are working with contracted farmers to collect data on growing conditions and weather conditions, and have also begun developing new varieties. In addition to these efforts to resolve issues on the production and supply side, in 2023 we entered into a capital and business alliance with Nousouken Corporation and are promoting the creation of value at the dinner table through everything from developing vegetable producing areas to branding and marketing. Through the Value-added Vegetables VC, we will develop these activities together with our co-creation partners with the aim of realizing the concept of continuously delivering “vegetables you will want to eat again tomorrow” to the dinner table.



VOICE

■ New business GRIT: Tasu Me “Tasu Me,” born from the voices of working parents, is being used more in daycare centers, mainly in the Tokyo metropolitan area

Patchwork Quilt, a business demonstration company, is currently conducting business verification for the Tasu Me project, which was born from the open-call program GRIT, in which employees volunteer to take on the challenge of creating new businesses. During a temporary stint of 120 days when I was the sole caregiving parent for my family, I was so busy with work, childcare, and housework that when I went to pick up my eldest daughter from nursery school, I asked the principal if they would sell me the nursery school’s lunches, but I gave up after being told that it would be difficult from a hygiene standpoint. Meanwhile, when I learned that other parents had expressed similar concerns, I became convinced of the potential need for selling dinners at nursery schools, which led to the creation of Tasu Me. Tasu Me sells prepared food menus in microwave-safe retort pouches at nursery schools, which were developed under the supervision of nursery school registered dietitians. Full-scale operation began in October 2024, primarily at nursery schools in the Tokyo metropolitan area, with the aim of introducing the system to 200 locations in FY2025. This project has undergone repeated model changes in response to feedback from parents and nurseries in order to expand the number of nursery schools that adopt it. We will continue to communicate with nurseries in various locations and with various characteristics, and will continue to take on the challenge of creating a business that is “good for both parents and nursery schools.”

Hidetaka Ishii
New Business Planning &
Development Division
House Foods Group Inc.



Tasu Me was established at nursery schools

For Our Customers (Business Strategy)

Consolidated Performance Overview

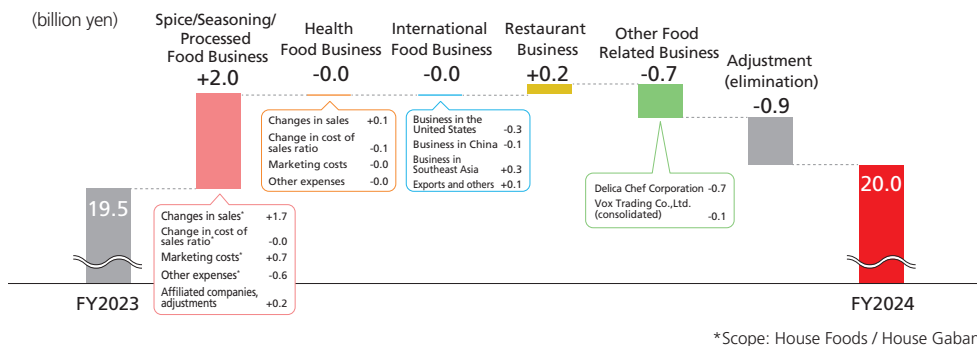
Review of FY2024

| | Results | Changes from previous fiscal year |
|------------------|-------------------|-----------------------------------|
| Net sales | 315.4 billion yen | +15.8 billion yen |
| Operating profit | 20.0 billion yen | +0.5 billion yen |
| EBITDA | 33.9 billion yen | +0.9 billion yen |
| Ordinary profit | 21.4 billion yen | +0.3 billion yen |
| Net income* | 12.5 billion yen | -5.1 billion yen |

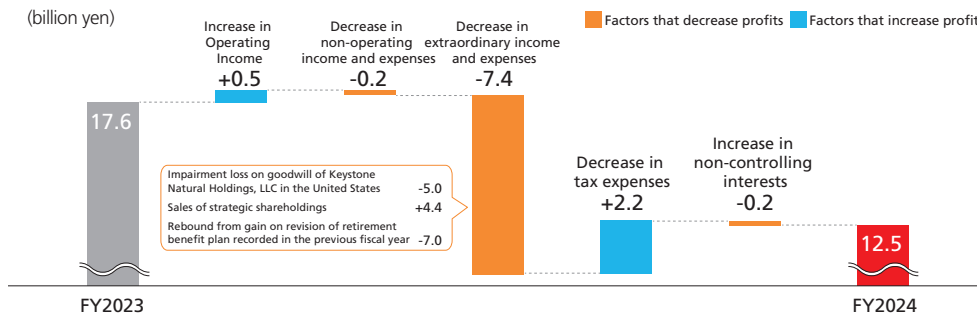
*Profit attributable to owners of parent

In FY2024, the Spice/Seasoning/Processed Food Business achieved increased revenue and profits on an operating profit and ordinary income basis, driven by the residual effects of the previous fiscal year's price revisions and cost reduction initiatives. However, net income attributable to owners of the parent decreased due to a rebound from gain on revision of retirement benefit plan recorded in the previous fiscal year and an impairment loss on goodwill of Keystone Natural Holdings (KNH), which was recorded in the fourth quarter of the consolidated fiscal year.

■ Analysis of operating profit fluctuations



■ Analysis of fluctuations in profit attributable to owners of parent



Plan for FY2025

| | Forecast | Changes from previous fiscal year |
|------------------|-------------------|-----------------------------------|
| Net sales | 333.0 billion yen | +17.6 billion yen |
| Operating profit | 21.5 billion yen | +1.5 billion yen |
| EBITDA | 35.5 billion yen | +1.6 billion yen |
| Ordinary profit | 22.4 billion yen | +1.0 billion yen |
| Net income* | 13.0 billion yen | +0.5 billion yen |

*Profit attributable to owners of parent

■ Key points of the consolidated earnings forecast

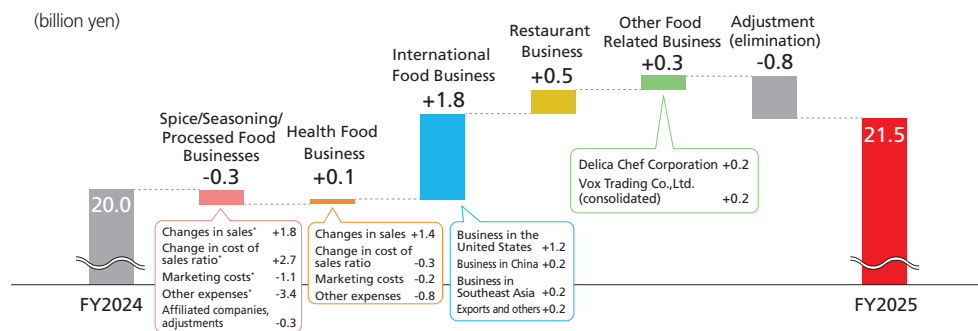
Addressing rising business costs (Spice/Seasoning/Processed Food Business)

In FY2025, the impact of rising prices of raw ingredients such as spices and rice is expected to be significantly greater than in the previous fiscal year. In addition, strong upward pressure on business costs, including personnel and labor costs, is expected to continue, and how we respond to this will be one of the key issues. In the short term, beginning in May 2025, we will revise the prices of our main products for both home and commercial use, and realize the effects of the price revisions by implementing proactive and dynamic demand stimulation measures to restore sales volume. We will also promote measures such as reviewing product designs that utilize our technological capabilities, taking steps to curb cost increases, and reviewing SKUs.

Reform profit and loss structure of business in the United States (International Food Business)

In response to the decline in business performance in the previous fiscal year, we will formulate a revival plan for the tofu and PBF businesses, and work to rebuild our profit and loss structure. For the tofu Business, we will work to expand sales volume in the American market, where there is room to expand market share, by returning to a basic 4P marketing strategy and using organizational integration to reallocate sales forces. At the same time, we will increase profitability by making more effective use of sales promotion costs. For the PBF business, we will prioritize products for which we will focus on expanding sales and products for which we will focus on improving profit structures, and we will rebuild the profit structure by promoting selection and concentration.

■ Analysis of operating profit fluctuations



For Our Customers (Business Strategy)

Strategies by Business Segments

Spice/Seasoning/Processed Food Business

FY2024 was a year in which we focused on stimulating demand, particularly for our mainstay curry products, and on implementing our revenue improvement strategy to generate sustainable profits. House Foods’ household-use business launched products with unprecedented approaches, such as ready-to-eat *White Curry* and *Black Curry*, and the *Curry de Nikuru* retort pouched products, and worked to create new dining settings for curry menus. In House Gaban’s food service business, we expanded sales to major restaurant chains by focusing on sales strategies for each channel, and revised prices of some spice products to absorb the rise in raw ingredient costs.

For FY2025, we project that profits will decline in the Spice/Seasoning/Processed Food Business due to rising raw ingredient prices, particularly for spices, as well as due to increased investment in human capital and upfront depreciation costs associated with growth investments. In response to the increasing severity of rising business costs, we revised the prices of our main products for both home and commercial use in May 2025. Although we expect a temporary decrease in sales volume, we aim to realize the effects of the price revisions as soon as possible by implementing dynamic demand stimulation measures. In addition, we will strengthen measures such as product design and reviews that utilize technology and optimize our product lineup compared to the previous fiscal year, and will work to continuously strengthen our business foundation and provide value that exceeds customer expectations.



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

Health Food Business

In FY2024, we worked to expand sales while maintaining profitability by strengthening brand power through effective marketing investments in key products in Japan. In the vitamin business, in particular, sales of “Ichinichibun no Vitamin Jelly” remained at the same level as the previous fiscal year due to intensifying competition in the domestic jelly market, but sales of *C1000* were strong thanks to enhanced demand stimulation measures and the launch of the product in the fourth quarter. Additionally, in the United States and Europe, our Lactobacillus business saw its ingredients for food products adopted and handled by leading local companies. In Southeast Asia, we focused on rebuilding the vitamin drink market in Thailand, building on the trends from the previous fiscal year, which saw changes in consumer behavior.

In FY2025, we will focus on growing our two main vitamin products, primarily *C1000*, which we renewed at the end of the previous fiscal year and whose brand we are working to strengthen. In the Lactobacillus business, which is centered on the United States and Europe, we will continue sales activities in Europe to expand sales. In Southeast Asia, we will work to expand profitability in the existing Thai business by focusing on expanding sales of *C-vitt*, which was launched in the previous fiscal year, and on developing new products. We will also aim to grow in the region by creating new markets in the Philippines, Vietnam, and other new areas.



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

International Food Business

In FY2024, business in the United States faced challenges, including stagnating PBF* business unit sales due to consumers focusing on saving more money, and the impairment of goodwill arising from the acquisition of Keystone Natural Holdings, LLC. However, we see the tofu and low-additive vegetable protein markets where we operate as growth markets. First, we will work to improve the overall profitability of our business in the United States, and then move on to a phase where we can implement our medium- to long-term growth strategy. In our business in China last year, we focused on responding to market changes. In the household-use business, customers are changing where they store in response to uncertain economic conditions, and sales channels that match consumer behavior are seeing improved performance. In this environment, we focused on optimizing our inventory levels and establishing a system for concentrating resources on sales channels that are flourishing. In the food service business, we strengthened our proposal capabilities and made progress in developing new customers in the restaurant market.

In FY2025, we will restructure our business in the United States to grow business (increase market share and improve profitability), by, among other things, integrating functions previously dispersed across individual operating companies into House Foods Holding USA Inc., the business headquarters. In our business in China, we will take advantage of the organizational improvements we made in the household-use business last fiscal year, and will also develop effective sales promotion activities to mark the 20th anniversary of the launch of *Vermont Curry (Chinese)*. In the food service business, we will continue to work on developing new customers. In Southeast Asia, we have decided to build a new factory in response to the growth of our Indonesian curry business. We will continue to develop this as the third pillar of our curry business, following Japan and China.



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

*PBF: Plant-based foods

Restaurant Business

In FY2024, we revised prices at our CoCo Ichibanya restaurants in Japan in response to rising rice and other food prices, as well as rising business costs, including labor and logistics costs. We also implemented marketing activities to attract a wider customer base, including strengthening TV commercials and menu initiatives. Overseas, sales were steady at overseas CoCo Ichibanya restaurants in the United States and the United Kingdom, and in the domestic subsidiary business, we expanded our business by promoting new store openings, and welcoming KOZOU Co., Ltd., which operates Ramen Kozou stores mainly in Osaka Prefecture, into the Group.

Since we expect food prices and other costs to continue rising in FY2025, we will once again focus on further improving QSC, which is the foundation of the restaurant business. At domestic CoCo Ichibanya restaurants, our core business, we will implement marketing measures using social media and other means to strengthen the brand in order to recover customer numbers, and we continue our global expansion of CoCo Ichibanya overseas by, among other measures, opening our first restaurant in Guam (United States) in May 2025. We will also accelerate the expansion of our domestic subsidiary business. We will continue to strive to become a “food entertainment company” so that we can continue to provide our customers with the “fun and excitement of food” in a variety of situations.

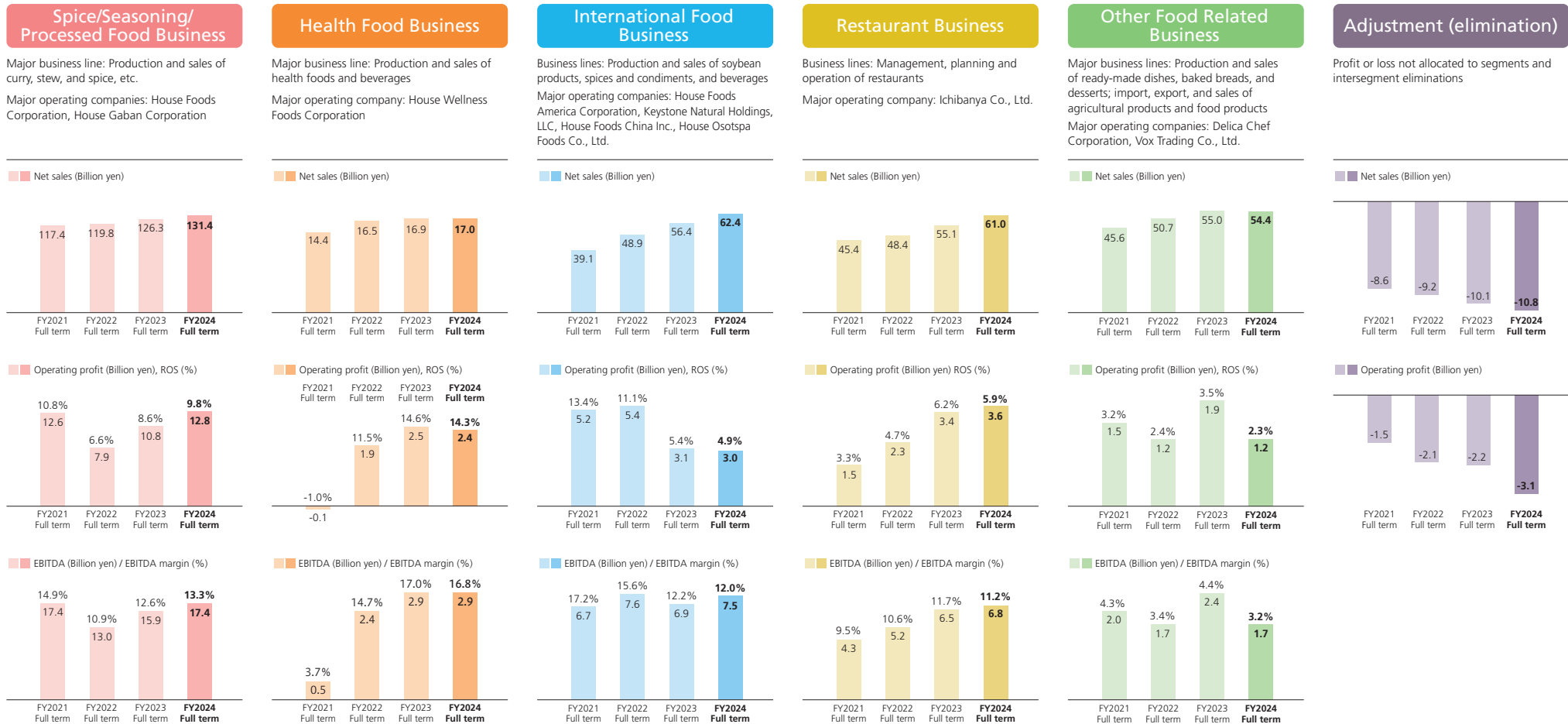


Mamoru Kuzuhara
President and
Representative Director
Ichibanya Co., Ltd.

