

# NH Foods Group Data Book 2023

Issued on July 31, 2023



Unleash new potentials for protein

NH Foods Group Vision 2030



# Financial data

As of July 31, 2023

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# Consolidated Financial Statements (past ten years)

NH Foods Ltd. and Subsidiaries

For the Years Ended March 31

	USGAAP					IFRS					(¥ million)
	3/14	3/15	3/16	3/17	3/18	3/18	3/19	3/20	3/21	3/22	3/23
Net sales	¥1,110,766	1,199,956	1,229,324	1,202,293	1,269,201	1,258,463	1,234,180	1,229,826	1,106,351	1,151,886	1,259,792
Operating income	36,089	47,770	49,207	53,802	49,218	—	—	—	—	—	—
Profit before tax [Net profit for the period from continuing operations before income taxes, etc.]	35,673	43,797	35,309	49,112	50,455	52,798	30,267	27,039	47,604	51,760	22,162
Profit attributable to owners of the parent [Net profit attributable to owners of the parent]	24,524	31,048	21,779	35,004	37,147	37,552	19,561	19,214	32,616	48,049	16,637
Business profit	—	—	—	—	—	50,589	38,311	43,772	52,426	48,116	25,596
Total assets	627,220	661,567	682,855	720,276	755,076	734,528	741,388	768,861	825,405	909,213	937,155
Total equity attributable to owners of the parent	320,984	353,664	356,353	404,126	440,793	417,982	401,014	404,414	433,595	479,069	492,913
Interest-bearing liabilities	144,901	136,758	154,583	138,284	110,948	111,401	147,009	176,493	193,750	211,407	242,055
Cash flows from operating activities	32,952	29,681	52,535	65,254	54,626	53,284	30,844	65,464	82,518	33,387	11,331
Cash flows from investing activities	(27,021)	(31,517)	(49,139)	(38,271)	(49,006)	(48,194)	(45,110)	(36,728)	(57,827)	(22,837)	(63,677)
Free cash flow	5,931	(1,836)	3,396	26,983	5,620	5,090	(14,266)	28,736	24,691	10,550	(52,346)
Cash flows from financing activities	(9,373)	(17,187)	8,182	(11,439)	(27,508)	(27,110)	2,932	(3,077)	(14,934)	(12,162)	28,417
Capital expenditures	29,152	35,694	36,799	43,765	41,466	41,201	47,820	47,802	82,902	80,395	67,519
Depreciation and amortization	18,649	18,951	19,445	19,765	21,234	20,714	22,417	33,038	33,939	36,379	38,379
<b>Per share amounts</b>											
Basic earnings per share [Basic net profit per share attributable to owners of the parent]											
Continuing operations (¥)	¥182.94	¥297.70	¥245.56	¥343.59	¥348.46	¥352.26	¥183.21	¥186.70	¥311.13	¥381.91	¥176.27
Discontinued operations (¥)	(¥3.79)	¥7.16	(¥31.72)	(¥0.12)	—	—	—	—	¥6.84	¥88.01	(¥13.83)
Total (¥)	¥244.23	¥304.86	¥213.84	¥343.47	¥348.46	¥352.26	¥183.21	¥186.70	¥317.97	¥469.92	¥162.44
Diluted earnings per share [Diluted earnings per share for the period attributable to owners of the parent]											
Continuing operations (¥)	¥225.27	¥279.50	¥230.61	¥322.66	¥342.07	¥350.00	¥181.48	¥186.64	¥311.05	¥381.82	¥176.25
Discontinued operations (¥)	(¥3.44)	¥6.72	(¥29.72)	(¥0.12)	—	—	—	—	¥6.84	¥87.99	(¥13.83)
Total (¥)	¥221.83	¥286.22	¥200.89	¥322.54	¥342.07	¥350.00	¥181.48	¥186.64	¥317.89	¥469.81	¥162.42
Total equity per share attributable to owners of the parent (¥)	¥3,151.94	¥3,472.37	¥3,498.72	¥3,832.95	¥4,100.70	¥3,888.48	¥3,896.64	¥3,929.43	¥4,243.70	¥4,681.82	¥4,808.70
Cash dividends (¥)	¥37.00	¥46.00	¥33.00	¥52.00	¥53.00	¥53.00	¥90.00	¥90.00	¥94.00	¥102.00	¥110.00
<b>Financial indicators</b>											
Business profit ratio (%)	—	—	—	—	—	4.0	3.1	3.6	4.6	4.0	2.2
Operating profit ratio (%)	3.2	4.0	4.0	4.5	3.9	—	—	—	—	—	—
Return on equity (ROE) (%)	8.0	9.2	6.1	9.2	8.8	9.4	4.8	4.8	7.8	10.5	3.4
Return on invested capital (ROIC) (%)	4.9	6.4	6.5	7.0	6.2	6.6	4.9	5.3	5.9	5.0	2.4
Total equity attributable to owners of the parent ratio [Total equity ratio] (%)	51.2	53.5	52.2	56.1	58.4	56.9	54.1	52.6	52.5	52.7	52.6
Interest-bearing liabilities / Equity ratio [Equity ratio] (Times)	0.45	0.39	0.43	0.34	0.25	0.27	0.37	0.44	0.45	0.44	0.49
Interest coverage ratio (Times)	21.3	24.2	35.1	57.4	44.7	43.1	24.2	40.6	61.6	27.9	6.3
Payout ratio (consolidated) (%)	30.3	30.2	30.9	30.3	30.4	30.1	49.1	48.2	29.6	21.7	67.7

