

**nFG 2026**  
NAKAYAMAFUKU GROUP

**FYE Mar. 2025–FYE Mar. 2027**

# **Medium-Term Management Plan**

**80th Term Initiatives and 81st Term Measures**

**May 26, 2026**

**Nakayamafuku Co., Ltd.**

## **Nakayamafuku Group Medium-Term Management Plan (FYE Mar. 2025 – FYE Mar. 2027)**

### **Development into a Management Strategy Based on Our Management Philosophy**

1. Our Approach from Management Philosophy to Management Strategy
2. Nakayamafuku Group's Nine Material Issues
3. Business Strategies and Business Foundations

### **Nakayamafuku Group Medium-Term Management Plan “NFG2026”**

1. Positioning of the Nakayamafuku Group Medium-Term Management Plan NFG 2026
2. NFG2026 Medium-Term Basic Policy and Medium-Term Priority Measures
3. 81st Term (NFG2026 Phase 3) Priority Measures
4. Enhance Group Governance Through an Operating Holding Company Structure
5. NFG2026 Numerical Targets
6. (Reference) Profitability Indicator Trends

#### **◆ Glossary**

# **Development into a Management Strategy Based on Our Management Philosophy**

# 1. Our Approach from Management Philosophy to Management Strategy

## Management Philosophy

Coexist with society, and use our business activities as a means of contributing to society by helping our shareholders, suppliers, retailers, employees, and other parties we deal with to achieve happiness.



## Management Vision

Nakayamafuku aims to develop markets, grow as a company, and enrich the environment in which people live through the home products we sell and the information we distribute.



## Basic Sustainability Policy



## Nine material issues



## Business strategies

## 2. Nakayamafuku Group's Nine Material Issues

In response to the environment surrounding our company, and in order to lay the foundation for the development of Nakayamafuku and society from our 100th year and beyond, we have identified material issues under our management philosophy and will address them together with the SDGs.

|                    | Material Issues                                                                                                                                    | Main Initiatives                                                                                                                                                                                                     |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| E<br>(Environment) | <ul style="list-style-type: none"> <li>● Protect limited resources while giving consideration to energy consumption and the environment</li> </ul> | <ul style="list-style-type: none"> <li>● Initiatives to tackle climate change</li> </ul>                                                                                                                             |
|                    | <ul style="list-style-type: none"> <li>● Contribute to environmental improvement for social development</li> </ul>                                 | <ul style="list-style-type: none"> <li>● Conserve resources</li> <li>● Develop products that contribute to the environment</li> <li>● Environmentally considerate product transport</li> </ul>                       |
| S<br>(Society)     | <ul style="list-style-type: none"> <li>● Nurturing people to achieve happiness</li> </ul>                                                          | <ul style="list-style-type: none"> <li>● Health and productivity management</li> <li>● Engagement</li> </ul>                                                                                                         |
|                    | <ul style="list-style-type: none"> <li>● Create an environment where individuals feel a sense of purpose and pride</li> </ul>                      | <ul style="list-style-type: none"> <li>● Work-style reforms and securing personnel</li> </ul>                                                                                                                        |
|                    | <ul style="list-style-type: none"> <li>● Develop personnel that provide new value</li> </ul>                                                       | <ul style="list-style-type: none"> <li>● Diversity and inclusion</li> </ul>                                                                                                                                          |
|                    | <ul style="list-style-type: none"> <li>● Provide products that improve health and enrich the lives of consumers they are delivered to</li> </ul>   | <ul style="list-style-type: none"> <li>● Social contribution and collaboration</li> <li>● Strengthen manufacturing business (Business Strategy)</li> <li>● Expand e-commerce business (Business Strategy)</li> </ul> |
|                    | <ul style="list-style-type: none"> <li>● Provide support and supply products so that people's lives are not interrupted</li> </ul>                 | <ul style="list-style-type: none"> <li>● Enhance wholesale business (Business Strategy)</li> <li>● Strengthen logistics functions (Business Strategy)</li> </ul>                                                     |
| G<br>(Governance)  | <ul style="list-style-type: none"> <li>● Sustainably grow our company</li> </ul>                                                                   | <ul style="list-style-type: none"> <li>● Governance</li> <li>● Risk management</li> </ul>                                                                                                                            |
|                    | <ul style="list-style-type: none"> <li>● Become a company that is trusted by society</li> </ul>                                                    | <ul style="list-style-type: none"> <li>● Dialogue with shareholders and investors</li> <li>● Compliance, measures to prevent harassment</li> </ul>                                                                   |

### 3. Business Strategies and Business Foundations

To achieve the management vision, we are promoting various strategies for the wholesale business, manufacturing business, e-commerce business, and logistics functions

#### Business Strategies

Enhance  
wholesale  
business

Strengthen  
manufacturing  
business

Expand  
e-commerce  
business

Strengthen  
logistics  
functions

#### Three business foundations based on material issues

Enhance governance

Foster human capital

Social contribution and  
collaboration

**Nakayamafuku Group**  
**Medium-Term Management Plan**  
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# 1. Positioning of the Nakayamafuku Group Medium-Term Management Plan NFG 2026

- Nakayamafuku Co., Ltd. marked its 100th anniversary in March 2025. Taking this opportunity to look toward the next 100 years, the company formulated the Nakayamafuku Group Medium-Term Management Plan NFG2026 and began initiatives based on the plan starting in FY2024.
- Up to this point our operations had hinged on tailoring the wholesale business to the market environment, but going forward we aim to achieve lasting increases in corporate value as a Group by enhancing governance under an operating holding company structure, and expanding the wholesale, manufacturing, and other businesses.

## Our first 100 years

- **Operations hinge on tailoring the wholesale business to the market environment**
  - For general retailers
    - For general supermarkets, supermarkets, hardware stores, specialty stores, discount stores, e-commerce
  - Developed own “Bestco” brand
  - Conducted M&A in manufacturing and e-commerce businesses

## Our next 100 years

- **Achieve lasting increases in corporate value as a Group**
  - Implement Group governance under an operating holding company structure
  - Enhance/reinforce the wholesale business
  - Achieve further growth/earnings expansion in manufacturing business
  - Expand business in other home-use product markets
  - Strengthen logistics functions to support the above-mentioned businesses
  - Implement M&A

March 1925:  
Founded

March 2025:  
100th anniversary



## 2. NFG 2026 Medium-Term Basic Policy and Medium-Term Priority Measures

### Nakayamafuku Group Medium-Term Management Plan “NFG2026”

#### Medium-Term Basic Policy

As well as expanding the wholesale, manufacturing, and other businesses in order to achieve lasting increases in corporate value as a Group, we will work to strengthen Group management

#### Medium-term priority measures

##### Priority measures by business

- **Wholesale business:** Rebuild our strengths as a wholesale business
- **Manufacturing business:** Promote further growth of manufacturing businesses of each section, as well as Group product strategies
- **E-commerce business:** Promote the characteristics of e-commerce businesses of each section to expand sales, and promote Group-based efficiency improvements
- **Logistics functions:** Enhance/improve efficiency to strengthen functions

