

February 2023

2023 NH Foods IR DAY

# Hokkaido Nippon-Ham Fighters Ballpark Project





1. Project Outline
2. Schedule and Progress
3. Progress Versus Target Profit
4. Creation of Social Value



## 1. Project Outline

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## Fuse sports into Hokkaido and develop the towns anew

This project represents a huge step forward from “making a new ballpark” to **developing the towns anew** based on **a model combining the “value of sports” with the “value of Hokkaido.”**

## Mix our baseball business with non-baseball businesses.

In an aging society with a declining birthrate, we **position baseball as a form of entertainment** instead of going with the conventional idea of increasing the population of athletes to boost the growth of baseball and sports circles. With that in mind, we will **build an area that will attract even people who are less interested in baseball** to make them Fighters’ fans.

## An area where a wide variety of people gather through co-creation with partners

**The concept** of the project is **"space for collaborative creation."** This is more than just involving NH Foods and Fighters in town development. **A broad array of business operators from public, private and academic sectors will join as partners to engage in the development with us.**

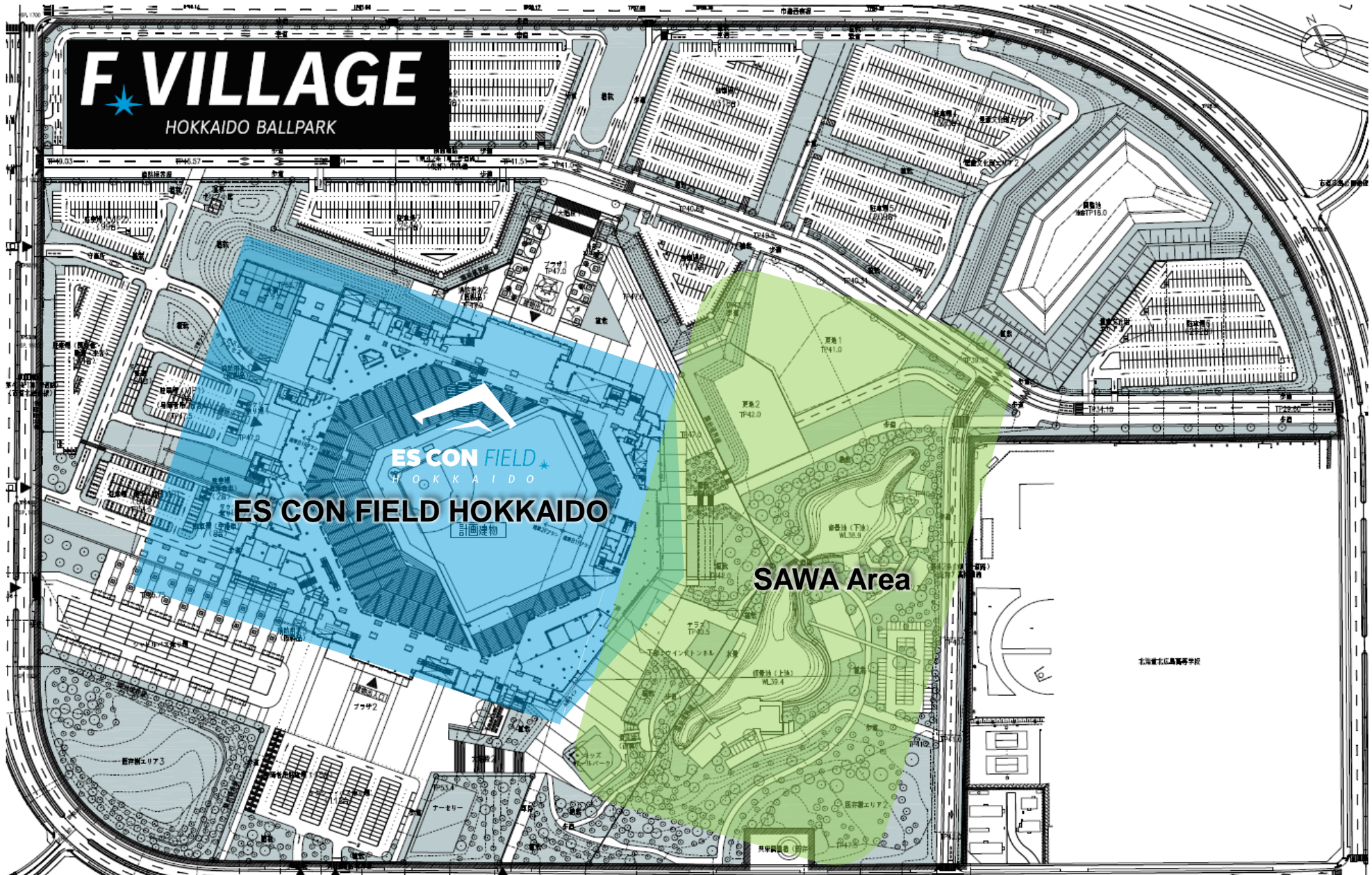
## Platform business with a ballpark functioning as the core

