ITOHAM YONEKYU HOLDINGS INC.

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ITOHAM YONEKYU Group

INTEGRATED REPORT 2024



Becoming a leading food company

We are aiming to become a leading food company that contributes to the realization of a sound and affluent society by maintaining the unique brand strengths of both ITOHAM and YONEKYU, and by continuing to provide safe and secure high-quality products and services that satisfy our customers.

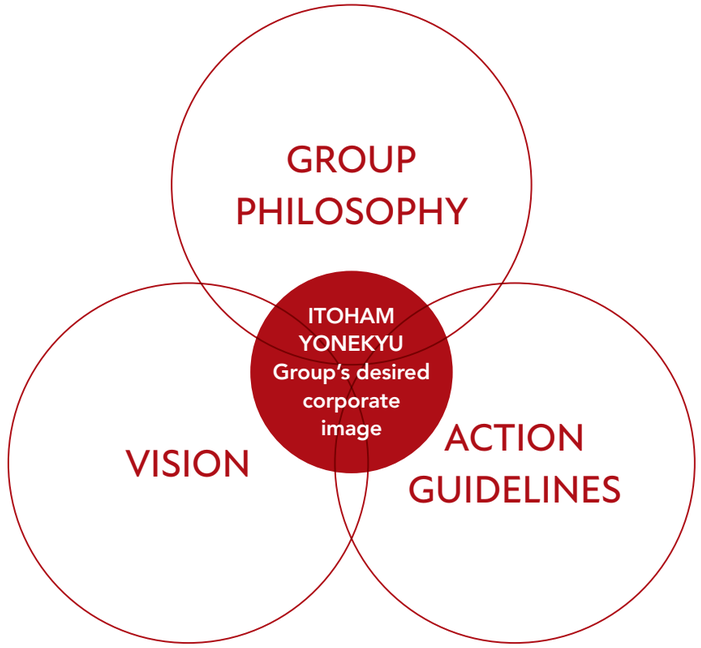






Group Philosophy

Contribute to the realization of a sound and affluent society through business



Vision

A leading food company that continuously evolves with its employees by embracing the spirit of fairness and the challenge to progressions

Action Guidelines

- Supply products and services of high value by pursuing safety, security, and quality
- Build and expand trust by making good on promises
- Capacity development through broad-minded communication and mutual understanding
- Honest and transparent actions with top priority on compliance
- Business actions with awareness of global environment

History of ITOHAM YONEKYU Group

The ITOHAM YONEKYU Group has been conducting business with a desire to deliver safe, secure, and delicious high-quality products to customers. After the management integration in 2016 of ITOHAM and YONEKYU, the new Group formulated the "Medium-Term Management Plan 2020" and the "Medium-Term Management Plan 2023." By promoting and executing the strategies of these two plans, we have been aiming to become "a leading food company that continuously evolves with its employees by embracing the spirit of fairness and the challenge to progressions."

To make advance our business, we have formulated the "Long-Term Management Strategy 2035" and the "Medium-Term Management Plan 2026." The ITOHAM YONEKYU Group will continue to strive for the realization of a sound and affluent society through our business.

ORIGIN

Management integration

Establishment of ITOHAM YONEKYU HOLDINGS

Established ITOHAM YONEKYU HOLDINGS in 2016 as a joint holding company.

伊藤ハム

Serving society through business

In 1928, Denzo Ito founded "Ito Food Processing" on his own in Osaka, Osaka Prefecture. From our founder's desire to improve the Japanese diet, ITOHAM has developed original processed meat products, including ham and sausages, and popularized animal proteins. With the mission to communicate the joy, fun, and importance of "eating," we will continue to pass on and pursue our delicious products to new generations.

yonekyu

A moving food experience

In 1965, Kiyokazu Shoji founded "Yonekyu Foods" on his own in Numazu, Shizuoka Prefecture, with the goal of processing and wholesaling meat. Based on President Shoji's belief that "incorporating novel surprises into products will move people greatly" is the key to the company's growth, YONEKYU launched a series of unique products. In the latter half of the 1980s, YONEKYU ventured into the poultry farming business and has continued to think unconventionally about what actions to take to create a moving food experience.

1st Medium-Term Management Plan

HOP

Second founding

Positioned as a second founding for the ITOHAM YONEKYU Group, we worked to execute measures in the Medium-Term Management Plan 2020 under the slogan of "think and act for yourself."

With "expansion of business" and "streamlining and enhancement of competitiveness" as two basic strategies in the 2020 plan, we expanded our share in overseas production and the ham and sausages market. At the same time, we streamlined operations by integrating and reorganizing the organizational functions of back-office and logistics divisions.

2016

2017

Expansion of our share in overseas production

2017

ANZCO FOODS becomes a wholly owned subsidiary

ANZCO FOODS

2018

Streamlining of logistics operations and enhancement of competitiveness

2018

Integration and reorganization of the logistics divisions of ITOHAM and YONEKYU

Enhancement of cooked processed products and optimization of production systems

2018

Establishment of second Toride Plant specializing in cooked processed products

2019

Expansion of our share of the ham and sausage market

2019

Acquisition of MEIJI KENKO HAM CO., LTD.



2020

2021

2022

2023

2024

2nd Medium-Term Management Plan

STEP

Deeper integration

Our action guidelines in Medium-Term Management Plan 2023 were "defying stereotypes" and "reaffirming our strengths." We promoted the reorganization of our sales and production divisions by function and rebuilt plants to strengthen our management and earnings bases.

We also started strengthening initiatives for sustainability and launched initiatives for new businesses and markets.

Strengthening management base

2023

Reorganization of ITOHAM YONEKYU Group's sales and production divisions by function

Strengthening earnings base

2023

ITOHAM YONEKYU PLANT INC. reopens Yume Plant

- Reopening as a plant specializing in frozen food manufacturing

SANKYOMEAT INC. opens Isa Meat Plant

- Opening of new bovine and swine processing and cutting plant in Kagoshima Prefecture

2024

Completion of IH MEAT PACKER INC. Towada Beef Plant

- Opening of the Company's largest scale facility specializing in bovine processing and cutting



Initiatives for sustainability

2021

Establishment of Sustainability Committee

2022

Sustainability Section newly established

Full-scale implementation of Group-wide initiatives

Initiatives for new businesses and markets

2021

Enhancement of soy-meat products



2023

Started sales of one-plate frozen meal

Establishment of "Consortium for Future Innovation by Cultured Meat" through industry-academia collaboration

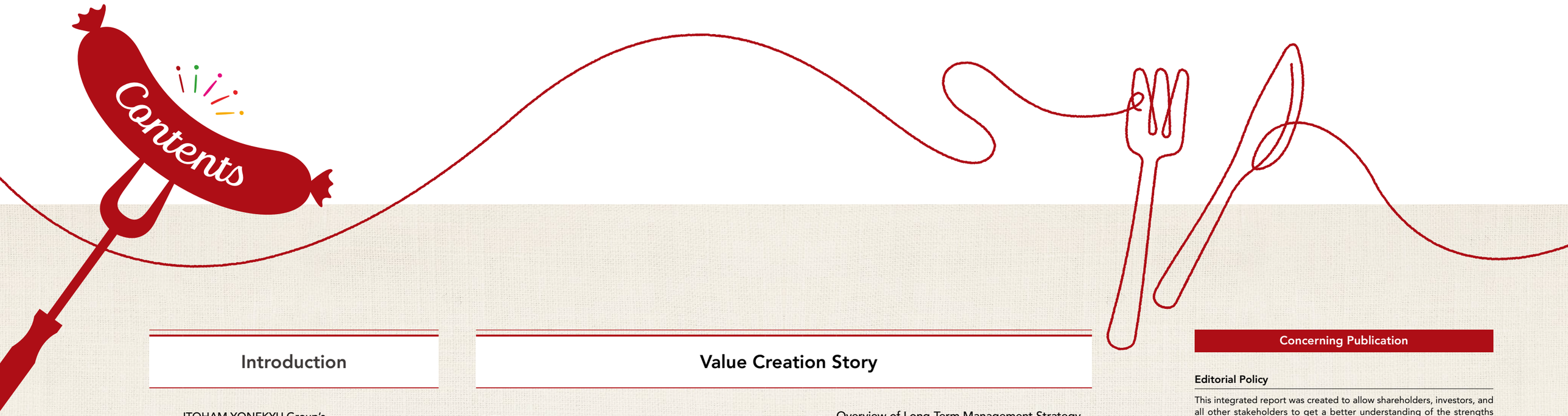


JUMP

New leap forward

meat together

Long-Term Management Strategy 2035
Medium-Term Management Plan 2026



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Concerning Publication

Editorial Policy

This integrated report was created to allow shareholders, investors, and all other stakeholders to get a better understanding of the strengths the ITOHAM YONEKYU Group has cultivated, and to explain the specific value creation initiatives toward realizing our 2035 Approach of "meat together."

Scope

Period covered: This report covers initiatives during FY2023 (April 1, 2023 to March 31, 2024) and includes some initiatives beyond and outside this period as well.

Entities covered: ITOHAM YONEKYU Group
Note: Scope of personnel and environmental data is listed separately.

Reference Guidelines

- The International <IR> Framework from the IIRC
- "Guidance for Collaborative Value Creation 2.0" from the Ministry of Economy, Trade and Industry
- The Environmental Reporting Guidelines 2018 from the Ministry of the Environment
- Sustainability Reporting Standards from GRI

Disclaimer

The perspectives on future strategy and results listed in this integrated report are based on current available information and include some uncertain factors. Please be aware that it is possible for actual results to differ greatly due to a variety of causes.

Main Relevant Information Disclosure Media

	Financial Data	Non-Financial Data
Summary of Financial Results	●	●
Financial Result	●	
IR Website	●	
Corporate Governance Report		●
Sustainability Website		●

Message from the President

We will realize our vision by moving forward and taking up new challenges under our new strategy

Toward our vision for 2035

We have launched our third medium-term management plan since the formation of ITOHAM YONEKYU HOLDINGS.

We positioned the first of these plans, Medium-Term Management Plan 2020, as the "hop" phase, and the following Medium-Term Management Plan 2023, which concluded in FY2023, as the "step." Under these plans, we worked to realize synergy benefits resulting from the management integration of the ITOHAM and YONEKYU businesses, while also pursuing various initiatives and taking steps to build strong foundations for the future growth of the ITOHAM YONEKYU Group. I believe that during the three-year period covered by Medium-Term Management Plan 2023, we were able to progress on various initiatives which we identified as a high-priority policy goal, including reorganization, expansion of our production bases, and expansion into new markets, such as frozen foods, healthcare, and alternative meat. However, we were unable to offset the full impact of rising raw material prices and logistics costs through internal cost reductions and price adjustments, and our quantitative target of 30 billion yen in ordinary income was not achieved.

Despite this setback, we remain firmly committed to our vision since the foundation of ITOHAM YONEKYU Group, which calls for the development of a Group capable of achieving ordinary income of 50 billion yen. Recognizing the need to create a clearly defined growth narrative based on a long-term strategy, we formulated a new long-term management strategy, both as a way of sharing the path ahead with our employees, and as an external response to questions about our plans for the ITOHAM YONEKYU Group from the outside. The formulation of the strategy began with the selection of 17 individuals representing each division within the Group. These individuals engaged in discussions about the world in 2035 and how the ITOHAM YONEKYU Group should fit into that world. Management studied the results of these discussions and created our 2035 Approach that can be encapsulated by the phrase "meat together." Based on this 2035 Approach, we formulated Long-Term Management Strategy 2035 as the "jump" phase of our "hop," "step," and "jump" scheme. We have incorporated this strategy into Medium-Term Management Plan 2026, which will guide our activities over the next three years.

The concept behind "meat together"

The Group is engaged in the business of food with a particular focus on proteins. Because proteins are essential nutritional elements for human life, we believe that there will be a continuing need for this business over the long-term future. However, the maturation of the Japanese market means that we cannot expect to achieve long-term growth solely through our existing business areas. We need to create new businesses and expand the scale of our activities in growth categories. The future growth of the ITOHAM YONEKYU Group will also depend on the expansion of our business activities in overseas markets with the potential for further population growth and economic development.

This business environment is reflected in "meat together," which reflects our vision for the ITOHAM YONEKYU Group in 2035, and encapsulates our commitment to transformation and challenge. We are determined to expand the scope of our activities beyond our traditional role as a manufacturer of meat products, and beyond our existing products and business activities, to target bigger markets in overseas countries as well as Japan, and to deliver moving experiences and joy by supplying our products to consumers worldwide. The seeds for growth and new business are discovered not by blindly continuing with past approaches and mindsets, but rather by taking up a variety of new challenges.

In June 2024, we introduced a business casual dress code. We invited employees to select and wear comfortable clothing that is appropriate for their work style and environment and reflects the time, place, and occasion. Some employees were initially hesitant about this change, but the concept has since been adopted widely throughout the Group. For my part, I now dress casually on workdays that don't require me to leave the



Isao Miyashita

President and
Chief Executive Officer

Message from the President



We will begin preparations through growth investments so that we can steadily raise our basic earning power.

office or meet with clients. This may seem like a minor change, but I believe it is an example of how we are moving forward without being afraid of change. While I don't believe that new ideas or businesses will suddenly appear simply because we have changed how we dress, my hope is that initiatives such as this will help to foster a culture in which people are able to update long-held customs and take on new challenges.

Our dual drivers—Improvement of basic earning power and growth investments

We have built a solid earnings base over the years. Based on the assumption that demand for meat will remain strong in the medium- to long-term future even if the population declines, we believe that this earnings base can continue to serve as our foundation. It is this basic earning power that enables us to talk about our next steps. We will achieve growth by further refining our basic earning power, using the cash generated to overcome constraints in our value chains, and actively expanding into areas that offer high added value.

To ensure our long-term survival in Japan's mature market, we must maintain a relative advantage over our competitors by realizing both high profitability and cost competitiveness. To achieve these goals, we will boost productivity by rebuilding or reorganizing some of the Group's aging production bases in the processed foods and meat businesses. In addition, we aim to expand our business operations in the areas of frozen foods and alternative protein products, including plant-based foods, which are still small, into core business areas for the future. In the area of frozen foods in particular, we see differentiation through the development of products that reflect our unique capabilities as the key to success. The Group has extensive knowledge about meat and technologies that allow us to maximize its delicious flavors, as well as a global procurement network. We will leverage these unique advantages to create and launch products that provide the types of convenience and health benefits sought by consumers.

The Group is also planning to invest overseas and in businesses with growth potential. We will work to improve the profitability of our New Zealand subsidiary, ANZCO FOODS, by reducing labor requirements and improving efficiency at the company's plants through the same approaches used at our Japanese production bases. We will also consider reorganizing the company's plants, including the possibility of M&A initiatives. With regard to cooked processed food products in the U.S., we believe that it offers considerable potential for expansion in step with the country's increasing population and economic growth. We have already dispatched company salespersons to the U.S. to develop this market. I am confident that we can achieve differentiation in this market by working closely with our sales partners to use Japanese product development methods to create products that will be attractive to consumers in terms of texture, aroma, and appearance, as well as taste. Another advantage is our ability to utilize the existing sales network of our affiliated company, Indiana Packers Corporation (IPC). Going forward, we will also consider the expansion of our cooked processed foods business in the U.S., both through the development of production lines at IPC production bases, and also through new M&A initiatives. We see this as an opportunity to leverage the knowledge and experience that we have gained by managing our overseas subsidiary ANZCO FOODS.

During the three-year period covered by the current Medium-Term Management Plan, we will begin to sow seeds for these growth investments, while also targeting further enhancement to our basic earning power through organic growth. We aim to achieve ordinary income of over 30 billion yen by FY2026, the final year of the current plan. While we are taking a slow-and-steady approach to the improvement of our basic earning power, we see the decisive implementation of these initiatives as the key to building a robust corporate structure over the long term future.

Creation of sustainable corporate value

The Group will continue to not only pursue greater profits, but also to strengthen its management base as the source of sustainable corporate value creation.

Labor shortages are becoming an issue that affects every industry. Companies are addressing this issue in various ways, including digital transformation (DX) initiatives and capital expenditure. Like other companies, we are working steadily to overcome labor shortages, and believe that the most effective approach is to improve the efficiency and productivity of our individual employees. By modifying the content of our work processes and methods, we can complete the same amount of work in less time and redeploy human resources to more profitable or creative roles. When accumulated across the entire Company, these efforts by individual employees can be highly effective in reducing the impact of the shrinking workforce. Investment in human resources, such as through employee education and training, is critical, and we will continue to provide active support in this area. At the same time, we will make extensive use of DX to offset labor shortages. The first step will be to create the driving force for DX initiatives through a company-wide commitment to the acquisition of official DX certification. Achieving DX does not require grandiose projects. Our initial approach will be to accumulate success stories by pursuing initiatives that can be achieved easily and yet deliver significant benefits. In the longer-term future, we aim to go beyond efficiency improvements and increase sales by creating new sales opportunities through business process transformation.

Under the previous Medium-Term Management Plan, we stepped up our sustainability initiatives, including the establishment of a Sustainability Committee and dedicated sustainability departments. Our Group Vision is to become "a leading food company that continuously evolves with its employees by embracing the spirit of fairness and the challenge to progressions." The phrase "spirit of fairness" refers not only to narrowly defined principles, such as compliance and a commitment to putting safety first, but also to the need to pursue sustainability in its broader sense, including initiatives focused on consideration for the environment and respect for human rights. Pursuing profits while ignoring the implications for the environment or human rights would be neither acceptable nor fair. One example of our commitment to sustainability is the reduction of greenhouse gas (GHG) emissions. We recognize that society expects companies to achieve a certain level of reductions, and we are therefore working toward our goal of halving the Group's GHG emissions compared with the FY2016 level by FY2030. Sustainability initiatives generally do not yield short-term benefits, so we will take the time to pursue these efforts steadily and in good faith.

Responding to a P/B ratio below 1.0

We were unable to reach our profit target for the previous Medium-Term Management Plan, and our price-to-book (P/B) ratio fell below 1, in part because cost increases outpaced our efforts to adjust. We are taking this situation very seriously, and will work under the new Medium-Term Management Plan to not only raise our basic earning power, but also to enhance profitability by using return on invested capital (ROIC) as a business management indicator and optimizing financial leverage. Also, key priority will be to raise our price-earnings (P/E) ratio, which reflects expectations of sustainable growth. We will work to achieve this by building expectations of long-term growth by expanding profit and strengthening our management base through sustained growth investment under the long-term strategy that we announced recently.

Employee growth is the key to our future success

I see the growth of our employees as a direct driver of the Group's corporate growth. We need to create an environment in which every employee can work independently, motivated by their personal aspiration to contribute and grow. I believe that this approach will result in a higher employee engagement score.

We have diverse specialist personnel and I am confident that we can achieve incredible things by working together toward shared goals. The working population is shrinking, and workers are becoming more mobile. We must find new ways to create environments in which employees can work with a strong sense of motivation. Other priorities include support for staff in management positions in their role as organization leaders. We will use a variety of methods to ensure that our efforts in this area yield tangible benefits and create workplaces in which individual employees can work energetically.

We are also aware that the percentage of female managers in the Group is low, in part because career development opportunities for women in this industry have traditionally been limited by the fact that many frontline sales and manufacturing tasks involve heavy lifting. We are determined to raise the percentage of management posts held by women, but this is not simply a matter of just promoting women to management roles. To ensure future corporate growth, we need to provide ongoing training to ensure that each individual is motivated to contribute to the Company. We are creating various opportunities for direct dialogue with female employees to ascertain their thoughts about their past career achievements and aspirations for the future, and to discover ways for the Company to support those aspirations. Given the Group's limited number of female role models, we must work to support, encourage, and develop our female managers.

We are strongly committed to these goals. From FY2024 onwards, improvements in the employee engagement score and the percentage of female managers will be reflected in the compensation for directors and officers.