For Our Customers (Business Strategy)

Overview of Business Segments

House Foods Group (FY2024)



For Our Employees and Their Families (Human Resources Strategy)

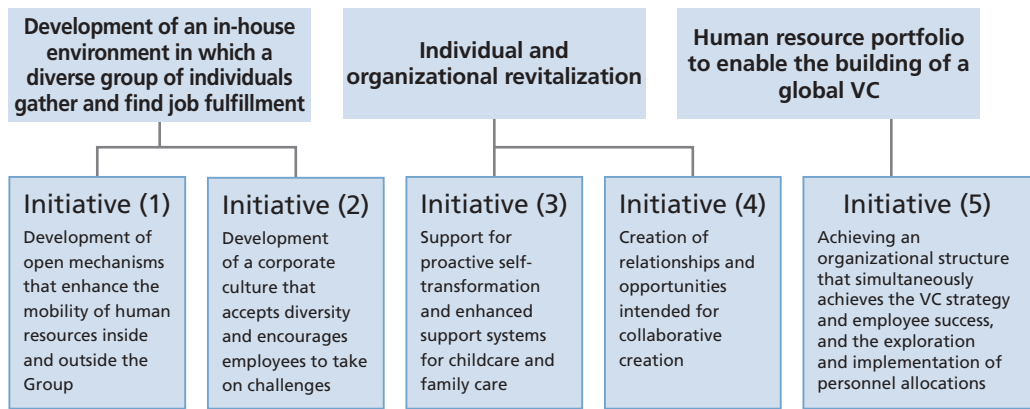
Eighth Medium-term Business Plan Themes

Turn diversity into a driving force for building a global Value Chain (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”



◇ Medium-term Business Plan KPIs

| Targets | Indicator | FY2024 Results | Eighth Medium-term Business Plan (FY2026) targets | Ninth Medium-term Business Plan (FY2029) targets |
|---|--|----------------|---|--|
| Proactive behavior to take on challenges | Percentage of Group employees taking on challenges or responding to internal calls for submissions | 25.3% | 20% or higher | 30% or higher |
| Organizational culture diagnostic results | Percentage of employees who gave positive responses regarding a “culture that is accepting of diversity” | 66.0% | 70% or higher | 75% or higher |
| | Percentage of employees who gave positive responses regarding a “culture that encourages people to take on challenges” | 62.6% | | |
| Active participation of women | Percentage of Group managers who are female | 13.6% | 20% or higher | 30% or higher |

Q. How will you connect your Medium-term Business Plan policy of “Turn Diversity Into Strength” to building a global VC?

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, “Turn Diversity Into Strength” will be the policy of “For Our Employees and Their Families,” and we will work to “deepen understanding of others, break down stereotypes about one’s self and the organization and produce innovation.”

As a measure for achieving this, 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 replace with VC.” In particular, from FY2025, we will strengthen existing measures while linking the three management pillars (diagram on next page) to build a system that simultaneously achieves “Group growth” and “the growth of individual employees.” As the foundation of a global VC, we will realize a state in which “Group-wide hierarchical design,” “establishment of key positions,” and “allocation of human resources” are continuously implemented, enabling the creation of an organization that is geared toward realizing business strategies, leading to the creation of a global VC.

Q. How would you assess your progress toward achieving the Medium-term Business Plan KPIs?

In the Eighth Medium-term Business Plan, we have set the following three items as KPIs for our goals related to “For Our Employees and Their Families.” Regarding “proactive behavior to take on challenges,” employees are encouraged to take the initiative in taking actions to increase the diversity of their experiences and aptitudes through one-on-one meetings with their superiors. Regarding the “organizational culture diagnostic results,” we are holding dialogues based on the diagnostic results at each workplace and implementing action plans, with everyone participating in creating an environment where employees feel job satisfaction. Regarding “active participation of women,” we are implementing human resource development programs, engaging in mid-career recruitment, and expanding opportunities for dialogues with female employees who can serve as role models. As a result of implementing the plan, each KPI showed improvement.

To achieve this, we are promoting cooperation across organizational boundaries to bring about change in the workplace culture, and working to spread understanding of the significance of active participation of women (improving unconscious bias). We aim to achieve our KPIs by steadily implementing the five initiatives.

Yoshiyuki Osawa

Representative Director & Senior Managing Director
General Manager,
Administration Headquarters,
Responsible for Secretariat Division
House Foods Group Inc.



For Our Employees and Their Families

Managing Group human capital

The Group believes that it has a responsibility as a corporate citizen to fulfill the “Three Responsibilities” outlined in its Group Philosophy together with its stakeholders. 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 order to turn diversity into “a driving force for building a global Value Chain (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. By doing so, we aim to transform diversity into growth for the Group and for each employee, so that the House Foods Group can demonstrate its strength by allowing all Group companies to work together.

Human capital management in the Group = initiatives “For Our Employees and Their Families”

Progress of the five initiatives to “Turn Diversity Into Strength”

Initiative (1)

Development of open mechanisms that enhance the mobility of human resources inside and outside the Group

- Expanding role-based open personnel system within the Group
 - House Foods and House Wellness Foods are two major operating companies that have already introduced the system
 - House Gaban has also begun full-scale consideration of introducing the system

Initiative (2)

Development of a corporate culture that accepts diversity and encourages employees to take on challenges

- Health management initiatives are spreading to “promote mental and physical health”
 - Recognized as a “White 500” company in the 2025 Outstanding Organizations of KENKO Investment for Health
- Promoting work engagement and proactive behavior through efforts to “restructure the organizational culture”

Through these initiatives, job satisfaction (sense of worth x comfortable work environment) is enhanced

KPIs

Among the Medium-term Business Plan KPIs for generating “organizational culture diagnostic results,” “embracing diversity and “a culture that encourages challenges” each improved over the previous fiscal year. Steady progress toward the Eighth Medium-term Business Plan target of 70% or higher

Initiative (3)

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

- Foster a culture that encourages independent career development through expanding open recruitment measures and enhancing learning opportunities
- Introduce a career declaration system where supervisors provide support through one-on-one dialogues
- Implement a training program to increase the number of female managers, with the aim of further increasing the active participation of women
- Continue enhancing efforts with respect to systems for and raising awareness of childcare and nursing care

KPIs

Achieve at least 20% of Medium-term Business Plan KPI goal on “proactive behavior to take on challenges” in the Eighth Medium-term Business Plan

KPIs

Although the score for the Medium-term Business Plan KPI “active participation of women” improved, further efforts are needed to achieve the Medium-term Business Plan target of 20% or higher

Initiative (4)

Creation of relationships and opportunities intended for collaborative creation

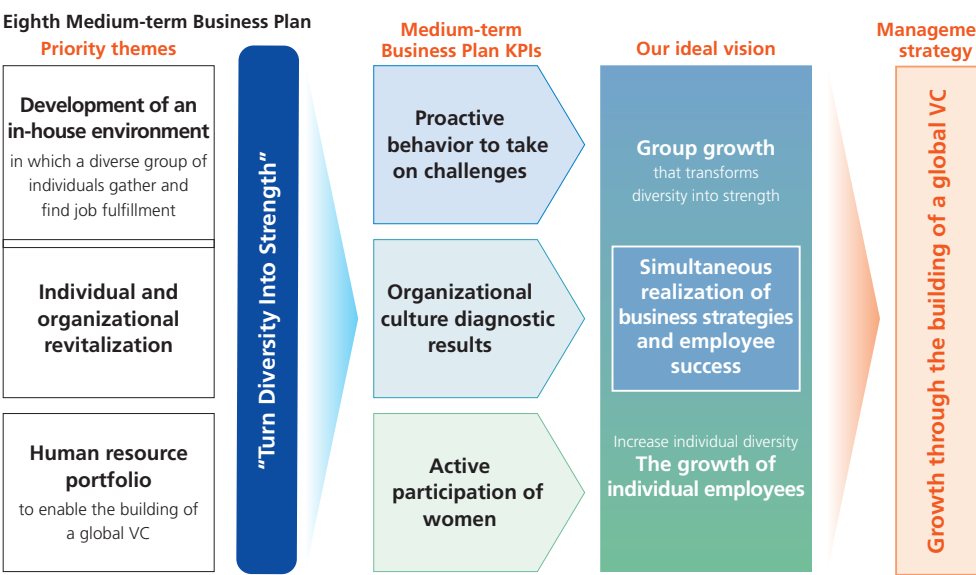
- Expand House Way activities (promote workshops at each workplace and expand the spread of the philosophy through information dissemination via the in-house portal)
- By revising the award system, reward contributions to achieving the Medium-term Business Plan and promote “making the Medium-term Business Plan a personal responsibility” by widely publicizing these efforts within the Group

Initiative (5)

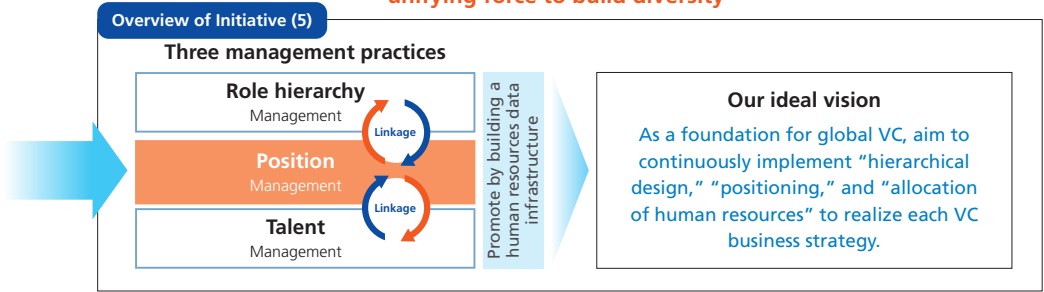
Achieving an organizational structure that simultaneously achieves the VC strategy and employee success, and the exploration and implementation of personnel allocations

- Advance the specifics of this initiative and decide on a direction to promote the three management strategies in an integrated manner. Implement “position management” as a new measure and realize synergies by linking it with existing measures.
- Build a human resources information database as a foundation and infrastructure, and introduce a “Talent Palette” as a tool to confirm employees’ career aspirations and provide support.

Overall Picture of the Initiatives



Share values through the “House Way,” which instills a Group philosophy serving as a unifying force to build diversity



For Our Employees and Their Families

■ Five initiatives to “turn diversity into a strength” in practice and employee performance

Promote proactive career development through enhanced challenges and open recruitment measures

As a group, we strongly support employees in taking on new challenges and increasing the diversity of their experiences and aptitudes. As part of this, we are working to enhance our internal recruitment measures. We offer a variety of growth opportunities, such as a job posting system that allows employees to seek opportunities for themselves through workplace transfers and a trainee system at overseas Group companies. We also have a dispatch system to promote new businesses at venture companies as well as companies and organizations outside the Group with the aim of solving social issues both in Japan and overseas. Many employees have used these opportunities to take on new challenges.

Related to Initiative (3) of the five initiatives

House Foods Group public recruitment measures

| By public recruitment type | Details |
|---|--|
| Career challenge | System for applying for transfers to departments within the Group (open positions/job postings) |
| New business challenge | System for supporting the development of employees who will take charge of new business ventures for the Group and drive the creation of new value for the Group through proactive participation |
| Overseas local subsidiary challenge | System for helping employees grow so they can take on global business development both domestically and internationally by posting them at overseas subsidiaries and carrying out local missions |
| Corporate Venture Capital (CVC) challenge | System for helping employees grow so they can promote themes such as management, innovation, and transformation by being posted at venture companies and gaining experience there |
| Social issues challenge (domestic and overseas) | System for providing participants with the experience to reexamine and refine their own values and leadership by diving into local activities to solve social issues |

VOICE

New perspectives opened up by experiences at a venture capital enterprise

I applied for the CVC Challenge because I wanted to take on a wide range of challenges in a new environment. At Life Log Technology, Inc, where I have been posted, I am involved in advertising management for health management apps, campaign design, and the analysis and dissemination of accumulated data. I was particularly impressed by the experience of being able to disseminate information in the form of press releases and social media posts based on the data I analyzed. Through my work at the company to which I have been posted, I have developed a perspective that allows me to consider the revenue mechanisms and value provided behind apps and services, and I feel that my understanding of business is broadening. Furthermore, jumping into a different field and environment has been stimulating and has given me the opportunity to reexamine my own strengths, my career, and what makes the House Foods Group unique.

Kana Monta

House Foods Corporation
(CVC Posting)



A meeting at Life Log Technology, Inc

CVC challenge

VOICE

Diverse learning opportunities in emerging countries

The reason I applied for this program is because I believe that by working in emerging countries, I can have a greater impact than in Japan in order to bring the idea of “Healthy Life Through Foods,” which is something I hold dear, to as many people as possible.

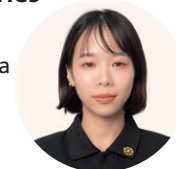
PT Sasa House Foods Indonesia, where I am currently based, has been selling curry roux for home use since 2024. Currently, I am utilizing my three years of sales experience in Japan to work with local staff to plan sales strategies and outreach activities for various retail stores. I am focusing on food education activities as part of the company’s outreach activities. As I deepened my interactions with local people, I felt that the high incidence of lifestyle-related diseases such as obesity in Indonesia was due to people’s eating habits, so I thought that improving knowledge about food and sanitary conditions was an issue. Therefore, in order to convey knowledge about food through curry, I held extracurricular classes for elementary school students, worked to horizontally expand food education activities in Japan, and held food education courses in collaboration with other departments and institutions.



An extracurricular class at an Indonesian elementary school

Nanako Fukuoka

PT Sasa Housefoods
Indonesia



Overseas local subsidiary challenge

Through the challenge of establishing overseas subsidiaries, I have learned from a variety of perspectives, including the ability to adapt flexibly to different cultures and business practices, the difficulty of collaborating with others to create something, and the importance of a long-term perspective that is not limited by temporary effects. To make use of this experience, I would like to continue to be involved in activities to spread the word about “Healthy Life Through Foods” overseas.

VOICE

Taking on the challenge of creating the future by solving social issues

When I participated in the internal recruitment program, I realized that many elements are needed to turn social issues into business. Therefore, I applied for a position at Ishinomaki Farm, a general incorporated association that aims to circulate social value and economic value.

Currently we are working on supporting independence for young people who are finding it difficult to find work, through agriculture via support of programs such as “intermediate employment support” and “rural study abroad programs” and are working to develop Industry 6.0 and expand sales channels for the hops and potatoes the farm cultivates. Recently, there have been many student educational trips and corporate visits, and there has been a continuously high level of interest in working with a diverse range of people.

While working on a wide range of food-related tasks, we have come to realize once again the importance of being flexible enough to accept individual values and of connecting the work at hand with a sense of fulfillment. I aim to be a leader with a broad perspective who can view social issues from both a field perspective and a management perspective.

Yosuke Okabe

Human Resources
Division
House Foods Group Inc.



Ploughing furrows for potatoes

Social issues challenge

For Our Employees and Their Families

■ Five initiatives to “turn diversity into a strength” in practice and employee performance

Promoting further participation by women to enhance diversity

We position active participation of women as an important initiative to “Turn Diversity Into Strength,” and we are promoting the creation of a workplace where everyone can balance work and family life, feel motivated, and demonstrate their abilities and strengths. We have set a KPI for this theme of what percentage of our managers should be women, and are working on it in a variety of ways, including through human resource development programs that focus on individual aptitude and by increasing opportunities for interaction with senior employees to help improve career confidence.

VOICE

House Foods’ First Female Factory General Manager Related to Initiatives (2) and (3) of the five initiatives

Since joining the Company, I have worked in four departments: the Quality Department at the House Foods Kanto Factory, the House Ai-Factory Corporation, the Quality Assurance Division, and the Fukuoka Factory (all House Foods organizations). The transfer, which required moving, caused inconvenience to my family, but working as a staff member at the factory, business company, and head office while focusing on quality was a good opportunity to overcome some of my preconceived notions.

Above all, my experience working in multiple departments taught me the importance of communication. I can create new perspectives by listening to others, expressing my own opinion, and discussing matters with them. I believe this results in high-quality work.

Currently, 185 people work at the Fukuoka Factory. As Factory General Manager, I plan to listen to the opinions of my team members, pass on the knowledge I have gained, and encourage them to take on challenges, all in an effort to create a workplace where they can feel a sense of personal growth.

Michie Nonaka

Fukuoka Factory General Manager
House Foods Corporation



Support a work and childcare/nursing care balance as a foundation for proactive career development

We are working to enhance our support systems for childcare and nursing care so that employees can continue to pursue their own career development and thrive, regardless of their childcare and nursing care circumstances. We also recognize that childcare experience promotes personal growth and that diversity of experience contributes to the Company’s strengths, and we encourage this, with the goal of ensuring that 100% of our male employees take childcare leave. In addition to improving the system, we are also continuously implementing activities to raise awareness and promote understanding among both eligible employees and workplaces, and 90.6% of male employees have taken such leave (FY2024).

VOICE

Expand experience through paternity leave Related to Initiative (3) of the five initiatives

Taking childcare leave not only allowed me to share the burden of childcare with my partner, but also to naturally develop an attitude of working efficiently within the limited time available after returning to work.

In particular, I now make a conscious effort to flexibly review the priorities of each task. Due to the nature of our department, we are faced with a variety of issues that we must deal with on a daily basis, but this has given us the opportunity to think about the results we can achieve as a team depending on the situation.

For male employees who are unsure about taking childcare leave, I would like to encourage them to do so by sharing my own experiences.

Kohei Kitamura

Quality Assurance Division
House Wellness Foods Corporation



Implement improvement actions at each workplace based on organizational culture diagnostic results

As a result of our efforts to transform our organizational culture, the percentage of employees who gave positive responses to the KPIs of “culture that is accepting of diversity” and “culture that encourages people to take on challenges” has been steadily increasing. We are steadily moving forward with our efforts by having all employees at each company and workplace engage in dialogue about their respective organizational issues as stakeholders, and then formulating specific action plans through workshops aimed at resolving those issues.

IN FOCUS

Reform organizational culture through the Next VOX Project Related to Initiatives (2) and (4) of the five initiatives

Shinya Haba

[Next VOX Project Promoter]
Planning Division
Vox Trading Co., Ltd.



Kie Iizuka

[Next VOX Project Promoter]
Planning Division
Vox Trading Co., Ltd.