In the ballpark, Fighters is positioned as **project leaders** and **platform providers**. We will **develop a platform** to connect the people having fun at the ballpark with our partners offering products and services, and will **engage in town development and create innovation through co-creation and collaboration among the partners.**



**We will leverage the natural resources of Hokkaido, an area where a wide variety of people can gather, irrespective of whether they are interested in baseball or not. In this way, we will enter the global market of 7.7 billion people.**

# 1. Project Outline





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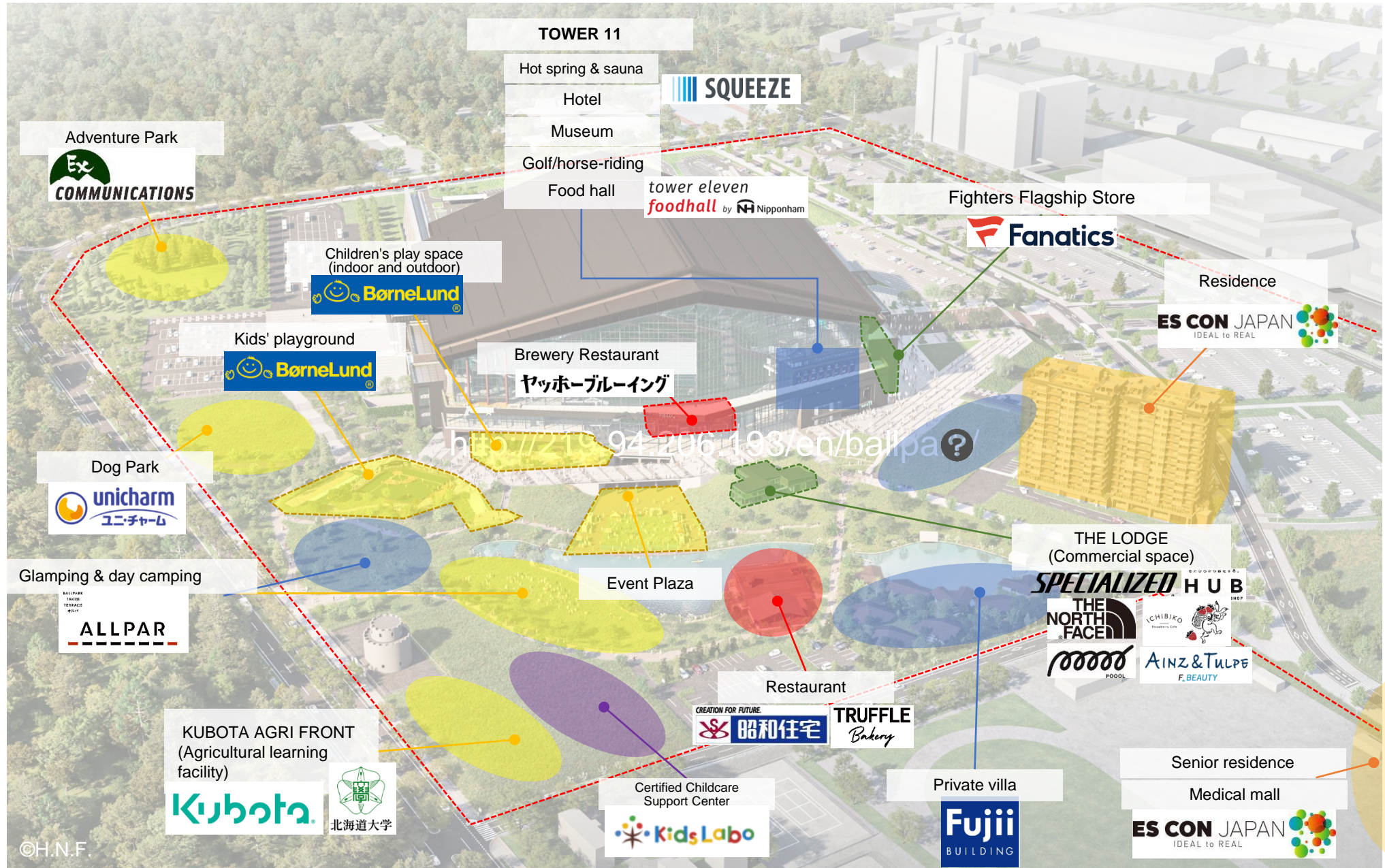
# 1. Project Outline —As of January 2022—