### Notes:

1. NH Foods Ltd. has voluntarily applied International Financial Reporting Standards (IFRS) to consolidated financial statements for the first quarter of the fiscal year ended March 31, 2019.  
Where items differ from the USGAAP or IFRS standards, the corresponding USGAAP item is shown in [ ].
2. Figures have been rounded to the nearest unit.
3. As of April 1, 2018, NH Foods Ltd. carried out a share consolidation at a ratio of one share for each two shares of common stock.  
Total NH Foods Ltd. shareholders' equity per share, basic earnings per share attributable to NH Foods Ltd. shareholders and diluted earnings per share attributable to NH Foods Ltd. shareholders were computed on the assumption that the share consolidation was carried out at the beginning of the fiscal year ended March 31, 2015.  
Cash dividends represent the actual payment prior to the relevant share consolidation.
4. Operating income represents net sales less cost of goods sold and selling, general and administrative expenses.
5. Starting from the fiscal year ended March 31, 2020, NH Foods Group discloses business profit (calculated by deducting the cost of goods sold, and selling, general and administrative expenses from net sales, and making adjustments of currency gains and losses as determined by the Group, adjustments in accordance with IFRS, and adjustments of non-recurring items) in place of the operating income results disclosed previously. The purpose of this change is to provide a clear indication of profit earned through business activities.  
The figures for the fiscal years ended March 31, 2018 and March 31, 2019 have been restated retroactively.
6. Interest-bearing liabilities under USGAAP consists of short-term bank loans, current maturities of long-term debt and long-term debt, less current maturities (including zero coupon convertible bonds) in the consolidated balance sheets.
7. Capital expenditures represent the additions to tangible and intangible fixed assets.  
Since the fiscal year ended March 2020, capital expenditures have consisted of changes.
8. Depreciation and amortization consist of depreciation of tangible fixed assets and amortization of intangible fixed assets.  
Since the fiscal year ended March 2020, depreciation and amortization have consisted of depreciation of property, plant and equipment, right-of-use assets, and intangible assets.
9.  $\text{ROE (\%)} = \text{Profit attributable to owners of the parent} / \text{Average total equity attributable to owners of the parent} \times 100$   
 $\text{Free cash flow (million yen)} = \text{Cash flows provided by operating activities} + \text{Cash flows used in investing activities}$   
 $\text{Total equity attributable to owners of the parent ratio (\%)} = \text{Total equity attributable to owners of the parent} / \text{Total assets} \times 100$   
 $\text{Interest-bearing liabilities/equity ratio (times)} = \text{Interest-bearing liabilities} / \text{Total equity attributable to owners of the parent}$   
 $\text{Interest coverage ratio (times)} = \text{Cash flows provided by operating activities} / \text{Interest paid}$
10. In the fiscal year ended March 2022, we sold our entire shareholding in Marine Foods Corporation, a consolidated subsidiary.  
As result, Marine Foods Corporation and its subsidiaries, etc., are now classified as non-continuous businesses.  
The ratio of business profit to net sales was calculated using business profit after adjustment for discontinued operations (¥50,532 million in the fiscal year ended March 31, 2021).  
Please refer to Note 11 for business profit after adjustment for discontinued operations in the fiscal year ended March 31, 2022.
11. In the fiscal year ended March 31, 2023, we decided to sell our entire shareholding in our consolidated subsidiary, Breeders & Packers Uruguay S.A., to Minerva S.A. As a result, Breeders & Packers Uruguay S.A. is now classified as a discontinued operation. Net sales and profit for the period before income tax for the fiscal years ended March 31, 2023 and March 31, 2022 are therefore shown as the amounts for continuing operations, excluding discontinued operations.  
The ratio of business profit to net sales was calculated using business profit after adjustment for discontinued operations (¥28,191 million in the fiscal year ended March 31, 2023, ¥46,222 million in the fiscal year ended March 31, 2022).