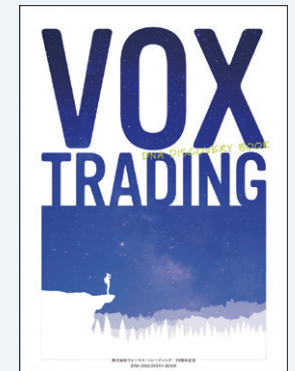


At Vox Trading, we are promoting the “Next VOX Project,” a future-oriented cross-departmental project.

In response to the COVID-19 pandemic and the spread of telework, in-person interactions have decreased, and as the composition of our employees has become more diverse, we felt a sense of crisis that our “VOX-ness” was fading. In response to these challenges, employees took the initiative to restructure the organizational culture, aiming to foster collaboration across departmental boundaries, foster a sense of unity across the company, and advance VOX-ness. We are implementing a variety of initiatives, including “VOX BAR/LUNCH” events, which encourage cross-departmental interaction, the publication of the “VOX DNA BOOK,” which was created to mark the 20th anniversary of the company’s founding by a group of young employees to compile the history of our core business, and we changed our management structure since the previous term by implementing a variety of measures, including the “Future Creation Salon,” a study group to consider the future.



A look at the “VOX BAR”



VOX DNA BOOK

For Society (Envirommental Strategy)

The story of our initiatives

◇ 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
- Recycle resources in order to reduce waste, plastic and water use
- 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 CO₂ emissions

Creation of a resource recycling-oriented society

Make effective use of limited resources from the three perspectives of reduce, utilize and return

◇ Medium-term Business Plan KPIs and priority themes

| Items | FY2024 Results | Eighth Medium-term Business Plan (FY2026) targets | Ninth Medium-term Business Plan (FY2029) targets |
|--|--|---|--|
| Scopes 1 and 2 (total volume, compared to FY2013) | -19.5% | -27% | -38% |
| Scope 3 (compared to prior to initiatives) | -1,775 tons | -5,000 tons | — |
| Waste (net sales per unit of materials, compared to FY2021) | -21.5% | -25% | — |
| By-product (recycling rate) | 99.3% | 99.5% | 100% |
| Plastics (container packaging for Japanese products, derived from fossil-fuel resources, compared to FY2018) | -8.2% | -8.5% | — |
| Water (affected sites: “Areas at risk of water depletion” at production sites) | Interviews with local government agencies showed that no bases had urgent issues | Implement water conservation measures | — |

Q. Please tell us why the House Foods Group is tackling environmental issues and what it aims to achieve by doing so.

Our Group has three responsibilities that form the basis of all of our activities. One of these is Our Responsibility For Society, and we see environmental initiatives as a responsibility that we must naturally fulfill as members of society.

The Eighth Medium-term Business Plan, which began in FY2024, aims to build a recycling-oriented model under the slogan “healthy people and a healthy planet.” Based on this, we have formulated the “House Foods Group Long-term Environmental Strategy 2050,” focusing on two key issues: “action on climate change” and “realization of a recycling-oriented society.”

The basis of this is the idea of “internalizing external diseconomies,” which means that companies are responsible for resolving the environmental burden caused by their business activities. In order to continue fulfilling “For Society,” we will continue to work to build a recycling-oriented model based on the “House Foods Group Long-term Environmental Strategy 2050.”

Q. Please tell us about the progress and future developments toward realizing the Long-term Environmental Strategy 2050.

In FY2024, we made steady progress, including the launch of Total Energy Services for Multiple Sites (in collaboration with JFE Engineering), further introduction of renewable energy, the achievement of net-zero CO₂ emissions from energy at House Foods’ Fukuoka Factory through the use of J-Credit, and the opening of the eco-friendly Kanazawa Kosaka Store at Ichibanya.

FY2025 marks the midpoint of our medium-term plan, and we need to further accelerate our environmental efforts in order to achieve our KPIs.

Being environmentally friendly requires resources, but as it is a natural mission for us as a corporate citizen working to build a sustainable future, we will strive to balance this with our business.

Our business is also supported by “natural capital.” We source all ingredients, including the spices essential to curry, from nature. To fulfill our responsibility to pass on this rich natural environment to future generations, we will now fully commit to preserving and restoring biodiversity (nature positive), in addition to the climate change response (carbon neutral) and circular economy that we have been promoting up until now. In order to remain a company that future generations can be proud of, we will faithfully fulfill our responsibility for the global environment.

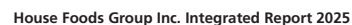
Atsushi Sakuma

Director
Corporate
Communication Headquarters,
Responsible for Digital Strategy
Headquarters, Domestic Affiliated
Companies
Planning Support Division
House Foods Group Inc.



House Foods Group Environmental Initiatives Map

By promoting environmental initiatives across the entire Group, we are helping create healthy people and a healthy planet.



For Society (Environmental Strategy)

Key issue 1

Action on climate change

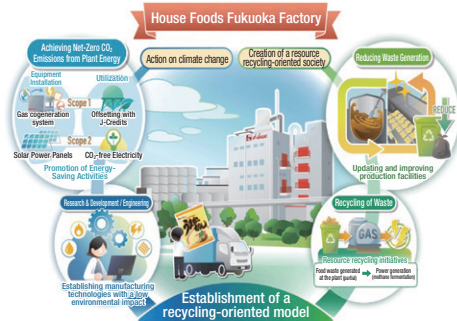
We aim to be carbon neutral by 2050 in response to climate change, which threatens the supply of sustainable foods, and will protect the foundation of our business and society.

House Foods Corporation Fukuoka Factory Environmental Initiatives



The House Foods Corporation Fukuoka Factory achieved net-zero energy-related CO₂ emissions* in December 2024 by introducing a gas co-generation system and solar panels, procuring CO₂-free electricity, and offsetting through J-Credit. Furthermore, with “building a recycling-oriented model” as the Group’s goal, we are promoting resource recycling by reducing waste generation through updating and improving production equipment, and by fermenting some of the food waste generated into methane and using it as renewable energy.

*We have received a third-party assurance report from Socotec Certification Japan Co., Ltd. to improve reliability.



IN FOCUS

Realize zero CO₂ emissions stemming from energy at the Fukuoka Factory

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.

Since municipal electricity and gas supplies are always used in production activities, CO₂ emissions are unavoidable. However, the Fukuoka Factory has been implementing various initiatives to reduce CO₂ emissions, including energy conservation, the use of renewable energy, and environmental investments.

As a further initiative, we switched to free electricity, which has zero CO₂ emissions, and have offset all CO₂ emissions by utilizing a national system called J-Credit, which have been recognized externally as having achieved virtually zero CO₂ emissions (third-party certification has been obtained).

In addition, we advertised the fact that *Umakacchan* is manufactured at our Fukuoka Factory, which has achieved virtually zero CO₂ emissions stemming from energy, and increased customer awareness, which has enhanced brand value.

Going forward, we will continue to engage in environmental improvement activities at the Fukuoka Factory with the aim of creating healthy people and a healthy planet.



Yuta Nishi
Fukuoka Factory
Equipment Section
House Foods Corporation



Ichibanya opens its first eco-friendly restaurant

In October 2024, Ichibanya opened its first eco-friendly restaurant, the Kanazawa Kosaka Store, in Kanazawa City, Ishikawa Prefecture.

The store is built of wood, which has a significant effect on reducing CO₂ emissions during construction, and has a natural feel, with an interior that prominently features the wooden construction material and trees planted within the grounds. We are also reducing CO₂ emissions by generating renewable energy using solar power generation and by reducing air conditioning usage with heat-shielding sheets and air conditioning circulation systems.



Kanazawa Kosaka Store

Initiative (1) Install solar panels and heat shielding sheets, etc. → Reduced store CO₂ emissions

Initiative (3) Introduce water-saving equipment → Reduced water usage

Initiative (2) Use of wood construction → **Reduced** CO₂ emissions when building new stores by approximately **29 tons**^{*1}

Initiative (4) Introduce food waste processors → **Zero food waste**^{*2}

*1 Comparison with a new steel-framed building *2 Comparison with the Kanazawa Kosaka Store prior to transition

IN FOCUS

Expand the circle of eco-friendly friends beginning with Ichibanya

Ichibanya is working to develop stores with low environmental impact. The Kanazawa Kosaka Store is a model store that incorporates as many eco-friendly features as possible, such as building materials with high insulation performance and heat-shielding sheets. After verifying the effectiveness of the implementation, we are rolling the concept out to other stores as well, tailored to their respective circumstances.

Working within this system, our awareness also began to change, and we found ourselves starting to use reusable water bottles in our personal lives, or being drawn to stories about environmentally friendly products like polo shirts and sneakers made from plastic bottles, and otherwise learning to make our actions kinder to the Earth in general. Our franchisees have also begun expressing their desires to implement more eco-friendly initiatives at their own stores and it feels like the number of “environmentally conscious friends” is gradually increasing.

Delicious curry with a touch of consideration for the future. Ichibanya will continue to work together with local communities to create stores that are friendly to both the environment and people.

For details, see the & House special edition

<https://housefoods-group.com/tsunagu/andhouse/magazine/13/index.html> (Only in Japanese)



Tadashi Kamei
General Affairs Dept.
Ichibanya Co., Ltd.

For Society (Environmental Strategy)

Key issue 2

Creation of a resource recycling-oriented society

We will work with stakeholders to build a system that circulates the Earth's limited resources by "reducing," "utilizing," and "returning" waste, by-products, plastics, and water, thereby making the value chain sustainable.

Reduce waste and by-products



First, we strive to prevent waste from being generated, then we promote efforts to turn waste that is generated into something valuable (recycling it into valuable materials) and return it to society (internalizing external diseconomies).

Reduce and eliminate

The animal and plant residues discharged from the process are decomposed using the power of microorganisms.



Decomposition processors

Recycling into valuable material

Food waste generated during production is donated to nearby feed manufacturers at a valuable price for use.



Turning food waste into animal feed

In-house resource recycling

We are promoting resource recycling by making compost from residues from our own farms and reusing it on our own farms.



Generated okra and other residue

Water

Water shortage at Group operating company factory 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. For areas with high water risk, we conduct additional surveys, including on-site interviews, to confirm that this is not an urgent issue.

Status of initiatives related to water

Our Group purifies wastewater in wastewater treatment facilities before discharging it into rivers or sewers. In addition, at some locations where wastewater treatment facilities are not installed, we discharge wastewater in accordance with local sewerage rules.

| 2050 Water stress risk | 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 |

Plastics



We recycle resources in every process, from the design of plastic products to their manufacture and post-use. In addition, by designing to reduce the generation of plastic waste, we aim to solve issues in terms of both resources and the environment.

Use less plastic

We are working to reduce the amount of fossil-based plastic we use in our products by thinning and reducing the size of our retort microwave pouches.



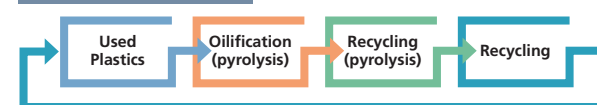
Participate in the R Plus Japan Consortium

By investing in R Plus Japan^{*1}, we are participating in the consortium and working to collect plastic containers from the market^{*2} and realize chemical recycling.

^{*1} A joint venture company established by 12 companies, including Suntory, to develop and manufacture chemically recycled materials (operations began on June 5, 2020)

^{*2} It is also possible to chemically recycle waste plastic from our own facilities.

Conventional technology



New technology



IN FOCUS

Reduce, utilize, and return to create containers that will lead to a cleaner environment in the future

Plastic is widely used for food containers and packaging because it is lightweight, can be molded into various shapes, and can be sealed and packaged for efficient product delivery. Meanwhile, there are problems such as marine plastic waste, global warming, and dwindling oil resources, so in addition to using the 3Rs (reduce, reuse, recycle) for plastic containers and packaging, we need to work on utilizing environmentally friendly materials such as plant-derived materials and move towards a sustainable society. Of the three responsibilities, the Group has set "plastic usage" as a KPI to fulfill "For Society," and is working to reduce the amount of plastic containers and packaging we use, and to use biomass materials for "Vermont Curry" trays and "Seasoned Salt and Pepper" bottles, with the aim of reducing plastic usage by 8.5% compared to FY2018 in our Eighth Medium-term Business Plan. Going forward, we will continue to make effective use of containers and packaging by reducing, utilizing, and returning, and work to realize a sustainable society.



Kimihiro Ono
Packaging Development
Division
House Foods Group Inc.

For Society (Environmental Strategy)

Biodiversity



All business activities of the Group are supported by the bounty of the natural environment. At the same time, we must be aware that our activities have an impact on the natural environment, and it is important that we work in cooperation with local communities to pass on the abundant blessings of nature to future generations. To that end, we are actively working to conserve biodiversity in order to realize a sustainable society.

Procure certified raw materials

Our Group uses certified raw materials in some of our products in order to protect forests, which are rapidly disappearing and at risk of continuing to decline. We primarily promote the use of RSPO*1 certified palm oil and FSC®*2 certified paper (in product packaging).



4-0994-18-100-00

*1 RSPO (Roundtable on Sustainable Palm Oil): A non-profit organization that promotes the production and use of "sustainable palm oil"



責任ある森林管理のマーク

*2 FSC (Forest Stewardship Council®): An international non-profit organization that works to promote the appropriate use and conservation of forests

"GLOBAL G.A.P. certification" acquisition

PT. Java Agritech is working to make wasabi farms sustainable for the future. As part of this, we have obtained international certification (GLOBAL G.A.P. certification) for "sustainable production activities" that take into consideration food safety, working conditions, and environmental conservation.



Coexistence with local communities



The Group conducts cleanup activities in areas surrounding our business locations nationwide with the aim of preserving surrounding environments.

The House Foods Group Tokyo Head Office participates in Chiyoda Ward Cleanups, and Malony participates in Kanzaki Riverside Cleanup Operations. We also value communication with local communities and participate in cleaning activities together with local residents.



Cleanup activities around the House Foods Group Tokyo Headquarters



Malony employees engage in cleanup activities along the Kanzaki River

IN FOCUS Cleanups build a circle of trust with local communities

The Kanzaki Riverside Business Association, of which the Malony Head Office and Osaka Factory are members, was established in 2002 with the aim of helping local communities and businesses coexist. From the time of its inception to the present, Malony has acted as a company that is representative of the association.

We believe that protecting local natural environments, and in particular caring for the Kanzaki River that flows nearby, is part of our corporate responsibility for society and future generations.

Malony's clean-up activities are not only a way to beautify the local area, but also a great opportunity to deepen cooperation with the local community. We believe that, through these activities, Malony will demonstrate its commitment to contribute to and build a relationship of trust with the local community.

Clean-up activities themselves are simple, but they are an important step toward increasing love-of-community and environmental awareness.

Malony will continue these activities in the future, to promote an awareness of coexistence with the local community in order to build a sustainable society.

We will continue to work hard to ensure our activities have a positive impact on local communities and that we can grow together in the future.



Toshio Inoue
Representative Director
& President
Malony Co., Ltd.

Global



At the APEC (Asia-Pacific Economic Cooperation) held in Incheon, South Korea from July 26 to August 15, 2025, we participated in a presentation and workshop on best practices regarding decarbonization policies and supply chain resilience in the food sector.

Focusing on Scope 3, we introduced examples of sustainable food supply chains and innovation through customer collaboration, and engaged in dialogue with representatives and government officials from other countries toward policy formation.



The House Foods Group presentation at the APEC workshop

For Society (Environmental Strategy)

Disclosures in accordance with the Task Force on Climate-related Financial Disclosures (TCFD)

The Group has considered responding to climate change in line with the TCFD recommendations and has disclosed the following four items.

Governance

Reducing the environmental burden throughout value chains is a priority challenge that the Group is taking on and reducing CO₂ is included in our medium-term business plan. 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.

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 items among those identified. Countermeasures are incorporated into the Long-term Environmental Strategy 2050 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 on the progress and management of these countermeasures.

Strategy

In FY2022, we conducted a scenario analysis for House Foods, which is responsible for the spice value chain, our core business, to identify climate-related risks and opportunities and consider countermeasures. In FY2023, in order to clarify the vision we want to achieve over the long term through 2050, we identified the key issues that the Group must resolve and formulated the Long-term Environmental Strategy 2050, along with the Eighth Medium-term Business Plan that was based on it. FY2024 marks the first year of the implementation phase of the Eighth Medium-term Business Plan based on the Long-term Environmental Strategy 2050. We also considered conducting a scenario analysis for Ichibanya, a Group company that handles our restaurant business.

➡ Click here for details on disclosure content

House Foods Group Inc. https://housefoods-group.com/sustainability/globalheating/imgs/TCFD_2408.pdf (Only in Japanese)
Ichibanya https://ssl4.eir-parts.net/doc/7630/yo_ho_pdf/S100VUL9/00.pdf (Only in Japanese)

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.

■ Scope 1 and 2

With regard to our own CO₂ emissions, based on the aim of achieving carbon neutrality by 2050, we have replaced carbon intensity with gross emissions volume as our metric, and have set a target of reducing CO₂ emissions by 27% in FY2026 (Eighth Medium-term Business Plan) and 38% in FY2030 (both compared to FY2013).

■ Scope 3

In order to reduce not just our own CO₂ emissions, but also the CO₂ emissions from across our entire supply chain, we have set a target of -5,000 tons (compared to prior to initiatives) in our Eighth Medium-term Business Plan and we are working together with all of our stakeholders to strive for reductions.