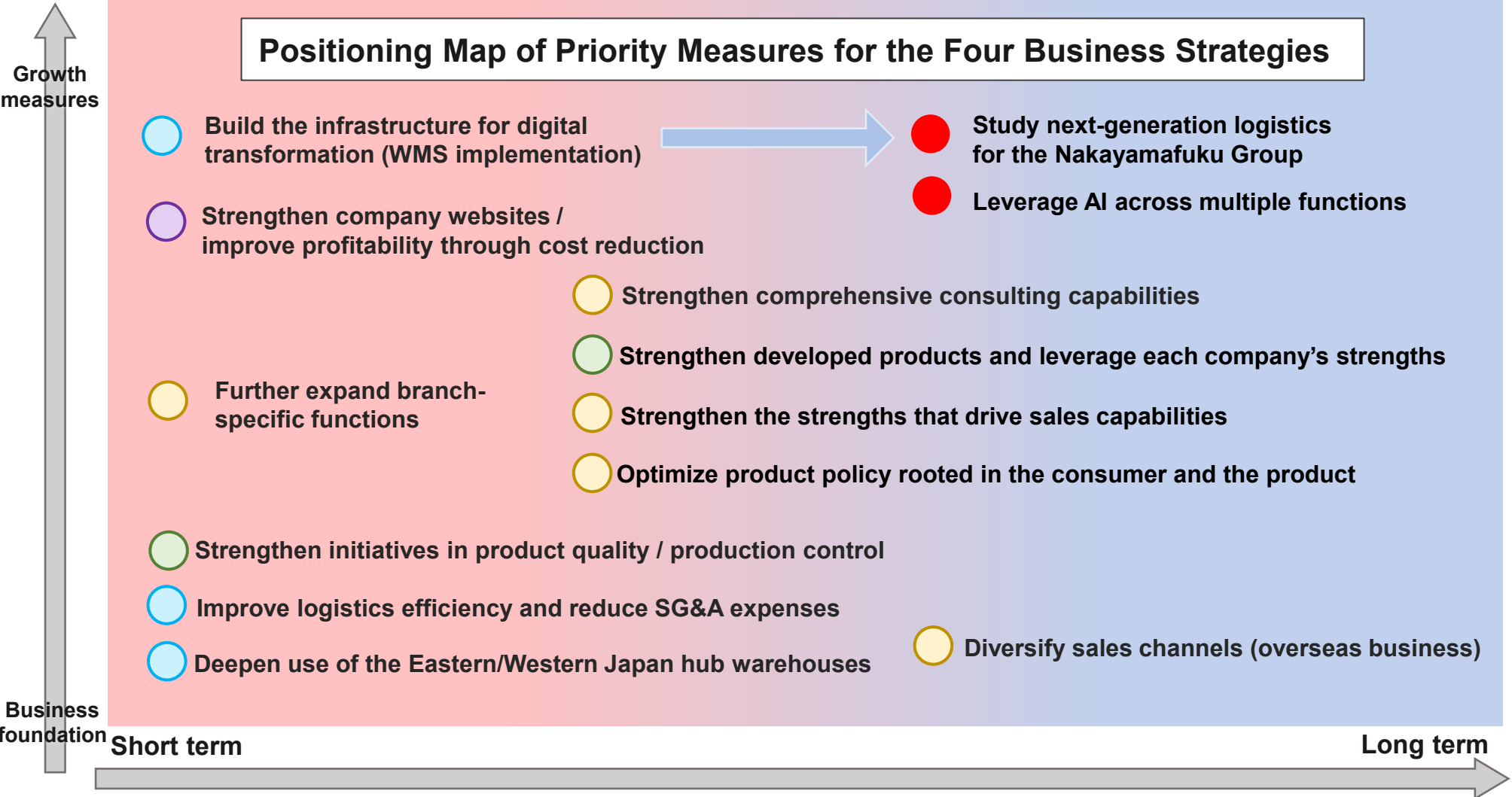
##### Strengthen Group management foundation

- Promote Group governance under an operating holding company structure
- Continue other initiatives to address material issues

### 3. 81st Term (NFG2026 Phase 3) Priority Measures

● New / Group measures  
 ● Wholesale Business (pp.10-13)  
 ● Manufacturing Business (pp.14-16)  
 ● E-commerce business (pp.17-18)  
 ● Logistics Functions (pp.19-20)

#### Positioning Map of Priority Measures for the Four Business Strategies



# Wholesale Business Medium-Term Policy “Rebuild our strengths as a wholesale business”

| Priority Measures                                                                                                                 | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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|                                                                                                                                   | 80th Term Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <ul style="list-style-type: none"> <li>● Rebuild product strategies</li> <li>● Promote product measures with suppliers</li> </ul> | <ul style="list-style-type: none"> <li>● Rebuild product strategies and strengthen sales capabilities                             <ul style="list-style-type: none"> <li>➤ To deepen our initiatives with each supplier, we developed optimal products for approaching retailers, leading to stronger sales capabilities.</li> <li>➤ Based on market-trend research, we carried out planning and proposals at trade shows (exhibitions). We communicated new sales-floor concepts that uncovered latent needs and reflected collaborations with other industries.</li> </ul> </li> <li>● Promote product measures with suppliers                             <ul style="list-style-type: none"> <li>➤ We advanced measures rooted in consumer needs, including new product development based on increasingly diverse market needs.</li> <li>➤ At the same time, we shared our in-house expertise and sales data internally and drove the optimization of purchased products (volume, timing, etc.).</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>● Optimize product-driven strategy                             <ul style="list-style-type: none"> <li>➤ Strengthen cooperation with each supplier and build trust-based <b>strategic partnerships</b>. Continue reviewing optimal product strategies for product selection, information dissemination, and more, tailored to each supplier’s product characteristics (function and design).</li> <li>➤ Aiming to <b>optimize delivery terms (price, timing, lot size, etc.)</b>, present retailers with pricing they can accept and understand, and pursue strong relationships of trust.</li> </ul> </li> <li>● Continue to <b>optimize consumer-driven product policy</b> <ul style="list-style-type: none"> <li>➤ To grasp shifting consumer purchasing trends, analyze product categories and regional characteristics in depth, and continue to advance optimal product policies.</li> </ul> </li> </ul> |

\*➤ indicates key 81st term measures.