To our stakeholders

The Group now has a clear understanding of the challenges over the next three years. We stand ready to face these challenges, recognizing that our true potential will be put to the test as we strive to achieve the quantitative targets that we could not reach under the previous two medium-term management plans. Our goal is to raise expectations by striving to transform the ITOHAM YONEKYU Group through bold innovation and new challenges, and by providing steady returns to shareholders. We look forward to your continuing support.

ITOHAM YONEKYU Group's Value Creation Story

Toward our Group Philosophy and Vision, we have defined "meat together" as our 2035 Approach, and to achieve this, we have formulated Long-Term Management Strategy 2035 and Medium-Term Management Plan 2026, which outlines our strategy for the next three years.

By combining the strengths cultivated by ITOHAM and YONEKYU, we will continue to make leaps forward by contributing toward the realization of a sustainable society by solving social issues through our businesses, while responding flexibly to various business environment changes.

Next Leap Ahead

Group Philosophy

Contribute to the realization of a sound and affluent society through business

Vision

Social mission we want to achieve and our approach

A leading food company that continuously evolves with its employees by embracing the spirit of fairness and the challenge to progressions

03 Strategy
Long-Term strategy

Dramatic growth

- Sustainable improvement of earning power
- Maximize the value of domestic supply chain
- Accelerate growth of overseas businesses, expanding into growth businesses

Profit expansion through growth investments

- Achieve superior position in the domestic market
- Capturing overseas growth markets

Long-Term Management Strategy 2035

meat together

ITOHAM YONEKYU HOLDINGS Group Slogan 2035

▶ P.19

02 Management Plan
Management plan for next three years

Strengthen earning power

- Begin sowing seeds for growth investments
- Renew products
- Strengthen sales capabilities

Improve basic earning power

Medium-Term Management Plan 2026

▶ P.23

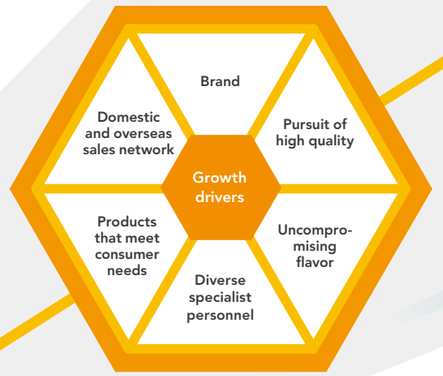
Build organizational capabilities to continue leaping forward

- Streamline and transform through DX

Laying the platform for the leap forward

- Improve profit margins
- Reorganization of logistics system
- Strengthen employee engagement

01 Strength
Growth drivers

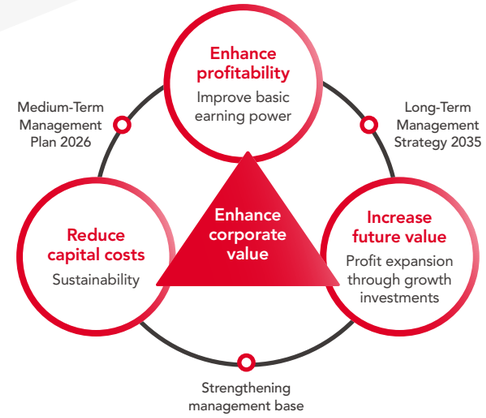


▶ P.13

Strengthening management base

- ROIC management ▶ P.26, P.39
- Human capital management ▶ P.25, P.38
- DX ▶ P.22, P.34
- High priority social and environmental issues ▶ P.35, P.40 (climate change/human rights/animal welfare, etc.)
- Corporate governance ▶ P.48

Enhance corporate value (economic and social value)



Seven materialities ▶ P.43

We are working on important sustainability issues and contributing toward the realization of a sustainable society

Strengths of the ITOHAM YONEKYU Group

Under the Group Philosophy of "Contribute to the realization of a sound and affluent society through business," we have made it our mission to stably supply safe, secure, and delicious products.

Over our long history, we have built up assets that have led to our current strengths, such as the passing down of technologies, brand power, and a network that spans the entire value chain. We will use the Group's current strengths as a foundation to drive further growth.

Domestic and overseas sales network

The Group has 130 sales offices across Japan and ANZCO FOODS' sales network in over 80 countries. By leveraging the Group's diverse sales channels, we will aim to maximize profits by selling our products in the best markets. We are also able to gather the latest information on customer needs and trends across Japan as we work directly with supermarkets, convenience stores, and restaurant chains, which is a characteristic of our business, and we use these findings to propose and develop products.

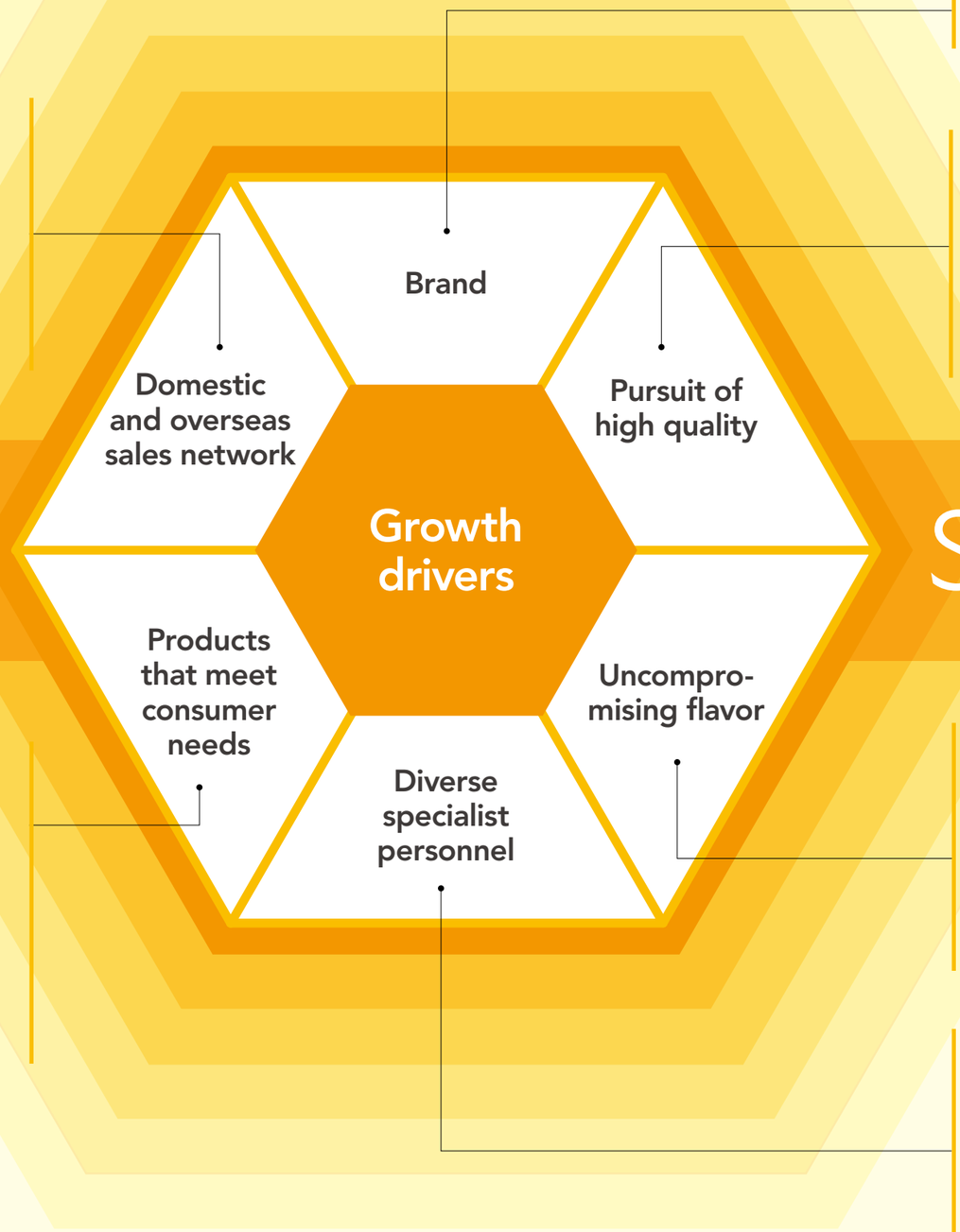
Products that meet consumer needs

The Group has an extensive product lineup that meets diversifying consumer needs based on their lifestyles.

We are able to stock an entire supermarket section with ITOHAM and YONEKYU products, contributing to increased store sales.

We also hold regular "customer feedback meetings" to receive valuable insights from customers, which we then incorporate into products and work to improve them. Moving forward, we will raise our customer-centric marketing capabilities and provide products that meet environmental changes and needs.

OUR



STRENGTH

Brand

The Group has two brands: ITOHAM, a nationwide brand, and YONEKYU, which offers unique products. Both brands boast numerous products that have been household names for decades. While we continue to refine the product brands we have built up over many years, we are aiming to further enhance the value of our brands by providing customers with a sense of joy, fun, and the importance of "eating" through our wide range of products and services.

Pursuit of high quality (safe and secure)

The Group has acquired third-party food safety certifications at all 44 of its domestic production bases. To deliver safe, secure, and high-quality products, we conduct inspections and monitoring at each stage of the process from raw material procurement to manufacturing, processing, distribution, and sales, to ensure compliance with the Group's own unique standards, which include laws and regulations, management of allergens and microbes, as well as traceability of raw materials and food defense. These standards also apply to our external suppliers.

Uncompromising flavor (technology)

The Group continues to pursue "uncompromising flavor."

We possess the ability to create and commercialize deliciousness and moving experiences by incorporating contemporary consumer tastes into our technological capabilities that extract the maximum value of meat-centered ingredients, which we have developed and honed over many years. The Group's research and development offices (13 bases in Japan) and technical certification holders, comprising qualified ham, sausage, and bacon manufacturing and ready meal technicians (813 holders in FY2023) are the backbone of our advanced manufacturing technology.

Diverse specialist personnel

Our diverse specialist personnel possess extensive knowledge and experience, such as production technology skills and meat expertise, and are engaged in all business divisions to support the Group's business activities. The Group is committed to developing personnel who will continue to create new value and is conducting a variety of job-class-specific product development, marketing, production, and meat technology training. We are also striving to create a workplace where our diverse specialist personnel can thrive in their own ways.

Processed Foods Business

Toward becoming the leading global company of choice by refining our traditions through challenges and innovation

The Processed Foods Business Division develops ham, sausages, and cooked processed products under both ITOHAM and YONEKYU brands. We possess business bases across Japan from Hokkaido to Okinawa, as well as overseas in the U.S., China, and Thailand, to deliver to as many customers as possible.

We are continuing to pursue production technology capabilities that realize high-quality, safe, and secure products, sales proposal abilities that deliver attractive products, and a sustainable logistics network.











FY2023 results and issues

In FY2023, despite the challenging environment of continued rising prices of raw materials and logistics costs, we were able to implement price revisions while maintaining and expanding our net sales and market share. Through these efforts, we are aware that our value to society as a company has been recognized by the market.

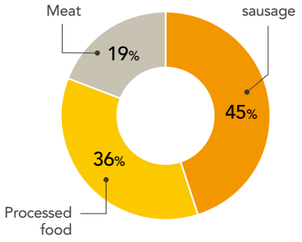
However, although we are steadily advancing ongoing initiatives to reduce internal costs, we still have work to do, and we must continue to boldly take on challenges. On this point, we will pursue cost competitiveness by promoting production efficiency, such as the consolidation of continuous production lines, and building optimal logistics systems.

Key measures for FY2024

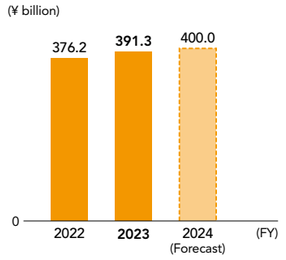
- ☑ Refine core products and innovatively develop new products and services
- ☑ Strengthen cost competitiveness through continued investments in labor-saving and efficiency improvements
- ☑ Strengthen initiatives in the expanding frozen foods sector and enhance developments of convenience foods and environment-friendly products
- ☑ Strengthen e-commerce sales and overseas business initiatives
- ☑ Promote opportunities for employee growth and self-fulfillment

HIGHLIGHT

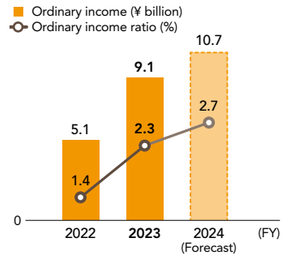
Sales ratio by product category



Sales trend



Trend of ordinary income/ ordinary income ratio



Note 1: Since FY2023, a portion of the segment classification is converted in accordance with our reorganization.
Note 2: Values less than one hundred million were rounded off.

Voice

New Business Development Office, Processed Foods Business Division

For our leap forward—Challenging ourselves to find new markets



Against the backdrop of an uncertain outlook in Japan, such as a declining population and soaring resource and energy costs, in order to achieve sustainable growth, we must further strengthen existing business areas and find new business areas and develop them into new earnings drivers.

The New Business Development Office understands the importance of having a sense of urgency in expanding our business areas, and we are advancing our efforts to take on the challenge of the frozen foods business by maximizing the use of our strengths cultivated through existing businesses. The frozen foods business is continuing to grow very quickly due to increasing concerns about food loss and need for convenience and time-saving. In response, we are developing products in order to quickly expand our business scale.

By leveraging our strength as a "meat and processed foods manufacturer," which differentiates us from the competition, we have introduced to the market our delicious one-plate frozen dishes. To provide customers with delicious microwaveable meat dishes, we aimed to create a tasty and satisfying product range such as soft thick-cut deep fried pork cutlets and juicy chicken thighs that do not dry out. We will also expand and accelerate the development of new products and bring them to market using the uniqueness of the ITOHAM and YONEKYU brands as a concept.

Moving forward, we will strengthen sustainability initiatives and look to take on new businesses, including developing products that use livestock by-products that are produced within the Group. We will continue to take on new challenges daily to become a company that is loved by customers more than ever before.

Voice

Kobe Plant Production Management Section, ITOHAM YONEKYU FOODS INC.

Contributing to improved logistics and reduced environmental impact through the direct delivery of pizza products from the plant

The Kobe Plant Production Management Section supports plant management by acting as the contact point and following up with the manufacturing frontlines in various operations including formulating production plans, product delivery, materials management, distribution, production scheduling, and product development.

Under the Production Division's "environmental initiatives to realize a sustainable society" policy, the team wanted to contribute. Recognizing that the 2024 problem will also affect the Kobe Plant, we focused on reducing deliveries by delivering directly from the plant* and reducing packaging materials to improve loading efficiency. With cooperation from production frontlines and relevant departments, we modified our equipment and realized the initiatives on the right.

Our next goal is reducing all packaging materials, especially for the plant's core pizza product, and further reduce environmental impact. We will also spread the idea that improvement and environmental activities are connected, aiming to become a more environment-conscious plant with employee help.

* Direct delivery from the plant to the logistics center without having to go through the traditional route of stopping at a storage warehousing facility.



Initiatives

- Reduced number of deliveries by 10% through direct delivery from the plant
- Reduced packaging materials by 35% through smaller packaging for chicken side dishes and decreased cardboard use
- Reduced the number of truck deliveries by 40% through smaller packaging for chicken side dishes

Meat Business

Maximize the supply chain that we have built up, and take on the challenge of creating new value

Possessing a meat value chain that encompasses production, processing, and sales, as well as a broad product lineup, we are developing our businesses domestically and overseas.

We are working to supply meat in a sustainable and stable manner by leveraging our strengths that include sales capabilities to the final consumer using sales networks extending across Japan, overseas procurement capabilities mainly through in-house imports, and stable profitability in overseas business.






FY2023 results and issues

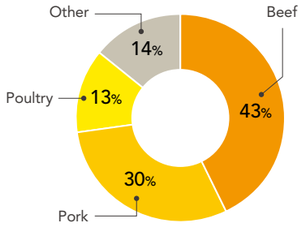
Under the policy of expansion and optimization of production businesses, we have implemented measures such as SANKYOMEAT INC. starting its operations at the Isa Meat Plant and newly opening a beef packaging center. Furthermore, IH MEAT PACKER INC. Towada Beef Plant begun operations in the spring of this year. By firmly putting these facility investments into plan, we are promoting adding value to our own manufactured products.

Key measures for FY2024

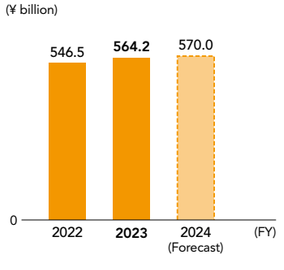
- ☑ Adding value to our owned manufactured products, including development of brand meats
- ☑ Creating and strengthening sales of minimally processed products and unheated processed meats
- ☑ Strengthening sales to overseas markets by enhancing overseas business and expanding wagyu beef export business
- ☑ Strengthen animal welfare initiatives

HIGHLIGHT

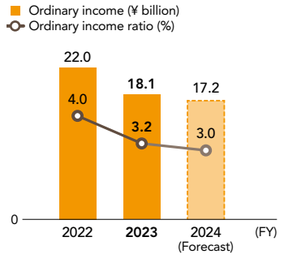
Sales ratio by product category



Sales trend



Trend of ordinary income/ ordinary income ratio



Note 1: Since FY2023, a portion of the segment classification is converted in accordance with our reorganization.
Note 2: Values less than one hundred million were rounded off.

Voice

Kansai CS Department, Kansai Sales Division, ITOHAM MEAT SALES WEST INC.

We want to deliver new value to customers through our marketing strengths



The meat products we handle (beef, pork, poultry, and lamb) are efficiently and hygienically managed throughout each step and process including rearing, processing, inspection, packaging, storing, distribution, and sales. We then sell these products by understanding customers' particular needs, tastes, and purchasing behaviors.

Customer targeting and product knowledge are crucial in conducting sales. We identify targets by understanding the market trends and the competitive landscape among the various customer profiles. We also need in-depth product knowledge in terms of the types of meats and cuts as well as quality standards handled in these spaces.

Our department targets supermarkets in the Kansai region and we propose introducing our products after understanding their qualities, special characteristics, differences from competitors' products, and the strengths of our own products. We think and act daily with the goal of securing long-term profitability by understanding customer needs to provide appropriate proposals and support to increase customer satisfaction.

Voice

ANZCO FOODS

Delivering taste, nutrition, and wellbeing to the world from New Zealand's finest beef and lamb



ANZCO FOODS is one of New Zealand's largest exporters with an annual turnover of approximately NZD1.83 billion (FY2023) and nearly 3,000 employees globally. Established in 1984, we are involved in a variety of businesses including farming, processing, manufacturing, and marketing of New Zealand beef and lamb to the world.

New Zealand is able to grow high-quality pasture to feed its livestock due to the country's water resources mild climate and small annual temperature variations. Cattle and sheep are raised in this favorable environment to produce delicious grass-fed beef and lamb.

Moving forward, we will utilize our sales network spanning over 80 countries to deliver New Zealand's finest beef and lamb to the world. At the same time, we have a strong vision for the future based on our strategic focuses in manufacturing high-quality small goods, grain-finished products and healthcare.

We will also continue to develop our sustainability program that focuses on looking after people and communities, reducing impact on the environment as well as working to minimize the environment's impact on its operations.

Overview of Long-Term Management Strategy 2035 and Medium-Term Management Plan 2026

We have decided on "meat together" as our 2035 Approach toward our Group Philosophy and Vision, and formulated our long-term management strategy to achieve this.

meat together

ITOHAM YONEKYU HOLDINGS
Group Slogan 2035

Expanding the idea of *meat* to bring excitement and happiness to customers around the world

Concept behind "meat together"

The "meat together" approach incorporates the following thoughts.