IN FOCUS

Turning the ability to prepare for climate change into a new strength for Ichibanya

Ichibanya Co., Ltd., which handles the Group's restaurant business, conducted a scenario analysis based on the TCFD recommendations in FY2024 as part of its efforts to realize the "Ichibanya Long-term Vision 2030," and disclosed information on this in its securities report. We have comprehensively identified over 100 risks and opportunities related to climate change, and will consider and implement specific countermeasures for those deemed to have a particularly large impact on our business. As we worked on themes in our Environmental Measures Committee, there were times when discussions became difficult. However, through repeated discussions from various perspectives, we were able to gain a new understanding of the connection between environmental issues and business operations, which provided a valuable opportunity to foster awareness and consciousness throughout the company. Going forward, we will strengthen our Group-wide response to climate change by examining our own emissions reduction measures, including those at our franchise stores.



Tsuyoshi Furukawa
General Affairs Dept.
Ichibanya Co., Ltd

Sustainable Procurement

Through food, the 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/company/policy/csr.html> (Only in Japanese)

Procurement and purchasing initiatives

We build fair and impartial relationships with our business partners in procurement and purchasing, emphasizing partnerships rather than mere sales relationships. When procuring raw materials, our staff visit the production areas to directly check the environmental initiatives and working conditions. We also rigorously examine investigation reports, evaluate their reliability, and only use raw materials that meet the safety standards of the House Foods Group. In particular, when it comes to newly adopted raw materials, we set strict standards regarding residual pesticides and allergens, and only select those that meet these standards. Furthermore, we are deepening mutual understanding with our business partners through our procurement policies, CSR guidelines, and strengthening our collaborative frameworks.

➡ See here for the House Foods Group Materials Supplier CSR Guidelines
https://housefoods-group.com/sustainability/otorihikisaki/pdf/en_guideline.pdf

Initiatives with suppliers

The Group joined Sedex*, the world's largest platform for managing and sharing ethical information for global supply chains, 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 promote safe, ethical and sustainable business practices with our suppliers and to protect the working environments of people working in the supply chain.

Furthermore, starting in December 2022 we began participating in the "Buyer Member Sedex Working Team for the Japanese Food & Beverage Industry," a team started to more efficiently advance human rights due diligence for both buyer and supplier companies, and we are working to confirm and ascertain the status of CSR Guidelines compliance, including issues pertaining to human rights with all business partners of House Foods Corporation, House Wellness Foods Corporation, House Gaban, and Malony.

*Sedex: Sedex is headquartered in the UK and is one of the world's leading member-system organizations that provides ethical trading services, and works 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.

VOICE



Akemi Noguchi

Procurement Division
House Foods Group Inc.

Enhancing Partnerships with Suppliers for Raw Material Procurement

Our Group is a member of 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 (with the addition of our own open-ended survey items) and received responses from around 82% of our business partners.*

Going forward, we plan to review our CSR guidelines in response to changes in the external environment. We will use a questionnaire survey based on the new guidelines to confirm and evaluate the current content, and will continue to work with our business partners to improve working conditions in the supply chain.

*FY2024, procurement value basis

IN FOCUS

Starting the Sansho Production Area Formation Project

Starting in April 2025, SUGIMOTO Co., Ltd. Minami Kyushu University, sansho pepper producers, and the Group (House Foods Group Inc., Vox Trading Co., Ltd.) jointly launched a full-scale "Sansho Production Area Formation Project" to increase the number of producers and establish a brand Takachiho-go, Miyazaki Prefecture, and Oku-Aso, Kumamoto Prefecture*.

Sansho is one of the few spices native to Japan, and is an essential ingredient in Japanese cuisine. However, due to the producers of the spice aging and the fact that many trees were downed during a typhoon in 2018, the harvest volume has dropped 50% compared to 10 years ago.

Based on our value chain management approach, this project is an important initiative that seeks to enhance the upstream elements of cultivation and procurement, and by being involved in the entire process from cultivation to branding and sales, we hope to explore the various possibilities of sansho pepper, increase its value, and deliver that value globally. By maximizing the value of the Japanese spice, sansho pepper, and communicating its benefits to the rest of the world, we will help preserve and expand Japanese food culture, and contribute to the development of regional communities by promoting their appeal and cultivating new agricultural leaders.

*Takachiho-go refers to Takachiho Town, Gokase Town, Misato Town, Shiiba Village, Morotsuka Village, and Hinokage Town in Miyazaki Prefecture, and Oku-Aso refers to Yamato Town and Takamori Town in Kumamoto Prefecture.



Respect for Human Rights

Our 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/en/company/policy/human.html>

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).

We will work continuously to promote human rights due diligence in accordance with the Guidelines on Respecting Human Rights in Responsible Supply Chains created by the Japanese government.

Identification and evaluation of negative impacts

In implementing due diligence on human rights, the Group is working to identify human rights risk areas (high priority areas where adverse impacts on human rights may occur) we can prioritize through our internal business activities and transactional relationships within the supply chain, among other areas.

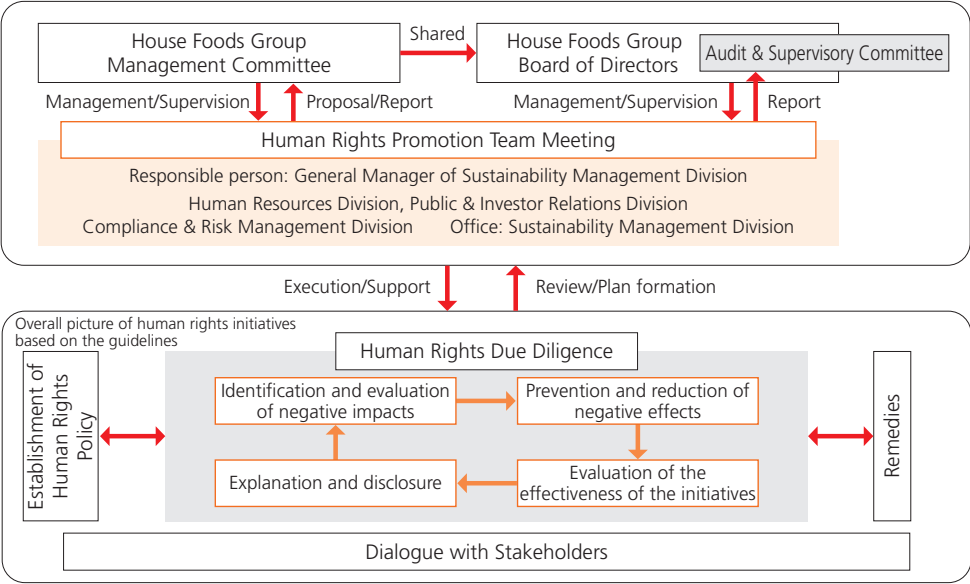
<Identifying Priority Human Rights Risk Areas>

1. Foreign nationals who use the Technical Intern System and Specified Skilled Worker System in Japan
Harassment, discrimination, workplace safety and health, and forced labor
2. Raw materials and packaging suppliers
Workplace safety and health, forced labor, and child labor



Interviews with Foreign Technical Intern Trainees

Overall picture of human rights initiatives and management system



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> (Only in Japanese)

IN FOCUS

Directors study session on human rights

In October 2024, we held a study session with an external lecturer on the theme of “New Management Agenda: Business and Human Rights.” Participants included directors, including outside directors, members of the Human Rights Promotion Team, and heads of relevant departments. This was an opportunity to reaffirm that human rights initiatives are an important management issue, and to deepen participants’ understanding of cutting-edge human rights trends around the world.



Food Safety and Security

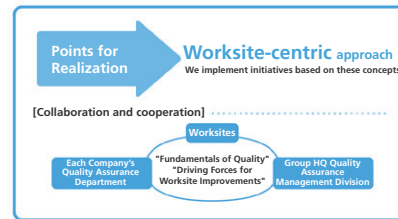
To continuously provide safe and reliable products and services to our customers, all employees of the Group work together to maintain and improve quality across the entire value chain, from raw material procurement, product planning and design, cultivation and manufacturing, to logistics and sales.

➔ See here for information on House Foods Group's quality assurance activities
<https://housefoods-group.com/sustainability/safety/> (Only in Japanese)

Quality assurance approach

The approach to quality assurance in the 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 internally based on experience, including past failures and successes, and applies them to quality assurance.



On-site mutual confirmation

As part of our efforts to foster collaboration based on a hands-on approach, the quality assurance and production departments of each group company and the Quality Assurance Management Division at the Group Head Office work together to create learning opportunities called “on-site mutual confirmations,” which aim to gain insights from different perspectives and use them to improve work sites.

These confirmation sessions are themed around past problems at factories, and help enhance our quality assurance capabilities through new awareness gained by checking actual work sites while having in-depth discussions regarding these problems, their causes and countermeasures, and offering examples of initiatives conducted at each company.

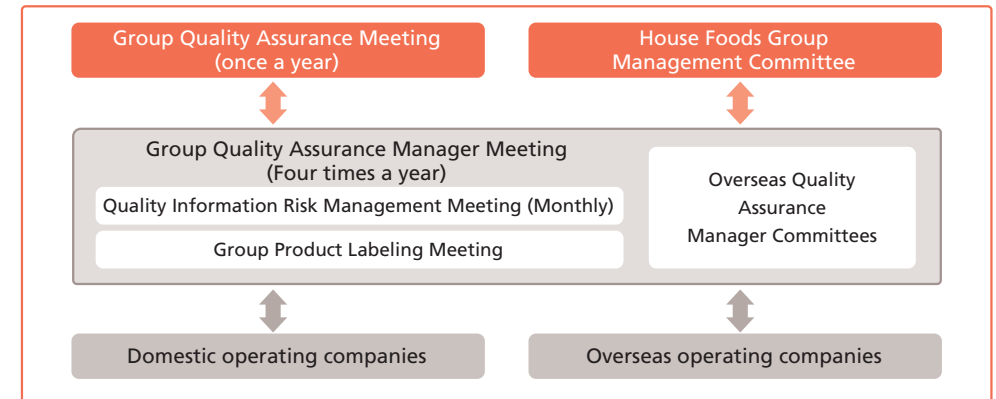
Quality assurance structure

We are 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 Group 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, the Group Product Labeling Meeting, and the Overseas Quality Assurance Manager Meeting, and taking action to comply with the legal revisions.



Group Quality Assurance Meeting



IN FOCUS

Opinions from experts



Goichiro Yukawa

Chairman, Food Labeling
Test Association
Quality Advisor, House Foods Group Inc.

At the Ministry of Agriculture, Forestry and Fisheries, I was in charge of food administration, including the JAS system and food labeling, and at the Tokyo University of Marine Science and Technology Graduate School, I taught general food safety topics, including legal systems and HACCP.

The House Foods Group Quality Philosophy emphasizes our need to contribute to the eating habits and health of our customers, and the entire Group is working to maintain and improve the quality of our products. We have built a solid quality assurance system that prioritizes the customer's perspective through meetings of quality assurance managers across the Group and overseas, with the Group Quality Assurance Committee at its apex, a committee that is made up of directors from the Group Head Office, presidents of operating companies, and external experts.

At the same time, trends around ISO 22000, the standards for food safety management systems, are beginning to include efforts to incorporate food safety culture, and efforts are underway to strengthen the character of food safety scheme FSSC 22000 V.6 as a comprehensive code of conduct that also takes sustainability into consideration by, for example, including food waste prevention measures and quality requirements, as well as food safety culture. We will constantly monitor domestic and international trends surrounding food safety and security, and respond promptly and appropriately together with the House Foods Group.

Sustainable Logistics

The 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 through the creation of a sustainable logistics system by utilizing F-LINE Co., Ltd.*, which was established in April 2019.

*F-LINE Corporation.: 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.

House Foods Corporation initiatives

In terms of logistics operations that require significant transformation, House Foods Corporation is working particularly hard on the issue such as the bulk transportation for the Tongari Corn product line. Bulk loading requires a lot of manual work, which means long waiting times and increased workload, placing a heavy burden on drivers. However, by switching to pallet transport, in which products are loaded onto trucks directly on pallets, the workload on site has been reduced and waiting times have also been shortened.



Bulk transport



Pallet transport

Modal shift initiatives

By promoting a modal shift to marine transport by ship and rail transport, we are working to reduce the burden on shipping companies, maintain a stable supply of products, and reduce our environmental impact. Starting in March 2024, six food manufacturers (Ajinomoto Co., Inc., Kagome Co., Ltd., Nisshin Oillio Group, Ltd., Nisshin Seifun Welna Inc., Mizkan Holdings Co., Ltd., and House Foods Group) and F-LINE began regular sea transport using ferries between Kansai and Kyushu for shipments from the Chubu and Kansai regions to Kyushu.



IN FOCUS

Transport demonstration experiment using autonomous trucks

Aiming to build a sustainable food logistics system, F-LINE has begun a public road demonstration experiment of trunk route transportation using self-driving trucks operated by T2 Inc. By participating in T2's demonstration experiment of autonomous trunk route transport as an F-LINE project, the first of its kind in processed food logistics, we will advance the development of a foundation for next-generation trunk route transport.

We will continue to work toward building a sustainable logistics system and reduce further environmental impact.



VOICE

Working to develop a sustainable logistics system

Atsushi Saito

Logistics Operations Section,
SCM Division,
House Foods Corporation



Takumi Sugiyama

Logistics Strategy Section,
SCM Division,
House Foods Corporation



Our goal is to build a sustainable logistics infrastructure and we are promoting the standardization and optimization of logistics. Within the Group, we launched the House Foods Group Logistics Innovation Committee, which plays a leading role in promptly responding to legal amendments and guidelines, and speedily deploying information to Group companies and worksites to improve the quality of logistics. The Committee also coordinates with outside parties via the F-LINE Project, among other avenues, and advances cross-company initiatives such as joint transportation and storage. The Committee is currently working to reduce the length of driver wait time and improve loading efficiency by reducing incidental work, utilizing pallets, introducing a management system to help shorten waiting times for cargo, and promoting "design for logistics." We will continue to promote the construction of a transportation and delivery network, including distribution base measures, in order to continue to deliver our products to customers.

R&D to Support Value Creation

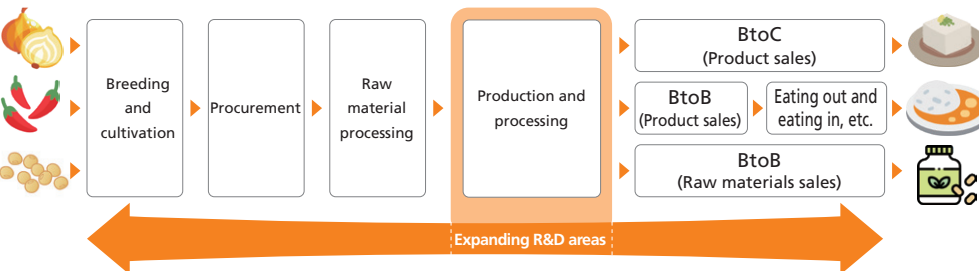
R&D will play a central role in making us a high quality company that connects value chains (VCs) upstream and downstream to create new value and deliver “Healthy Life Through Foods.”

In the creation of the Spice VC in particular, we are promoting 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 are developing 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.

We are also focusing 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 of technology in 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.



Our R&D department is engaged in everything from cultivation and procurement to the development of processing techniques, products, and containers and packaging, based on basic research that clarifies the mechanisms of technologies and phenomena.

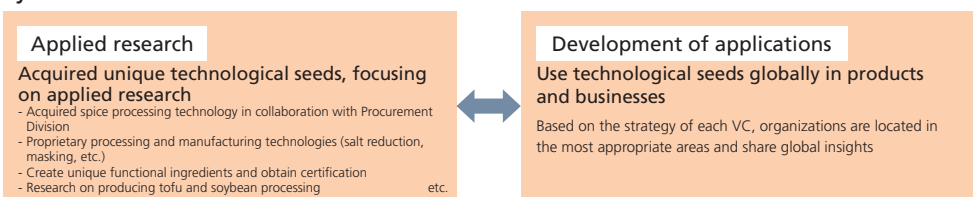
The department also conducts research and development to protect the environment, researches our customers’ lives, and manages intellectual property.

Building an organization that is suitable for a global VC

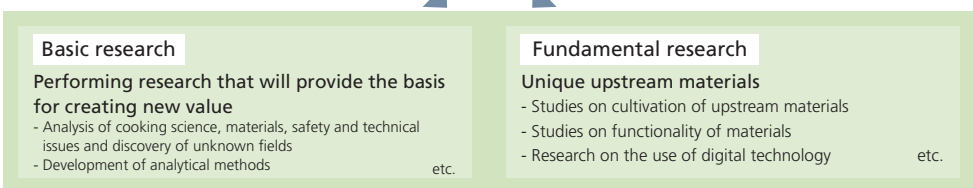
The starting point for our unique technological seeds is in our existing business and in our daily work. In addition to application development, we will also create unique value in applied, fundamental and basic research. In addition, we will promote collaboration within VCs by engaging in applied research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



IN FOCUS

A field where diverse groups supporting value creation intersect

Chiba Research Center

Located in Yotsukaido City, Chiba Prefecture, the Chiba Research Center brings together the research and development functions of five House Foods Group companies (House Foods Group Inc., House Foods Corporation, House Wellness Foods Corporation, House Foods Analytical Laboratory Inc., and House Gaban Corporation) and researchers with diverse expertise. The Research Center promotes diverse interactions and acts as a venue for everyday co-creation and initiatives where new ideas are born.