# Wholesale Business Medium-Term Policy “Rebuild our strengths as a wholesale business”

| Priority Measures                             | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|                                               | 80th Term Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>● <b>Strengthen sales capabilities</b></p> | <p>● <b>Strengthen sales capabilities</b></p> <ul style="list-style-type: none"> <li>➤ Using marketing materials and POS analysis results, we analyzed regional characteristics and purchasing demographics.</li> <li>➤ We visualized increasingly diverse consumer needs and proposed a sales approach distinct from competitors—that of an information wholesaler—drawing on multiple sources of information, such as sales-promotion methods.</li> </ul> <p>● <b>Advanced comprehensive consulting</b></p> <ul style="list-style-type: none"> <li>➤ For broad-area retailers, we introduced products that meet market needs and align with brand strategy. Distinctive products produced results, driving year-on-year sales growth.</li> <li>➤ We began proposing the use of video and succeeded in bridging suppliers and retailers.</li> </ul> | <p>● <b>Strengthen the strengths that drive sales capabilities</b></p> <ul style="list-style-type: none"> <li>➤ Based on market-trend research, continue planning and making proposals at trade shows (exhibitions).</li> <li>➤ Identify product categories with latent demand, <b>promote collaborations with other industries (such as food)</b>, and communicate new sales-floor proposals.</li> <li>➤ Clarify <b>best-sellers</b> and priority sales products <b>by channel</b> to expand sales.</li> <li>➤ Analyze and follow up after products are introduced to maximize in-store opportunities and expand sales.</li> </ul> <p>● <b>Strengthen comprehensive consulting capabilities</b></p> <ul style="list-style-type: none"> <li>➤ In light of changing purchasing behavior, analyze competitor, internal, and market information from multiple angles, and <b>strengthen consulting capabilities</b> to advance advertising and deepen consumer reach.</li> <li>➤ <b>Provide the support capabilities retailers require through advertising and promotion support centered on digital signage.</b> Work closely with suppliers to build the foundation of an information wholesaler.</li> </ul> |

# Wholesale Business

## Medium-Term Policy “Rebuild our strengths as a wholesale business”

| Priority Measures                                                                 | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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|                                                                                   | 80th Term Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <ul style="list-style-type: none"> <li>● Strengthen sales capabilities</li> </ul> | <ul style="list-style-type: none"> <li>● Diversification of sales channels (Began improving efficiency through third-country trade)                             <ul style="list-style-type: none"> <li>➤ For our overseas business, we advanced operations centered on Taiwan, Hong Kong, Southeast Asia, and the United States.</li> <li>➤ We also exported products from our Group company (INTERFORM INC.) to Taiwan, Malaysia, and other destinations.</li> <li>➤ For Malaysia in particular, we were able to focus on third-country trade from China and South Korea.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>● Diversify sales channels (Develop new accounts and focus on handling Group companies' products)                             <ul style="list-style-type: none"> <li>➤ Leverage the current weak-yen environment and continue to strengthen sales.</li> <li>➤ Develop new accounts by making the fullest use of banks, public institutions, exhibitions, and the like (including countries not yet exported to).</li> <li>➤ Continuing from the previous fiscal year, work with Group companies to expand export markets.</li> </ul> </li> </ul> |

# Wholesale Business Medium-Term Policy “Rebuild our strengths as a wholesale business”

| Priority Measures                                    | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>● <b>Strengthen branch-specific functions</b></p> | <p>● <b>Strengthened branch-specific functions</b></p> <ul style="list-style-type: none"> <li>➤ We are sequentially expanding shipping bases in the e-commerce logistics network and advancing function enhancements that leverage each branch’s characteristics—such as using the Eastern/Western Japan hub warehouses (for directly traded products) and supplementing logistics (transport and warehouse functions) for broad-area retailers.</li> <li>➤ For broad-area retailers, to respond flexibly, we coordinated between the sales and logistics departments—through account transfers (relocating points of contact), changes in logistics methods, and other measures—engaging both internal and external parties, which helped curb SG&amp;A expenses.</li> </ul> <p>● <b>Applying AI to the ordering system</b></p> <ul style="list-style-type: none"> <li>➤ We are preparing to begin trials of AI analyzing conventional time-series data when placing supplier orders.</li> </ul> | <p>● <b>Further expand branch-specific functions</b></p> <ul style="list-style-type: none"> <li>➤ To further evolve the functions and roles assigned to each branch in the 80th Term, we will simultaneously advance efficiency improvements in the underlying operations.</li> <li>➤ To broaden our ability to respond to retailers, each branch will work to further enhance its capabilities.</li> <li>➤ Have the sales and logistics departments collaborate to achieve efficiency improvements on the logistics side.</li> <li>➤ <b>Continue transferring retailer accounts between branches</b> to curb persistently high SG&amp;A expenses.</li> </ul> <p>● <b>Bring AI use in the ordering system into full operation</b></p> <ul style="list-style-type: none"> <li>➤ At trial branches, put the <b>AI-based supplier ordering support system</b> into full operation, assess its results, and then consider rolling it out to branches nationwide.</li> </ul> |

# Manufacturing Business

Medium-Term Policy “Promote further growth of manufacturing businesses of each section, as well as Group product strategies”

| Priority Measures                                                                                                                                                    | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p>&lt;Household goods&gt;</p> <ul style="list-style-type: none"> <li>● <b>New brand development and expansion through changes to operating structure</b></li> </ul> | <p>&lt;Household goods&gt;</p> <ul style="list-style-type: none"> <li>● <b>Began rolling out and promoting the new brand</b> <ul style="list-style-type: none"> <li>➤ By launching high-value-added (in design and function) new-brand products, we worked to transform our earnings structure, and to expand brand recognition, we actively exhibited at influential domestic and overseas exhibitions.</li> <li>➤ Strengthened initiatives with influencers and our social media strategy.</li> </ul> </li> <li>● <b>Cost reduction</b> <ul style="list-style-type: none"> <li>➤ To reduce import costs, contracted with new forwarders and reviewed ports of departure and arrival.</li> <li>➤ Advanced in-house production of packaging, sales-promotion materials, and design.</li> </ul> </li> <li>● <b>Strengthened factory audits to maintain quality assurance</b> <ul style="list-style-type: none"> <li>➤ In collaboration with the Group quality control department, conducted risk assessments and audited more than 10 factories, establishing a system to prevent the occurrence and outflow of defective products.</li> </ul> </li> </ul> | <p>&lt;Household goods&gt;</p> <ul style="list-style-type: none"> <li>● <b>Continue developing the new brand and strengthen its promotion</b> <ul style="list-style-type: none"> <li>➤ Strengthen more profitable, high-function products through new distribution and the development of new sales channels.</li> <li>➤ To expand brand recognition, <b>enhance advertising and promotion through exhibitions, experiential stores, social media, and various media.</b></li> <li>➤ Strengthen buyer’s consolidation to reduce costs and <b>improve inventory turnover.</b></li> <li>➤ Establish a system to respond quickly to foreign exchange risk and strengthen hedging.</li> </ul> </li> <li>● <b>Enhance reliability by strengthening quality assurance</b> <ul style="list-style-type: none"> <li>➤ Further tighten our in-house quality control standards and, based on factory audit results, provide focused guidance to raise the overall level of our quality initiatives.</li> </ul> </li> </ul> |