We expand the idea of **meat** by

meeting the diverse lifestyles and

eating preferences of customers around the world, striving to go

above expectations to bring excitement and happiness to our customers and

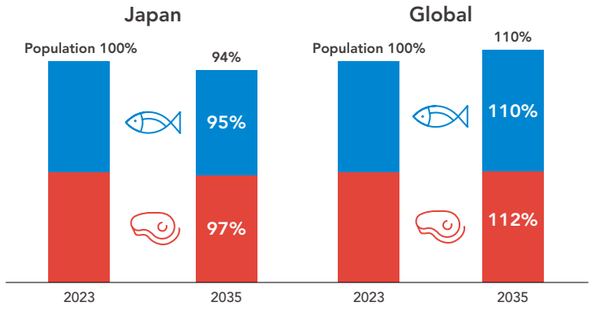
to be heading toward our 2035 Approach by working

together with all of our stakeholders

2035 business environment: Meat demand forecast

Meat demand in Japan will likely decline only slightly due to an increase in per capita intake, despite the gradually declining population.

However, global meat demand will likely remain firm due to population growth and diversifying food preferences.

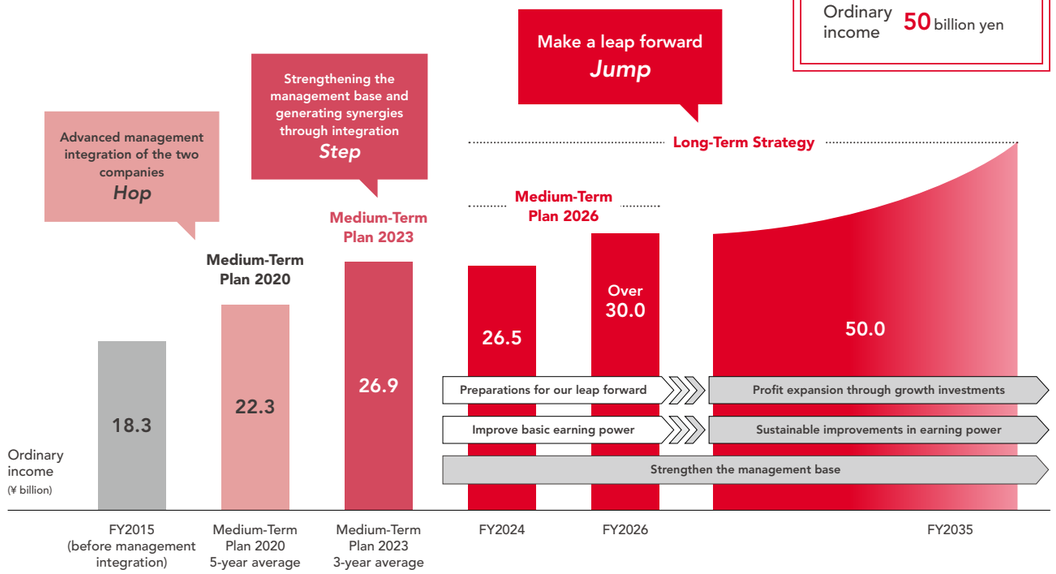


Sources: OECD-FAO Agricultural Outlook 2023-2032 (data for 2033 and beyond is forecasted based on growth rates of the last three years of OECD-FAO, Agricultural Outlook 2023-2032), the UN World Population Prospects: The 2022 Revision, the National Institute of Population and Social Security Research Population Projections for Japan (2023)

Positioning and profit targets of long-term management strategy and medium-term management plan

We have made steady improvements to our earning power after management integration, recognizing that our strength is our stable basic earning power. In our long-term management strategy, we will use this stable basic earning power as a source to make growth investments toward a new leap forward, and target ordinary income of 50 billion yen in FY2035. In our medium-term management plan up to FY2026, which was formulated based on this long-term management strategy, we will promote the preparations for our leap forward, improve basic earning power, and strengthen the management base, while implementing stable shareholder returns through progressive dividends.

ROIC	6.8% or higher
ROE	8.0% or higher
Ordinary income	50 billion yen



Note: Values prior to the management integration are the simple sum of ITOHAM FOODS INC. and YONEKYU CORPORATION results

Overview of Long-Term Management Strategy 2035 and Medium-Term Management Plan 2026

Long-Term Management Strategy 2035

Earnings base

01 Profit expansion through growth investments — Maximizing the value of value chains in Japan

Investment 100 billion yen
Generate 5-10 billion yen in ordinary income

To win in mature markets, we will strive for a superior position in the industry by optimizing the overall reorganization of plants and relocation of bases. In the processed foods business, we are rolling out a concept for a new and highly efficient ham and sausage plant, which is under construction in Mishima, Shizuoka Prefecture, with reorganization focused on our east and west flagship plant.

Processed foods business Investment amount **80** billion yen

Issues/ Constraints	• Our east and west flagship plant, constructed over 50 years ago, has reached the limits of its efficiency
Initiative	• Reorganize both plants, introduce continuous manufacturing lines and other facilities to reduce manufacturing costs

Meat business Investment amount **20** billion yen

Issues/ Constraints	• Limited suitable sites for new production, slaughtering, and processing bases, as well as aging of current facilities
Initiative	• Expand and consolidate existing bases and plants

Roadmap

-FY2026 | -FY2035

- New Mishima Plant
- Reorganization of ham and sausage plants
- Reorganization of cooked processed product plants
- Reorganization of cattle and hog slaughtering and processing plants
- Expansion of existing production bases and establishment of new ones for poultry

02 Profit expansion through growth investments — Accelerating growth of overseas business and expanding into growing businesses

Investment 100 billion yen
Generate 5-10 billion yen in ordinary income

We promote investment (including M&A) in overseas and growth businesses to capture growing demand. We are also advancing our expansion into the frozen foods business and future food development from a long-term perspective, such as ensuring a stable supply of protein.

① New Zealand: ANZCO FOODS

Issues/ Constraints	• Improving manufacturing efficiency • Strengthening earning power independent of market conditions
Initiative	• Continue capital investments for labor-saving and efficiency improvements, reinforce and reorganize plants in the country's North Island and South Island • Build a new plant for the healthcare business, increase the value added to products

② U.S.: Development of processed meat products and cooked foods businesses

Issues/ Constraints	• Yet to enter the continuously growing U.S. cooked foods market
Initiative	• Dispatch company personnel to develop and sell cooked processed products, leveraging technology capabilities cultivated in Japan and local sales networks • Consider building our own plants in the future

③ Japan: Development of frozen foods business

Issues/ Constraints	• Responding to convenient food preparation needs and contributing to reducing food loss
Initiative	• Establish new frozen food manufacturing lines • Consider M&A

④ Future food development

Issues/ Constraints	• Responsibility to provide a stable future supply of protein
Initiative	• Strengthen development of plant-based foods • Research cultured meats that may lead to disruptive innovation

03 Sustainable improvements in earning power — Continuing the improvement of ongoing operations

"Improve basic earning power" in Medium-Term Management Plan 2026 ▶ P.24

Management base

01 Strengthen the management base — Efficiency and transformation through DX

The number of workers in Japan is expected to decline 14% in 2040 compared to 2022, and 21% for workers in the manufacturing industry alone. We will use DX to address this long-term issue of a gradual declining workforce, and aim to achieve improved operational efficiency and sales at the same time. As qualitative initiatives, we will promote cross-company execution support, enhancement of human resource development, and acquisition of official certifications. Through these initiatives, we anticipate an increase of 2 billion yen in ordinary income.

Introduction of initiatives ▶ P.34

Quantitative initiatives

Investment amount
Executed most of our 10 billion yen investment amount, including upgrading our core systems

Quantitative effects
Reduce labor costs by improving operational efficiency, and increase sales and reduce costs by creating sales opportunities

Estimated effects
Achieve targets ahead of schedule 2035

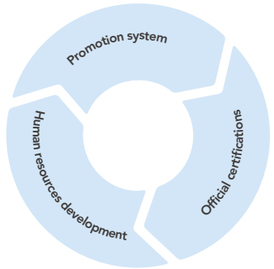
Streamline business +1 billion yen
+
Increase sales and reduce costs +1 billion yen

Qualitative initiatives

Promotion system
Support cross-company execution through the DX Promotion Office

Human resources development
Improve DX literacy through training and other means

Official certifications
Obtain external certifications to enhance corporate brand



02 Strengthen the management base — Sustainability

We will contribute to the realization of sustainable societies through reduction in greenhouse gas (GHG) emissions, respect for human rights, and considerations for animal welfare. To reduce GHG emissions, we will introduce internal carbon pricing* and identify necessary investments, and aim to achieve a 50% reduction in FY2030 compared to FY2016 levels through energy conservation, decarbonization, and renewable energy use. In terms of respecting human rights, we will maintain comfortable working environments for foreign technical intern trainees, and conduct supplier initiative surveys and confirm their consistencies with our human rights policy.

We are also continuing with measures that consider animal welfare, such as partially introducing free stalls at our farms and installing drinking water facilities at cattle and hog slaughtering plants.

* A framework where companies independently set carbon prices and utilize them in their organizational strategies and decision-making to promote decarbonization investments.

Introduction of initiatives ▶ P.35 and P.40-44

Overview of Long-Term Management Strategy 2035 and Medium-Term Management Plan 2026

Medium-Term Management Plan 2026

Toward the achievement of Long-Term Management Strategy 2035, we have formulated a medium-term management plan for the next three years.

Quantitative targets

We are striving for ordinary income of 30 billion yen in the final fiscal year of Medium-Term Management Plan 2026. While responding in a timely manner to changes in the external environment, such as market conditions, we are working to improve basic earning power mainly through organic growth.

	FY2026 targets	Change compared to FY2023
ROIC	5.9 %	+ 0.4 %
ROE	6.2 %	+ 0.6 %
Ordinary income	30 billion yen	+ 4 billion yen
Processed foods	12 billion yen	+ 2.9 billion yen
Meat	20 billion yen	+ 1.9 billion yen

Earnings base

01 Preparations for our leap forward

Processed foods business

Investment amount **20** billion yen

We will proceed with constructing the new Mishima Plant, our model plant for the reorganization of domestic plants, aiming for completion in FY2026.

In preparation for business expansion, we will also boost sales of BtoC frozen foods to reach our target of 20 billion yen in sales in Japan.

Introduction of initiatives ▶ P.16



Exterior of new Mishima Plant

Meat business

Investment amount **10** billion yen

We will proceed with the expansion of domestically-raised poultry production farms in Japan, and establish a new plant for the medical materials of bovine by-products in New Zealand.



New production farm for domestically-raised poultry

02 Improve basic earning power

Processed foods business

We will expand sales by differentiating ourselves from other companies through our strengths in product lineups that meet diverse needs and our sales and marketing techniques that leverage said lineups.

Renew products

- Continue to introduce new products centered on frozen and room temperature products
- Strengthen product brands
- Promote the replacement of low-profit products

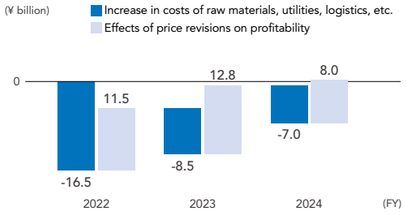
Own brand examples



Differentiation through sales and marketing techniques

- Propose displays of entire product lines on the retail sales floor
- Cross-sell ITOHAM and YONEKYU brands

Revise prices



Meat business

We will work to enhance sales by leveraging the strength of our own sales channels, which include our nationwide sales network and the ANZCO FOODS sales network spanning over 80 countries. We are also striving to improve profit margins through value-added meat products, such as selling by-products with higher degrees of processing and developing company branded meat lines, and through advancements in risk management.

Enhance sales through our own sales channels

- Make the deliciousness of wagyu beef known to the world
  → Start exporting high grade cuts from the new Towada Plant



Towada Meat Plant cattle slaughtering and processing facilities (Operations launched in April 2024, with triple the processing capacity of the previous plant)

- Unheated process meats
  → Expand lineup of convenient products and develop products using price-competitive raw materials



Convenient product example: Seasoned meat product

Adding value

- Expand use of by-products
- Develop company brand meat lines

Domestic pork

ANZCO FOODS
New Zealand beef

Enhance risk management

- Increase procurement suppliers to reduce disease and geopolitical risks
- Review unprofitable transactions and purchase terms
- Establish a more detailed inventory management system
- Thoroughly manage credit and contract risks

Overview of Long-Term Management Strategy 2035 and Medium-Term Management Plan 2026

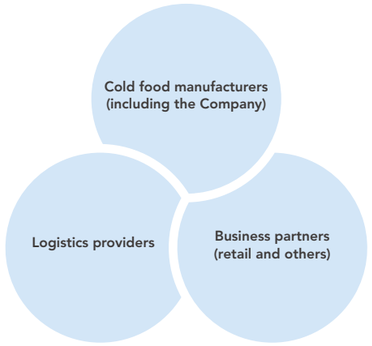
Management base

01 Establish a sustainable logistics system

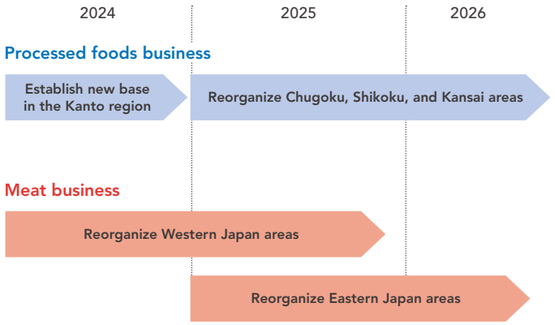
To ensure a stable supply of products, we are working on establishing a sustainable logistics system through cross-industry collaboration with cold food manufacturers, logistics providers, and business partners. As part of our own initiatives, we will also relocate our own logistics bases in each area to streamline logistics. In addition, by increasing the rate of joint deliveries with other companies and achieving the government's target of a 10% improvement in truck loading rates, we are working to mitigate the rise in logistics costs.

Introduction of initiatives ▶ P.37

Establishing a logistics system through collaboration with external partners



Relocating logistics bases



Initiatives
1. Review of delivery driver operations
2. Review delivery terms to improve efficiency
3. Implement joint delivery

02 Human capital initiatives

We will drive sustainable growth by raising engagement through human resource development and fostering a corporate culture. Beginning in FY2024, we set the employee engagement score* as a new KPI and incorporated it into executive compensation calculations. At the same time, to address issues at organizational and departmental levels, we will strengthen support for employees in frontline management positions and encourage supportive management at each site.

* Positive response rate to employee engagement awareness surveys

Introduction of initiatives ▶ P.38



Management position support

Encourage supportive management in each department

- Conduct leadership training
- Support specific departments based on survey
- 360° feedback
- Strengthen one-on-one dialogue skills

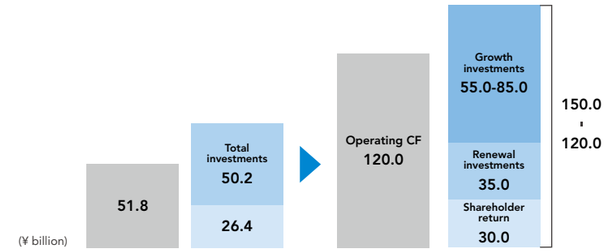
03 Shareholder return

As a policy for the three-year Medium-Term Management Plan 2026, we will introduce dividend on equity ratio (DOE), which is less susceptible to performance fluctuations, as a shareholder return indicator. Our dividend policy is "DOE of 3% or higher, progressive dividend," and we will make dividends without reducing dividends per share. At the same time, we will implement interim dividends from FY2024 for more precise and stable dividends. The forecast for the dividend per share for FY2024 is 145 yen (a 20 yen increase compared to the previous fiscal year).

Previous medium-term management plan policy	Current three-year medium-term management plan policy
Dividend payout ratio in the 30-50% range, targeting 40% and stable dividend increases	DOE of 3% or higher, progressive dividend

04 Cash flow allocation

We will raise our ability to generate operating cash flow by improving basic earning power. By using the cash generated as capital for both stable shareholder returns and expansion of growth investments, we will proceed with preparations toward future sustainable growth. If operating cash flow set aside for growth investments is insufficient, we will consider procuring funds through borrowing.



05 Cost of capital conscious management

To enhance corporate value, we analyzed our profitability, capital efficiency, and cost of capital to identify issues. We then incorporated measures to resolve these issues into Medium-Term Management Plan 2026 and Long-Term Management Strategy 2035.

Introduction of initiatives ▶ P.39

Profitability and capital efficiency analysis

FY	2021	2022	2023
ROE	7.5%	6.4%	5.6%
Cost of shareholders' equity		5-6%	
ROIC	6.6%	5.8%	5.5%
WACC		4-5%	
P/B ratio	0.72	0.74	0.81

Our issues	Measures to enhance corporate value
Profitability and capital efficiency	Medium-Term Management Plan 2026 ▸▸ Increase ROE • Improve basic earning power • Optimal financial leverage • Business management using ROIC as an indicator
Future sustainable growth expectations	Long-Term Management Strategy 2035 ▸▸ Improve P/E ratio • Increase profits through growth investments • Strengthen management base to support sustainable growth

DIALOGUE

Aiming to Be a Leading Food Company

In May 2024, the ITOHAM YONEKYU Group revealed its strategy toward 2035 in the form of Long-Term Management Strategy 2035 and Medium-Term Management Plan 2026, which covers the next three years. We held a roundtable discussion involving three Senior General Manager COOs, who are the heads of their respective divisions, to help readers better understand the current status of the Group, as well as our challenges, prospects, and management policies.



Akihisa Horiuchi

Director, Managing Executive Officer
Senior General Manager COO,
Meat Business Div.
Chief Executive Officer,
YONEKYU CORPORATION

Koichi Ito

Director, Managing Executive Officer
Senior General Manager COO,
Processed Foods Business Div. /
General Manager, Quality Assurance /
Chief Executive Officer,
ITOHAM FOODS INC.

Katsumi Nozawa

Director, Managing Executive Officer /
Senior General Manager COO,
Administration Div. / General Manager,
Corporate Strategy Dept.,
Corporate Strategy Planning Office /
In charge of Compliance

Q. What are the strengths of the ITOHAM YONEKYU Group?

Ito One of our strengths is that we own two unique, long-standing brands with different characteristics. ITOHAM is a national brand, while YONEKYU has a long history of success in the Tokai region and with commercial products. Another key source of competitiveness is the direct sales business model, which is a feature of this industry. Because our sales personnel sell our products directly to supermarkets, convenience stores, restaurant chains, and other businesses, they can ascertain demands, trends, and needs directly through face-to-face conversations with our customers. This has helped us to enhance our development capabilities and offer products that match customer needs. The fact that we can do this on a national scale through all possible channels is a key advantage for the Group.

Horiuchi Our sales network is also a source of strength for the meat business. A unique feature of the ITOHAM YONEKYU Group is our wholesaler-based sales network, which we have expanded nationwide through direct transactions with our business partners. The sales network developed by ANZCO FOODS, which covers over 80 countries, will also help the Group to achieve growth in overseas markets. In addition, we are one of the few companies in Japan to have an integrated meat value chain encompassing all stages from production farm operations to slaughtering, meat processing, and sales within our own Group. I see this as another advantage held by the Group.

Ito The procurement capabilities of the meat business also provide a foundation for our product development and production activities in the processed foods business. By combining these two businesses to create a vertically integrated business model, we have created a structure that facilitates profit generation.

Nozawa I see our stable basic earning power as a key source of strength for the Group. It is this basic earning power that allows us to provide shareholder returns while also executing growth investments. As Mr. Ito observed, the merger of ITOHAM and YONEKYU brought together two companies with history and traditions spanning around a century and six decades respectively, and it was not easy to align employee mindsets and achieve synergies.