Future Co-creation EXPO

This is a venue for sharing various resources belonging to the Group with other parts of the Group, and facilitating communication between employees that overcomes the barriers separating Group companies, in order to help identify ideas for new business development and value creation. The underlying concept is: “Connect the people, thoughts, technologies and ideas of the House Foods Group, create new value through co-creation, and realize the future.” When this event was held in December 2024, roughly 300 employees from various Group companies participated, joining the many exhibits themed around new technologies, systems, and co-creation with outside parties. Going forward, we plan to promote new value creation through communication at the Future Co-creation EXPO.

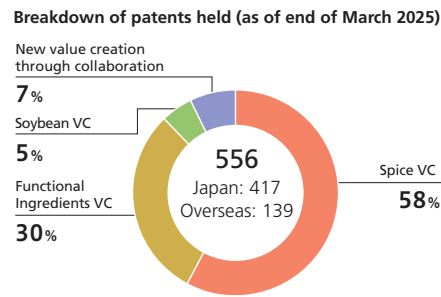


Intellectual Property that Fosters Competitive Capabilities

The Group considers intellectual property as important management capital and aims to create competitive capability. The basic policy of our intellectual property strategy is to assertively protect and utilize intellectual property from the value chain (VC) and global perspectives by integrating business functions with research and development functions.

Competitive advantage through strategic patent acquisition

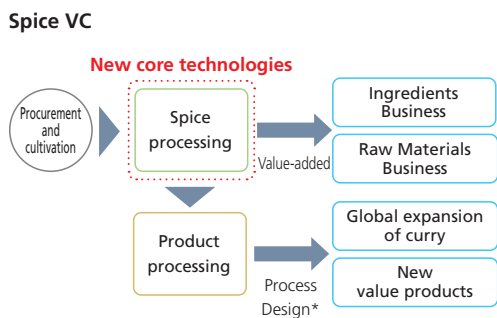
The Group holds strategic patents for each VC in line with its business strategy.



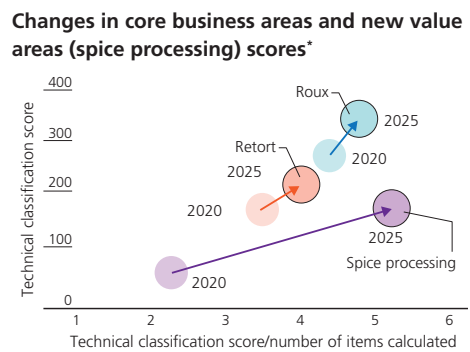
Intellectual property strategy for VC management

In the Spice VC, our Group has been cultivating our strengths in product processing technologies in curry roux products, retort pouched products, and other product areas, and in recent years we have been focusing on acquiring upstream spice processing technologies in addition to product processing. Technological development in spice processing saw particularly strong acceleration in FY2024, with the Group filing numerous patent applications.

As we gain more spice processing technology, we will be able to create new customer contact points in sales, such as in the materials and ingredient businesses. Furthermore, by combining spice processing and product processing technologies, we will be able to provide customers with new, unprecedented value, and we will also be able to ensure a stable supply of products through process design.



*Reducing the variation in flavor and quality throughout the processes leading up to commercialization



* We created this 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

In the Functional Ingredients VC, we are working to acquire intellectual property overseas in anticipation of global business development.

In recent years, the Soybean VC has been developing tofu production technologies, with a particular focus on their use in the US business. In the future, we will also work to acquire PBF* and other intellectual property in order to build a global Soybean VC.

In terms of new value-generating areas, including the Value-added Vegetables Value Chain, we are working to both protect technologies attained by the Group as intellectual property while simultaneously keeping the technology open to outside parties to enable co-creation of value.

*PBF: Plant based food

IN FOCUS

[Soybean VC] Technology for efficient production of tofu of stable quality

On the tofu production line, we measure the protein concentration of soy milk and reflect this in adjusting the amount of soybeans and water supplied, thereby establishing technology to control the protein concentration of soy milk within an appropriate range and efficiently produce tofu of consistent quality.

```

graph TD
    A[Soybeans] --> B[Grinding]
    C[Water] --> B
    B --> D[Bean paste]
    D --> E[Heating]
    E --> F[Squeezing]
    F --> G[Soy pulp]
    F --> H[Soy milk tank]
    H --> I[Tofu]
    H -- "Protein concentration measurement" --> J[Feedback]
    J --> C
  
```

Trademark strategies aligned with brand personalities

By acquiring trademark rights that match the brand personality of each VC, we raise awareness and enhance the sustainable value of brands that are loved globally.

IN FOCUS

[Functional Ingredients VC] “Lactobacillus ingredients brands that connect upstream and downstream”

The lactobacillus business is globally expanding lactic acid bacteria materials for use in feed and food as one approach to addressing the social challenges of eliminating the use of antibiotics and extending healthy life expectancy.

In our lactobacillus ingredients business (BtoBtoC) for food applications, which addresses the social issue of extending healthy life expectancy, we are working to increase global brand recognition by displaying (licensing) our own ingredients brand in accordance with the characteristics of each local customer’s final product.

By acquiring a broad range of trademarks not just for individual materials but for final products as well, we reduce intellectual property risks in each region, and support the advancement of the lactobacillus ingredients business that provides added value upstream, midstream, and downstream areas.

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graph TD
    A[House Wellness Foods] -- "Ingredient sales" --> B[Collaborative partners companies]
  
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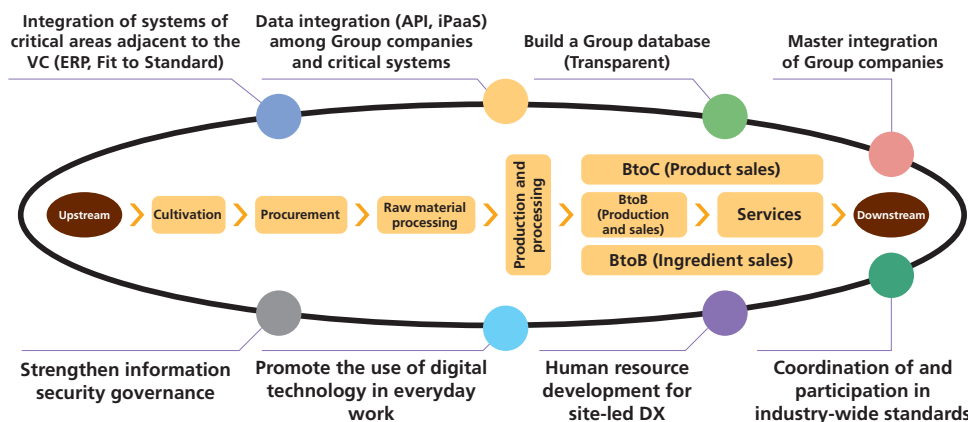
*The image is an example of the final product.

Improved DX literacy

To support growth through global Value Chain (VC) development, we are working on a digital strategy aimed at improving the value we provide to customers, improving productivity in current business areas that will serve as a source of growth, and creating rewarding workplaces through the utilization and acquisition of digital skills. By backcasting from our future ideal vision, we identified the Eighth Medium-term Business Plan as a crucial preparatory period for developing VCs, and are advancing preparations necessary for our digital strategy through both proactive digital transformation (DX) that focuses on business transformations that change how business operations are performed, and preemptive DX that emphasizes strengthening information security and governance. In the “human resource preparation” phase we are developing personnel able to plan business transformations and possessing digital skills that will promote DX efforts, while in the “technology preparation” phase we are promoting the technical verification and introduction of new systems and digital tools.

Realizing VC management

We must acquire technologies such as ERP integration for both our Group company and business process supporting our VCs, 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.

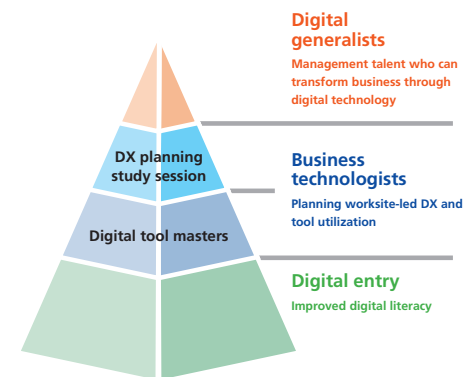


Improvement of information security governance for the Group as a whole

We are working on documenting basic policies and regulations for information security, and are promoting rules-based information security operation and management. Specifically, meetings of the Information Security Committee (general meeting) are held at least once a year to share initiative policies and challenges with the information management officers of each Group company, thereby improving and standardizing the information security level of the Group as a whole. Furthermore, we have established a system centered around the CSIRT department at House Foods Group Inc. for quickly identifying damage and minimizing impacts on business in the event of an information security incident. We are also working to create a system to centrally manage and visualize information assets so that we can ascertain and consider countermeasures for risks at each company, including overseas operating companies.

Human resource development for site-led DX

As digitalization accelerates, we believe that not only those at IT divisions but also those on-site who understand the business the most will be able to 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 site-led DX. To achieve our training goals for the Eighth Medium-term Business Plan, we provide various types of educational opportunities to help employees develop DX planning study sessions that will enable them to establish on-site challenges and guide them to transformations, and obtain digital skills that will provide them with practical methods for solving problems, as part of our activities to increase technical literacy among all employees in areas like e-learning and promotion of active use of generative AI, and identify and train employees who can actually lead on-site transformations.



Promote the use of digital technology in everyday work

We are promoting the use of generative AI in line with our internal policies to promote business transformation. In order to achieve concrete results in solving problems, we hold workshops to help employees gain basic knowledge about generative AI and understand its work compatibility (technical characteristics), and to ultimately facilitate plans for on-site implementation. We also hold case study sharing sessions to help promote the utilization of successful case studies through horizontal expansion.



DX planning study session

VOICE



Chika Yasunaga

DX Promotion Department,
House Foods Group Inc.

Enhancing DX literacy

We believe that improving DX literacy across the entire Group is foundational for responding flexibly to a rapidly changing business environment and improving productivity. In our department, we focus on both advancing the digitalization of work operations and creating a culture where all employees see digital as something that concerns them personally. By repeatedly holding various study sessions and sharing successful case studies, examples of initiatives began to emerge in each department, and by placing importance on dialogue with people working on-site, we gradually began to see attitudes shift from an initial resistance and lack of confidence to employees beginning to show an eagerness to give the process a shot, seeing digitalization as a personal matter. Going forward, we would like to further accelerate DX planning and human resource development that connects technology to work operations, while focusing on linking these efforts to tangible results.

Dialogue with External Directors

We Are Actively Making Proposals Toward Global Value Chain Development, and Progressing Toward Transformation Together

Roles as an outside director

Okajima: As an outside director for the Company, I am using my experiences in fulfilling responsibilities to provide fair and neutral accountability as a public servant and from efforts to engage with an emphasis on transparency to oversee management from a position independent from the executive side. Furthermore, having worked in the Ministry of Agriculture, Forestry and Fisheries in charge of food safety and security and other matters of consumer administration, and having served as the Director General of the Gender Equality Bureau Cabinet Office, I would like to use my experiences to contribute toward the transformation of our Group's Value Chain (VC) management and to promote diversity.

Kawasaki: I was appointed as an outside director (Audit & Supervisory Committee Member) to the Company in June 2024. Using my many years of experience primarily in human resources and overseas operations at banks and securities firms, I intend to make active proposals to strengthen governance and human resource management, and to promote global expansion, capital policy, and growth strategies, and thereby enhance the Group's corporate value.



Atsuko Okajima

Director

Audit & Supervisory Committee Member (Outside)

Yasuyuki Kawasaki

Director

Audit & Supervisory Committee Member (Outside)

Dialogue with External Directors

Effectiveness of corporate culture and the Board of Directors

Okajima: Our company has many hardworking employees who place great importance on product safety, security, and quality, and our corporate culture is characterized by a careful approach to planning and verifying each step in detail. On the other hand, however, this has also left us with the feeling that our operations were somewhat slow. However, I have been an outside director at the Company for five years, and there have been significant changes over the past year. I believe that awareness among employees is also beginning to change, thanks in part to steady results from our efforts to develop a global VC as part of the Eighth Medium-term Business Plan, and to spread company policies through one-on-one meetings, the accumulation of other forms of communication, and internal briefings by members of management.

Kawasaki: I always had the impression that the Company boasts strong brand power, as evident through its famous Vermont Curry, and was known as a company that is good at launching new products. Since becoming an outside director, I have learned that the Group is an honest company that is very deliberate, taking things one step at a time. The Board also takes the opinions of outside directors very seriously. However, as Ms. Okajima noted, I think the Group should act a bit faster and more dynamically, even when engaging facts on the ground carefully and steadily.

Okajima: When I was appointed to the Board, House was a company with a Board of Auditors and only two outside directors. In 2021, the Company transitioned into one with an audit and supervisory committee and expanded to four outside directors, which is the structure it maintains today. The atmosphere at Board of Directors meetings is one in

which members can speak freely, and in recent years we have seen an even greater variety of opinions being expressed, resulting in lively discussions. Effectiveness evaluations of the Board of Directors began in FY2022, and have been held a total of three times. We do not outsource our surveys, but instead create questionnaires, conduct research and analysis, and identify issues in-house. We steadily implement the PDCA cycle and are constantly working to improve our effectiveness. We have made improvements, such as increasing the amount of time for discussion through two-way exchange of opinions in light of the issues identified, and ensuring time for substantive deliberation.

Kawasaki: When I served as Chair of the Board of Directors at a previous company, we considered outsourcing our effectiveness evaluation, but outsourced surveys make it difficult to examine the various agenda items in depth. I believe that our Board of Directors effectiveness evaluation is very original, thorough, and highly effective. The evaluation reflects on each agenda item deliberated on by the Board, checks to see if the deliberations were sufficiently thorough, and, if not, why. I was impressed at how in-depth the evaluations were when I first witnessed them. In fact, when an evaluation determines that there is a subject that requires more discussion, the directors are given the opportunity to say things they didn't get the chance to say before, and thereby deepen the deliberations with further exchanges of opinion, creating a sort of "loser's bracket" for Board meetings. I believe this is an example of the incredibly high quality of corporate governance that the Company practices.

Okajima: The Ministry of Economy, Trade and Industry has suggested that we should strengthen the secretariat functions of the Board of Directors, and our Board of Directors Executive Office is making extensive efforts in this area, including



creating and conducting a questionnaire to evaluate the effectiveness of the Board of Directors. When I suggested that we should provide more opportunities to exchange opinions both inside and outside the company, the Board of Directors Executive Office studied cases from other companies and used them to support further consideration. Furthermore, in FY2024, we had opportunities to hold small meetings with our investors around the theme of corporate governance, and received a variety of different questions and opinions from them, giving us the chance to understand things from the perspective of our investors and allowing us to learn much. The most compelling thing I learned during these meetings is how investors and the Company perceive time differently. Manufacturing companies like House tend to see things in five- or six-year increments because it can take a long time to realize profits after an investment is decided on and executed, but investors tend to see things in two- to three-year increments. To resolve this gap in perception, we need to deepen discussions with investors and ensure that the Board

Dialogue with External Directors



of Directors deliberates on matters while properly emphasizing the perspectives of our investors.

Kawasaki: We also received feedback from the director in charge of IR on opinions obtained from analysts and investors, and they gave us a fairly straightforward report on the challenges facing the Company, including a demand for more clearly expressed growth strategies. These were all challenges that have also been discussed by the Board of Directors extensively, and both the Board and the executives are aware that clarifying answers is crucial.

In pursuit of the Eighth Medium-term Business Plan's "Increased Corporate Value"

Okajima: The theme of our Eighth Medium-term Business Plan is to "Turn Diversity into Strength," and the plan focuses

on using our diversity to improve our corporate value. Until now, we have been advancing efforts to change employee awareness through improving and reforming our HR systems and enhancing training, and we are now in the phase where we can convert all of these efforts into strength. The other day when I visited the House Foods Corporation's Sales Headquarters Tokyo Metro Branch, I heard that "until now our style has been to have one member of our sales team visit our customers, but we have begun to introduce a team-based sales system," and I was able to witness the changes first-hand. What I saw was this theme of "Turn Diversity into Strength" being put into practice, where each staff member was assigned to customer negotiations, planning, data analysis, and other roles in line with their individual capabilities and desires. We are also seeing more women take on managerial roles in the Group and people of foreign nationalities become more active in our efforts, and the Group is also implementing career advancement programs that our employees can personally choose to take part in. We need to further advance the various measures we have been working on thus far.

Kawasaki: Our current market capitalization (as of March 31, 2025) is around 260 billion yen, which puts our PBR below 1, but we believe our true capabilities go far beyond this value. Going forward, we will need to bring further clarity and balance to our efforts and engagements in order to better enhance our corporate value. Our investors have expressed the opinion that we need to have a clearer growth strategy, and I have proposed this at Board of Directors meetings. Based on my experiences as an executive, I think it is important to clearly distinguish between growth areas and other areas, otherwise we will end up with an approach that is too generalized. It will be crucial for us to verify whether the areas into which we are investing resources are truly essential

business areas and respond accordingly, and our future growth will require us to make decisions quickly and with a sense of clarity. Now that we are at the stage where we can see the direction of our value chain concept, we must set priorities and move forward. And although there will certainly be many instances where things do not go our way even when we identify growth areas, we must remain resolved and confident enough in those moments to exercise our capabilities in pursuit of our initial goals. I frequently talk about being customer-oriented as an important factor when evaluating growth strategies. We aim to be a "high quality company" that creates new value, while "opportunistic companies" are expected to understand customer needs. However, without a customer-oriented perspective, it will be difficult to create new value. In order to become a true "high quality company," I believe that we will need to constantly maintain customer-oriented perspectives in each value chain, and think about the fields, business areas, and products that allow us to achieve new growth.