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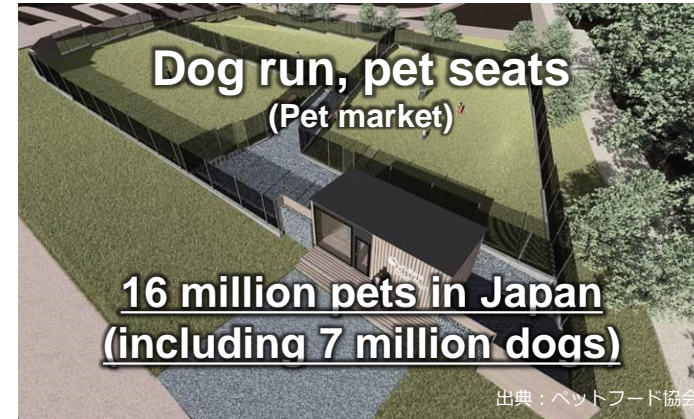


# 1. Project Outline —As of February 2023—





# 1. Project Outline



**Transformation from just a baseball club business into a real platform business**



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## 2. Schedule and Progress

HOKKAIDO NIPPONHAM  
FIGHTERS

新時代

FANS ARE OUR TREASURE



# 2. Schedule and Progress —Timeline—

## Timeline/Topics

April 2015	An in-house project is set up
May 2016	An article on the plan for constructing a new ballpark appears on the media
June 2016	<b>Kitahiroshima City expresses its intention to attract a ballpark</b>
January 2017	Working-level talks with municipal governments of Kitahiroshima and Sapporo Cities start
June 2017	The vision of the Fighters is announced in a perspective drawing
March 2018	<b>Kitahiroshima Sports Park is informally decided as the site of the new ballpark (Official decision is made in October 2018)</b>
November 2018	The Fighters announce a basic plan for the new ballpark  *Governments of Hokkaido and Kitahiroshima City and Fighters conclude a partnership agreement
October 2019	<b>Fighters Sports &amp; Entertainment Co., Ltd. (FSE)</b> , a company to own and operate the new ballpark, is established
January 2020	The new ballpark is named ES CON FIELD HOKKAIDO  The ballpark area is named HOKKAIDO BALLPARK F VILLAGE
May 2020	<b>Construction of F VILLAGE and ES CON FIELD HOKKAIDO starts</b>
2022	Partner-related decisions, areas and functions are announced  Annual seats and tickets go on sale
January 2023	Construction of the new ballpark is completed, and the baseball club office is relocated to ES CON FIELD HOKKAIDO.
March 2023	<b>F VILLAGE will open and the Fighters' first match for the season will take place at ES CON FIELD HOKKAIDO</b>

- The Fighters (baseball club) division is spun off as FSE, which assumes responsibility for the entire business, including ownership and operation of the ballpark.
- The capital of ¥24 billion is provided by the Fighters, NH Foods, Dentsu, and the Organization for Promoting Urban Development (MINTO).