However, we took the time to discuss ways to integrate our organizations without losing the best parts of either, and we overcame each challenge in turn. I believe that this process ultimately became a source of confidence and strength for the Group. In addition to organizational reorganization, we also had to integrate and modify various systems and redeploy personnel.

DIALOGUE

Aiming to Be a Leading Food Company

This resulted in a lot of hard work for our frontline employees, but I also sensed a great surge of strength in their efforts to overcome the challenges facing the Group. I expect the integration of our two human resource systems to result in accelerating exchanges of personnel in the future, which should further enhance the synergy benefits created by the merger.

Q. What are the medium- to long-term challenges in each business segment?

Ito Because Japan is a mature market, I believe that our marketing capabilities will play an increasingly important role as we use our strengths and the factors that differentiate us from our competitors to satisfy increasingly diverse and segmented needs. We will also need to carry out a strategic reorganization of our plants to address a range of issues, including aging plants and a shrinking workforce.

Horiuchi Aging production plants and workforce shrinkage are also common challenges for the meat business. Given the limited availability of suitable land for building new production bases and plants in Japan, we believe that the most realistic option for the Group is either to integrate existing facilities, or to reinvest in updated equipment. We will also address the aging of livestock farmers by considering ways to reduce farmer workloads when we reorganize our plants, such as through changes to the way that we collect cattle, swine, and poultry.

Nozawa While both businesses face the same challenges when renovating or reorganizing plants, we need to find optimal solutions that reflect the unique characteristics of each business.

Horiuchi I agree. I also believe that marketing is very important, as Mr. Ito commented earlier. In recent years, we have seen marked changes in people's motives relating to food and purchasing, as well as other trend shifts. We need to find ways to survive and succeed in these markets. For example, there have been cases in which a particular brand of meat becomes popular with consumers due to word of mouth on social media, to the extent that people ask for it by name. When a product is sought out by name, it can be differentiated from competing products and sold at a premium. We need to work with our customers to find ways to enhance the power of our brands.

The Group has its own production farms, and we are planning to leverage these management resources to power the creation of new brands and provide products with high added value. I also believe that we can further develop our ITOHAM YONEKYU brand by supplying meat products with a higher level of processing to help our customers, including restaurants and retailers, to overcome labor shortages.

Q. What steps are you taking to improve the Group's basic earning power?

Nozawa Under our new long-term management strategy and medium-term management plan, we will make determined efforts to improve the Group's basic earning power over the three-year period to FY2026. At the same time, we will allocate the cash generated by these efforts to medium- and long-term growth investment in new business fields, both in Japan and overseas. The Group is also planning to launch large-scale growth investment projects during the period covered by Medium-Term Management Plan 2026. We will carefully select projects that are truly necessary, based not only on the amounts involved, but also on profitability and capital efficiency.

Ito One of the goals listed in Medium-Term Management Plan 2026 is to improve the Group's basic earning power, starting with the achievement of record profits in our processed foods business. The enhancement and effective utilization of our brands will play a key role in this process. The Group has both expertise and proven technological capabilities and we need to use these assets to develop and enhance products that reflect the needs of our customers. Our plant-based products exemplify this approach. Plant proteins were originally developed for use in our hamburg steaks and sausages as binders. Because we possessed this technology and expertise, we have been able to create new plant-based protein products that match customer needs.

From a sales perspective, ITOHAM and YONEKYU each excel in sales through specific channels. By combining the sales capabilities of both companies, we can fully realize the Group's potential.

Horiuchi I believe that the fundamental mission of the Group is to maintain reliable supplies of animal protein. In Japan, we currently utilize imports of beef and pork from the U.S., Europe, and Australia to ensure reliability of supply. However, the Group still has a limited presence in regions where there is scope for increased procurement, such as Brazil. We are therefore focusing on expanding the scale of our business in these areas, including the use of ANZCO FOODS. At the same time, we are working to overcome the challenge of creating new value by finding ways to utilize bovine by-products in our healthcare business.

Ito In the processed foods business, the Group is investing management resources in the expanding frozen foods market and developing products that reflect market needs, with the aim of achieving medium- to long-term growth. Most frozen food products are mass-produced on production lines with minimal human involvement. However, the Group is focused on the creation of delicious foods through a "niche-and-top" strategy, whereby we add an extra effort to develop niche products and achieve leadership in those areas. We need to combine the efforts of the marketing and product development divisions toward the development of seed products, the creation of era-defining products that are not subject to the limitations of existing production facilities, and the expansion of new business areas. Our ability to expand into new areas of business will be limited if we base our thinking on existing manufacturing facilities, so I think that we need to broaden our perspectives.

Nozawa The external environment has a major impact on both our processed foods and meat businesses. For that reason, I believe that we need to transition to a business structure that can reliably generate high levels of profit by working with honest determination to implement the measures discussed by Mr. Ito and Mr. Horiuchi. I am confident that this approach will allow us to achieve solid returns on our growth investments in the future. This long-term strategy will provide our employees with an indication of the Group's strategic direction, while also enabling us to provide clear answers that will raise expectations of growth among outside stakeholders.

> "We will use our management resources to build our brand and provide high-added-value products."
>
> **Akihisa Horiuchi**



Q. What growth investment initiatives are you pursuing with the aim of achieving medium- to long-term profit expansion?

Horiuchi One of our target areas for growth investment is "maximizing the value of value chains in Japan." It is important to identify which stage of the value chain we should add value to, whether it is production or sales. For example, farmers throughout Japan are considering the abandonment of their farms because of the obsolescence of their equipment and aging. There are opportunities for the Group to work with the public sector to maximize value in these value chains. Given the wide range of approaches available to us, we need to not only identify returns on investment from individual projects, but also maximize the value of our value chains by considering the centralization of facilities and capital expenditure based on medium- to long-term demand trends.

Ito In the processed foods business, we can certainly enhance our competitiveness and build a position in the industry by moving quickly to build new plants. However, we also need to think about how we can use DX, IoT, and other technologies in plant manufacturing lines. I believe that the key to success will be the way that we use the power of digital technology, while also applying the history, traditions, and know-how behind our "pursuit of uncompromising flavor."

Nozawa My focus is the creation of foundations to support our growth strategies, including efficiency enhancements and the provision of human resources, as further efforts are needed in these areas. A particularly important priority will be the securement of personnel at a time when the workforce is shrinking. I see the employment of female and senior workers as an important part of the answer to this issue. Many female employees would like to work full-time but are unable to do so for various reasons. We have already introduced working from home and reduced working hours, but I believe that we also need to take decisive steps to create systems at each of our workplaces to provide flexible employment options for women and people who have reached retirement age.

The Group is taking on new challenges, and we must develop a corporate culture that fosters high employee engagement and encourages people to pursue challenging opportunities. We also need to

DIALOGUE

Aiming to Be a Leading Food Company



> We will work steadily to address various challenges relating to our organizations and human resources, while listening carefully to the views of frontline workers.
>
> **Katsumi Nozawa**

address a variety of issues relating to organizations and human resources. No system or policy can ever be perfect, so we should continually refine our approach and move forward one step at a time while listening carefully to the views of our frontline workers.

Ito The creation of working environments in which women can play an active role also helps with the development of safe working environments. For example, our efforts to minimize heavy lifting by workers at the new Mishima Plant will facilitate employment for women, while also allowing us to enhance safety. As a result of these initiatives, I expect to see the appointment of a female plant manager at the Mishima Plant one day.

Horiuchi There is also a need for growth investment targeting overseas businesses and growth businesses. Our main overseas company in the meat business is ANZCO FOODS. While this company has gained an excellent reputation with our customers in Japan, many of its plants are aging, and it also needs to develop more environment-friendly facilities. We therefore anticipate substantial capital expenditure going forward. A large percentage of the company's business centers on the North American market, where our earnings tend to fluctuate, and so we have prioritized expansion into other areas, such as healthcare, in order to diversify income streams. The global sales network of ANZCO FOODS gives us an extremely important advantage when exporting wagyu beef, and I believe that we can achieve major benefits by actively using this network.

Ito Our overseas processed foods business is not yet making a significant contribution to profits, and we need to achieve rapid expansion in this area. For example, we should become more involved with the U.S. pork packing company Indiana Packers Corporation (IPC), in which we have a 20% stake, as we work to expand our processed foods business. There has been a Japanese food boom in the U.S. in recent years, with ramen proving to be especially popular. Despite this trend, there is little production of *chashu* pork for use in ramen in the U.S. We manufacture large quantities of this product in Japan, so there is great potential to use our manufacturing and product development expertise in this area. Given the popularity of fried chicken cutlets in the U.S. there are also business opportunities relating to Japanese-style deep-fried foods, such as *tonkatsu* (pork cutlets), for which we have manufacturing expertise and product development capabilities. IPC already has a customer base for ham and sausage products. We could expand this business by integrating our fine-tuned product development and manufacturing capabilities with IPC's sales network.

Q. What human capital initiatives will be needed to realize your growth strategies?

Nozawa The concept of "human capital" has become a frequent topic of conversation in recent years. Human capital lies at the heart of our efforts to realize the Group's management strategy. We believe that we can enhance our corporate value by maximizing the value of each individual employee. Management's commitment to improving employee engagement is reflected in the adoption of the employee engagement score as a new KPI under the medium-term management plan. Our ultimate goal is to achieve sustainable growth through the improvement of engagement, combined with the development of human resources and our corporate culture.

Horiuchi As is apparent from the population pyramid, the Group faces a shortage of workers in their thirties and forties, as well as a decline in the number of people seeking to advance to senior management, which is the next rung up from middle management. Support for employees in management positions is one of the policies listed in our medium-term management plan, and I consider this issue to be extremely important. I also believe that we need to enhance and expand our upskilling and training systems for frontline workers. Before that, however, we need to lay the groundwork for these efforts by finding answers to some vital questions about the reasons for our engagement in business, and the reasons for our existence as a company.

Ito Mindsets and systems will both play a vital role in our efforts to enhance the potential of our organizations and human resources. A key issue for me is our capacity to appoint section managers who can lead by example. I hope that we can develop people with those qualities, and that this will lead to a virtuous circle of growth for the Company and individuals. As we work to realize our Vision, we will need to build our future human resource pool by continually securing people who have management aspirations or are eager to take up challenges in overseas markets.

Q. What message would you like to send to stakeholders?

Nozawa Our Long-Term Management Strategy 2035 and Medium-Term Management Plan 2026 are both focused on the realization of our long-term approach by pursuing initiatives based on dual timelines with the aim of combining long-term growth with efforts to achieve sustained enhancement of our current basic earning power. It is not enough to achieve either one of these goals, we must commit to the realization of both. I also see the achievement of our quantitative targets as an absolute imperative and will work resolutely toward those figures.

Horiuchi I believe that the process of formulating our new management policies has served as a strong demonstration of the Group's determination to move away from our old ways of doing things and develop a new future for the meat business. Our key focus going forward will be how we can break out of the status quo, including in terms of industry practices. It will also be important to work with our employees to build that future. We want people to enjoy working for the ITOHAM YONEKYU Group, and to know that their company is viewed with pride by their families and communities.

Ito The key to realizing our aspirations for the Group will be the extent to which we can meet the needs of consumers. One of our missions is to enhance cooking satisfaction by supplying fresh, seasoned, and flavored meats to those consumers with time to spare for cooking, as well as ham, sausages, and cooked processed products to consumers with limited time, thereby offering both the fun of cooking and the pleasure of delicious foods. We also need to expand into new business areas so that we can provide the joy of good food to people with diverse lifestyles.

> We are aiming to be a leading food company. The key to realizing that aspiration will be the extent to which we can closely support our customers.
>
> **Koichi Ito**



SPECIAL FEATURE
Voices from the Frontline

Our Dual Drivers—Earning Power and New Value Creation

Global Market » Role and focus areas of Indiana Packers Corporation (IPC)

The ITOHAM YONEKYU Group aims to achieve sustainable growth by accelerating its investment and expanding its profits in growing overseas markets. We see the expansion of our business activities in the U.S. as a vital priority, and we are therefore strengthening our partnership with IPC, which is a joint venture between the ITOHAM YONEKYU Group and Mitsubishi Corporation, in order to develop and offer processed food products targeted primarily toward the food service and convenience store markets in the U.S.

Linking business expansion in U.S. markets to sustainable growth

One of our focus areas under both Long-Term Management Strategy 2035 and Medium-Term Management Plan 2026 is to accelerate the growth of our overseas business. With Japan's domestic population in decline, we aim to achieve profit expansion by accelerating our investment in overseas businesses so that we can capture growing demand in overseas markets. We see the expansion of our business activities in the U.S., which remains an economic superpower and is experiencing continued population and economic growth, as vital to the maintenance of sustainable growth.

Specifically, we plan to expand our collaboration with IPC, which is a joint venture with Mitsubishi Corporation, and to develop and offer processed foods products targeted primarily toward the U.S. food service and convenience store markets. IPC's hog slaughtering and production capacity is among the biggest in the U.S. In recent years it has focused on improving manufacturing capacity for processed pork products, acquiring two ham and sausage manufacturers in the past ten years.

In 2023, we began to dispatch Company personnel to IPC. We are applying the technical expertise that we have cultivated in Japan over almost a century to the development of high-added-value processed foods to meet local needs. We are also using IPC's resources, including its manufacturing facilities and sales networks to manufacture and sell these products. Going forward, we will focus on the development and introduction of both traditional processed meat products, such as ham and sausages, and cooked processed foods, such as Japanese-style fried foods. Depending on sales performance, we will also consider the establishment of our own manufacturing facilities in the U.S.

Voice

Using our accumulated potential to create new value

In October last year, I was assigned to IPC, a Group company in the U.S. In my role as Business Development Manager, I am working to launch the Group's processed foods business in the U.S. market while also strengthening IPC's processed foods business. For almost a century, the ITOHAM YONEKYU Group has used its ingenuity and innovation to supply delicious, high-quality animal protein products, primarily in the Japanese domestic market, and has various potential. We are very happy that we will be able to provide new value to new customers by using capabilities built through the products of previous generations in the vast and highly diverse U.S. market.

We are currently taking our first steps in this market by collaborating with partners, especially Japanese-affiliated customers with business operations in the U.S. "New value" is an extremely broad concept. Going forward, we will use our potential to build a position for ourselves as a global supplier with the potential to achieve success over the next 100 years, by thinking with as much clarity as possible about what kinds of value we should create and for whom, and by accurately communicating that value.



Takeo Tsutsui
Business Development Manager
Indiana Packers Corporation

Digital Transformation (DX) » Role and focus areas of the DX Promotion Office

We are addressing labor shortages in Japan through collaboration with each division toward solutions based on the use of IT and digital tools. Our goal is to ensure that every individual employee can create hypotheses based on their awareness of issues and take action to streamline business and increase sales and reduce costs through DX.

Finding solutions through DX initiatives

We see Japan's labor shortages as a long-term issue for the Group. In the future, organizations will increasingly be required to carry out their day-to-day activities with fewer personnel than today. Facing the challenge of labor shortages in Japan, the DX Promotion Office is working together with each department to resole issued by utilizing IT and digital tools.

One of our initiatives is the introduction of an "order app" that automatically connects to our system and allows customers to place orders directly through PCs and smartphones instead of by telephone or fax. Benefits from this system include not only enhanced customer convenience and operational efficiency, but also increased sales.

Currently we are working to accelerate DX initiatives within the Group by obtaining DX Certification as evidence that we are "DX READY." We believe that the process of obtaining this certification will lead to employee training and changes in corporate systems and strategies. In addition, we have launched DX training programs in the FY2024 We are raising the awareness of individual employees by disseminating information about the reasons for and purpose of DX initiatives, together with messages from the President. Currently, e-learning programs are being used to enhance employee knowledge and understanding about DX. We recognize the need to deepen employees' knowledge and understanding through training and dialogue among each division. Going forward, we will work alongside each division to determine how these tasks should be approached.

Voice

Expanding the scope of our activities through internal initiatives and the sharing of external information

Digital technologies are constantly evolving. Before developing a hypothesis, we need to gain an understanding about how these technologies can be used within the Group by visiting business sites and talking with people. One of the things that we discovered through these day-to-day interactions with people in each division was that information is not always fully shared across divisions, even within the same company. We therefore decided that the first step should be the creation of a system for sharing internal initiatives and external information. This led to the launch of internal information dissemination activities known as "DX Communication." We continually issue concise one-page messages containing key points in the expectation that people will glance at them even when they are busy with their day-to-day activities. Initially there were many opportunities for us to propose new ideas. However, there has since been a shift to requests for advice, which we see as an indication that people within the Company are gradually becoming more familiar with the concept of DX. It is not enough simply to standardize and automate existing activities. We are determined to expand the scope of our initiatives by working with people in each division based on our awareness of the need to start by taking a new look at the functions of existing systems and modifying business processes.



Yuna Sugita
DX Promotion Office
Corporate Strategy Department

SPECIAL FEATURE
Voices from the Frontline

Our Dual Drivers—Earning Power and New Value Creation

Sustainability » Role and focus areas of the Sustainability Promotion Office

We are strengthening the management base that supports our growth by encouraging individual employees throughout the Group to reflect on how our unique capabilities can be used to realize a sound and affluent society, and to think about how they can contribute as individuals and take up the challenge of addressing issues that need to be solved.

Sustainability is our vital mission

Sustainability is a global priority. The aim of sustainability initiatives is to ensure that business growth can be achieved in harmony with a sustainable society. We have positioned sustainability initiatives as an essential mission for the Group and as one of the core themes in our Long-Term Management Strategy 2035. The Group has already identified materialities in this area, and is working on initiatives related to climate change, respect for human rights, and animal welfare. The Sustainability Promotion Office is considering measures in each of these areas. Because of the Group's involvement in the handling of both livestock and processed animal protein products, we place particular importance on actions to address climate change. We are considering the introduction of internal carbon pricing as a way of further reducing GHG emissions across the entire Group.

We are also promoting initiatives on human rights due diligence and animal welfare through visiting business sites and engaging in discussions with business divisions. Initiatives in these areas are discussed at regular meetings of the Sustainability Committee and are also the subject of deliberations and reports at meetings of the Board of Directors and the Group Executive Committee. We are creating a system to accelerate sustainability initiatives by raising knowledge levels throughout the Group, including the introduction of in-house sustainability training programs in the previous fiscal year.

Voice

Unite as a company to grow sustainably and remain a company that is needed

Sustainability initiatives cannot be based solely on the efforts of the Sustainability Promotion Office. We believe that it is important that business division staff and frontline workers understand and act on our approach to sustainability and the strategic direction of our initiatives.

Sustainability issues span a wide range of fields and themes and are affected by rapid trends and changes. While it can be difficult to keep pace with global developments, we are constantly updating our information as the basis for the steady pursuit of initiatives. We also prioritize collaboration and consultation across each department. In addition, we are working to raise the level of sustainability knowledge throughout the Group by offering training programs through which all employees can learn about social trends and our initiatives, and by actively implementing internal training events in response to requests from business divisions.

The mission of the Sustainability Promotion Office is to build systems and internal mechanisms as the basis for an environment in which sustainability initiatives can be pursued autonomously in individual business sites. We are constantly working to make sustainability an integral part of our day-to-day business activities.



Yuko Yamamoto
Sustainability Promotion Office
Corporate Strategy Department

Global Export » Role and focus areas of the Global Meat Sales Department

The Global Meat Sales Department markets and sells wagyu beef produced by the Group with a sense of confidence and pride, to people around the globe. By generating excitement through the culinary scene, the department is helping to enhance the value of the Group and everyone involved in the supply of wagyu beef.

Supplying products that meet global needs

We have been exporting wagyu beef produced by Group companies for almost two decades. The decision to begin exporting beef to overseas markets was prompted by population decline and market shrinkage in Japan. Thanks to industry-wide efforts and the backing of the Japanese government, wagyu beef has become a globally recognized product over the past 10 years, resulting in sustained growth in its export volumes. However, export competition has intensified in recent years because of declining wagyu beef sales in Japan, and we increasingly need to export products with unique characteristics that meet the needs of consumers.