We will also need to face the issue of capital efficiency if we intend to facilitate further corporate growth, and are thus introducing ROIC management starting with our Eighth Medium-term Business Plan. We discuss ROIC itself as part of our agenda multiple times each year, but major themes such as the Eighth Medium-term Business Plan, ROIC, and value chain management are also discussed as individual agenda items at monthly Board of Directors meetings. For example, during the performance reports on each business the other day, there was discussion about whether the review methodology we have been using was appropriate, and whether the results should be presented linked to value chain management or the Eighth Medium-term Business Plan in order to prompt considerations for improving ROIC.

In order to advance ROIC management, I believe that ROIC disclosures by business unit will be unavoidable. To put this

Dialogue with External Directors

into practice, we will need to achieve greater accuracy so that the Group Head Office’s expenses can be properly attributed to each segment. Currently, we disclose information based on five business segments, but we must decide whether to switch to disclosures on a value chain basis. For example, the US business is currently a division within our International Food Business, but if we are going to disclose it as part of our Soybean Value Chain, we need to make preparations for this process. However, it is important to promote growth strategies and capital policies in a balanced manner and as a set, and we will continue to make recommendations that will lead to increased corporate value.

A message for all of our stakeholders

Okajima: The Group is currently facing a period of significant transformation, but even amidst these changes, it will be important for us to keep the Group philosophy of “through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives” at the core of our efforts to remain firmly aware of the importance of food, and engage in quality and safety first and foremost. We hope that all our stakeholders will continue to look forward to the Group delivering high-quality products and services to customers through our global value chain, while also creating new value in response to changes in the social environment.

Kawasaki: We are currently in a phase where we are implementing various initiatives to achieve our next stage of growth, and I hope you will keep an eye on how the House Foods Group continues to change and grow. In order to achieve further expansion, our Group is attempting to develop

a global value chain, while also continuing to work through trial and error in new fields such as lactobacillus and other functional ingredients, as well as agriculture. Using the brands and strengths we have built over many years as well as our earnest and sincere approach and corporate culture, I am

certain that you will see the House Foods Group enter a new phase of growth. We intend to work closely with the executives and supervise efforts to grow corporate value in order to manifest this new phase as quickly as possible.



Message from New Outside Director



Miwa Yamada

Director, Audit & Supervisory Committee Member (Outside)

April 1990: Joined Mitsui Trust Bank, Limited (currently Sumitomo Mitsui Trust Bank, Limited)

August 1992: Joined Kamano Sogo Law Offices

November 1998: Joined the Institute of Developing Economies, Japan External Trade Organization Special Corporation (currently Institute of Developing Economies, Japan External Trade Organization, Independent Administrative Agency)

April 2008: Dispatched overseas by the Institute

April 2011: Director, Law and Institution Studies Group, Interdisciplinary Studies Center of the Institute

October 2022: Director, Interdisciplinary Studies Center of the institute

July 2024: Senior Research Fellow, Interdisciplinary Studies Center of the Institute (current position)

June 2025: Director who is Audit & Supervisory Committee Member, the Company (current position)

What are your impressions of House Foods Group?

Now that I think about it, House Foods Group’s curries, stews, snacks, and other products have been a part of my life since childhood. The House brand has long been a beloved part of lively dinner tables, and having relearned the various business developments of the Group, I find myself astonished with the breadth and depth of its value chain (VC). I also sense just how engaged the Group’s employees are with the company. In addition to being excited, I am very hopeful about initiatives intended to further generate value for the Group

Based on your past experiences, what do you think is expected of corporate activities?













Through my work with financial institutions and law firms, I have been engaged with research into Asian legal systems at the Institute. In recent years, I have been conducting research into responsible corporate behavior in global society under the international framework of the United Nations Guiding Principles on Business and Human Rights. During my on-site research in Asian countries up to now, I have witnessed the connections between raw material procurement and production sites and the supply chains of Japanese companies. As companies develop their businesses, they are being asked how they will fulfill their responsibilities regarding the impact of their activities. In response to these corporate initiatives, the people and stakeholders affected by corporate activities are expressing even greater expectations than before, hopeful for efforts that transcend the narrow confines of simple adherence to laws and regulations.

How do you plan to use your own personal experience to contribute to the Group as an outside director?

In light of the massive environmental upheavals surrounding companies, the question of how the corporate world “should act” is being asked. Sustainable societies that pass their gains on to future generations enable companies to grow, and it is the companies themselves that must create this society. This is in fact the “through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives” vision we are striving for. I intend to make solid proposals that will allow the Group to progress further along this path, and enable everyone involved in our VC to express their capabilities more assertively. Through my past investigative research, I have emphasized the importance of listening to the people working on-site. By conversing regularly and repeatedly with not just members of management but the Group’s various employees as well, I intend to contribute to the enhancement of the Group’s corporate value so that I may earn the approval of our various stakeholders.

Executives (As of June 25, 2025)

Directors

| | | | |
|--|---|---|---|
|  <p>Hiroshi Urakami Representative Director & President Responsible for Corporate Strategy Division</p> |  <p>Yoshiyuki Osawa Representative Director & Senior Managing Director General Manager, Administration Headquarters, Responsible for Secretariat Division</p> |  <p>Kotaro Kawasaki Senior Managing Director Representative Director, President, House Foods Corporation</p> |  <p>Yoshiyuki Miyaoku Director General Manager, Global Headquarters</p> |
|  <p>Tatsumi Yamaguchi Director General Manager, Research & Development Headquarters, Responsible for Quality Assurance Management Division, New Business Planning & Development Division, Value-added Vegetables Business Development Division</p> |  <p>Atsushi Sakuma Director Corporate Communication Headquarters, Responsible for Digital Strategy Headquarters, Domestic Affiliated Companies Planning Support Division</p> |  <p>Yuichi Okamoto Director General Manager, Spice Value Chain Procurement and Production Strategy Headquarters</p> |  <p>Tsuneo Kubota Director Audit & Supervisory Committee Member (Full-time)</p> |
|  <p>Atsuko Okajima Director Audit & Supervisory Committee Member (Outside)</p> |  <p>Fukuichi Sekine Director Audit & Supervisory Committee Member (Outside)</p> |  <p>Yasuyuki Kawasaki Director Audit & Supervisory Committee Member (Outside)</p> |  <p>Miwa Yamada Director Audit & Supervisory Committee Member (Outside)</p> |

Executives (As of June 25, 2025)

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

| | Position | Expertise and experience required for a Director in supervision and execution | | | | | | | | | | | | | Attendance rate at meetings of the Board of Directors and various meetings (FY2024) | | | |
|-------------------|---|---|---------------------------------|------------------------|------------------------------------|--------------------------------------|----------------|-------------------------------|-----------------|---------------------------|-------------------|----------------------------|------------------------------------|-------------------------------|---|-------------------------------|---------------------------------|-------------------------------|
| | | Corporate Management | Personnel Affairs and Diversity | Finance and Accounting | Legal Affairs, Compliance and Risk | Public Relations, Investor Relations | Sustainability | R&D and Intellectual Property | Global Business | Digital Technology and 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 |
| Hiroshi Urakami | Representative Director & President | ● | | | ● | | | | | | | | ● | ● | 100% (14/14) | | 100% (4/4) | 100% (3/3) |
| Yoshiyuki Osawa | Representative Director & Senior Managing Director | ● | ● | ● | ● | ● | | | | | | | ● | | 100% (14/14) | | 100% (4/4) | 100% (3/3) |
| Kotaro Kawasaki | Senior Managing Director | ● | | | | ● | ● | | | | | | ● | ● | 100% (14/14) | | | |
| Yoshiyuki Miyaoku | Director | ● | | | | | | ● | ● | ● | ● | ● | ● | ● | 100% (14/14) | | | |
| Tatsumi Yamaguchi | Director | ● | | | | | | ● | ● | | ● | | ● | ● | 100% (14/14) | | | |
| Atsushi Sakuma | Director | ● | | | | ● | ● | ● | | ● | ● | | ● | | 100% (14/14) | | | |
| Yuichi Okamoto | Director | ● | | | | | | | | | | ● | ● | | 100% (10/10) | | | |
| Tsuneo Kubota | Director Audit & Supervisory Committee Member (Full-time) | | | | ● | | | ● | | | | | | | 100% (14/14) | 100% (12/12) | | |
| Atsuko Okajima | Director (Audit & Supervisory Committee Member, Outside) | | ● | | ● | | | | | | | | | | 100% (14/14) | 100% (12/12) | 100% (4/4) | 100% (3/3) |
| Fukuichi Sekine | Director (Audit & Supervisory Committee Member, Outside) | ● | ● | | ● | | | | | | | ● | | ● | 100% (14/14) | 100% (12/12) | 100% (4/4) | 100% (3/3) |
| Yasuyuki Kawasaki | Director (Audit & Supervisory Committee Member, Outside) | ● | ● | ● | ● | | | | ● | | | | | ● | 100% (10/10) | 100% (9/9) | 100% (2/2) | 100% (2/2) |
| Miwa Yamada | 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 | <ul style="list-style-type: none"> Introduced the Corporate Officer System (Abolished in 2013) | | <ul style="list-style-type: none"> Shift to a holding company system | | | <ul style="list-style-type: none"> Established the Group Compliance & Risk Management Division | <div> <div>Transitioned to a Company with an Audit & Supervisory Committee</div> <ul style="list-style-type: none"> Strengthened the supervisory function of the Board of Directors Further enhanced the corporate governance system </div> | | <ul style="list-style-type: none"> Board of Directors Implementation of Effectiveness Evaluations | |
| Director (Outside Directors) | | <ul style="list-style-type: none"> Elected an Independent Outside Director (1 out of 9 Directors) | | <ul style="list-style-type: none"> Increased the number of Independent Outside Directors (2 out of 10 Directors) | | | | <ul style="list-style-type: none"> Change in the number of Independent Outside Directors (4 out of 12 Directors) | | |
| Voluntary advisory committees | | | | | <ul style="list-style-type: none"> Established the Compensation Advisory Committee (Now the Compensation Advisory Committee) | | | <ul style="list-style-type: none"> Established the Nomination Advisory Committee | <ul style="list-style-type: none"> Established the Investment Committee (Advisory body to the Management Committee) | |
| Compensation system | | | | | <ul style="list-style-type: none"> Introduced a stock compensation plan through an officers' shareholding association system (Abolished in 2021) | | | <ul style="list-style-type: none"> Introduced the restricted stock compensation plan | | <ul style="list-style-type: none"> Introduced the performance stock compensation plan |

Basic policy on corporate governance

The House Foods 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.

Moreover, the Group made Ichibanya 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, which excels at advancing the restaurant business. Furthermore, in order to secure the independence of the Ichibanya Board of Directors, the structure of this Board was changed starting in May 2024 to ensure that half of the eight directors of Ichibanya be outside directors who are also members of the Audit &

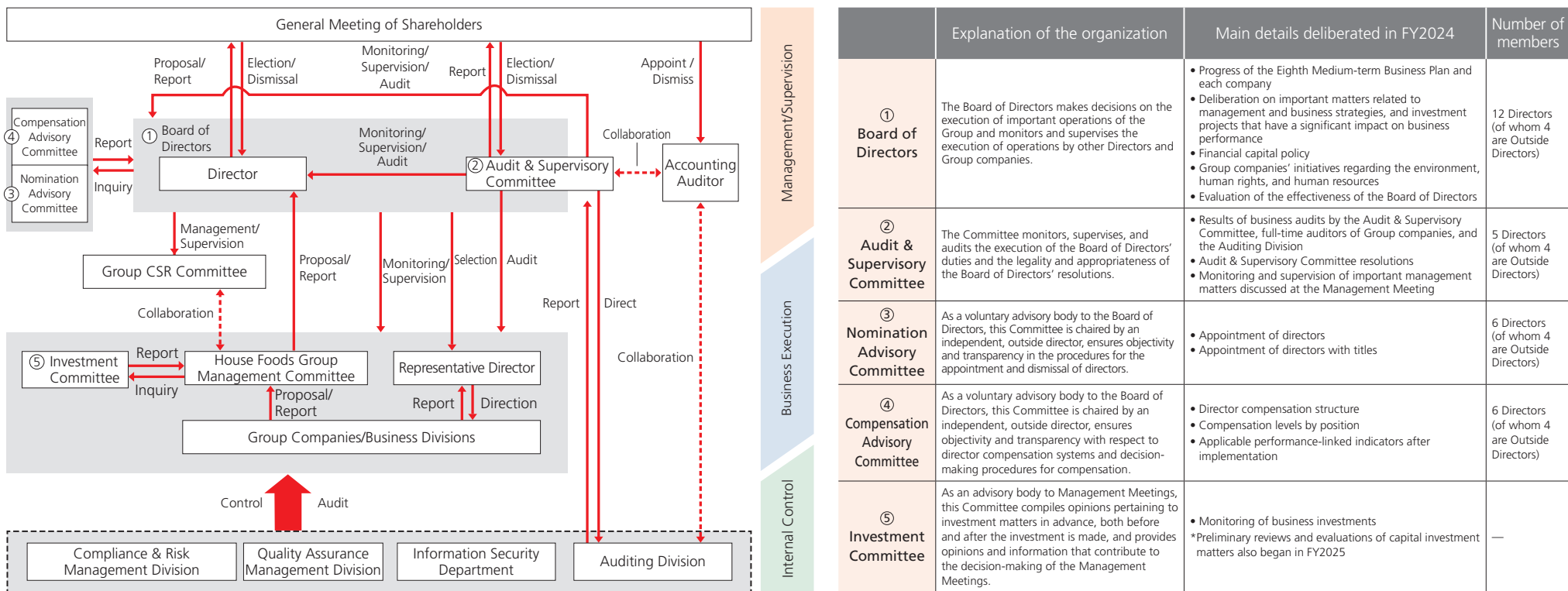
Supervisory Committee, while decisions regarding transactions with the Group of high importance would be made following deliberation and investigation by a special committee comprised of the director in charge of corporate planning along with four independent, outside directors after seeking the opinion of the Audit & Supervisory Committee, ensuring a structure that prevents the interests of shareholders not of the Company from being unduly harmed.

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 all three parties (including franchise owners who are engaged in the management of stores) to enjoy the benefits together. In this way, the Group believes it is also contributing benefits to shareholders of the subsidiary who do not hold shares in the Company. 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 2025)



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, 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.

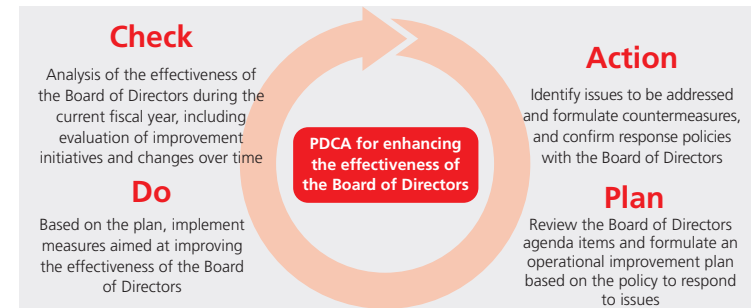
The accounting audit is performed by Deloitte Touche Tohmatsu LLC. We have an audit agreement with this firm to perform audits under the Companies Act and the Financial Instruments and Exchange Act.

Corporate Governance

Evaluation of the effectiveness of the Board of Directors

Starting in FY2022, we began conducting effectiveness evaluations of the Board of Directors, and are working to improve issues and enhance strengths based on the results.

All 12 directors are asked to reflect on the activities of the Board of Directors over the past year and evaluate these activities using a questionnaire with original questions that allow the directors themselves to identify areas for improvement. The General Affairs Division, acting as the secretariat, compiles the results and future improvement themes are identified based on the quantitative evaluations and free-form comments received from each executive. These issues are then discussed at the Board of Directors meetings and specific initiatives are implemented starting from the following fiscal year. We also strive to continually improve the effectiveness of improvement efforts by regularly checking the evaluation of the improvement measures we have implemented.



Status of responses to issues based on analysis and evaluation of the results of the Board of Directors Effectiveness Evaluation conducted up until now

| Major issues identified | Initiatives in relation to each issue |
|---|---|
| FY2022 <ul style="list-style-type: none"> Optimization of the Board of Directors' operations, through a review of proposal methods (a review of the proposal methods, frequency and applicable topics) Expansion of opportunities for officers to acquire knowledge and understand the situation on the ground at worksites | <ul style="list-style-type: none"> Organizing overall annual agenda 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 Further enhancement of opportunities for Outside Directors to visit branches and to interact with employees at worksites directly |
| FY2023 <ul style="list-style-type: none"> The need to increase the frequency of regular reports and the expansion of agenda items Further enhancing of opportunities for executives to acquire knowledge A structure for stimulating discussion between internal and external directors | <ul style="list-style-type: none"> 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 Deep dive into issues aimed at stimulating discussion between internal and external directors through interviews with executive officers |

Evaluation of the effectiveness of the Board of Directors meetings conducted in FY2024

1. Evaluation method

- Eligible Respondents: All 12 Directors (of whom four are Outside Directors)
- Response Period: December 2024 to January 2025
- 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, Nomination Advisory Committee, and Compensation Advisory Committee

2. Summary of results of the Board of Directors Effectiveness Evaluation conducted in FY2024

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

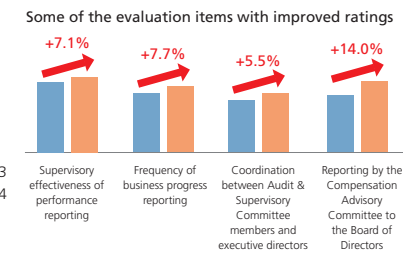
- Reports on business performance (monthly profit and loss) and the status of dialogue with shareholders and investors are functioning effectively from a supervision perspective.
- The operational change to have all executive directors provide an overview at the closing board meeting was effective.
- We provide outside directors with opportunities to inspect business sites and engage in dialogue with the management of operating companies, enabling them to incorporate their knowledge and multifaceted opinions.
- The content of improvement initiatives after receiving the results of the previous year were also largely endorsed.