A naming rights agreement is concluded with ES-CON JAPAN at the highest price in Japan three years before the new ballpark's opening.



# 2. Schedule and Progress —2021 in Review—

➤ In 2021, we focused on publicity activities by issuing releases to develop and convey the secure and peaceful atmosphere of the area and the ballpark.

## -2021-

- (1) April 27: ES CON FIELD HOKKAIDO is [selected as the stadium/arena to serve as the hub for interaction, attracting people from different generations](#) as defined by Japan Sports Agency and the Ministry of Economy, Trade and Industry
- (2) June 29: The Fighters announce their commitment to SDGs
- (3) August 7: The Fighters establish PLAY HUMAN, an area vision
- (4) August 17: [The Fighters forms a tie-up with BørneLund in the kids area business](#)
- (5) August 17: [A residence project with ES-CON JAPAN is announced](#)
- (6) August 30: [The Fighters conclude an agreement with TOKYU COMMUNITY CORP. on the supervisory management of facilities](#)
- (7) September 7: VR-based experience of a new ballpark is introduced for one month
- (8) September 12: A Lego-brick exhibition of the new ballpark on a 1/350 scale and an experience event are held for one month
- (9) October 8: [THE BRICK goes on sale](#) to engrave persons' names on the new ballpark's bricks
- (10) October 9: The Fighters [sign a trilateral partnership agreement with Kubota and Hokkaido University](#) in a farm business
- (11) November 22: It is decided that [the new ballpark will host](#) the North and South Hokkaido preliminaries for the 2023 summer national championship of high school baseball
- (12) November 30: Online tour of the construction site is held
- (13) December 1: The Fighters start accepting applications for HOKKAIDO BALLPARK ART PRIZE 2023
- (14) December 5: Players who join the Fighters in 2022 visit the construction site
- (15) December 21: [The first announcement of TOWER11](#) outline is made. It is about the accommodation and spa facilities





# 2. Schedule and Progress —2022 in Review—

➤ In 2022, we have carried out publicity activities and media releases and actively implemented advertising that will lead directly to earnings.

## -2022-

- (1) January 22: Announcement of [a seminar about educational visits](#) to F VILLAGE
- (2) February 2: [Start of preferential applications](#) for ESCON FIELD HOKKAIDO 2023 [season tickets](#)
- (3) February 9: [Launch](#) of F VILLAGE [premium bus business](#)
- (4) February 24: Decision to [open a certified childcare support center](#) as a venue for multigenerational social activities
- (5) February 25: Decision to [open a senior residence and medical mall](#)
- (6) March 10: Establishment of [craft beer brewery restaurant jointly](#) with YOHO Brewing
- (7) May 19: Agreement with Hokkaido Coca-Cola concerning [evacuation centers, recycled materials, etc.](#)
- (8) May 26: Decision to establish [private villas](#) in F VILLAGE
- (9) June 8: Decision to establish [The LODGE](#) as a waterside node
- (10) June 30: Basic agreement concluded with Mitsubishi Estate Parks concerning [parking lot management](#)
- (11) July 20: [Partnership agreement](#) concluded with Panasonic providing for [the use of products and presentation know-how](#)
- (12) July 26: Decision to [develop cycle sports activities](#) with Specialized Japan
- (13) August 25: Decision to [open a directly operated THE NORTH FACE outlet](#) with Goldwin
- (14) August 31: Decision by NH Foods and the Fighters to [establish a jointly operated food hall in TOWER 11](#)
- (15) September 8: Decision to [develop a glamping and day camping business](#) with Power Station
- (16) September 21: Decision to [open a studio-type riding club](#) using riding simulators with MATSUKAZE Raceform Farm
- (17) September 29: Decision to [develop a Yokocho area with famous restaurants from around Japan](#) where people can eat, drink, and talk after the end of each match
- (18) October 4: Decision to [create an environment to attract families with children to F Village and develop learning and play programs](#) with Taisho Pharmaceutical
- (19) October 12: [Completion of wall art](#) at TOWER 11 in ES CON FIELD HOKKAIDO
- (20) October 24: Decision that [the address](#) of HOKKAIDO BALLPARK F VILLAGE will be [F Village, Kitahiroshima City, Hokkaido](#)
- (21) October 27: Decision to [open the innovative TOWER 11 Museum](#)
- (22) November 8: Decision to [develop an adventure park business](#) with EX Communications
- (23) November 29: [Partnership agreement](#) concluded with Unicharm [concerning the realization of society in which people and pets can coexist harmoniously](#)
- (24) December 8: Decision to [develop workcation facilities](#) with Mitsubishi Estate.