One of the strengths of the Group is our integrated capabilities spanning all stages from manufacturing through to sales. We station marketing personnel with affiliated companies in the U.S. and the EU and their direct involvement in marketing enables them to monitor changes in market trends and customer preferences and quickly relay information back to our production facilities. Unique initiatives by us include the introduction of multilingual labeling for beef sold in European markets, and the development of our own special portion cuts. In FY2024, we enhanced our production system by opening a new bovine processing and cutting factory in Towada, Aomori Prefecture. This export processing facility maintains high hygiene standards and will further strengthen our supply systems.

To survive in an increasingly competitive environment, we will need to step up our efforts to understand constantly changing market conditions and provide high-value products that satisfy the needs of customers around the world.

Voice

Delivering unique wagyu beef products to excite consumers worldwide

Wagyu beef has been exported for decades and is widely recognized in many countries. Most consumers have their own standards of value and convenience and other than the wagyu beef that provides originality and satisfaction, the only value found in them are low prices.

To capture more overseas demand in the future, we will need to focus on and understand the values and standards of overseas consumers, and to build a supply structure that will allow us to offer new product specifications, brands, and services that cannot be matched by our competitors.

As the Global Meat Sales Department, it is important that we abandon all of our preconceived notions, standards, and expectations, and even our pride, if these impede our ability to understand and reflect the needs of overseas consumers. We must work from the consumers' perspective to offer products that meet consumer needs, and to build our knowledge by taking a closer interest in every aspect of wagyu beef, including frontline production and processing operations.

All staff leading this department are determined to approach our supply operations with a sense of responsibility and a deep understanding of these concepts.



Masahiro Miyagi
General Manager,
Global Meat Sales Department
Domestic Meat Division,
Meat Business Division

SPECIAL FEATURE
Voices from the Frontline

Our Dual Drivers—Earning Power and New Value Creation

Logistics » Role and focus areas of the Logistics Department

Logistics is an essential element of the social infrastructure that supports the lives of people and economic activities. Food logistics, which is the task of the Logistics Department, is the most important area of logistics. Our mission is to build a sustainable logistics system capable of supporting the reliable supply of products at a time of dramatic change in the logistics environment, including the "2024 Problem."

Building a sustainable logistics system

The 2024 Problem* and other major changes in the logistics environment mean that we can no longer maintain sustainable logistics systems based on the methods that we have used in the past, so the Logistics Department has launched new initiatives such as relocating logistics bases and collaborating with external partners.

In FY2023, we reorganized our logistics bases in the Kanto region for the processed foods business. As a result, ITOHAM and YONEKYU products are now sharing the same logistics centers for the first time since the management integration. We see this as a model for the future realization of logistics synergies throughout the Group, including joint deliveries of ITOHAM and YONEKYU products, and we will progressively consider the use of this approach in other regions, such as Chugoku, Shikoku, and Kansai.

We are also pursuing cross-industry collaboration with our business partners in the retail industry, our logistics providers, and other companies in the food sector, such as chilled food manufacturers. Our current challenge is transforming our business models by working with sales divisions to review delivery driver operations and delivery terms and conditions to reduce driver workloads, and implementing joint delivery. We see a shift to joint deliveries as the path to achieving the government's target of improving truck loading rates by 10%.

* The 2024 Problem: A general term for the various issues that will emerge following the imposition of an annual limit of 960 overtime hours for truck drivers, effective from April 1, 2024.

Voice

A unique opportunity to transform business rules

One of our priorities is collaboration with external partners, including joint initiatives with Japan's Big Four ham and sausage companies. The personnel in charge of these companies' logistics departments formed a working group within the Japan Ham & Sausage Processors Cooperative Association to consider resolving issues under a basic policy calling for a cooperative approach to logistics rather than a competitive one. After repeated deliberations, it was decided that the industry needed to signal its commitment to taking the initiative in building cooperation and collaboration, resulting in the "Declaration of initiatives by the meat processing industry for contribution to the SDGs and sustainable logistics," calling for initiatives to reduce truck drivers' workloads, review delivery conditions to improve efficiency, and implement joint delivery. The declaration enabled us to collaborate with sales divisions to gain our partners' support at individual delivery locations for eliminating the need for truck drivers to stock shelves. The massive changes that are currently affecting the logistics environment created a unique opportunity to participate in this initiative.

The 2024 Problem will become apparent in FY2024, so this is also an extremely important time to create future business rules. We aim to overcome this crucial time to ensure the Group's sustainable revenue generation and reliable product supply to our consumers.



Shigehiro Akatsuka
System Promotion Team
Logistics Department,
Processed Foods
Business Division

Human Resources » Role and focus areas of the Human Resources Department

We are enhancing our systems to support career development for individual employees and promoting the development of talent capable of taking on challenges on their own initiative. We are also strengthening our encouragement for staff in management positions to provide supportive management in the workplace. Through these efforts, we aim to create a working environment in which engagement levels are high, so that employees and the Company can achieve sustainable growth together.

Developing environments in which employees continue to proactively embrace new challenges

To achieve sustainable growth, the Group must leverage the diverse perspectives and values offered by individual employees while continuing to proactively take on the challenge of innovation. To achieve this, we need to develop an environment in which employees feel motivated and able to work on their own initiative.

In recent years, there have been dramatic changes in the environment surrounding companies and individuals. This has in turn driven significant shifts in value systems relating to work. Human Resources Departments role is to increase our support for autonomous career development by expanding workstyle options to accommodate diverse value systems while actively providing growth opportunities.

We also need to foster a corporate culture in which individual employees can avoid being passive and take the initiative in developing their own careers, so that employees and the Company can achieve growth together. To achieve this, we are expanding our support for self-improvement efforts, including the provision of voluntary training programs and e-learning opportunities. In addition, we are helping managers to provide supportive management, including the introduction and operation of 360-degree feedback and one-on-one support tools in the workplace.

We believe that these human resource development initiatives and efforts to foster a corporate culture will lead to improved employee engagement and sustainable growth.

Voice

We want to be a company where every employee is highly motivated

The Human Resources Department aims to raise employee engagement levels throughout the Group by planning and administering systems that support the growth of employees and enable them to achieve their personal career goals. As stated in the Group's Medium-Term Management Plan 2026, to achieve sustainable Group growth we need to enhance employee skills and foster a corporate culture that supports upskilling and we take great satisfaction in our ability to contribute directly to the achievement of these goals. However, value systems are changing rapidly and becoming increasingly diverse, not only between generations but also within generations, and this has raised the difficulty of helping employees to achieve their career goals.

While we will continue to develop systems that expand the range of career options, we also plan to implement initiatives to enable employees, centered on managers, to gain a clear awareness of each other's value. We believe that these efforts will contribute to the creation of a working environment in which employees encourage each other to achieve growth in the spirit of mutual respect and are highly motivated to work.



Toru Murase
General Manager, Human
Resources Development Office
Human Resources Department,
Administration Division

Strategy »

Role and focus areas of the Corporate Strategy Planning Office

The Corporate Strategy Planning Office aims to improve corporate value by providing support for corporate management activities across a wide range of fields. We play a leading role in the long-term management strategy and medium-term management plan and support the steady execution and dissemination of plans within and outside of the Group.

Identifying issues for the enhancement of corporate value

Companies face intense pressure to improve their corporate value, and a P/B ratio below 1.0 would be seen as a serious problem for any listed company. Our P/B ratio has fallen below 1.0 in recent years, and the solution of this issue was identified as a key priority when we formulated our long-term management strategy and medium-term management plan.

Through internal discussions and meetings with investors, we realized that our two main issues would be to improve current profitability and capital efficiency, and to foster expectations of future sustainable growth.

To improve profitability, we need to raise the core earning power of existing businesses. The Corporate Strategy Planning Office is supporting efforts toward this goal by promoting business management using the rate of return on invested capital (ROIC).

Another essential requirement for sustainable growth is effective, forward-looking growth investment. To achieve that, we work alongside business divisions to assess investment plans and enhance the likelihood of success. We also devise financing plans and pursue optimal leverage in collaboration with the Finance Department. In some cases, we scale back or exit from unprofitable businesses and reallocate those resources to growth areas.

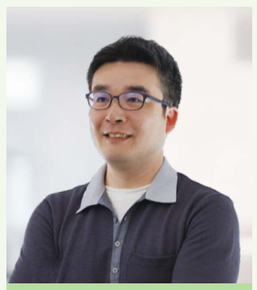
Voice

Advancing ROIC management—Earning more with less capital

Under Medium-Term Management Plan 2026, we will advance management by incorporating ROIC as an indicator. We are working to create a system under which the entire Group can work together to aim for profitability that exceeds the cost of capital, by ensuring that every division is aware of monitoring returns on the funds used and managing with capital efficiency in mind, while keeping inventory levels and working capital management at appropriate levels.

To instill ROIC management throughout the Group, we are developing systems that will allow ROIC to be calculated and visualized regularly at both the corporate and business unit levels as the basis for business operations guided by an awareness of returns on capital. The likelihood that medium- to long-term ROIC will exceed a certain level has also long been one of our criteria for evaluating new businesses and investment opportunities. Going forward, we aim to take this approach a step further by building a system that will enable us to earn more with less capital.

To enhance our corporate value, we need everyone from management to frontline staff to work together toward the same goals. We will establish a clear strategic direction for the Group and promote efficient business operations, leading to the reliable profitability through frontline initiatives.



Mitsuhiro Harata
Corporate Strategy Planning Office
Corporate Strategy Department

Sustainability Initiatives

The ITOHAM YONEKYU Group will contribute toward the realization of a sustainable future based on the Group Philosophy of "Contribute to the realization of a sound and affluent society through business." To achieve this, we identified "seven materialities" and are working to address issues through our businesses. In this section, we will introduce our specific initiatives.

Implementation of sustainability training

With the goal of acquiring essential concepts and knowledge to promote sustainability throughout the Group, we conducted sustainability training for management, including upper level executives, in FY2023. We conducted three training sessions with courses led by external experts on general discussions around sustainability, the environment, human rights, human capital, and animal welfare. After the courses, participants provided feedback on what they learned to their respective organizations in order to raise the standard of sustainability knowledge across the Group. Moving forward, we will continue to advance the steady instillation of sustainability initiatives throughout the Company through these trainings.



Sustainability training in session

Responding to climate change

The ITOHAM YONEKYU Group is aware that maintaining the global environment is a most critical issue, shared by the entire world. We take the environment into account in our business activities, as we declare that actively working to achieve a sustainable society is our environmental philosophy. In particular, we recognize that responding to climate change is an important management issue, and are promoting Company-wide initiatives.

Please visit our website for details on our TCFD analysis and Scope 3 emissions.

- TCFD analysis
- Scope 3 emissions

Initiatives toward reducing GHG emissions

Aiming to solve climate change issues on a consolidated basis, our Group has formulated targets of halving Group GHG emissions (Scope 1 and 2) by FY2030 (compared to FY2016), and achieving net zero emissions by 2050.

In FY2023, we advanced emission reduction initiatives such as replacing the type of fuel used in boilers at the Hokuriku Plant of Group company ITOHAM YONEKYU FOODS INC. and introducing rooftop solar power facilities at the Rokko Plant. Through such initiatives, it is possible to reduce emission by approximately 700t-CO_2 per year. Moving forward, we will continue to assess expanding these initiatives to other plants and also explore renewable energy procurement. We will also introduce internal carbon pricing to promote and ascertain the necessary GHG emission reduction measures.

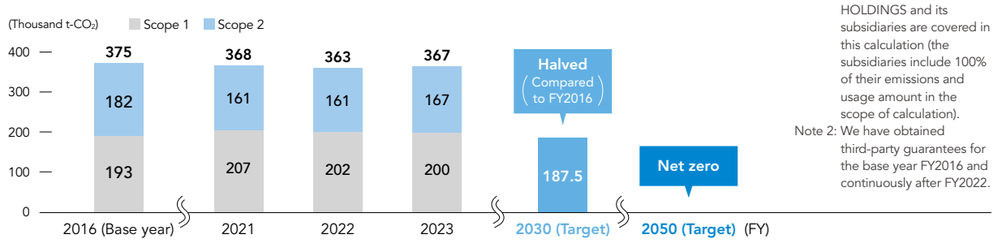


Solar panels at Rokko Plant



Boiler fuel conversion at Hokuriku Plant

Trends and reduction targets in GHG emissions (Scope 1, 2)



Note 1: ITOHAM YONEKYU HOLDINGS and its subsidiaries are covered in this calculation (the subsidiaries include 100% of their emissions and usage amount in the scope of calculation).
Note 2: We have obtained third-party guarantees for the base year FY2016 and continuously after FY2022.

Sustainability Initiatives

Reducing the amount of plastic used

Since February 2022, we have changed products with drawstring bag packaging, such as “The GRAND Alt Bayern,” to a more environment friendly compact format, reducing the amount of plastic used by approximately 150 tons per year. In autumn 2023, we shrunk the packaging size of 19 products, including “Pork Bits” and “Cheese In,” reducing the amount of plastic used by approximately 65 tons per year. In spring 2024, we added five more products, including The GRAND Alt Bayern bundle tape* and “Morning Fresh Series of Wiener,” expecting a reduction of approximately 25 tons of plastic per year.

* A tape for bundling multiple identical products.



Examples of products using environment friendly packaging

Human rights initiatives

The ITOHAM YONEKYU Group believes that respect for human rights should be the basis of all our decisions and actions. In order to respect the human rights of all people involved in our business and to fulfil our social responsibilities as a company, in line with the “ITOHAM YONEKYU Group Human Rights Policy” formulated in FY2021, we will collaborate with stakeholders and work toward realizing a sustainable society where human rights are respected.

Please visit our website for details on human rights due diligence.

Human rights

Human rights due diligence

In accordance with the “ITOHAM YONEKYU Group Human Rights Policy,” we conduct human rights due diligence in line with the process outlined in the U.N. “Guiding Principles on Business and Human Rights.”

In FY2022, we identified the “negative impacts to be tackled as a priority” that could arise from business activities throughout the whole supply chain, and implemented countermeasures for each issue, prioritizing them accordingly.

In FY2023, we conducted interviews with foreign technical intern trainees at two of the Group’s manufacturing plants to accurately understand their actual training conditions. Both sites had appropriate management systems, including cooperation with supervising organizations, and no negative impacts on human rights requiring immediate action were found. During Medium-Term Management Plan 2026, we will visit all Group sites where foreign technical intern trainees are present, and work to improve the development and operations of systems to prevent and mitigate negative impact on human rights.



Interviews with foreign technical intern trainees

Promotion of human rights due diligence initiatives

1. Identification and assessment of negative impacts
2. Prevention and mitigation of negative impacts
3. Effectiveness evaluation of the Company’s initiatives
4. Explanation and information disclosure

Continue cycle from 1 to 4

Negative impacts to be tackled as a priority

Raising livestock, etc. (farm) and meat processing → Procurement → Production & logistics → Sales & marketing

Suppliers	Excessive and unreasonable working hours, occupational health and safety, discrimination and harassment, the rights of foreign workers, forced labor and child labor
Our Group	Discrimination and harassment, and the rights of foreign technical intern trainees

Efforts to build up a sustainable supply chain

Implementation of supplier surveys

The Group recognizes that sustainable procurement is increasingly demanded internationally and that we have a responsibility to address social issues such as human rights and the environment with our suppliers. In accordance with the “ITOHAM YONEKYU Group Procurement Policy” and the “Supplier Procurement Guidelines,” we are working with our suppliers to build up a sustainable supply chain.

We have been conducting the supplier survey since FY2022. For the FY2023 survey, we added and expanded questions relating to human rights and animal welfare to the survey items, and asked 163 suppliers with the highest procurement value (cumulatively representing 80% or more of our total procurement value), receiving responses from 98% of suppliers. The results of the responses showed that there were no risks to the extent that an attended follow-up investigation was required. Furthermore, the percentage of suppliers providing in-house notifications about awareness for occupational health and safety and respecting the rights of workers, as well as the implementation of improvements in the effective use of raw materials, water, energy, etc., was high. However, some suppliers still had room to improve in establishing policies on human rights, the environment, and information management, so we will continue to monitor their progress.

In FY2023, we visited two suppliers and shared our thoughts on the human rights and environmental issues we face, as well as having meetings and exchanging opinions on the initiatives of the two suppliers. Moving forward, we will continue working to enhance supplier engagement through such dialogues, and promoting responsible procurement activities across the supply chain by valuing communication with our suppliers.

Please visit our website for details on sustainable procurement initiatives.

Sustainable procurement



Supplier visit

Consideration for animal welfare

Based on the "ITOHAM YONEKYU Group Animal Welfare Policy" formulated in FY2021, we respect the lives of livestock and poultry (“livestock”). To promote initiatives that take into consideration animal welfare in each process of the Group’s livestock management, transportation, and meat processing, in line with the “Farm Animal Management in Consideration of Animal Welfare” issued by the Ministry of Agriculture, Forestry and Fisheries, we formulated Group-wide animal welfare guidelines, which set out the principles to be adhered to regarding “basic policy,” “livestock management,” “transportation (loading and unloading livestock),” and “management and meat processing at mooring facilities” common to all livestock species.

Please visit our website for details on animal welfare.

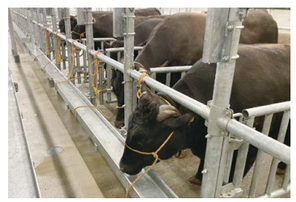
Animal welfare

Implementation of improvements in the environment where livestock are kept

Following the installation of drinking facilities at the IH MEAT PACKER INC. Towada Pork Plant in FY2024, all Group mooring facilities in Japan ensure that cattle and pigs always have access to drinking water.

In addition, SANKYOMEAT INC. facilities are equipped with monitoring cameras, mist sprayers and showers to mitigate the summer heat, as well as ventilators, while the Ariake Beef Plant is certified as an export facility that meets the high export standards set by the EU, the leading institution for animal welfare standards in advanced countries. We are working to acquire the same certification for the IH MEAT PACKER INC. Towada Beef Plant, which began operations in April 2024.

At our farms, we are working to improve our livestock management methods and systems to guarantee and improve our excellent animal welfare standards while adapting to the unique characteristics of livestock and the climate. We are also looking at ways to reduce stress, such as using enrichment techniques to help livestock develop natural behaviors. We will continue to promote animal welfare awareness initiatives through dialogue with stakeholders and ongoing internal training for Group employees.



Cattle drinking water from a drinking facility

Progress on Our Materialities

We established two new KPIs from FY2024: "frozen food sales" and "engagement score."

The "frozen food sales" KPI is a metric that measures the progress of initiatives that contribute to product development that addresses diverse lifestyles such as meals for convenience and for individuals. The "engagement score" KPI measures the progress of initiatives that contribute to improving employee job satisfaction. Since FY2024, we have incorporated improvements in the engagement score into compensation for directors and officers, and we will work to raise this score across the Company.