# Manufacturing Business

Medium-Term Policy “Promote further growth of manufacturing businesses of each section, as well as Group product strategies”

| Priority Measures                                                                                                      | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p>&lt;Interior goods&gt;</p> <ul style="list-style-type: none"> <li>● <b>Strengthen sales capabilities</b></li> </ul> | <p>&lt;Interior goods&gt;</p> <ul style="list-style-type: none"> <li>● <b>Strengthen sales capabilities</b> <ul style="list-style-type: none"> <li>➢ Advanced <b>development of new products, such as bedside tables and mirrors</b>, as new categories compatible with our existing lineup.</li> <li>➢ For overseas sales channels, in collaboration with Nakayamafuku / overseas business department, newly developed a sales channel for Taiwan.</li> </ul> </li> <li>● <b>Conducted factory audits to maintain quality assurance</b> <ul style="list-style-type: none"> <li>➢ Audited and inspected lighting factories in China.</li> <li>➢ Confirmed and provided guidance on inspection and quality control systems.</li> <li>➢ Established inspection and shipping systems so that products can be used safely and with peace of mind.</li> </ul> </li> </ul> | <p>&lt;Interior goods&gt;</p> <ul style="list-style-type: none"> <li>● <b>Further strengthen product competitiveness and expand sales channels</b> <ul style="list-style-type: none"> <li>➢ Lighting and clocks have been our traditional pillars; advance <b>product development in new fields that will become future pillars</b>.</li> <li>➢ Through collaboration with Nakayamafuku / overseas business department, aim to <b>expand sales in new overseas markets</b>.</li> <li>➢ Through analysis of e-commerce consumer reviews, analyze quality and functionality from multiple perspectives, and improve product development capabilities.</li> </ul> </li> <li>● <b>Continue factory audits to maintain quality assurance</b> <ul style="list-style-type: none"> <li>➢ As one Group, continue regular audits and inspections of overseas factories.</li> <li>➢ Aim to establish a stronger control system to prevent defective products at the source and keep them from reaching the market.</li> </ul> </li> </ul> |

# Manufacturing Business

Medium-Term Policy “Promote further growth of manufacturing businesses of each section, as well as Group product strategies”

| Priority Measures                                                                  | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p>&lt;Plastic daily goods&gt;</p> <p>● <b>Improve product competitiveness</b></p> | <p>&lt;Plastic daily goods&gt;</p> <p>● <b>Improve product competitiveness</b></p> <ul style="list-style-type: none"> <li>➤ Drawing on <b>hints from e-commerce consumer reviews, advanced product development</b> emphasizing improved design and functionality, achieving better profitability.</li> <li>➤ Worked to continuously reduce the cost ratio through higher capacity utilization.</li> </ul> <p>● <b>Embedding the quality control system and in-factory initiatives</b></p> <ul style="list-style-type: none"> <li>➤ In collaboration with the Nakayamafuku and the Group quality control department, <b>rebuilt the system for managing change points.</b></li> <li>➤ Aiming to lower the defect rate, thoroughly prevented defective items from reaching the market.</li> <li>➤ Carried out re-education in 6S (5S plus manners) and instilled a change in mindset among factory workers.</li> <li>➤ Analyzed in detail the causes behind low reviews and defect-related word of mouth and reflected them in improvements to product function and stability.</li> </ul> | <p>&lt;Plastic daily goods&gt;</p> <p>● <b>Strengthen product competitiveness and leverage our strengths</b></p> <ul style="list-style-type: none"> <li>➤ Through business with major customers, <b>raise our technical capabilities and production control abilities.</b></li> <li>➤ Change the format of new-product development meetings and <b>take on a new development style</b> that is not limited to our traditional strong suits.</li> <li>➤ Develop storage and gardening products that earn higher marks for design and color.</li> </ul> <p>● <b>Strengthen initiatives in quality/production control</b></p> <ul style="list-style-type: none"> <li>➤ Promote strengthening of the quality control department’s “management of change points” system.</li> <li>➤ Aim for a dramatic improvement in quality by tightening and deepening quality control standards.</li> <li>➤ <b>Overhaul the core system</b> to raise efficiency and also reduce costs.</li> </ul> |

# E-commerce Business

Medium-Term Policy “Promote the characteristics of e-commerce businesses of each section to expand sales, and promote Group-based efficiency improvements”

| Priority Measures                                                                                                                                                  | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <ul style="list-style-type: none"> <li>● Strengthen Group cooperation</li> <li>● Strengthen sales capabilities for B2C and e-commerce operators (B2B2C)</li> </ul> | <ul style="list-style-type: none"> <li>● Strengthen and activate Group cooperation                             <ul style="list-style-type: none"> <li>➢ Information and know-how sharing across the Group remained limited, so we will continue to focus on it in the 81st Term.</li> <li>➢ We attempted product development and selection with both overseas and domestic suppliers beyond divisional boundaries, but the contribution to sales and profit under this new framework remains insufficient.</li> </ul> </li> <li>● Enhance own sales websites [B2C]                             <ul style="list-style-type: none"> <li>➢ Built Nakayamafuku’s own website and launched an official LIV PLUS store on a major sales site, thereby advancing these initiatives.</li> <li>➢ To strengthen sales capabilities, renovated sites and selected products for our 13 existing e-commerce stores based on each store’s characteristics, and through sales promotions increased site traffic.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>● Strengthen and activate Group cooperation                             <ul style="list-style-type: none"> <li>➢ Continue to focus, together with Group companies, on product development and selection suited to e-commerce.</li> <li>➢ Also consider expanding the lineup through product series development.</li> </ul> </li> <li>● Strengthen our own sales website [B2C]                             <ul style="list-style-type: none"> <li>➢ Coordinate <b>products offered by</b> Group companies or <b>suppliers</b> to advance a <b>distinctive, original product</b> lineup.</li> <li>➢ <b>Promote differentiation and category expansion tailored to consumer needs</b>, aiming to dramatically improve the conversion rate (CVR).</li> <li>➢ Advance operational efficiency and the integration and shared use of customer data to further improve profitability.</li> </ul> </li> </ul> |

# E-commerce Business

Medium-Term Policy “Promote the characteristics of e-commerce businesses of each section to expand sales, and promote Group-based efficiency improvements”

| Priority Measures                                                                                        | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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|                                                                                                          | 80th Term Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>● <b>Strengthen sales capabilities for B2C and e-commerce operators (B2B2C)</b> &lt;Continued&gt;</p> | <ul style="list-style-type: none"> <li>➢ Beyond divisional boundaries, strengthened reach and recognition through social media development, content distribution, and related initiatives.</li> <li>● <b>Used Eastern/Western Japan branches to improve logistics efficiency</b> <ul style="list-style-type: none"> <li>➢ Improved costs—reducing delivery freight and packing/packaging expenses, etc.—and improved shipping efficiency.</li> <li>➢ To shorten delivery times to consumer, began additional shipping from the Eastern/Western Japan branches (Sapporo and Fukuoka).</li> </ul> </li> <li>● <b>Improving operational efficiency and strengthening sales [B2B2C]</b> <ul style="list-style-type: none"> <li>➢ Consolidated and organized product information and shared it across all branches, streamlining registration processes for retailers’ e-commerce departments across branches.</li> <li>➢ Began product development exclusively for e-commerce retailers, and going forward will work to improve sales capabilities and profitability.</li> <li>➢ Increased the frequency of information exchange among individuals in charge, advancing the sharing and use of sales and product trends.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>➢ Continued social media development and distribution beyond divisional boundaries.</li> <li>● <b>Continue improving logistics efficiency and reducing SG&amp;A expenses</b> <ul style="list-style-type: none"> <li>➢ Achieve improvements by introducing standard-sized package delivery and negotiating packing/packaging costs and terms with suppliers.</li> <li>➢ Consider beginning shipments from shipping-capable branches other than the Eastern/Western Japan branches.</li> <li>➢ To improve logistics efficiency, work to raise the direct-to-consumer shipping ratio and unit prices.</li> </ul> </li> <li>● <b>Improve profitability [B2B2C]</b> <ul style="list-style-type: none"> <li>➢ Promote product development exclusively for e-commerce retailers to raise sales capabilities and profitability.</li> <li>➢ Continue to advance <b>more suitable sales support tailored to retailers’ requests (prioritizing product count, product proposals, etc.)</b>.</li> <li>➢ Win new customers and strengthen engagement with retailers’ e-commerce departments to improve earnings.</li> </ul> </li> </ul> |