## 1. Project Outline

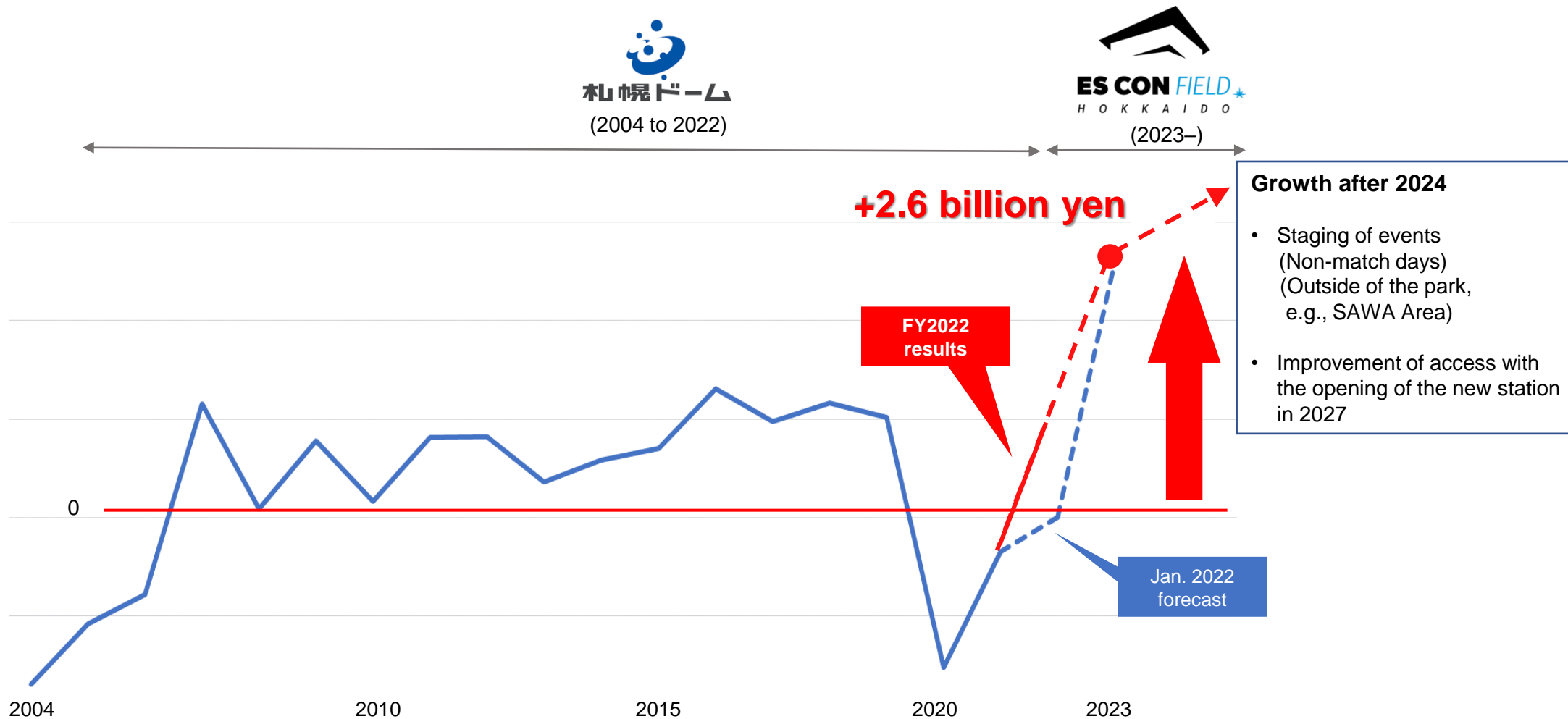
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## <Changes in operating profit (track records and forecast)>



- Fighters has used Sapporo Dome as its home stadium since 2004. Operating profit for the period between 2004 and 2022 ranges between a deficit of 1.7 billion yen and a surplus of 1.3 billion yen.
- The business environment will begin to change in 2023 and we will enter a higher stage in pursuit of greater revenue and profits.