Materiality	Basic policy	Action plan	KPIs	Targets	Results (FY2022)	Results (FY2023)
Realizing healthy and affluent diet	Offering safe, secure, and high-quality products and services that will satisfy customers is our top priority. Furthermore, we will continue to provide products and services that meet the needs of diverse lifestyles and communities, focusing on health-conscious meals, convenient meals, and reduction of food loss.	• Supply of quality protein • Product development and supply of health value in response to diverse lifestyles • Expansion of products that lead to reduction in food loss	NEW Frozen food sales	FY2026: 20.0 billion yen	15.3 billion yen	16.7 billion yen
Considering the environment	We recognize that our business has a close connection to the global environment, and we are moving forward with initiatives that are considerate of biodiversity, while we work on reducing environmental burden, through effective use of resources and reduction in GHG emissions.	• Reducing GHG emissions • Reducing the consumption of energy and water • Reducing waste emissions • Preserving biodiversity • Reducing the amount of plastic used	GHG emissions (CO_2 equivalent)*1	50% reduction from the FY2016 level by FY2030, net zero by 2050	363,000t	367,000t
			Energy and service water use (per unit)*1	1% reduction each year, 3% reduction over three years, from FY2021 levels	Energy: 9.55GJ/t Water: 16.9m^3/t	Energy: 9.79GJ/t Water: 17.5m^3/t
			Waste emissions (per unit)*1	1% reduction each year, 3% reduction over three years, from FY2021 levels	90.9kg/t	86.6kg/t
Creating a workplace where each employee can actively participate	We respect a wide variety of value systems and work styles, and we ensure a working environment that enables every employee to work safely, as they support our business activities. We cultivate an atmosphere that seeks sustainable growth for both employees and the corporation.	• Improving job satisfaction • Respecting diversity • Promoting a healthy work-life balance • Occupational health and safety, health management, and the respect for human rights	NEW Engagement score	FY2026: 60% or over	52.0%	—
			Percentage of women in management positions*2	FY2030: 10%	5.4%	6.0%
			Percentage of women in chief positions*2	FY2030: 20%	11.5%	11.8%
			Paid leave usage rate (per capita per year)	FY2025: 70%	69.7%	71.1%
Promoting sustainable procurement and stable supply	We are building a sustainable supply chain by cooperating with all of our business partners, starting with the livestock industry, as we aim to resolve social issues such as respect for human rights and animal welfare.	• Contributing toward a sustainable livestock industry • Promoting procurement that respects human rights • Animal welfare considerations	Animal waste recycling rate	Maintain 100%	100%	100%
			Sales of healthcare business	FY2025: 105 million Australian dollars	54 million Australian dollars	97 million Australian dollars
			Supplier survey coverage rate	Implement annually from FY2022, ensuring that the amount procured from the surveyed suppliers represents 80% of the total procurement value	155 suppliers surveyed (total procurement value 80% or above)	163 suppliers surveyed (total procurement value 80% or above)
			Elimination of gestation stalls (for swine)	When building or rebuilding pigpens for pregnant sows, eliminate gestation stalls and adopt loose housing system to keep a sow or a group of sows	No pigpens were built or rebuilt	No pigpens were built or rebuilt
Contributing to local communities	As a member of local communities and as a conscientious corporate citizen, we are moving forward with initiatives that emphasize "coexistence with society" through consideration of the global environment, safety and health, and job creation.	• Promoting environmental conservation and beautification activities • Contributing to revitalizing local communities	—	—	—	—
Strengthening corporate governance	We are aiming for sustainable growth and medium- to long-term improvements to our corporate value, and we will build an optimal governance structure based on our basic policy on corporate governance.	• Adhering to and promoting compliance • Risk management	—	—	—	—
Pursuit of uncompromising flavor and high quality	By protecting our inherited history and technologies, we look to provide products and services that can be enjoyed by all customers.	• Safe and reliable supply of food • Developing human resources that can continue to create new value • Passing on the founders' ideals and the technologies that have been cultivated over years	Number of sites certified by a third party for food safety	Maintain 100%	98% (completed certification of 44 facilities)	100%

*1 Each environmental data has been carefully reviewed and updated to the latest version. *2 Domestic subsidiaries.

Messages from Outside Directors



The Company's strengths are its strong business foundation and excellent talent

I have been an outside director at ITOHAM YONEKYU HOLDINGS for a year now. During this time, the Company has been proactive in providing opportunities for me to visit various domestic business sites and factories, as well as participate in a variety of training sessions, allowing me to deepen my understanding of the Group's businesses and challenges.

Through these experiences, I concluded that one of the Group's strengths is its extensive product lineup and robust sales network. I believe that this strong business foundation is behind the Group's ability to achieve solid results in the maturing domestic meat market.

Another strength is the excellent talent within the Group, as well as the fact that the Company's founding spirit and traditions have been firmly passed down. ITOHAM's founding spirit, "Serving society through business," and YONEKYU's founding spirit, "A moving food experience," are highly compatible. The diversity that the combination of the two companies brings will be an important driving force toward the goal of further growth while rising to the challenge of necessary future transformations. As a result of focused efforts since the previous medium-term management plan, from a management foundation perspective, I believe that the management integration effects between ITOHAM and YONEKYU have begun to manifest. However, by further enhancing the synergy effects post-integration, the Group's strengths will be better showcased.

Focus on human capital initiatives

In May 2024, the Company revealed its Long-Term Management Strategy 2035 and Medium-Term Management Plan 2026. This medium-term management plan has been formulated based on the long-term management strategy, with the latter serving as the higher-level policy. This sets a direction for creating long-term value, which is a favorable direction for the Company.

Outside Officers were able to offer opinions on the formulation of the plan and strategy relatively early on, both at the Board of Directors meeting and at briefings in which we hear details of the agendas of the Board meetings and other internal developments. Regarding the plan considered by the executive side, we provided advice from an outside perspective on the plan's overall direction and structure, as well as how to convey them, and our feedback was taken seriously and incorporated into the plan as needed. We are therefore satisfied with the Long-Term Management Strategy and Medium-Term Management Plan that were developed from such process.

The Company has identified "Sustainability" as an important theme in its Long-Term Management Strategy, whereas sustainability initiatives had already been continuously pursued prior to that. In addition to establishing the Sustainability Committee as a consulting body to the Board of Directors in 2021, the Company has made organizational improvements such as appointing a Sustainability Promotion Officer in each department and setting up a Sustainability Section within the Corporate Strategy Department. I am pleased to see the Company make solid progress in identifying materiality, as well as initiatives on a wide range of topics such as decarbonization, human rights, and animal welfare.

In the Medium-Term Management Plan 2026, the Company has newly identified "human capital initiatives" as a key theme. In recent years, the term "human capital management" has gained traction, and the Group's management team is becoming increasingly aware that talent development and expansion, including managerial personnel, lead to increased competitiveness.

The manufacturing industry has traditionally focused on the hard aspects of business, such as factories and production facilities, to remain competitive. The Group is no different and has factories across Japan and its competitiveness in these hard aspects is extremely strong. However, the key to the Company's human capital management is how to enhance its soft aspects, including talent, to complement its strengths in the hard aspects. It is important to build a talent portfolio that is aligned with the management strategies for factory lines and product development as well as sales and back-office divisions, each with its own set of circumstances, and to plan the composition and training of employees based on this portfolio.

In promoting human capital initiatives, I am particularly focused on securing diversity. For example, when looking at the proportion of female managers, the Company is lower than the average for Japanese companies, and my sense is that it is lagging behind in efforts to increase the active participation of women. However, diversity is not only about gender, with age, nationality, experience, skills, and other elements also needing to be secured. Increasing employee engagement is also an important issue, and I see the introduction of non-financial evaluation metrics such as the proportion of female managers and engagement scores in compensation for directors and officers starting in FY2024 as a sign of management's commitment to employee engagement. Rather than simply aiming to achieve numerical targets, I will focus on assisting in the development of a corporate culture that embraces transformations and challenges, and while monitoring progress, making necessary recommendations from an outside director perspective on how to connect this to sustainable value enhancement.

> "Please look forward to the ITOHAM YONEKYU Group rising to the challenge of bringing about transformation as a crucial player in "food," which is essential for living."



Various discussion forums other than the Board of Directors

The Company strongly recognizes the importance of corporate governance and has established a Governance Committee, Nomination Advisory Committee, and Compensation Advisory Committee as subordinate organizations of the Board of Directors, with outside directors making up the majority of each committee. The Governance Committee, in particular, discusses and continually reviews methods for evaluating the effectiveness of the Board of Directors to strengthen the corporate governance framework.

It is recognized that the Board of Directors also plays a role in engaging in constructive discussions about medium- to long-term management strategies, and discussions on the Long-Term Management Strategy and Medium-Term Management Plan were held based on this recognition. However, it remains somewhat difficult to engage in deep discussions on medium- to long-term topics on a regular basis. For this reason, discussions at the various committees, including the Sustainability Committee, and off-site meetings attended by Board members, introduced in FY2023, are expected to become important corporate governance functions.

There are many perspectives that can only be noticed from an outside standpoint, and in addition to the exchange of opinions regarding the formulation of the Long-Term Management Strategy and Medium-Term Management Plan mentioned earlier, outside directors proactively express their thoughts on various topics, particularly if there are any concerns from an outsider's perspective. The fact that the executive side actively listens to our opinions and implements them in a flexible manner demonstrates the positive impact of the Company's multifaceted initiatives to enhance the effectiveness of the Board of Directors.

The Secretariat, which supports the Board of Directors from behind the scenes, has significant capabilities in helping outside directors fulfil their roles, and is well-equipped operationally to maintain Board effectiveness. For example, during the briefings before the Board of Directors, a forum is created exclusively for independent outside directors and auditors to exchange information and opinions.

Messages from Outside Directors

Occasionally, this time is used to hold discussions with guests invited from the Company's various business divisions, factories, and labor unions. These forums are a valuable opportunity to hear about current Group developments and candid opinions from inside the Group.

The challenge moving forward is to deepen discussions on improving the Group's medium- to long-term corporate value, including specific measures, taking into account the long-term management strategy while utilizing these various forums. It is preferred that opportunities for dialogue on human capital, human resource development, diversity initiatives, sustainability strategies in line with materiality, appropriate information disclosure, and other topics will increase going forward.

Message to stakeholders

The ITOHAM YONEKYU Group plays a crucial role in "food," which is essential for living. The Group values its corporate culture as an important foundation for maintaining people's smiles, health, and vibrant lives, and is promoting initiatives to ensure that employees who support the Group's sustainable growth can realize their full potential. On the other hand, while the Group has a firm grasp on the challenges moving forward, it is attempting to boldly rise to the challenge of making the necessary transformations in response to changing business conditions. Please look forward to the Group's next chapter as it works toward a more sustainable future.



Yukie Osaka
Outside Director

"The Company recognizes that "increase in employee engagement" is the key to human capital management in the Medium-Term Management Plan, and I admire the Company's commitment to drive sustainable growth by incorporating engagement score improvement into the evaluation of compensation for directors and officers, and I eagerly await the outcomes.

I hope that further promoting DX and marketing will help the Company have a better understanding of the values that customers see and appreciate by supporting its products, and to continue to provide even more delicious and safe protein that adapts to changing Japanese diets in order to achieve "meat together."



Yasuko Nishimura
Outside Director

"In addition to the diversification of lifestyles, today's consumers are increasingly health-conscious and engaged in sustainability, resulting in a significant shift in their values regarding food choices.

The Company's strength is promoting initiatives that consider environmental and social issues throughout the supply chain. Moving forward, I am excited to see the Company proactively explore new businesses to adapt to trends and provide new value in food through communication with consumers.

As an outside director, I will use my business creation experience in startup management to assist in the further growth of the Company.



Shuji Kobayashi
Outside Director

"The Company delivers delicious, safe, and secure products to consumers across Japan by leveraging its strengths, which include well-known brands, manufacturing and development technologies cultivated over many years, a nationwide sales and logistics network, and marketing know-how.

Overseas, the Company has access to promising global consumer markets through ANZCO FOODS, while developing businesses deeply rooted in the vast U.S. growth market through Indiana Packers.

The growth potential of the Company's businesses is enormous both domestically and overseas, and I would like to collaborate with employees to pool our ideas together and contribute to the further advancement of the Company.

Corporate Governance

Basic policy

The corporate governance at the ITOHAM YONEKYU Group is based on our Group Philosophy, Vision, and Action Guidelines. With the aim to solve social issues through business and to gain the trust of stakeholders, we have set up a highly transparent system of management that enhances overall Group monitoring, supervising, and other internal control functions while striving to make accurate business decisions and take fast action.

Based on this fundamental view, we have established the "ITOHAM YONEKYU HOLDINGS Group Basic Policy on Corporate Governance," which lays out a framework for corporate governance with the aim of achieving sustainable growth and to improve our medium- to long-term corporate value.

Please visit our website for the "ITOHAM YONEKYU HOLDINGS Group Basic Policy on Corporate Governance."

Basic Policy on Corporate Governance

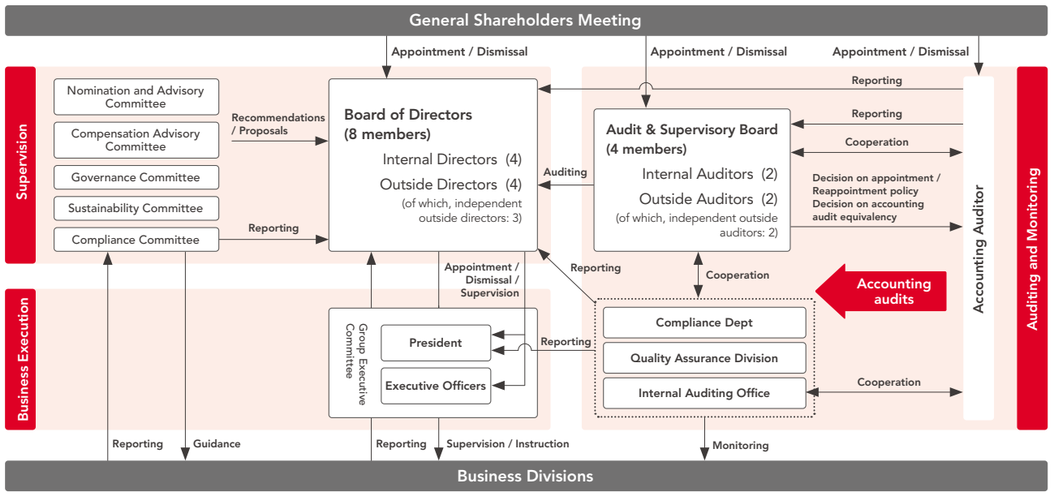
Corporate governance system

As a company with a board of company auditors, the ratio of independent outside directors on the Board of Directors is at least 1/3.

The independent outside directors seek to strengthen the Board of Directors' supervisory function by utilizing their expertise and extensive experience in their respective fields to make management decisions from an independent standpoint without any conflicts of interest with general shareholders.

The independent outside auditors are believed to make a significant contribution to our effective corporate governance by enhancing the independence of the audit system and by expressing their audit views from an objective standpoint.

Corporate governance system diagram (as of September 30, 2024)



Board of Directors' activities in FY2023

● Number of meetings held: **15** ● Meeting duration: **1** hour and **10** minutes on average ● Attendance rate: Directors **98.8**% Auditors **98.3**%

Specific matters considered (39 items resolved and 70 items reported)		
Budget at the beginning and middle of the term	Shareholder return measures (dividend payments and purchase of treasury stock)	Policy on addressing sustainability issues
Settlement of account	Verification of cross-shareholdings	Formulation of materiality action plans, KPI results and initiatives
Progress of Medium-term Management Plan 2023	Evaluations on the effectiveness of the Board of Directors	TCFD scenario analysis, Scope 3 calculations
Building of new plants	IR initiatives	Formulation of animal welfare guidelines
Progress of "Consortium for Future Innovation by Cultured Meat"	Compliance awareness survey results	Summary of financial results and disclosure of non-financial data
Reverse stock split	Corporate governance reports	—

After the Board of Directors meeting, we held two off-site meetings attended by all directors and auditors. The off-site meetings discussed human capital and "management with an awareness of cost of capital and share price." We also held a debriefing on the progress of formulating the "Long-Term Management Strategy 2035 and Medium-Term Management Plan 2026," which were disclosed in May 2024.

Corporate Governance

Compensation for directors and officers

Compensation for directors

The overall executive compensation system, including compensation ratio, individual compensation standards, and its calculation and payment methods, is determined by the Board of Directors following deliberation by the Compensation Advisory Committee, in which the majority of members are independent outside directors.

Compensation for directors (excluding outside directors) is made up of basic compensation, performance-based compensation as a short-term incentive, and share-based compensation (shares with restrictions on transfer) as a medium- to long-term motivation.

The ratio of basic compensation to performance-based compensation to share-based compensation is set at roughly 60:25:15. We established this ratio based on an understanding of our financial situation and after comparing and investigating compensation ratios and standards for each role at many other companies in the same industry and with the same scale so as to ensure objectivity and validity in compensation ratios and standard general compensation for each role.

As for performance- based compensation, in addition to "performance-based bonus" and "additional performance bonus," in FY2024, we introduced a "non-financial evaluation bonus," which reflects non-financial (ESG) evaluations.

The non-financial (ESG) evaluations are determined by the Board of Directors following a comprehensive evaluation by the Sustainability Committee and deliberation by the Compensation Advisory Committee. The evaluations are based on using three of the materiality initiative items as indicators, which have a high priority in management strategy. These items are ① GHG emissions; ② percentage of women in management positions; and ③ employee engagement awareness survey scores.

Compensation for outside directors consists of basic compensation only, which is not connected to their business performance, as their main roles are supervising and making management recommendations from an objective position.

Compensation for auditors

Compensation is determined through discussions among the auditors. It also consists of basic compensation only, which is not connected to their business performance to ensure a high degree of independence.

Overview of the compensation system

● **Directors** (excluding outside directors)*

Basic compensation
A fixed monthly monetary compensation, the amount of which is determined in accordance with their position in the Company.

Performance-based compensation
Paid based on the degree of achievement of targets for each fiscal year, using consolidated ordinary income as the performance index. For the calculation formula, please refer to the "Performance-Based Compensation Calculation Formula."

Share-based compensation
The Company's shares with a restriction on transfer are granted so that they can further share with shareholders the benefits and risks associated with share price fluctuations, and consequently be motivated to contribute more than ever to share price increases through corporate value improvement.



* The composition ratio is a model based on standard performance and will fluctuate based on the Company's performance, etc.

● **Outside directors** Only basic compensation (fixed monthly compensation) is paid. ● **Auditors** Only basic compensation (fixed monthly compensation) is paid.

Performance-Based Compensation Calculation Formula

Performance-based bonus: performance compensation source x multiplier by position (performance portion)

Additional performance bonus: performance compensation source x multiplier by position (individual evaluation portion) x individual evaluation multiplier x adjustment ratio

Non-financial evaluation bonus: performance compensation source x multiplier by position (non-financial evaluation portion) x non-financial evaluation multiplier

* Performance compensation source = "consolidated ordinary income" x 0.01%
* If consolidated ordinary income is 40 billion yen or more, it is calculated as 40 billion yen. If it is less than 5 billion yen, there is no payment.
* Individual performance evaluation multiplier ranges from 0.0 to 2.0.
* Adjustment ratio is a multiplier to correct for fluctuations in the additional performance bonus payment source, which is determined by consolidated ordinary income based on individual performance evaluations. The formula is as follows:

$$\text{Adjustment ratio} = \frac{\text{Total sum of the additional performance bonus multiplier by position for the directors concerned}}{\text{Total sum of the additional performance bonus multiplier by position multiplied by individual performance evaluation multiplier of the directors concerned}}$$

* Non-financial evaluation multiplier ranges from 0.8 to 1.2, and applied uniformly to all directors.