3. Major issues identified

- Improvement of reporting methods for matters to be resolved by the Board of Directors
- Continually improve and strengthen regular reporting agendas and review reporting timing
- Enhancing knowledge acquisition and learning opportunities for executives
- Monitoring following resolutions by the Board of Directors

2. Changes over time

Of the questions that were the same as the previous year, 14 showed improvements from the previous year's ratings.



4. Initiatives in relation to each issue

- In addition to clarifying the content and scope of resolutions and the reasons for submitting them to the Board of Directors when submitting resolutions, endeavor to strengthen the provision of information that will contribute to decision-making
- Further improve and strengthen the content of reports and thoroughly implement them, while working to optimize and standardize annual reporting topics
- In addition to group-based training sessions for executives, consider providing learning opportunities tailored to the needs of each executive
- Monitor and supervise the execution of decisions made by the Board of Directors and consider monitoring methods to improve governance.

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 also report on internal audit results reports by the Auditing Division, report on whistleblowing and survey results from the Compliance & Risk Management Division, and exchange opinions with the Quality Assurance Management Division. Furthermore, we also offer points of contact and opportunities for discussion with business worksites by holding Audit & Supervisory Committee meetings at the Company and at Group company branches, and implement regular exchanges

of information and opinions with full-time Audit & Supervisory Board Members. 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.

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

| Name | Reasons for election [Particularly expected roles] | Independent director | Term of office |
|-------------------|---|----------------------|-----------------|
| Atsuko Okajima | 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 |
| Fukuichi Sekine | 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 corporate management] | ○ | 2 |
| Yasuyuki Kawasaki | Mr. Kawasaki 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 corporate management] | ○ | 1 |
| Miwa Yamada | Ms. Yamada has extensive experience working for an independent administrative institution, and has extensive and deep knowledge, particularly in the areas of legal affairs and human rights. [Supervising and auditing response to legal risks and compliance management] | ○ | Newly appointed |

Outside executives touring Group company offices



➡ The detailed reasons for appointments are also published in the list of executives on the Company's website.

<https://housefoods-group.com/en/company/information02.html>

➡ The convening notice of the general meeting of shareholders includes the status of important concurrent appointments.

https://housefoods-group.com/ir/stock/pdf/79_soukai_shoushuutuuti.pdf (Only in Japanese)

Corporate Governance

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

The Group has established and disclosed 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.

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 at the request of the Audit & Supervisory 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.

Total compensation, etc., by type, and number of eligible executives by executive category (Status for FY2024)

| Executive category | Total compensation, etc. (millions of yen) | Compensation, etc., by type (millions of yen) | | | | Number of eligible executives |
|---|--|---|--|--|--|-------------------------------|
| | | Monthly compensation (fixed compensation) | Performance-linked compensation for single fiscal year | Advance-issue-type restricted stock compensation | Performance-linked restricted stock compensation | |
| Directors (excluding Audit & Supervisory Committee Members and Outside Directors) | 281 | 162 | 77 | 30 | 11 | 8 |
| Directors (Audit & Supervisory Committee Members) (excluding Outside Directors) | 24 | 24 | - | - | - | 1 |
| Outside Executives | 73 | 73 | - | - | - | 5 |

*Total amounts for compensation for Directors and other items do not include the employee portion of salaries for Directors who serve concurrently as employees.

<Selection Criteria>

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

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^{*1} + Individual performance evaluation coefficient^{*1})

*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^{*2} + “Employees and Their Families” coefficient^{*2})

*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. | Percentage of compensation | Performance-linked compensation |
|---------------------------------|--|--------------------------------------|--|----------------------------|---------------------------------|
| Fixed compensation | | | Add compensation according to the role to the compensation level determined by position, and pay as monthly compensation | 60% | - |
| Short-term incentives | Performance-linked compensation for single fiscal year | 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 | 25% | Subject |
| | | 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 | | Paid out to motivate suitable improvement of corporate value and promote further value sharing with shareholders | 10% | — |
| | Performance-linked compensation-type restricted stock compensation | | In addition to the above, paid out to motivate employees to achieve the mid-term plan (non-financial indicators of the mid-term plan are used as evaluation indicators) | 5% | Subject |

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

Corporate Governance

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.

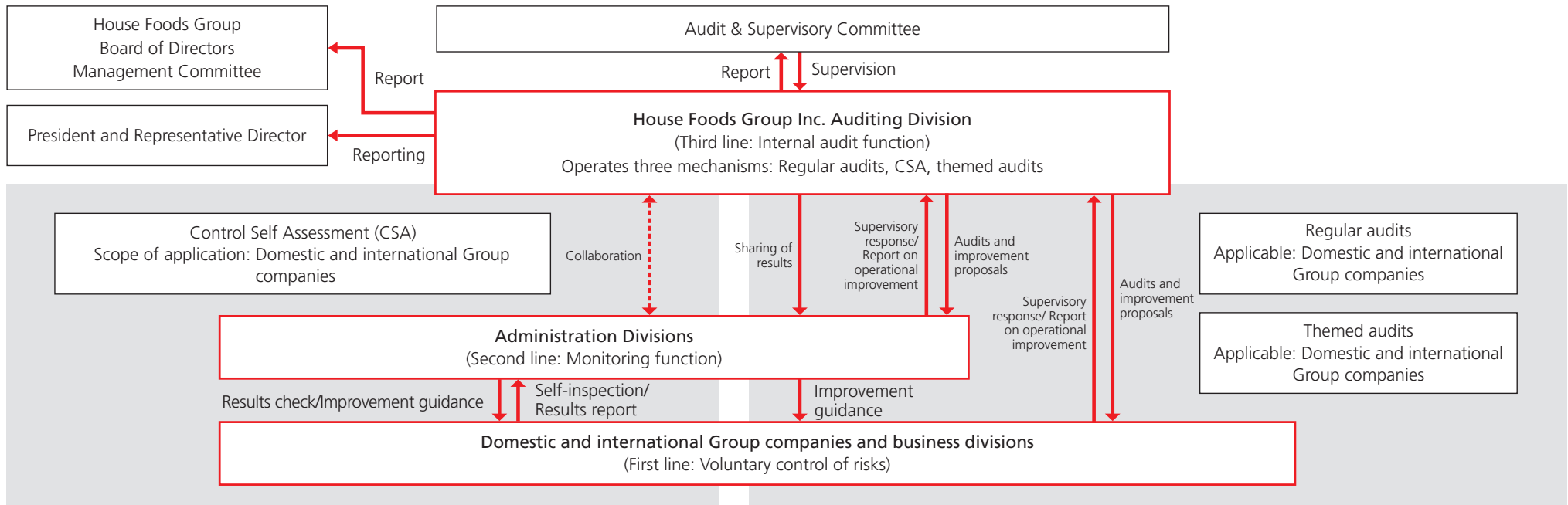
The Auditing Division systematically conducts internal audits at roughly 20 branches, divisions, and Group companies annually, and also separately conducts comprehensive audits across all Group companies in line with specific themes selected based on the Group’s material risks and previous audit results. 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 timeline 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 Group 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

The 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.

Risk management activities

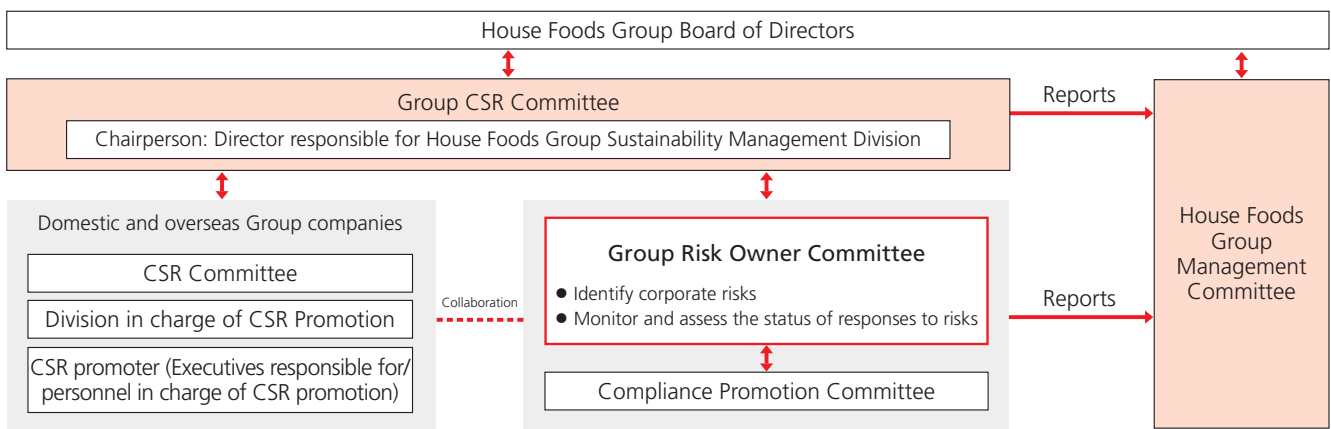
The Group has defined risks that have material impacts on Group-wide management as corporate risks. The Group Risk Owner Committee (responsible person: Director responsible for Group Compliance & Risk Management Division) identifies, analyzes, and assesses risks, obtains advice from an external specialized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

Examples of corporate risks

- Natural disasters
- Infectious disease pandemics
- Quality of products/services
- Information security
- Reputation
- Harassment
- etc.

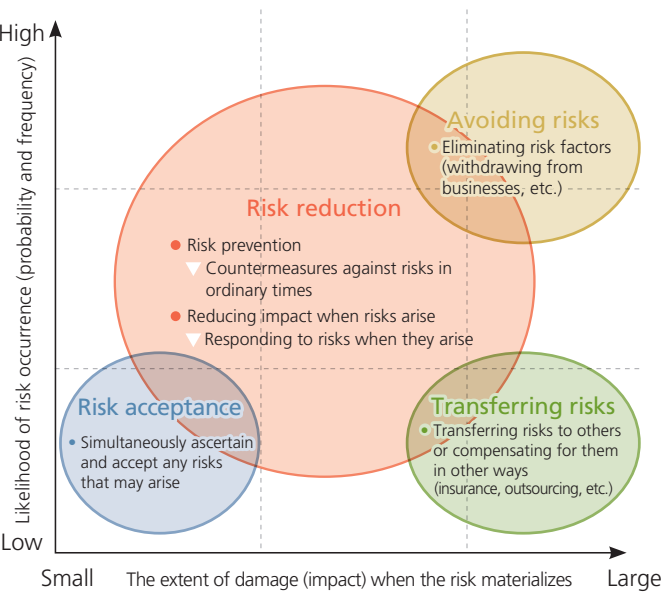
The Group also conducts regular risk investigation to identify potential risks, and evaluates their impact, occurrence likelihood and status of responses.

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.

Approach to risk responses



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. When formulating a BCP, instead of using an approach where we consider responses for each individual kind of disaster, we focus on an approach where we consider how to respond in the event management resources necessary for executing our core business become insufficient or unusable, thereby enabling us to develop a BCP that may be able to address unexpected events and complex 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.

➡ For “Business and other risks,” see the following for details.
<https://housefoods-group.com/en/ir/policy/risk.html>

Compliance

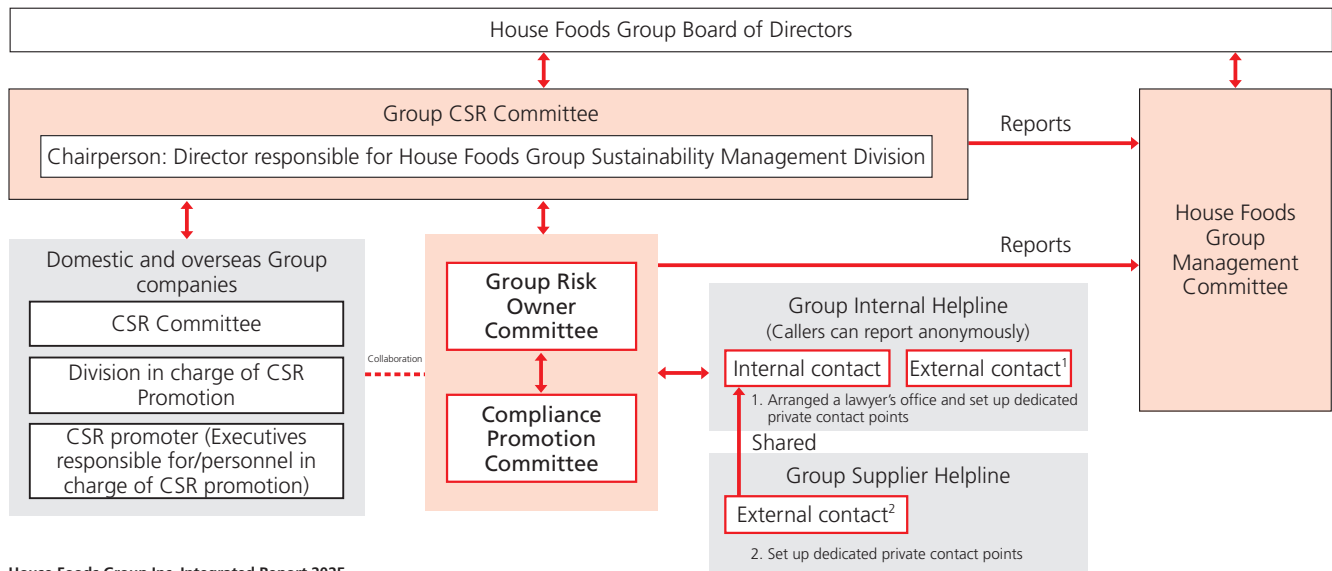
The Group addresses compliance not merely in a narrow sense of adherence to laws and regulations but in a wider sense of comprehensive response to social demands including compliance with internal rules, social ethics, and social morals.

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.

Promotion structure

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 (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.

Compliance promotion structure



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.

Specific initiatives

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, harassment, and workplace environment. The survey results are fed back to the President and

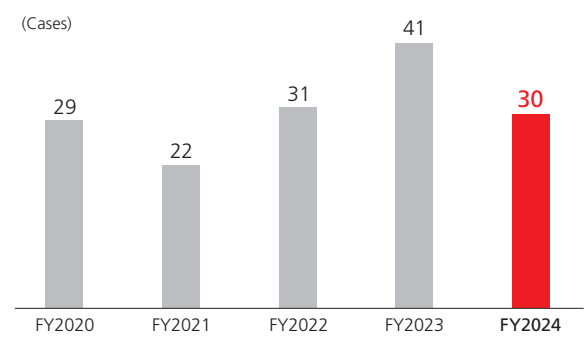
the executive responsible for CSR activities and division leaders in charge of CSR activities at each Group company. Based on their feedback, each Group company plans and takes necessary measures. We also carry out awareness-raising activities at each Group company for employees ranging from new hires 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.



Helpline system

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.