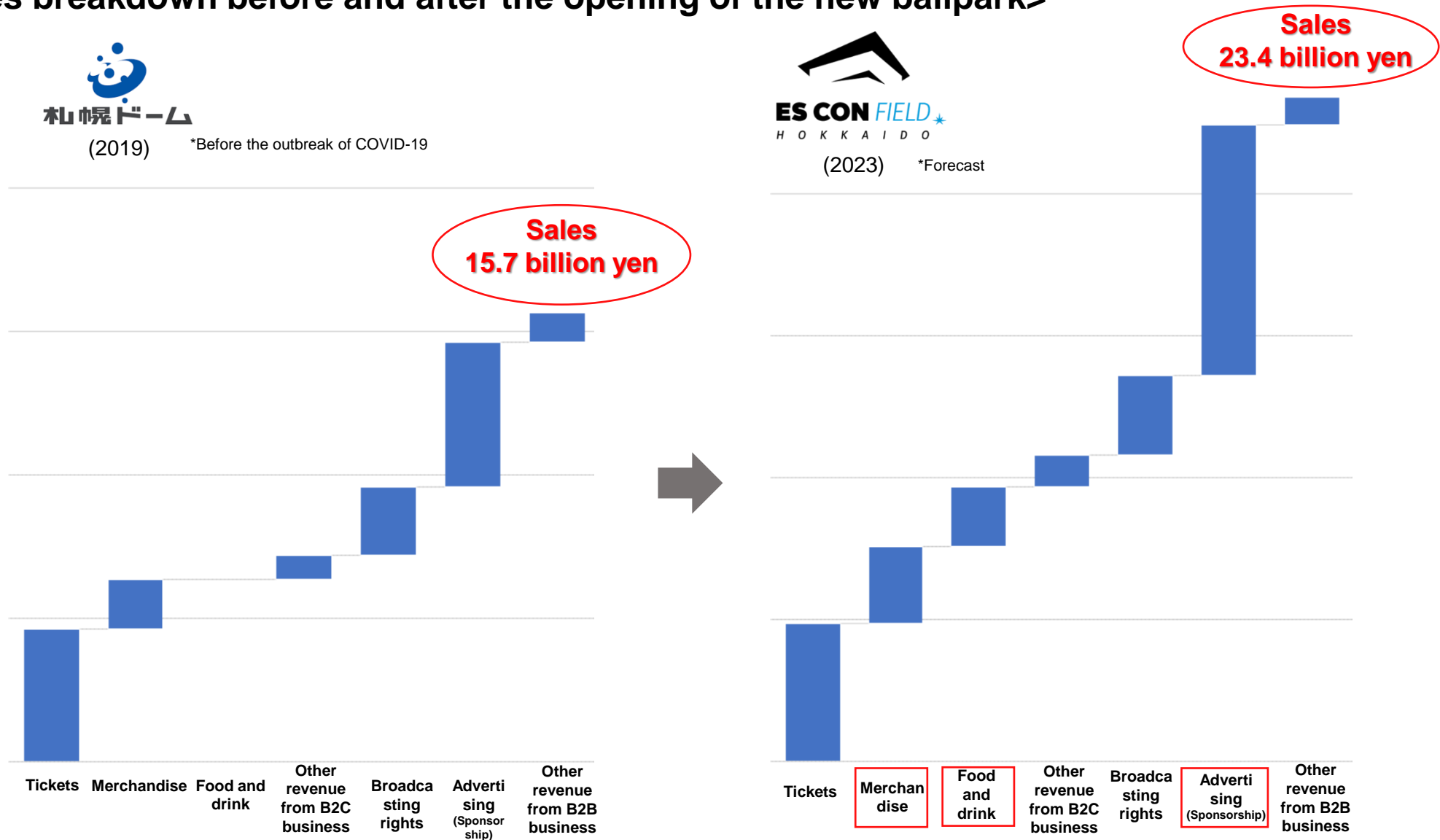
[Note 1] For 2021 and after, the above operating profit (financial result) is calculated on the basis of consolidation between Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd. and Fighters Sports & Entertainment Co., Ltd. For both companies, an accounting period lasts from January to December.