Multiplier by position table (up to FY2023)

Position	Multiplier by position		
	Performance portion	Individual evaluation portion	Total
Chairperson	6.440	—	6.440
President	8.200	—	8.200
Vice-president	6.440	—	6.440
Senior managing executive officer	3.872	0.968	4.840
Managing executive officer	3.232	0.808	4.040
Senior executive officer	2.336	0.584	2.920

Multiplier by position table (after FY2024)

Position	Multiplier by position			
	Performance portion	Individual evaluation portion	Non-financial evaluation portion	Total
Chairperson	5.040	—	1.260	6.300
President	6.640	—	1.660	8.300
Vice-president	5.040	—	1.260	6.300
Senior managing executive officer	2.880	0.960	0.960	4.800
Managing executive officer	2.880	0.760	0.760	3.800
Senior executive officer	1.800	0.600	0.600	3.000

Evaluations on the effectiveness of the Board of Directors

We evaluate the effectiveness of the Board of Directors each year between September and December in order to create and maintain an optimal governance system by clarifying issues and continuing to address them through self-assessment. A summary of the FY2023 evaluation results of the effectiveness of the Board of Directors is as follows:

Effectiveness evaluation process

We have established the Governance Committee as an advisory body to the Board of Directors to analyze and evaluate its effectiveness. The committee conducted a questionnaire consisting of seven evaluation items, 17 questions, and an open-ended section with all directors and auditors to assess the status of the issues identified in the previous effectiveness evaluation (FY2022) and to evaluate whether the Board has been effectively fulfilling its roles and responsibilities.

Evaluation process

- Preparation and implementation of questionnaire by the Governance Committee
- Individual interviews
- Deliberations based on questionnaire responses and interview content
- Analysis and preparation of report on evaluation results
- Recommendations to the Board of Directors and discussion at a Board meeting

Seven evaluation items

(1) Structure of the Board of Directors
(2) Administration of the Board of Directors
(3) Discussions of the Board of Directors
(4) Supervision by the Board of Directors
(5) Appointment and dismissal of managers
(6) Compensation for directors and officers
(7) Discussions with Shareholders

Evaluation results and addressing priorities

Although we continue to address some of the evaluation items, it was concluded that progress had been made in addressing the issues identified in the previous effectiveness evaluation and that the overall effectiveness of the Board was assured. Four of the issues identified in the previous evaluation results were designated as priorities to be addressed in more detail. The table below outlines the priorities and approaches.

Priorities	Summary of initiatives (January to December 2023)
Sustainability initiatives linked to management strategy	● The Sustainability Section, established in April 2022, was transferred to the Corporate Strategy Department, which reports directly to the President, in April 2023, establishing a system to strengthen its connection with management strategy
More active discussion of managerial personnel development	● Created multiple opportunities for discussion by members of the Board of Directors concerning the Company's development of managerial personnel based on explanation by the President and the chairperson of the Nomination Advisory Committee
Discussion of human capital	● Discussion of human capital at Board of Directors will continue in the future ● Policies on personnel development, environmental improvement, etc., are disclosed in the summary of financial results
Improved public relations regarding corporate activities	● Using surveys to identify substantial shareholders and improve dialogue with investors, etc.

FY2024 priorities

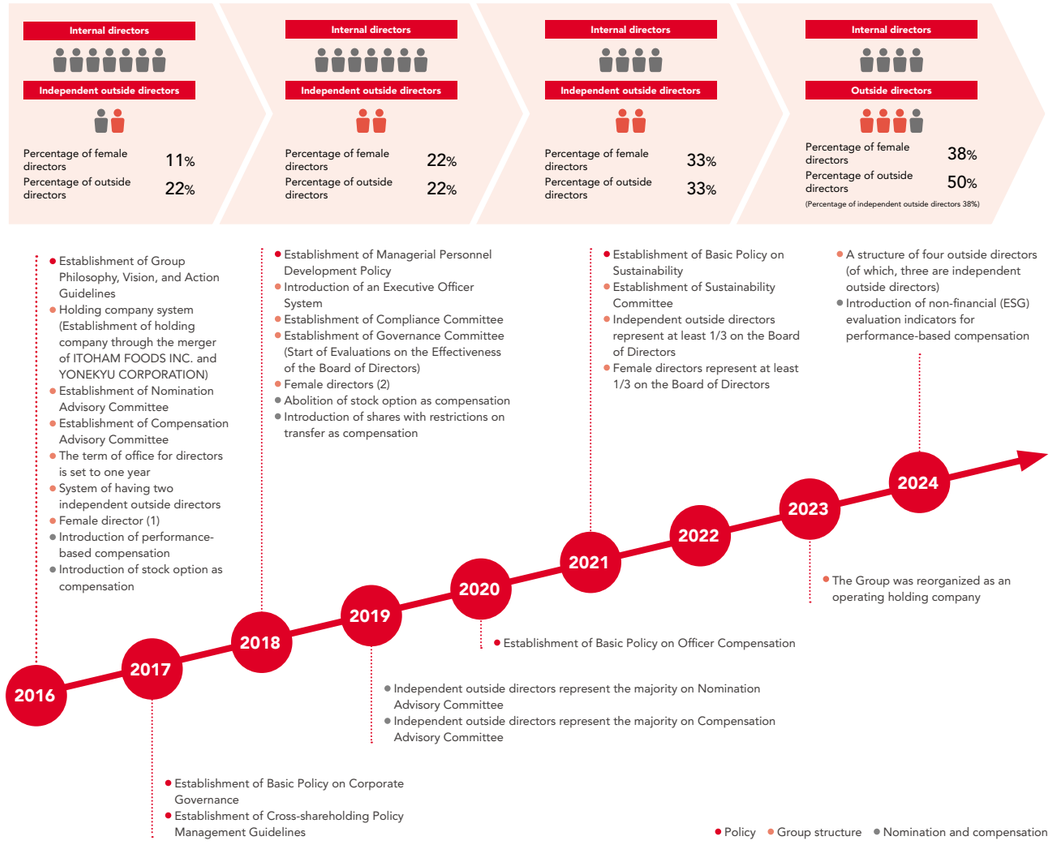
Of the issues identified in the evaluation on the effectiveness of the Board of Directors in FY2023, the four items listed on the right have been identified as priorities to be strengthened.

(1) Sustainability linked to long-term strategy
(2) Discussion of initiatives to link management strategy to human capital
(3) Ongoing discussion of managerial personnel development
(4) Initiatives to implement management with an awareness of cost of capital and share price

Corporate Governance

Initiatives to reinforce the corporate governance system

Since its inception in April 2016, the Company has been continuously working to reinforce corporate governance with the aim of achieving sustainable growth and increasing our corporate value over the medium to long term. We will continue to pursue and enhance the best corporate governance practices for the Company in order to maximize the functions of the Board of Directors.



Cross-shareholdings

Our basic policy is not to hold any cross-shareholdings unless they meet certain conditions and are considered to help maintain and develop business relationships. At the end of each financial year, we conduct a rapid review of the appropriateness of all cross-shareholdings. The results of the review are verified by the Group Executive Committee and reported to the Board of Directors. Shares that are deemed inappropriate to hold are sold after dialogue and negotiation with the issuing company. To vote for or against a proposal, we make a comprehensive assessment of whether the proposal will contribute to the sustainable growth of the issuing company and increase its corporate value. When a company that holds the Company's shares as cross-shareholdings expresses an intention to sell such shares, we will not take any action that would prevent them from doing so.

The price of sold shares and number of sold issues

(FY)

	2016	2017	2018	2019	2020	2021	2022	2023
Price (million yen)	2,975	1,863	971	195	791	106	96	579
Number of issues	25	28	41	13	30	24	25	30

Risk Management

Basic stance and promotion system

Based on our key policy for risk management, our Company specifies, analyzes, and evaluates risks related to the achievement of Group management targets and to business activities, as we prepare a risk management system for continually gaining trust and reliance from society for the long term.

For information on the risk management system and its roles, please see our website.

Risk management

Information security

Information security and cyber risk management are essential components in introducing and operating our digital technologies, and we regard them as critical management issues. As information security is one of the business risks we face, the Group has established a cyber risk management system to handle risks such as cyberattacks and data leaks, which are becoming increasingly sophisticated and stealthy by the day.

Addressing information security

We appropriately handle the personal information of customers, etc., under the Group's "Privacy Policy."

We have created information security regulations and detailed by-laws with the goal of making "Group employees fully aware that the Company's information assets are critical management resources, their effective use is a source of increased corporate value, and ensure the information security necessary to use information assets." We have determined the items to be implemented to ensure information security regarding information systems used for various operations, and have implemented cyberattacks countermeasures.

Information security initiatives

Every year, we conduct targeted attack e-mail and cyber literacy training for all employees.

The Group has set up a system management structure, conducts regular external security audits, and implements appropriate countermeasures to issues identified by the audit. Specifically, we constantly monitor unauthorized external communications, and all computer terminals are equipped with a system that automatically detects unauthorized behavior as standard to ensure consistent management.

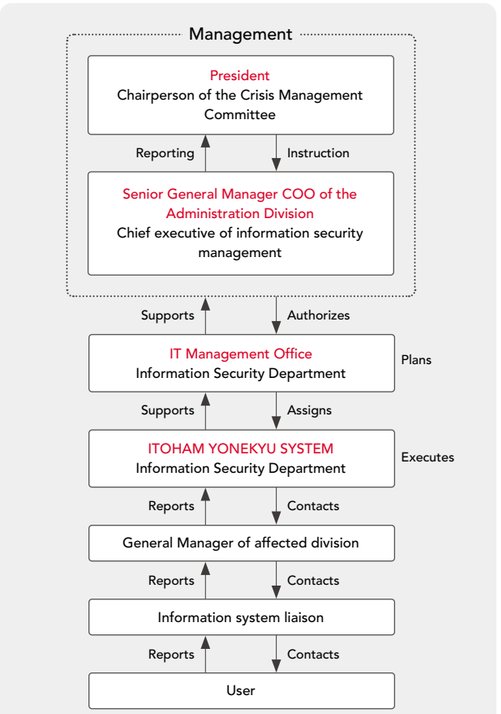
Business and other risks

The Group recognizes the risks that may impact on performance, share prices, financial position, etc., taking into consideration their likelihood of occurrence and degree of impact, and is working to establish a system to minimize their impact. Specifically, some critical risks include the globally rising prices of raw materials, grains, and energy costs, as well as the spread of livestock infectious diseases. We will work to appropriately address these risks and steadily implement various measures to tackle these issues in order to improve our performance.

Security incident system

The Group's system at the time of a security incident is comprised of the Senior General Manager COO of the Administration Division as the designated chief executive of information security management, under the Crisis Management Committee headed by the President. The system ensures prompt reporting and that appropriate countermeasures are taken.

Security incident system diagram



List of Directors, Auditors, and Executive Officers (as of September 30, 2024)

		Directors								Auditors			
													
Name		Isao Miyashita	Koichi Ito	Akihisa Horiuchi	Katsumi Nozawa	Yukie Osaka	Mikiko Morimoto	Yasuko Nishimura	Shuji Kobayashi	Yoshiro Matsuzaki	Shin Takahashi	Kei Umebayashi	Hiroshi Matsumura
Years in office (as of the end of June 2024)		8 years 3 months	2 years	1 year	—	3 years	1 year	—	—	4 years	3 years	4 years	1 year
Independent Director/Auditor						●	●	●				●	●
Current position and responsibilities		President and Chief Executive Officer Director, ITOHAM FOODS INC. Director, YONEKYU CORPORATION	Director, Managing Executive Officer Senior General Manager COO, Processed Foods Business Div. General Manager, Quality Assurance Chief Executive Officer, ITOHAM FOODS INC. Director, YONEKYU CORPORATION	Director, Managing Executive Officer Senior General Manager COO, Meat Business Div. Director, ITOHAM FOODS INC. Chief Executive Officer, YONEKYU CORPORATION	Director, Managing Executive Officer Senior General Manager COO, Administration Div. General Manager, Corporate Strategy Dept., Corporate Strategy Planning Office In charge of Compliance Director, ITOHAM FOODS INC. Director, YONEKYU CORPORATION	Outside Director	Outside Director	Outside Director	Outside Director	Standing Auditor Auditor, ITOHAM FOODS INC. Auditor, YONEKYU CORPORATION	Standing Auditor Auditor, ITOHAM FOODS INC. Auditor, YONEKYU CORPORATION	Outside Auditor	Outside Auditor
Significant concurrent positions						Chairman, General Incorporated Association Customer Success Promotion Association Outside Director, SAKURA internet Inc.	President and Chief Executive Officer, karna ltd. Outside Director, NEC Networks & System Integration Corporation	Judicial scrivener Senior Partner, Tsukasa Judicial Scrivener Corporation Chief Executive Officer, CREA FARM Co., Ltd. Chief Executive Officer, Fujinokuni Trading Japan Corporation Outside Director, Akasaka Diesels Limited	Executive Officer, Mitsubishi Corporation General Manager of CEO Office, Food Industry Group, Mitsubishi Corporation			Lawyer Partner, Nishimura & Asahi (Gaikokuho Kyodo Jigyo) Professor, Graduate School for Law and Politics, The University of Tokyo	Certified public accountant Hiroshi Matsumura Certified Public Accountant Office Auditor, G.D S.p.A.
Reason for appointment		He has been leading the entire Group, working to build the Group's business execution structure and organizational system, including generating and promoting the competitiveness of the Group as a whole. He continues to work to achieve sustainable growth for the Group and to enhance its corporate value over the medium to long term by utilizing his extensive experience and deep insights gained as a corporate manager.	He has shown strong leadership in reorganizing the Group's processed foods business, optimizing logistics, and strengthening and nurturing brands. He continues to work to achieve sustainable growth for the Group and to enhance its corporate value over the medium to long term by utilizing his wealth of experience and deep insights gained as Chief Executive Officer of ITOHAM FOODS INC. and from various key positions in the Group.	He has demonstrated strong leadership in activities to create and expand the meat value chain. He continues to work to achieve sustainable growth for the Group and to enhance its corporate value over the medium to long term by utilizing his wealth of experience and deep insights gained as Chief Executive Officer of YONEKYU CORPORATION and from various key positions in the Group.	He has shown strong leadership in enhancing sustainability management and strengthening corporate governance, including improving Board effectiveness. He continues to work to achieve the Group's sustainable growth and enhance its medium- to long-term corporate value by utilizing his extensive experience and deep insights gained over many years in the accounting dept. of ITOHAM FOODS INC., as a Company executive officer and person in charge of the Group's corporate strategy/planning and administrative depts.	She has contributed significantly to the oversight of business operations from an independent perspective, providing objective professional advice and opinions at Board and committee meetings based on her expertise as a marketing consultant and the insight and broad experience she has gained through her career as an executive and outside director of listed companies and other entities.	She has contributed significantly to the oversight of business operations from an independent perspective, providing objective professional advice and opinions at Board and committee meetings based on her proven record and abundant experience as a corporate manager, as well as her expertise as a sustainability consultant and the insight and extensive experience she has gained through her career as an outside director of listed companies and other entities.	She has a proven record and abundant experience as a corporate manager, as well as the insight and extensive experience acquired through her career as a management consultant, a legal consultant, and an outside director of a listed company. The Company judges that she will provide objective and professional advice and supervision to the Company based on her proven record, knowledge, and wealth of experience.	He has held a variety of important positions in a general trading company, giving him deep insights and a wealth of experience in the food industry and food products industry. The Company judges that he will provide objective and supervision to the Company based on his knowledge and wealth of experience.	He conducts audits based on his duties and background as a Company executive officer and person in charge of the Group's Human Resources Department, and the insight, abundant experience, etc., gained through auditing activities. He offers necessary and appropriate remarks to the Board to ensure compliance and validity in decision-making. At the Audit & Supervisory Board, he audits the execution of directors' duties based on auditing policies and plans.	He conducts audits based on his duties and background as the person in charge of the Group's Accounting & Finance Department, and the insight, abundant experience, etc., gained through auditing activities. He offers necessary and appropriate remarks to the Board to ensure compliance and validity in decision-making. At the Audit & Supervisory Board, he audits the execution of directors' duties based on auditing policies and plans.	He conducts audits based on his expertise and extensive experience in general corporate legal affairs as a lawyer, crisis management, and insights, etc., gained as the Company's auditor. He offers necessary and appropriate remarks to the Board to ensure compliance and validity in decision-making. At the Audit & Supervisory Board, he audits the execution of directors' duties based on auditing policies and plans.	He conducts audits based on his expertise and extensive experience in finance and accounting as a certified public accountant, and insights, etc., gained as the Company's auditor. He offers necessary and appropriate remarks to the Board to ensure compliance and validity in decision-making. At the Audit & Supervisory Board, he audits the execution of directors' duties based on auditing policies and plans.
Attendance at Board of Directors meetings (FY2023)		100% (15/15)	100% (15/15)	100% (12/12)	—	100% (15/15)	100% (12/12)	—	—	100% (15/15)	100% (15/15)	93.3% (14/15)	100% (12/12)
Attendance at Audit & Supervisory Board meetings (FY2023)										100% (12/12)	100% (12/12)	100% (12/12)	100% (10/10)
Committees they serve on	Nominating Advisory Committee	●			◎	●	●	●					
	Compensation Advisory Committee	●			◎	●	●	●					
	Governance Committee				◎	●	●	●					
	Sustainability Committee		●	●	◎		●						
Skills matrix	Management	●	●	●	●	●	●	●	●	●	●		●
	Marketing/ Product development	●	●			●	●	●					
	Production engineering/ Quality control	●	●	●				●		●			
	Finance/Accounting	●			●						●		●
	Legal/Risk management	●	●	●	●			●	●			●	●
	ESG/Sustainability				●		●		●				
	IT/DX				●	●			●				
	International experience	●	●						●			●	

Note 1: In "Committees they serve on," ◎ refers to the chairperson, ● refers to the committee members.

Note 2: The Sustainability Committee includes two executive officers in addition to the directors indicated in the table above.

Executive Officers

Kazuhiko Misonou
Managing Executive Officer
Executive Chairman, ANZCO FOODS LTD.

Tomoyuki Ushimaru
Managing Executive Officer
Deputy Chief Operating Officer, Processed Foods Business Div.
Senior General Manager, Sales Div.

Akihiro Asami
Managing Executive Officer
General Manager, Corporate Strategy Dept.
Deputy Chief Operating Officer, Meat Business Div.

Shuhei Nakao
Senior Executive Officer
Deputy Senior General Manager, Administration Div.

Akira Maeda
Executive Officer
General Manager, Accounting & Finance Dept., Administration Div.

Shinyo Tou
Executive Officer
General Manager, Business Strategy Div., Meat Business Div.

Tadanobu Kujime
Executive Officer
Chief Executive Officer, ITOHAM YONEKYU PLANT INC.

Shinji Horiuchi
Executive Officer
Executive Vice Chairman, ANZCO FOODS LTD.

Hiroyuki Tamai
Executive Officer
General Manager, New Business Development Office, Processed Foods Business Div.

Hideki Matsumoto
Executive Officer
Chief Executive Officer, ITOHAM MEAT SALES WEST INC.

Hirohiko Yoshino
Executive Officer
Senior General Manager, Imported Meat Div., Meat Business Div.

Yukihiro Tashiro
Executive Officer
Senior General Manager, Production Div., Processed Foods Business Div.
General Manager, Purchasing Dept.
General Manager, Central Research Institute
Chief Executive Officer, ITO FRESH SALAD INC.

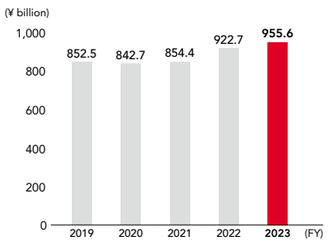
Seiji Kashiwagi
Executive Officer
General Manager, IT Management Office, Administration Div.