# Logistics Functions

## Medium-Term Policy “Enhance/Improve Efficiency to Strengthen Functions”

| Priority Measures                                                                         | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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|                                                                                           | 80th Term Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <ul style="list-style-type: none"> <li>● <b>Strengthen logistics functions</b></li> </ul> | <ul style="list-style-type: none"> <li>● <b>Advanced cost reduction</b> <ul style="list-style-type: none"> <li>➤ Continued to develop new Special Group Cargo Motor Trucking Companies and thoroughly reviewed prices for chartered vehicles as well, curbing transportation expenses.</li> <li>➤ Reviewed how packaging materials are used and promoted efficient operations.</li> <li>➤ Achieved efficiency in product picking and shipping by introducing dedicated equipment (printers) and also implemented workplace improvements to maximize effectiveness.</li> </ul> </li> <li>● <b>Implemented management education and safety measures</b> <ul style="list-style-type: none"> <li>➤ Advanced management education for logistics staff to raise overall work efficiency from the ground up. Although product volume reached 106.3% YoY, achieved a 2.0% reduction in total work time, mainly in shipping.</li> <li>➤ Clarified work flow lines, reducing the main causes of work-related accidents.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>● <b>Build the infrastructure for digital transformation</b> <ul style="list-style-type: none"> <li>➤ With digital transformation in mind, <b>consider introducing optimal logistics equipment</b> as the new core system construction progresses. Conduct <b>experiments introducing AI</b> into ordering work and prepare a framework for adoption.</li> <li>➤ Expand mechanisms that improve efficiency in order picking and shipping, reduce operator walking distance, and improve work efficiency.</li> </ul> </li> <li>● <b>Implement efficiency measures aimed at cost reduction</b> <ul style="list-style-type: none"> <li>➤ Strengthen efforts to <b>reduce operational unevenness and waste</b> and curb persistently high expenses.</li> <li>➤ Improve work efficiency to reduce incidental expenses associated with delivery costs.</li> <li>➤ Specifically, continue efforts with a target of reducing total work time by 3.5%, thereby offsetting increases in part-time labor costs.</li> </ul> </li> </ul> |

# Logistics Functions

## Medium-Term Policy “Enhance/Improve Efficiency to Strengthen Functions”

| Priority Measures                                                                                                                                                             | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|                                                                                                                                                                               | 80th Term Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <ul style="list-style-type: none"> <li>● Strengthen Eastern/Western Japan locations</li> <li>● Make maximal use of the strengths of logistics locations nationwide</li> </ul> | <ul style="list-style-type: none"> <li>● Considered using hub warehouses in each of the Eastern and Western Japan areas                             <ul style="list-style-type: none"> <li>➤ By concentrating incoming private-brand (PB) products at core bases in the Eastern and Western Japan areas for storage, promoted the building of a more efficient logistics system.</li> </ul> </li> <li>● Made multifaceted use of the nationwide branch network                             <ul style="list-style-type: none"> <li>➤ For consumer e-commerce deliveries, with the nationwide branch network in view, prioritized the branches to start with sequentially.</li> <li>➤ Established a new department (Sales Promotion Department) within the sales division, enabling sales and logistics to work as one to oversee the delivery system and consider efficiency improvements.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>● Increase use of the Eastern/Western Japan hub warehouses                             <ul style="list-style-type: none"> <li>➤ Increase use of the two Eastern and Western core bases—the Eastern Kanto and Fukuoka branches—and enhance the logistics system through efficient use of logistics storage functions.</li> </ul> </li> <li>● Study next-generation logistics for the Nakayamafuku Group                             <ul style="list-style-type: none"> <li>➤ Share sales information with the E-commerce Business Division, establish product storage and placement that factor in regional characteristics, and promote a smoother delivery framework for customers.</li> <li>➤ Within the Nakayamafuku Group, share information useful to the E-commerce Business Division’s logistics and, on a Group-wide basis, begin studying a higher-level “efficient logistics system” with the Group acting as one.</li> </ul> </li> </ul> |

# Strengthen Management Foundation

## Medium-Term Policy “Strengthening the Management Foundation in Preparation for Future Leap Forward”

| Priority Measures              | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|                                | 80th Term Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>● Strengthen governance</p> | <p>● Expansion of governance strengthening areas</p> <ul style="list-style-type: none"> <li>➤ In coordination with each department, reviewed internal audit content as needed (adding checks on the response status for accounts under enhanced credit management and on the status of business continuity plan (BCP) formulation).</li> <li>➤ Conducted the same audits at Group companies and changed Group company audits from once a year to twice a year.</li> <li>➤ Increased opportunities for employee interviews, reported to each department on the improvement of issues, the prevention of harassment, and the actual state of labor management, and promoted improvements.</li> <li>➤ As part of strengthening the risk management framework, currently formulating a BCP.</li> </ul> | <p>● Continuously strengthen Group governance</p> <ul style="list-style-type: none"> <li>➤ In coordination with head office departments, review internal audit content as needed, adding or removing items where appropriate, and work to strengthen and expand it.</li> <li>➤ Embed whistleblowing and a consultation desk across the company and continue employee interviews, promoting the surfacing and improvement of latent issues.</li> <li>➤ Standardize governance standards across Nakayamafuku and Group companies, and work to strengthen governance.</li> <li>➤ Conduct drills based on emergency scenarios defined under BCP standards and verify their effectiveness.</li> <li>➤ Across the entire Nakayamafuku Group, reinforce information security measures and sequentially expand the scope of risk items.</li> </ul> |

# Strengthen Management Foundation

## Medium-Term Policy “Strengthening the Management Foundation in Preparation for Future Leap Forward”

| Priority Measures              | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|                                | 80th Term Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>● Strengthen governance</p> | <p>● Strengthened financial management capabilities</p> <ul style="list-style-type: none"> <li>➤ As part of moving toward earlier financial closing (earlier disclosure), enhanced and strengthened self-checking functions and systems.</li> <li>➤ Through in-depth financial analysis, promptly provided and reported “value-added information” to stakeholders.</li> <li>➤ As LIV PLUS Co., Ltd. grew in importance due to the review of the business structure, <b>designated</b> the “household goods manufacturing and sales business” <b>as a new reportable segment</b> and changed the segment classification. This supported the <b>strengthening of a management strategy</b> that develops various businesses across the board under the operating holding company structure.</li> <li>➤ Established a Group-wide cash allocation system, contributing to improved Group governance, sound corporate management, and higher corporate value for the entire Group.</li> </ul> | <p>● Advance the governance system in the financial domain</p> <ul style="list-style-type: none"> <li>➤ Advance earlier financial closing toward earlier disclosure of the annual securities report before the general shareholders’ meeting. Also advance the <b>development of self-audit functions</b> (introducing systems to streamline closing operations). Through financial analysis, promptly provide and report “value-added information.”</li> <li>➤ Pursue cross-business development under the operating holding company structure. Strengthen the management approach that supports management strategy planning (improving the accuracy of cash flow and profit-and-loss forecasts).</li> <li>➤ Establish a <b>Group-wide cash allocation system</b>, contributing to further improvement of Group governance, sound corporate management, and higher corporate value for the entire Group.</li> </ul> |