[Note 2] Operating profit includes advertising revenue from NH Foods Ltd. and does not include the posting money that accrued in 2012 and in 2017.

[Note 3] We are projecting 3 million visitors per year (2 million for the ballpark, 1 million for other attractions).

# 3. Profit and Loss

## <Sales breakdown before and after the opening of the new ballpark>



- A 7.7 billion yen increase in sales is expected from 2023 as the business environment improves. The increase will mainly come from merchandise, food and drink and advertising (sponsorship).
- Sales from advertising (sponsorship) will increase by about 1.8 times. Sales activities have been under way from last year and agreements already concluded account for around 95% of the predicted figure.



## <Examples of advertising (sponsorship) items>

### (1) Naming rights



- The ballpark's naming rights were sold to ES-CON JAPAN.
- Almost all facility naming rights, including gate naming rights and zone naming rights, have been sold.
- The agreement is basically valid for five years or longer (an agreement for the ballpark's naming rights lasts longer than ten years) so that the name becomes familiar to people.

### (2) Ballpark's signboards



- To date, advertising revenue from within the ballpark has solely belonged to Sapporo Dome. Advertising revenue from the new ballpark will belong to the Fighters. Advertising will be made more effective and efficient with the use of LED and by being linked with TV camerawork.

- With three-layer structure, the new ballpark will have larger space for advertising, another factor for expecting an increase in revenue.



### (3) Activation



- A function of showcasing new products and services will be offered at the ballpark. Sponsor companies will use the ballpark to conduct demonstration tests of new technologies and market research on new products and services.



- Product samples will be handed out to visitors and events and campaigns will be held in collaboration between the Fighters and business enterprises.

### (4) Baseball team related



- Advertisements will be placed on the caps, uniforms, helmets and other pieces of gear worn by the Fighters' manager, coaches and players.

- NPB has rules on the spaces and sizes of such advertisements.

- An advertisement is priced within a range between tens of millions of yen and greater than 100 million yen annually.

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## Make the ballpark a space to symbolize Hokkaido.



HOKKAIDO BALLPARK F VILLAGE pursues **sustainable town development** through **partnership** among the industries, governments and academic institutions that support the aim of the project. We will stay focused on activities to provide many different options to “**children**” who will lead the local community in the future and to contribute to their growth.



### F VILLAGE focuses on "children" by:

- offering elementary school children and younger children free admission to ES CON FIELD;
- making areas available for children to safely play within and outside the ballpark and developing a child development program;
- offering opportunities for learning about the community's issues and experiencing jobs; and
- supporting food education, among others.



### F VILLAGE pursues "sustainable town development" by:

- developing spaces and communities for people from all generations, from children to grown-ups, to gather and interact with one another;
- providing a sustainable transportation system for all people to use safely and easily (e.g. use of EVs as shuttle buses); and
- functioning as a hub for disaster control in the event of contingencies and as the community's widearea evacuation area, among other roles.