Financial and Non-Financial Highlights

Financial data

Net sales*1, 2

¥955.6 billion

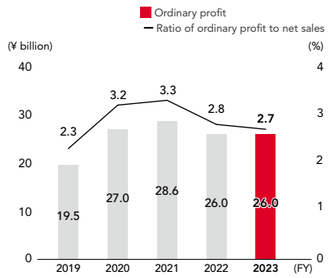


Ordinary profit*1, 2

¥26.0 billion

Ratio of ordinary profit to net sales

2.7%

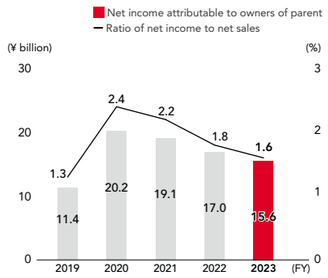


Net income attributable to owners of parent*1, 2

¥15.6 billion

Ratio of net income to net sales

1.6%



Return on equity (ROE)

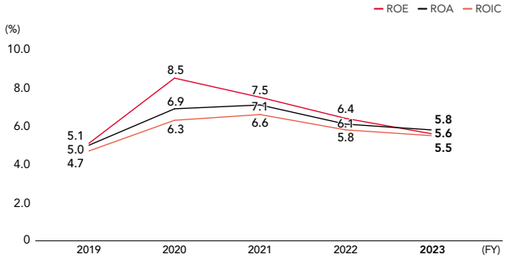
5.6%

Return of assets (ROA)

5.8%

Return on invested capital (ROIC*3)

5.5%

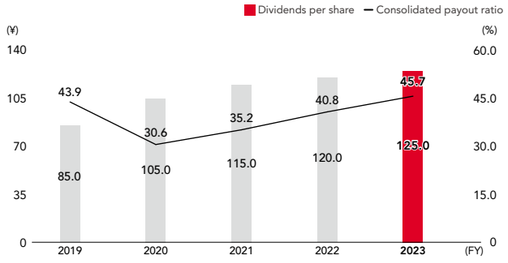


Dividends per share*4

¥125.0

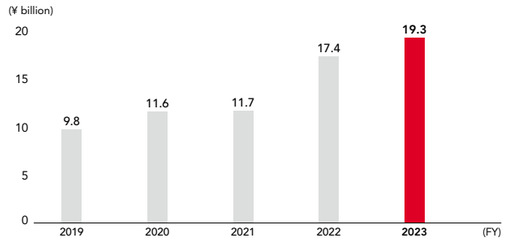
Consolidated payout ratio

45.7%



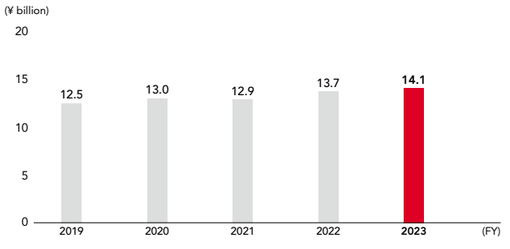
Capital expenditures*1

¥19.3 billion



Depreciation and amortization of goodwill*1

¥14.1 billion

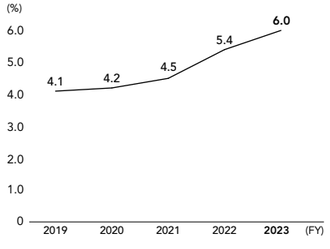


*1 Rounded to the nearest 0.1 billion yen.
*2 The Accounting Standard for Revenue Recognition, etc., have been applied from the beginning of FY2021.
*3 Income before interest expense and after tax / (Interest-bearing debt + Equity capital).
Losses due to disaster and insurance income is excluded from extraordinary income and loss.
*4 The Company implemented a share consolidation on October 1, 2023 (consolidated five shares of common stock into one share). Dividends per share are calculated on the assumption that the share consolidation took place at the beginning of FY2018.

Personnel data

Percentage of women in management positions*5

6.0%

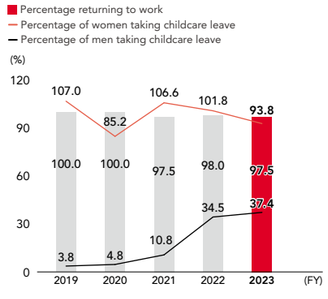


Percentage of employees taking childcare leave*6

Women **93.8%** Men **37.4%**

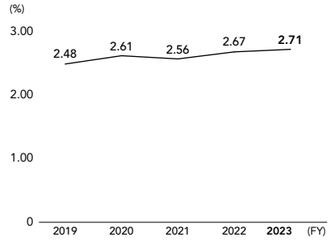
Percentage of employees returning from childcare leave

97.5%



Employment rate of people with disabilities*7

2.71%



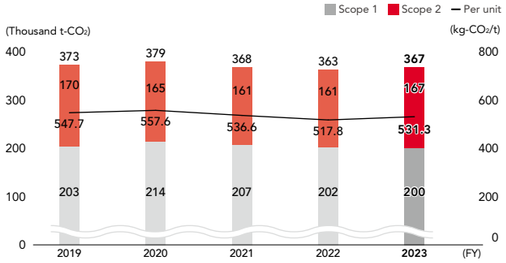
Environmental data*8

GHG emissions (CO_2 equivalent)

367,000 t-CO_2

Per unit produced

531.3 kg-CO_2/t

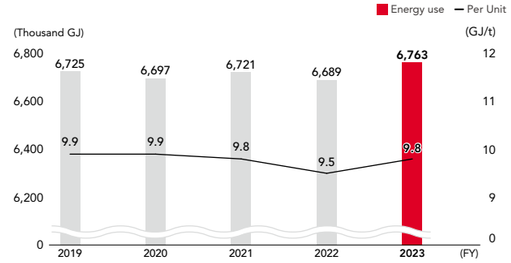


Energy use

6,763,000 GJ

Per unit produced

9.8 GJ/t

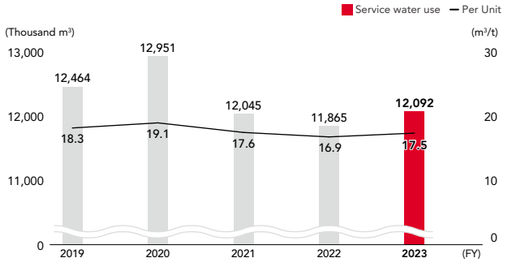


Service water use

12,092,000 m^3

Per unit produced

17.5 m^3/t

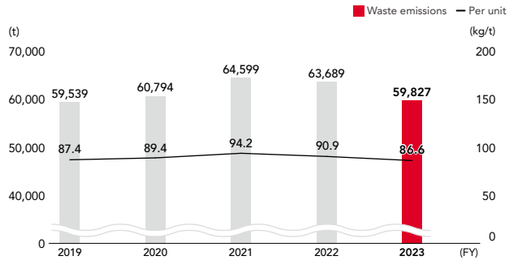


Waste emissions

59,827 t

Per unit produced

86.6 kg/t



*5 The percentage of women in management positions, percentage of employees taking childcare leave, and percentage of employees returning from childcare leave are the total of all consolidated subsidiaries in Japan.
*6 The percentage of employees taking childcare leave is calculated based on the Act on the Child Care and Family Care Leave. The number may exceed 100% in some fiscal years because one may give birth in one fiscal year and take childcare leave in another. The number may fall below 100% even if all employees take childcare leave.
*7 The percentage of employees with disabilities was calculated for the following companies, until FY2021, as they were subject to reporting requirements under the Act to Facilitate the Employment of Persons with Disabilities: ITOHAM, YONEKYU, ITOHAM DAILY, ITOHAM WEST FOODS, ITOHAM FOOD SOLUTION, ITOHAM SALES, TSUKUSHI FACTORY, ROYAL DELICA, ITOHAM BUSINESS SUPPORT, IH LOGISTICS SERVICE, YONEKYU KAGAYAKI, YONEKYU DELICA FOODS, ITOHAM MEAT SALES EAST, ITOHAM MEAT SALES WEST, SANKYOMEAT, IH MEAT SOLUTION, IH MEAT PACKER, YONEKYU OISHII TORI, I-PORK, and the EASTERN HIROSHIMA PIG FARMER COOPERATIVE. The percentage of employees with disabilities for FY2022 was calculated by adding the following companies to the companies covered through FY2021: ITOHAM YONEKYU HOLDINGS, ITOHAM YONEKYU HUMAN SERVICE, ITOHAM YONEKYU SYSTEM, KIKUSUI, ASAKUSA HAM, ITO FRESH SALAD, MARUFUJI, and TAIYO PORK.
*8 Scope:
- ITOHAM YONEKYU HOLDINGS and its subsidiaries are covered in this calculation (the subsidiaries include 100% of their emissions and usage amount in the scope of calculation).
- Various environmental data have been reviewed and updated.
- Waste emissions data from some overseas subsidiaries for FY2016-FY2020 have not been collected.

Financial Data / Stock Data

Major financial trends

(¥ million)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Net sales	850,721	852,450	842,675	854,374	922,682	955,580
Gross profit	126,821	133,548	139,979	131,904	130,126	132,554
Selling, general and administrative expenses	112,326	116,281	115,961	107,292	107,131	110,218
Operating income	14,494	17,266	24,018	24,611	22,994	22,336
Ordinary income	15,679	19,534	27,000	28,596	26,044	26,036
Net income attributable to owners of parent	10,588	11,439	20,204	19,118	16,975	15,553
Earnings per share (EPS) (yen)	179.11	193.60	343.03	326.72	294.07	273.24
Return on equity (ROE) (%)	4.8	5.1	8.5	7.5	6.4	5.6
Return on assets (ROA) (%)	4.1	5.0	6.9	7.1	6.1	5.8
Return on invested capital (ROIC) (%)	4.1	4.7	6.3	6.6	5.8	5.5
Ratio of operating income to net sales (%)	1.7	2.0	2.9	2.9	2.5	2.3
Ratio of ordinary income to net sales (%)	1.8	2.3	3.2	3.3	2.8	2.7
Ratio of net income to net sales (%)	1.2	1.3	2.4	2.2	1.8	1.6
Total assets	393,392	389,426	394,086	413,123	436,763	462,570
Net assets	224,074	229,178	247,648	262,740	269,261	285,326
Capital to asset ratio (%)	56.6	58.5	62.7	63.4	61.5	61.5
Current assets	229,580	226,498	226,384	243,405	256,463	272,036
Current liabilities	139,456	138,106	123,041	126,533	152,941	161,234
Book value per share (BPS) (yen)	3,770.71	3,866.31	4,217.61	4,488.29	4,717.02	5,018.37
D/E ratio (times)	0.28	0.23	0.16	0.13	0.16	0.14
Interest coverage ratio (times)	19.2	44.7	113.3	57.9	4.9	16.2
Cash flow from operating activities	15,114	31,847	40,862	18,473	3,947	29,392
Cash flow from investing activities	(19,879)	(7,855)	(10,837)	(11,251)	(22,926)	(16,014)
Free cash flow	(4,765)	23,991	30,025	7,221	(18,979)	13,378
Cash flow from financing activities	10,084	(16,390)	(21,097)	(10,653)	(6,844)	(13,278)
Cash and cash equivalents at end of period	34,643	41,771	50,651	47,690	22,359	22,917
Net increase (decrease) in cash and cash equivalents	5,358	7,128	8,879	(2,961)	(25,330)	558
Cash and cash equivalents at beginning of period	29,284	34,643	41,771	50,651	47,690	22,359
Capital Expenditures	20,560	9,838	11,580	11,699	17,425	19,306
Depreciation and amortization of goodwill	11,666	12,524	13,003	12,903	13,707	14,090
Dividends per share (yen)	85.0	85.0	105.0	115.0	120.0	125.0
Consolidated payout ratio (%)	47.5	43.9	30.6	35.2	40.8	45.7

Segment information

Processed food segment						
Net sales	291,939	300,209	307,041	302,309	371,165	391,336
Net sales ratio (%)	34.3	35.2	36.4	35.4	40.2	41.0
Segment income	7,914	6,730	12,397	11,086	5,954	9,051
Meat segment						
Net sales	554,576	548,184	531,581	547,843	547,145	564,227
Net sales ratio (%)	65.2	64.3	63.1	64.1	59.3	59.0
Segment income	7,364	11,284	13,443	14,860	21,465	18,131

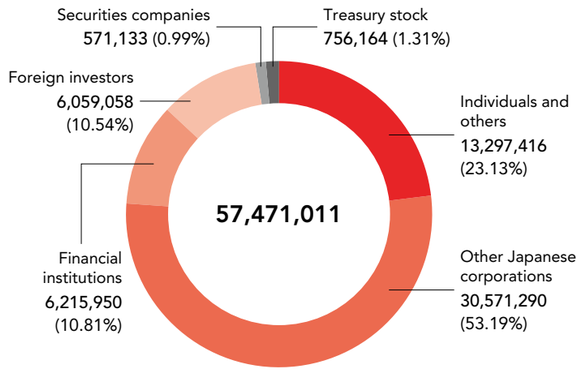
* The Accounting Standard for Revenue Recognition, etc., have been applied from the beginning of FY2021
* Starting in FY2022, the segment classification has switched from being by product and service to being by organization.
* Segment income represented operating income until FY2021, but represents ordinary profit from FY2022.
* The Company implemented a share consolidation on October 1, 2023 (consolidated five shares of common stock into one share). EPS, BPS, and dividends per share are calculated on the assumption that the share consolidation took place at the beginning of FY2018.

Stock information (as of March 31, 2024)

Listed stock exchange	Prime Market of Tokyo Stock Exchange
Stock ticker code	2296
Number of authorized shares	200,000,000
Number of issued shares	57,471,011
Number of shares per unit	100
Number of shareholders	54,165
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited

Distribution of shares by shareholder type

(as of March 31, 2024)



Major shareholders (as of March 31, 2024)

Name	Owned shares (thousand shares)	Ownership ratio (%)
Mistubishi Corporation	23,155	40.82
The Master Trust Bank of Japan, Ltd.	4,182	7.37
The Ito Foundation	2,400	4.23
S Planning Inc.	2,055	3.62
Ito Bunka Foundation	1,240	2.18
Custody Bank of Japan, Ltd. (Trust account)	1,055	1.86
Nippon Life Insurance Company	549	0.96
Koichi Ito	549	0.96
ITOHAM YONEKYU HOLDINGS INC. Employee Shareholder Meeting	407	0.71
DFA INTL SMALL CAP VALUE PORTFOLIO	403	0.71

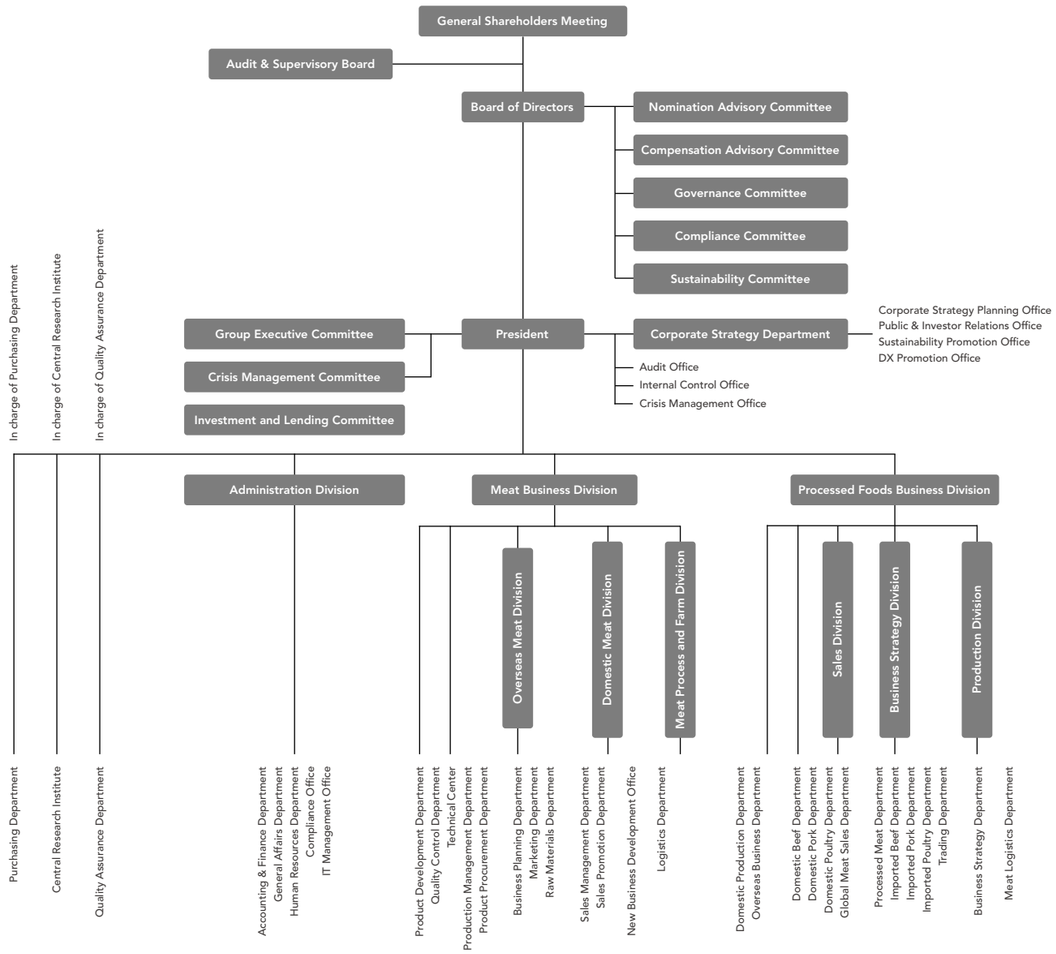
* ITOHAM YONEKYU HOLDINGS is excluded from the above list of major shareholders even though it owns 756,000 shares of treasury stock.
* Ownership ratio is calculated by deducting treasury stocks.

Corporate Data

Corporate information (as of March 31, 2024)

Trade name	ITOHAM YONEKYU HOLDINGS INC.
Representative	Isao Miyashita, President and Chief Executive Officer
Location of head office	1-6-21 Mita, Meguro-ku, Tokyo
Established	April 1, 2016
Capital	30 billion yen
Business description	Business management, meat processing, and procurement and sale of meat, etc.
Number of employees	8,124 (consolidated)
Fiscal year	From April 1 each year to March 31 the following year
Accounting auditor	KPMG AZSA LLC

Organizational chart (as of April 1, 2024)



Group companies (as of March 31, 2024)

Processed Foods Business | **Meat Business**

Business management, meat processing, and procurement and sale of meat, etc.
ITOHAM YONEKYU HOLDINGS INC.

YONEKYU CORPORATION

Sale of processed meat products, etc.
- ITOHAM FOODS INC.
- ITOHAM SALES INC.
- ITOHAM FOOD SOLUTION INC.
- ITOHAM FOODS TRADING (SHANGHAI) CO., LTD.

Sale of meat, etc.
- ITOHAM MEAT SALES EAST INC.
- ITOHAM MEAT SALES WEST INC.

Manufacture of processed meat products, etc.
- ITOHAM YONEKYU PLANT INC.
- ITOHAM YONEKYU FOODS INC.
- YONEKYU KAGAYAKI CO., LTD.
- YONEKYU DELICA FOODS CORP.

Production, livestock farming, processing, and sale of meat, processed meat products, etc.
- SANKYOMEAT INC.
- IH MEAT PACKER INC.
- IH MEAT SOLUTION INC.
- I-PORK CORP.
- MARUFUJI CORP.
- TAIYO PORK CORP.
- EASTERN HIROSHIMA PIG FARMER COOPERATIVE
- ITOHAM AMERICA, INC.
- ANZCO FOODS LTD.
- CMP Rangitikei LTD.
- Other subsidiaries: twenty
- Other affiliates: seven

Manufacture and sale of processed meat products, etc.
- KIKUSUI CO., LTD.
- ASAKUSA HAM CO., LTD.
- ROYAL DELICA CO., LTD.
- TSUKUSHI FACTORY CO., LTD.
- ITO FRESH SALAD INC.
- ITOHAM BETAGRO FOODS CO., LTD.
- Other affiliates: two

Other business services
- ITOHAM BUSINESS SUPPORT INC.

Logistics services
- IH LOGISTICS SERVICE INC.

Other Businesses

Business services
- ITOHAM YONEKYU HUMAN SERVICE CO., LTD.
- ITOHAM YONEKYU SYSTEM INC.
- Other affiliates: one