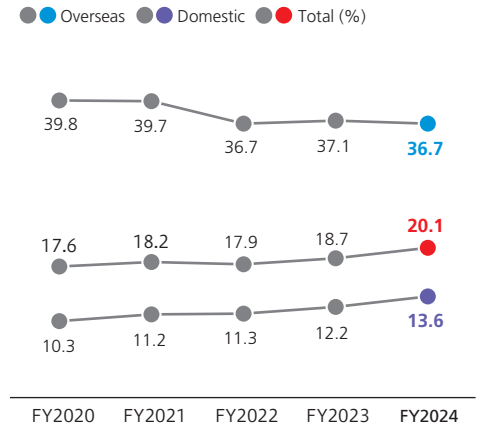
Number of cases accepted by the Group-wide internal helpline (Company and domestic Group companies only)



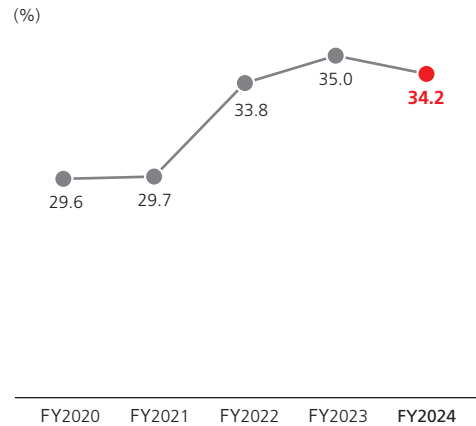
Non-financial Highlights

ESG Data Book can be found at → <https://housefoods-group.com/sustainability/report/esg/>

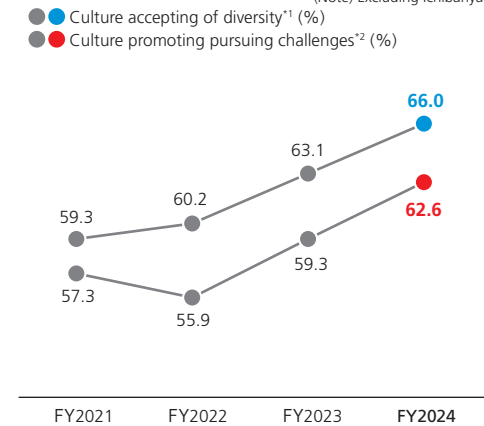
Percentage of managers who are female (consolidated)



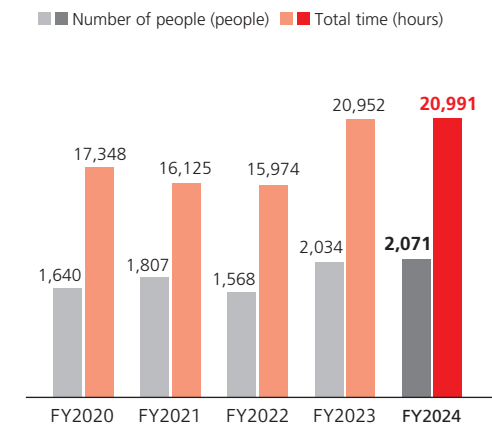
Percentage of employees that are from overseas (consolidated) (%)



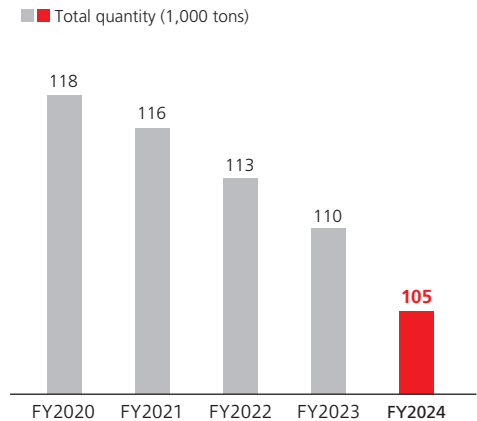
Organizational culture diagnostic results (domestic Group companies)



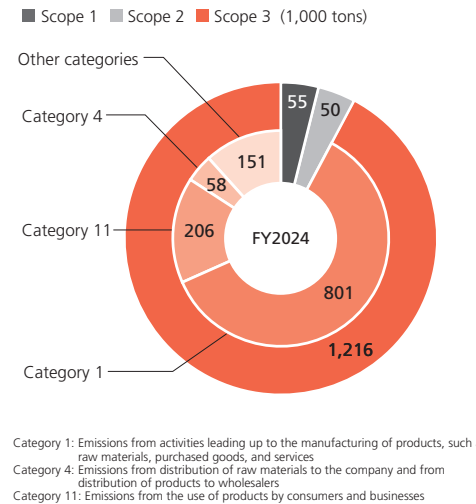
Study sessions held (organized by House Foods Group Inc.)



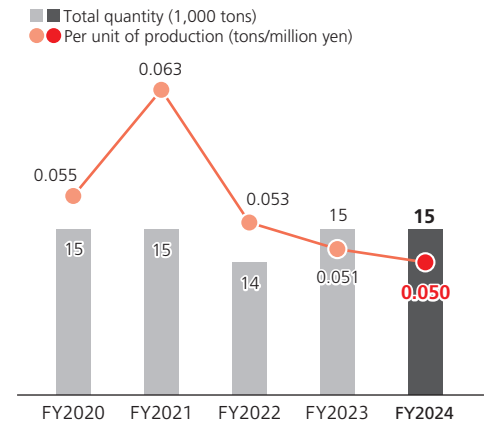
CO₂ emissions (Scopes 1 and 2)



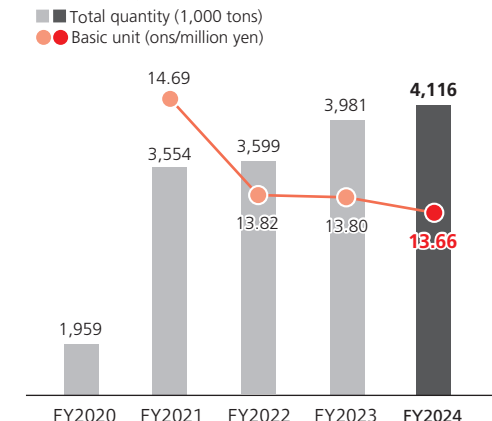
CO₂ emissions (Scope 3)



Total waste disposal * Valuable materials and by-products are not included



Water usage



Conditions for data calculations

● Scope of calculation for CO₂ emissions, waste emissions, and water usage

Japan: House Foods Group Inc., House Foods Corporation, Sun House Foods Corporation, Sun Supply Corporation, House Wellness Foods Corporation, House Business Partners Corporation, House Food Analytical Laboratory Inc., House Logistics Service Corporation, House Ai-Factory Corporation, Asaoka Spice K.K., Delica Chef Corporation, Ichibanya Co., Ltd. (franchises calculated as Scope 3), House Gaban Corporation, Malony Co., Ltd., and Vox Trading Co., Ltd., and Patchwork Quilt Inc.

Overseas: House Food Holding USA Inc., House Foods America Corporation, House Food China Inc., (Scope 3 only), 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 (excluding Scope 3)> House Foods Vietnam Co., Ltd., El Burrito Mexican Food Products Corporation and Keystone Natural Holdings, LLC, Nature Soy LLC, Superior Natural ULC

*Water use for FY2020 is limited to 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

● Total waste disposal, water usage per unit

Per unit for FY2020 based on old accounting standards

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)

*Water usage for FY2020 is not calculated due to significant difference in aggregation targets

11-Year Selected Financial Data

| | | Previous standard | | | | | | | New standard* | | | |
|--|-------------------|-------------------|----------|----------|----------|----------|----------|----------|---------------|----------|----------|----------|
| | | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
| Net sales | (Millions of yen) | 231,448 | 241,893 | 283,812 | 291,897 | 296,695 | 293,682 | 283,754 | 253,386 | 275,060 | 299,600 | 315,418 |
| Operating profit | (Millions of yen) | 8,686 | 10,775 | 12,312 | 16,288 | 17,559 | 19,005 | 19,397 | 19,227 | 16,686 | 19,470 | 20,004 |
| Recurring income | (Millions of yen) | 10,957 | 12,152 | 13,951 | 17,207 | 19,100 | 20,797 | 19,820 | 21,125 | 18,300 | 21,085 | 21,388 |
| Profit attributable to owners of parent | (Millions of yen) | 6,971 | 22,632 | 8,683 | 9,353 | 13,767 | 11,458 | 8,733 | 13,956 | 13,672 | 17,580 | 12,493 |
| Depreciation | (Millions of yen) | 5,789 | 6,908 | 9,345 | 9,126 | 9,262 | 9,862 | 10,035 | 10,941 | 11,628 | 12,719 | 12,940 |
| Capital expenditures | (Millions of yen) | 9,588 | 6,757 | 7,708 | 10,215 | 11,320 | 16,253 | 11,324 | 12,425 | 15,239 | 14,735 | 13,391 |
| EBITDA (Operating profit (before amortization of goodwill) + Depreciation) | (Millions of yen) | 14,642 | 18,699 | 25,235 | 28,978 | 30,242 | 32,284 | 31,059 | 30,112 | 28,493 | 33,002 | 33,940 |
| Cash flows from operating activities | (Millions of yen) | 8,428 | 12,518 | 21,298 | 23,608 | 20,913 | 24,218 | 23,181 | 16,140 | 19,483 | 25,571 | 26,568 |
| Cash flows from investing activities | (Millions of yen) | (4,679) | (8,308) | (2,169) | (13,739) | (1,008) | (6,356) | (8,558) | (10,398) | (21,467) | (2,299) | (12,281) |
| Cash flows from financing activities | (Millions of yen) | (10,588) | (3,743) | (7,388) | (5,317) | (17,317) | (7,567) | (6,172) | (10,068) | (12,739) | (7,382) | (9,060) |
| Cash and cash equivalents at end of year | (Millions of yen) | 43,832 | 44,156 | 55,594 | 60,202 | 62,495 | 69,870 | 78,343 | 75,705 | 62,682 | 80,165 | 88,357 |
| Total assets | (Millions of yen) | 286,149 | 349,427 | 353,888 | 378,864 | 371,025 | 367,194 | 369,150 | 382,021 | 396,910 | 431,601 | 435,074 |
| Net assets | (Millions of yen) | 221,456 | 260,329 | 266,615 | 283,719 | 279,144 | 280,930 | 287,291 | 298,567 | 301,335 | 321,609 | 322,878 |
| Equity | (Millions of yen) | 219,927 | 228,812 | 235,246 | 251,814 | 247,275 | 248,770 | 258,145 | 268,996 | 272,285 | 292,208 | 292,823 |
| Profit per share | (Yen) | 67.61 | 220.48 | 84.53 | 91.02 | 134.32 | 113.73 | 86.68 | 139.75 | 139.63 | 180.53 | 131.86 |
| Net assets per share | (Yen) | 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 | 3,016.19 | 3,113.86 |
| Dividend per share | (Yen) | 30.0 | 30.0 | 32.0 | 38.0 | 44.0 | 46.0 | 46.0 | 46.0 | 46.0 | 47.0 | 48.0 |
| Dividend payout ratio | (%) | 44.4 | 13.6 | 37.9 | 41.7 | 32.8 | 40.4 | 53.1 | 32.9 | 32.9 | 26.0 | 36.4 |

| Key Indicators | | Previous standard | | | | | | | New standard* | | | |
|-------------------------------------|---------|-------------------|--------|--------|--------|--------|--------|--------|---------------|--------|--------|--------|
| | | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
| ROIC (Return on investment capital) | (%) | - | - | - | - | - | - | - | - | - | 4.6 | 4.5 |
| ATO (Asset turnover) | (Times) | 0.83 | 0.76 | 0.81 | 0.80 | 0.79 | 0.80 | 0.77 | 0.67 | 0.71 | 0.72 | 0.73 |
| ROS (Return on sales) | (%) | 3.8 | 4.5 | 4.3 | 5.6 | 5.9 | 6.5 | 6.8 | 7.6 | 6.1 | 6.5 | 6.3 |
| EBITDA margin | (%) | 6.3 | 7.7 | 8.9 | 9.9 | 10.2 | 11.0 | 10.9 | 11.9 | 10.4 | 11.0 | 10.8 |
| ROA (Return on assets) | (%) | 3.1 | 3.4 | 3.5 | 4.4 | 4.7 | 5.1 | 5.3 | 5.1 | 4.3 | 4.7 | 4.6 |
| Equity ratio | (%) | 76.9 | 65.5 | 66.5 | 66.5 | 66.6 | 67.7 | 69.9 | 70.4 | 68.6 | 67.7 | 67.3 |
| ROE (Return on equity) | (%) | 3.3 | 10.1 | 3.7 | 3.8 | 5.5 | 4.6 | 3.4 | 5.3 | 5.1 | 6.2 | 4.3 |

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

Group Companies

(As of March 31, 2025)

Spice/Seasoning/Processed Food Business (9 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 | 99.86 |
| 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 million | 100.00 |
| Malony Co., Ltd. | Production and sales of starch products, etc. | Suita City, Osaka | ¥60 million | 100.00 |
| House Foods Group Tohoku Factory Inc. | Manufacturing of retort pouched foods, etc. | Fukushima City, Fukushima | ¥50 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. | Supervision of US subsidiaries, development and sales of soy-related products, and import and sales of our group products | California, U.S.A. Garden Grove | US \$187 million | 100.00 |
| House Foods America Corporation | Manufacture of soybean-related products | California, U.S.A. Garden Grove | US \$2.35 million | 100.00 |
| Keystone Natural Holdings, LLC | Manufacture 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 | Manufacture and sale of tofu, meat alternatives and other plant-based food products businesses | Pennsylvania, U.S.A. Philadelphia | US \$23.955 million | 100.00 |
| Superior Natural ULC | Production and sales of soybean-related products | Vancouver, British Columbia, Canada | CND 2 million | 100.00 |
| House BEANatura GmbH | Plant-based foods such as soy products Sale of products | Düsseldorf, Germany | 25,000 Euros | 100.00 |
| El Burrito Mexican Food Products Corporation | Production of soybean-related products | California, U.S.A. Industry | 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 611 million | 100.00 |
| Shanghai House Foods Co., Ltd. | Production of spices and condiments such as curry roux products | Shanghai, China | RMB 132 million | 100.00 |
| Dalian House Foods Co., Ltd. | Production and sales of foods | Dalian, Liaoning Province, China | RMB 195 million | 100.00 |
| Zhejiang House Foods Co., Ltd. | Production of spices and condiments such as curry roux products | Pinghu, Zhejiang Province, China | RMB 274 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 | Indonesia Special Capital Region of Jakarta | Rp. 32.4 billion | 99.59 |
| PT Sasa House Foods Indonesia | Sales of spices and condiments | Indonesia Special Capital Region of Jakarta | Rp. 41.0 billion | 49.00 |
| House Foods Taiwan Corporation | Import sales of Group products | Taipei, Taiwan | NT \$29 million | 100.00 |

Restaurant Business (13 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 | California, U.S.A. Torrance | US \$7 million | 60.80 |
| Ichibanya Restaurant Management (China) Co., Ltd. | Planning and operation of restaurants | Shanghai, China | RMB 111 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 \$8 million | 51.00 |
| Ichibanya Hong Kong Limited | Planning and operation of restaurants | Kowloon, Hong Kong, China | HK \$26 million | 58.37 |
| Ichibanya UK Limited | Planning and operation of restaurants | London, U.K. | GBP 5 million | 51.00 |
| Ichibanya International USA, Inc. | Planning and operation of restaurants | California, U.S.A. Torrance | 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 |
| KOZOU Co., Ltd. | Planning and operation of restaurants | Osaka City, Osaka | ¥1 million | 51.00 |
| ITE COMPANY CO., LTD. | Planning and operation of restaurants | Ichinomiya City, Aichi | ¥1 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. | Indonesia Semarang, Middle Java | 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 (5 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 |
| Australian Mustard Oil, Inc. | Manufacture and sale of mustard seeds, mustard oil, and mustard essential oil (MEO) | Australia | AU \$9 million | 17.26 |

Corporate Information

Company Overview (As of March 31, 2025)

| | |
|---------------------|---|
| Name | House Foods Group Inc. |
| Founded | November 11, 1913 |
| Established | June 7, 1947 |
| Capital | 9,948,320,000 yen |
| Business lines | To propose Group strategies, provide management support for business companies (domestic and overseas), and to supervise the International Business |
| Number of employees | 480 (6,666 on a consolidated basis) |

Principal external evaluations (As of July 31, 2025)

FTSE Blossom Japan Sector Relative Index

S&P/JPX
カーボン
エフィシエント
指数

2025
Sampo Sustainability Index

2025
健康経営優良法人
KENKO Investment for Health
大規模法人部門
ホワイト500

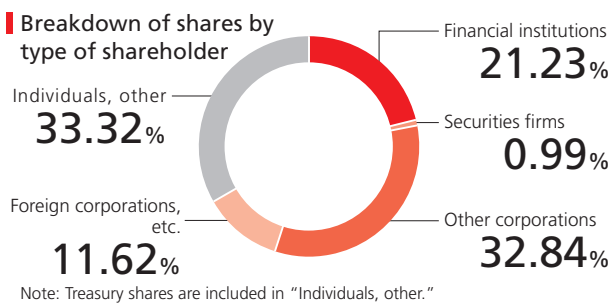
2025
CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF HOUSE FOODS GROUP INC. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF HOUSE FOODS GROUP INC. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Stock Information (As of March 31, 2025)

Stock summary

| | |
|-----------------------------------|--------------------|
| Number of shares issued | 98,498,416 shares |
| Number of shares authorized | 391,500,000 shares |
| Number of shareholders | 80,085 people |
| Number of shares per trading unit | 100 shares |



Principal shareholders

| | Number of shares held (shares) | Percentage of total shares outstanding (%) |
|--|--------------------------------|--|
| The Master Trust Bank of Japan, Ltd. (trust account) | 8,516,600 | 9.00 |
| House Kosan Co., Ltd. | 8,458,916 | 8.94 |
| HKL Co., Ltd. | 7,908,100 | 8.36 |
| Urakami Foundation for Food and Food Culture Promotion | 2,900,218 | 3.06 |
| Custody Bank of Japan, Ltd. (Trust Account) | 2,313,200 | 2.44 |
| House Koushinkai | 2,155,501 | 2.28 |
| Sumitomo Mitsui Banking Corporation | 1,900,027 | 2.01 |
| Setsuko Urakami | 1,859,569 | 1.96 |
| Nippon Life Insurance Company | 1,844,810 | 1.95 |
| Sumitomo Mitsui Trust Bank, Limited | 1,750,000 | 1.85 |

Note: Percentage of total shares outstanding is calculated by excluding the number of treasury shares (3,860,997 shares).
 Additionally, treasury shares do not include shares of the Company held by the House Foods Group Inc. Employee Stock Ownership Associated Dedicated Trust Account (598,700 shares) following the implementation of the "Trust-type Employee Stock Ownership Association Incentive Plan (E-Ship®)."

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 Company's website: <https://housefoods-group.com>.
 However, should circumstances prevent electronic public notice, the notice shall be published in *The Nihon Keizai Shimbun*.

Stock exchange listing: TSE Prime Market

Stock code: 2810



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