# Strengthen Management Foundation

## Medium-Term Policy “Strengthening the Management Foundation in Preparation for Future Leap Forward”

| Priority Measures                          | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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|                                            | 80th Term Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>● Foster and leverage human capital</p> | <p>● Developing human resources and improving/maintaining the environment</p> <ul style="list-style-type: none"> <li>➤ Thoroughly conducted personnel interviews to visualize and leverage human capital. Also promoted mid-career hiring to secure job-ready talent and boost competitiveness.</li> <li>➤ Conducted compliance training across the entire Group.</li> <li>➤ Conducted <b>branch manager training</b> to improve organizational management capabilities, and continued <b>career advancement training for women</b> based on the Act on the Promotion of Women’s Active Engagement in Professional Life.</li> <li>➤ Implemented measures to promote men’s uptake of childcare leave based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members.</li> <li>➤ <b>Newly introduced an RS shareholding association program</b> that supports employees’ asset building and benefits and also improves engagement, which in turn increased stable shareholders.</li> <li>➤ At each branch, advanced infrastructure development to put heatstroke countermeasures into concrete form.</li> </ul> | <p>● Further improve human resource development and the working environment</p> <ul style="list-style-type: none"> <li>➤ Expand personnel interviews aimed at career development and retention, and consider engagement surveys and improvement measures focused on our own issues (including consideration of in-house implementation).</li> <li>➤ To <b>prevent work-related accidents and improve the labor environment</b>, coordinate with each location to advance measures.</li> <li>➤ Continue compliance training.</li> <li>➤ Continue career advancement training for women based on the Act on the Promotion of Women’s Active Engagement in Professional Life.</li> <li>➤ Actively promote the use of the correspondence education program.</li> <li>➤ In line with the formulation of a Health and Productivity Management policy, continue to consider employee health promotion measures across the entire Group.</li> <li>➤ Implement measures to promote men’s uptake of childcare leave based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members.</li> </ul> |

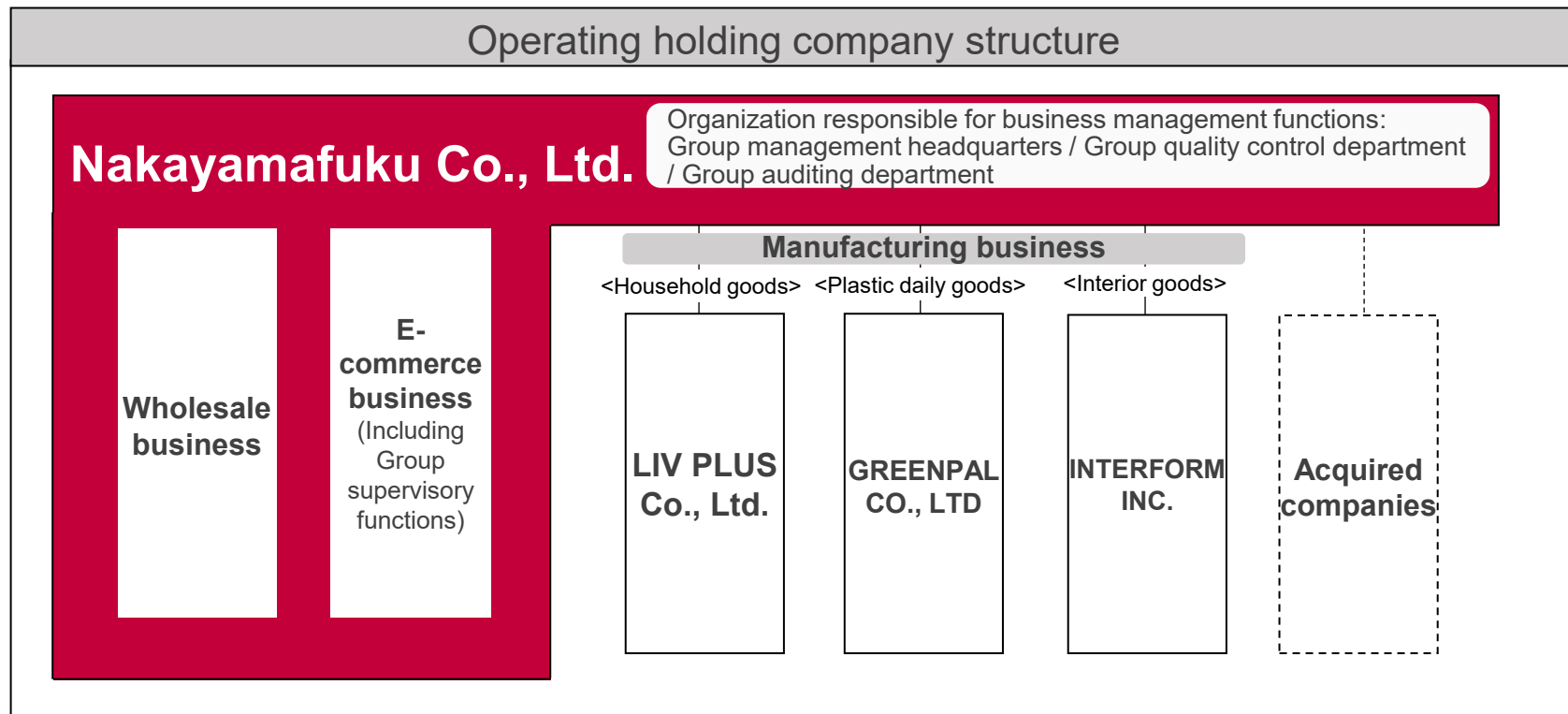
# Strengthen Management Foundation

## Medium-Term Policy “Strengthening the Management Foundation in Preparation for Future Leap Forward”

| Priority Measures                                     | 80th Term Initiatives and 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       | 80th Term Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 81st Term Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>● <b>Social contribution and collaboration</b></p> | <p>● <b>Continued support and activities</b></p> <ul style="list-style-type: none"> <li>➤ Strengthened initiatives with the United Nations’ World Food Programme (WFP), and promoted active involvement through councilor membership in the support association.</li> <li>➤ Continued support of women/young researchers</li> <li>➤ Promoted employment of people with disabilities.</li> <li>➤ Endorsed and participated in greening campaigns and CO<sub>2</sub> emission reduction efforts.</li> </ul> | <p>● <b>Continue support and activities</b></p> <ul style="list-style-type: none"> <li>➤ Continue initiatives with <b>the United Nations’ WFP</b> and <b>support for women and young researchers</b>.</li> <li>➤ Strengthen endorsement of and activities for CO<sub>2</sub> emission reduction.</li> <li>➤ Consider and promote support measures aimed at solving social issues.</li> <li>➤ Promote employment of people with disabilities.</li> <li>➤ Respond to changes in the workplace and eliminate key causes of workplace accidents (heatstroke, in-warehouse accidents, etc.).</li> </ul> |

# 4. Enhance Group Governance Through an Operating Holding Company Structure (1/4)

- We will promote Group management through an operating holding company structure with the aim of achieving lasting increases in corporate value as a Group
  - ① “People”: In addition to enhancing the human capital of each Group company, we plan exchanges of personnel in the Group as a whole
  - ② “Things”: Each Group company will share know-how with the Group  
Functions common to all companies will be enhanced and made more efficient by centralized management at the Group level
  - ③ “Money”: We will implement strategic cash allocation (including M&A for future growth) in order to increase corporate value for the Group as a whole



## 4. Enhance Group Governance Through an Operating Holding Company Structure (2/4)

### ① “People”: Further enhancements to the human capital that supports the Group

<Basic approach>

It is people who support the growth of the Group over the medium to long term, and we will proactively roll out measures to enhance human capital.