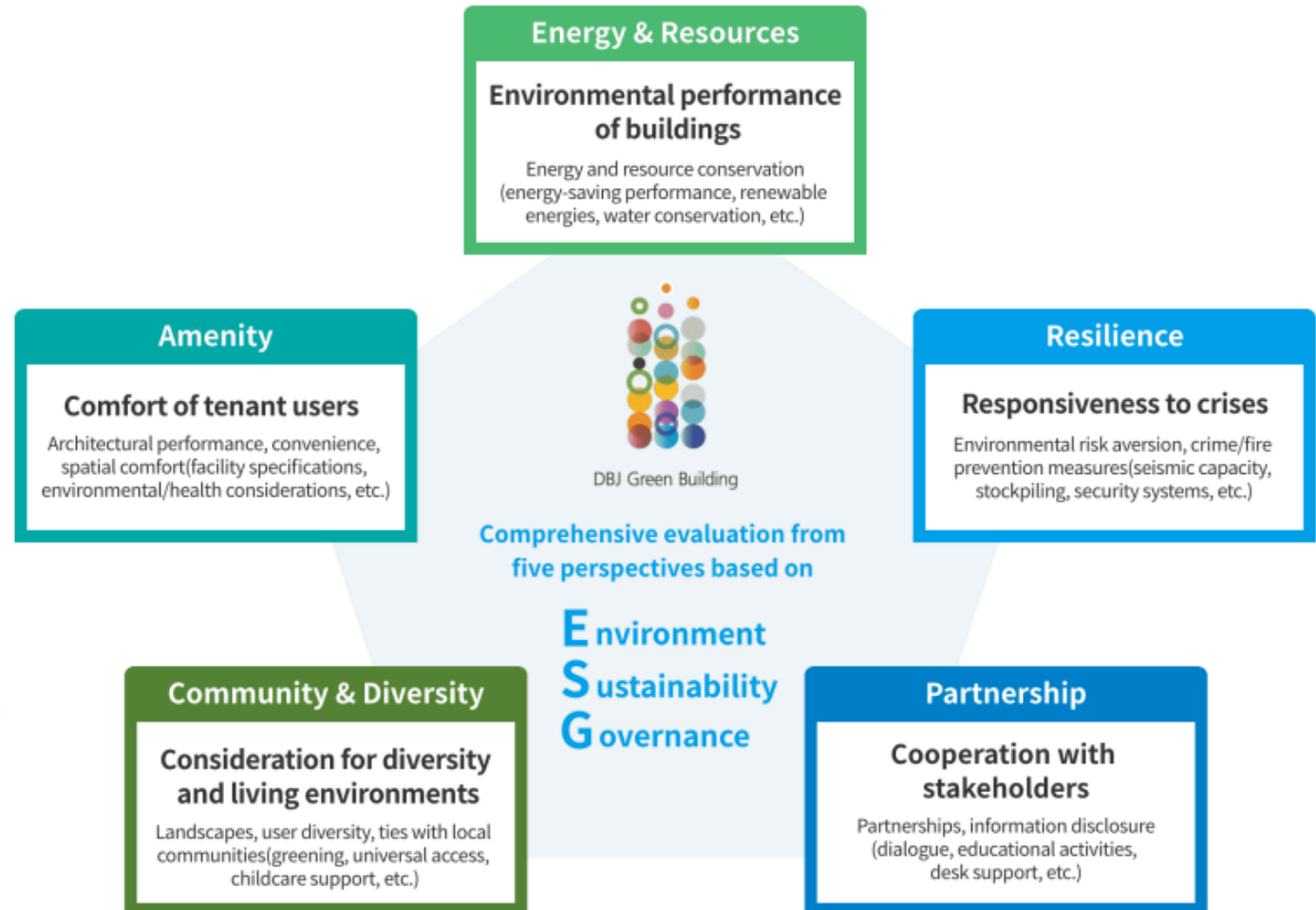


### F VILLAGE promotes "partnership" by:

- facilitating resolution of issues through session meetings of the All Hokkaido Ballpark Council that are organized by subject and joined by government agencies, neighboring local governments, companies and academic experts; and
- facilitating partnership and collaboration irrespective of barriers among industrial, public and academic sectors in pursuit of creation of versatile value, among others.

The new ballpark, ES CON FIELD HOKKAIDO, acquired five stars under the DBJ Green Building certification in February 2021.

Besides social value such as sustainable growth, successful town development and the provision of an evacuation space in the event of disaster, our efforts to reduce the environmental impact through energy and resource saving have been highly regarded and led the new ballpark to win five star certification.







# Let's create a ballpark that celebrates players and fans alike.

A place that brings people together through shared experience. A place that transcends sport and embraces all aspects of community life with excitement, energy and wellness in a safe and friendly environment the likes of which the world has never seen. Together we can create a ballpark that will introduce a new chapter in sport.

Planned inauguration in 2023, the Hokkaido Ballpark Project begins.

**F** HOKKAIDO  
BALLPARK  
F.VILLAGE