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Unleash new potentials for protein

We have launched a new initiative to maximize our corporate value by integrating our business strategies and sustainability strategies.

The world has entered a major transitional phase characterized by population fluctuations, lifestyle diversification, and increasingly serious environmental issues. For example, projections that the population of the world will reach 8.5 billion by 2030 have raised concerns about a food crisis. In contrast, Japan's population has shifted to a shrinking trend, leading to demand changes and the diversification of food needs due to a falling birthrate, demographic aging, and lifestyle diversification.

As stated in the corporate philosophy of the NH Foods Group, we have a responsibility and a mission to enable people to experience the *Joy of Eating*. That responsibility and mission will remain the same even in this changing environment. One of our milestones for the realization of our corporate philosophy is Vision 2030, which we announced in March 2021 as our vision for the NH Foods Group in 2030. Our goal under that vision is to "Unleash new potentials for protein." We also revised our materiality, which defines the key social issues that we have selected for prioritized initiatives as we work to realize our vision. We see 2021 as a year in which we have started a new phase of efforts toward the sustainable development of the NH Foods Group in partnership with society.

Vision 2030—Our aspirations

The words "Unleash new potentials for protein" express our aspirations for the NH Foods Group as Japan's biggest supplier of protein, and our determination to maintain reliable supplies of protein in such forms as meat, fish, and dairy products, while offering diverse food options and considering the needs of the environment and society.

Protein is an essential nutrient, and supply is expected to come under increasing pressure as demand expands in step with world population growth. Livestock are the biggest source of animal protein, but we are aware of the need to address environmental issues relating to the livestock industry, including the consumption of vast quantities of grain, and the fact that livestock farming is believed to account for around 14.5% of the world's greenhouse gas emissions. For these reasons, and because of our awareness of the importance of protein as an essential nutrient for life, we are

determined to create and provide a diverse range of options for consuming protein by thinking outside of the box. Our current efforts to expand our range of plant-based protein products and explore new alternative protein sources are part of this commitment.

In addition, we will also think outside of the box as we work to offer people greater freedom to enjoy food in ways that match their lifestyles, by creating new concepts for meals and eating. One of our goals is to help allergy sufferers to improve their nutrition and enjoyment of food by expanding the range of products that they can consume safely so that they can enjoy their favorite foods. Another challenge is to develop products using imidazole dipeptides, for which a patent has been granted based on the potential of these substances to mitigate cognitive decline.

Integrating our business strategies and materialities

The five issues identified for our new materialities are all linked to the business strategies defined in our Medium-Term Management Plans for 2023 and 2026. Policies and KPIs have been established for each of the issues, and our organizations have been implementing these policies since April.

We have also created the medium- to long-term environmental targets, which represent our goals for contribution to a sustainable environment in the period to 2030. We aim to achieve numerical targets for climate change responses, the reduction of waste, including food losses and plastic waste, and action to address water resource issues, which we have identified as priorities. We are particularly focused on the reduction of greenhouse gas (GHG) emissions. A particularly important goal, based on a target set by the Japanese government, is to reduce the fossil fuel-related GHG emissions of our group operations in Japan by 46% or more compared with the level in fiscal 2013 by fiscal 2030. We will work to achieve this ambitious target through proactive investment in environmental measures, including the installation of energy-saving facilities, and the introduction of new technology. In June 2020, we declared our endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) and became a member of the TCFD Consortium. After completing our scenario analysis by the end of fiscal 2021, we will incorporate measures based on that analysis into our business plans.

We are also working toward “Co-creation and shared prosperity with the community and society through food and sports.” We are committed to co-creation with communities through sports, participation in regional cultural activities, and support for the education of future generations, including food education. We will also work to find solutions to issues through dialogue with local communities.

Another driving force for the achievement of the goals in our Medium-Term Management Plan

and the realization of our vision will be “Employee development and respect for diversity.” We will pursue initiatives designed to realize the full potential of every employee and motivate them to take up new challenges, including human resource management system reforms, and workstyle and office innovation.

By putting our materialities into practice, we also aim to contribute to the achievement of the Sustainable Development Goals (SDGs).



To our stakeholders

As a food manufacturer and supplier, the NH Foods Group has a social mission to provide stable supplies of safe, dependable products. With no end in sight for the COVID-19 pandemic, we will continue to fulfill our supply responsibilities while placing the highest priority on ensuring the safety and maintaining the health of our group employees.

In the food sector, consumer buying patterns are diversifying to include not only restaurant eating, prepared dishes, and cooked and processed foods, but also new types of takeout and delivery services and e-commerce. There have also been changes in expectations toward food, including an increased focus on health, and demand for foods that offer convenience, suitability for long-term storage, and the joy of home cooking. We will realize our vision of unleashing new potentials for protein by taking up the challenge of new trends, while also using information technology to create new food-tech innovations.

The creation of a highly functional organization is one of the most important focuses of our management philosophy. We define such an organization as one that is rich in diversity and functionally linked, and which enables individuals to reach their full potential. I am confident that we can provide solutions for various social and environmental issues and achieve growth and development as a group by working toward the creation of such an organization under Vision 2030. Our management team is dedicated to building a future for the NH Foods Group as a corporate group that is respected, preferred, and viewed with affection by all stakeholders. We are determined to achieve further growth and success in the period to 2030.

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