#### (1) Deployment of Nakayamafuku’s training system to other companies of the Group

Nakayamafuku Co., Ltd. and other Group company’s training programs are rolled out to the Group as a whole.



- Implemented/strengthened measures for managing the health of employees
- Nurtured female managers. Actual result as of July 2024: 13.8% ⇒ Achieved 17.68% by July 2025 against the target of 16% (non-consolidated as Nakayamafuku Co., Ltd.)
- Conducted compliance education at each Group company

#### (2) Systematic implementation of personnel exchanges within the Group

We are planning systematic personnel exchanges

- Encouraging the sharing of know-how between all Group companies
- Assigning personnel so as to put the right person in the right place
- Developing the next generation of human resources and other initiatives



- Through employee exchanges between Group companies, exchange information regarding manufacturing sales and public relations aspects, and strengthen communication capabilities
- Optimize allocation of human capital through long-term human resources strategy



- Optimization of operations
- Improvement of employees’ work–life balance
- Enhancement of human resources as the foundation of the company

# 4. Enhance Group Governance Through an Operating Holding Company Structure (3/4)

## ② “Things”: Maximizing Utilization of Group Management Resources

<Basic approach>

**(1) Sharing/Utilizing the strengths possessed by the Group**

~ We will make greater use of the strengths of each company shown in the table below to expand the business as a Group

**(2) By centralizing at the Group level the management of functions common to all Group companies, we will promote enhancements and efficiency improvements**

- ~ Step 1: Began centralized Group management of administrative enhancements/efficiency improvements in the 79th Term  
[Targeted areas] Accounting and finance, personnel and general affairs, IT, internal audit, quality management, etc.
- ~ Step 2: Begin sequential implementation of business enhancements/efficiency improvements starting in the 80th Term  
[Targeted areas] Manufacturing (planning, development), e-commerce business, logistics operations, etc.

### Strengths of individual Group companies to leverage going forward

|                  | <b>Nakayamafuku Co., Ltd.</b>                                                                                                                                                                                                                                  | <b>LIV PLUS Co., Ltd.</b>                                                                                                                                                                    | <b>GREENPAL CO., LTD.</b>                                                                                                                                          | <b>INTERFORM INC.</b>                                                                                                                                                                                                |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strengths</b> | <ul style="list-style-type: none"> <li>● 100 years of history</li> <li>● Approximately 60,000 home-use products</li> <li>● Approximately 340 retailer companies</li> <li>● Approximately 360 suppliers</li> <li>● 9 logistics facilities nationwide</li> </ul> | <ul style="list-style-type: none"> <li>● Manufacturing, planning &amp; development capabilities</li> <li>● Brand development [In future]</li> <li>● Ability to outsource overseas</li> </ul> | <ul style="list-style-type: none"> <li>● “Made in Japan” production &amp; supply capabilities</li> <li>● In-house manufacturing technology capabilities</li> </ul> | <ul style="list-style-type: none"> <li>● Design capabilities</li> <li>● Practical experience in marketing</li> <li>● Ability to outsource overseas</li> <li>● Growth potential of the e-commerce business</li> </ul> |

# 4. Enhance Group Governance Through an Operating Holding Company Structure (4/4)

## ③ “Money”: Strategic Cash Allocation

<Basic approach>

By generating operating cash flow, the Group will maintain a balance between investing for growth and returns to shareholders that is appropriate for achieving long-term increases in corporate value.

By implementing centralized management at the Group level of all the funds of the entire Group, we will facilitate the strategic and flexible use of funds.

### (1) Centralized management of all the funds of the entire Group

- Established a centralized management system for Group-wide funds, visualized and improved efficiency of the Group's overall financial situation through cash pooling, and enhanced Group governance
- Enhanced Group governance contributes to the realization of sound corporate management and the improvement of corporate value for the entire Group



[Implementation details (from FYE Mar. 2026 onward)]

- Utilize the Group finance system to reduce external procurement. Reduce external outflow costs (interest payments)

### (2) Growth investment (3) Shareholder returns

- Prioritize allocation of generated operating cash flow to growth investments that contribute to business growth and efficiency improvements, as well as M&A investments aimed at medium- to long-term corporate value enhancement
- We will also make judgments on the acquisition of treasury shares based on a comprehensive range of factors



[Implementation details]

- Continue consideration of M&A for future growth
- Following a basic policy of a stable and continuous dividend, we will implement optimal shareholder returns based on a dividend payout ratio target of 35% or higher

## 5. NFG2026 Numerical Targets

### Consolidated Performance Results/Targets

(Million yen)

|                                       | NF10 Phase 3                |                              | Medium-Term Management Plan NFG2026 |                              |                                           |
|---------------------------------------|-----------------------------|------------------------------|-------------------------------------|------------------------------|-------------------------------------------|
|                                       | First year<br>FYE Mar. 2023 | Second year<br>FYE Mar. 2024 | First year<br>FYE Mar. 2025         | Second year<br>FYE Mar. 2026 | Third year<br>FYE Mar. 2027<br>(forecast) |
| Net sales                             | 39,887                      | 38,593                       | 40,949                              | 43,052                       | 42,000                                    |
| Ordinary profit                       | 482                         | (131)                        | 491                                 | 842                          | 920                                       |
| Ratio of ordinary profit to net sales | 1.20%                       | -                            | 1.20%                               | 1.95%                        | 2.19%                                     |
| Profit                                | 600                         | 14                           | 526                                 | 667                          | 600                                       |

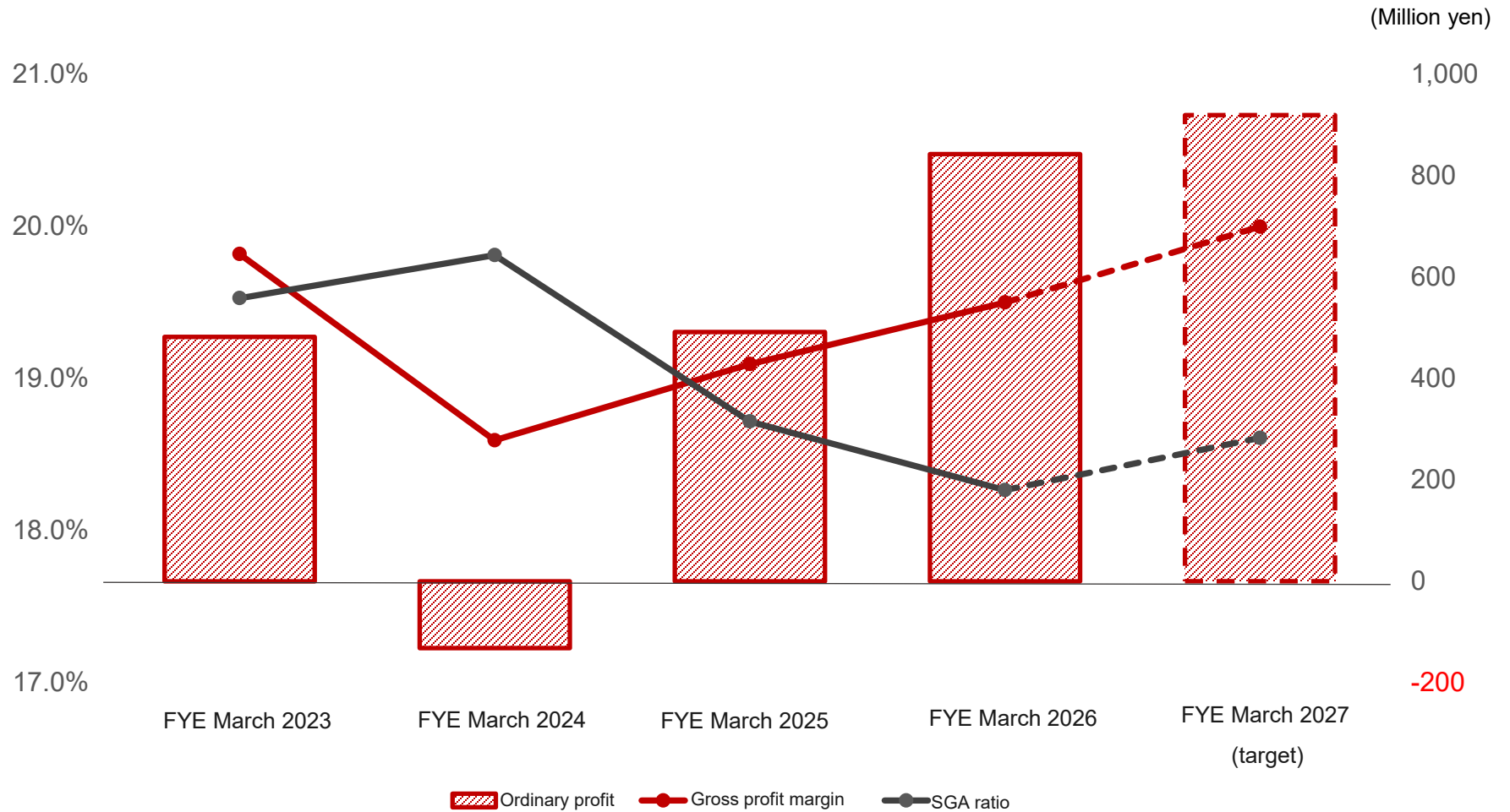
### Net Sales Results/Targets by Business

\* The following table shows sales by business as a breakdown of consolidated net sales.

(Million yen)

|                        | NF10 Phase 3                |                              | Medium-Term Management Plan NFG2026 |                              |                                           |
|------------------------|-----------------------------|------------------------------|-------------------------------------|------------------------------|-------------------------------------------|
|                        | First year<br>FYE Mar. 2023 | Second year<br>FYE Mar. 2024 | First year<br>FYE Mar. 2025         | Second year<br>FYE Mar. 2026 | Third year<br>FYE Mar. 2027<br>(forecast) |
| Wholesale business     | 34,309                      | 32,977                       | 34,114                              | 34,744                       | 33,400                                    |
| Manufacturing business | 3,005                       | 2,953                        | 3,983                               | 5,191                        | 5,300                                     |
| E-commerce business    | 2,574                       | 2,663                        | 2,852                               | 3,116                        | 3,300                                     |

## 6. Profitability Indicator Trends (Reference)



- **Material issues** (p.1, pp.3–5, p.8)  
A term referring to priority issues that companies should address based on SDGs and ESG considerations. It serves to clearly demonstrate to stakeholders what the company prioritizes to show consideration for the environment and society while conducting economic activities.
- **Operating holding company** (p.1, p.7, p.8, p.22, pp.25–28)  
A company that holds shares in other companies while conducting its own business activities. In our case, we conduct our own business activities while holding shares in Group subsidiaries.
- **WMS** (p.9)  
An abbreviation for “Warehouse Management System.” A system for optimizing the flow and storage of goods in logistics warehouses and inventory locations.
- **Risk assessments** (p.14)  
A series of methods for identifying and evaluating risks associated with operations in advance and implementing necessary countermeasures.
- **POS** (p.11)  
A system retailers use to manage point-of-sale sales and inventory; the term also refers to the resulting data.
- **Digital signage** (p.11)  
A medium that displays information and advertising on electronic screens.
- **Third-country trade** (p.12)  
A form of trade conducted via a third country other than the exporting and importing countries.
- **Forwarder** (p.14)  
A logistics provider that arranges and coordinates international transportation.
- **Buyer’s consolidation** (p.14)  
A method of consolidating purchases from multiple sources for shipment.

- **6S** (p.16)  
An acronym derived from the initial letters of the Japanese words Seiri (sort), Seiton (put in order), Seiso (clean), Seiketsu (neat), Shitsuke (discipline), and Sahou (manners). The sixth, Sahou, is unique to GREENPAL CO., LTD.
- **Management of change points** (p.16)  
Managing and responding to any “change point” encountered in the manufacturing process—such as a change of materials or a change of personnel—to prevent defects from occurring.
- **B2B2C** (p.17, p.18)  
A business model in which a company (Business) provides products or services to end customers (consumers) through another company (Business). At our company, we use this term exclusively in relation to our e-commerce business.
- **Special Group Cargo Motor Trucking Company** (p.19)  
A company that adopts a freight transportation system in which cargo collected from multiple shippers is consolidated and loaded onto a single vehicle for nationwide transportation.
- **RS** (p.23)  
An abbreviation for “Restricted Stock.”  
Shares with transfer restrictions (shares whose transfer (sale) is restricted for a certain period).
- **United Nations’ WFP** (p.24)  
An abbreviation for the United Nations’ World Food Programme. The world's largest humanitarian organization that saves lives in emergencies and uses food assistance to build a pathway to peace, stability, and prosperity for people recovering from conflict, disasters, and the impact of climate change.
- **Cash allocation** (p.22, p.25, p.28)  
Determining how to allocate and utilize cash held by companies or individuals.
- **Cash pooling** (p.28)  
A system for efficiently managing funds across an entire group by consolidating cash from multiple accounts within a corporate group.

### **Precaution on future outlooks**

Forecasts of business results contained herein are based on economic conditions, market trends, and plans foreseen at the time of writing. We cannot guarantee the accuracy of this material or whether planned figures and/or policies will be achieved in future. Actual business results may vary due to a wide range of factors going forward.