# Consolidated Financial Summary

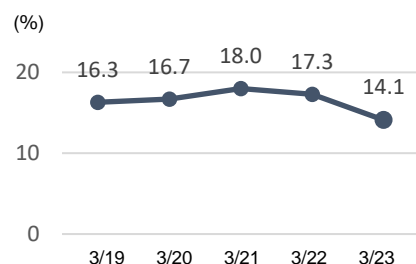
## Profitability Indicators

(%)

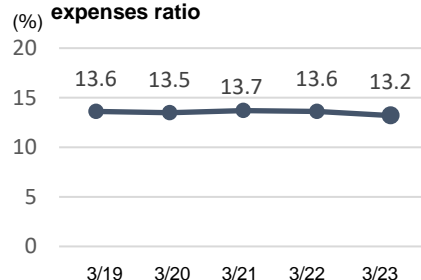
	3/19	3/20	3/21	3/22	3/23
Gross profit ratio	16.3	16.7	18.0	17.3	14.1
Selling, general and administrative expenses ratio	13.6	13.5	13.7	13.6	13.2
Business profit ratio	3.1	3.6	4.5	4.0	2.2
Return on sales <sup>*1</sup>	1.6	1.6	2.8	4.2	1.3

\*1 Return on sales (%) = Profit attributable to Owners of The Parent/Net sales×100

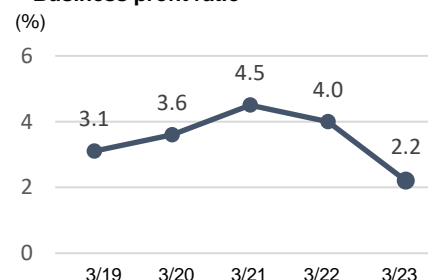
### Gross profit ratio



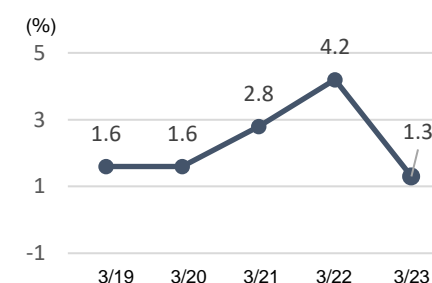
### Selling, general and administrative expenses ratio



### Business profit ratio



### Return on sales

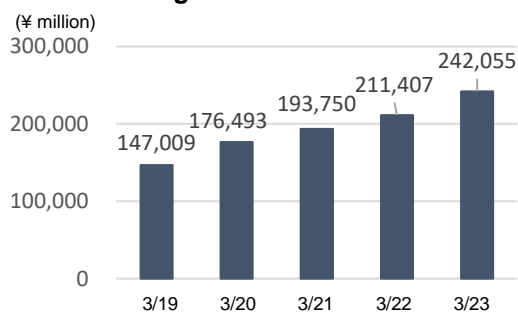


## Total Assets, Total Equity attributable to Owners of The Parent and Interest-Bearing Liabilities

(¥ million)

	3/19	3/20	3/21	3/22	3/23
Total assets	741,388	768,861	825,405	909,213	937,155
Total equity attributable to owners of the parent	401,014	404,414	433,595	479,069	492,913
Interest-bearing liabilities	147,009	176,493	193,750	211,407	242,055

### Interest-bearing liabilities



## Stability and Liquidity Indicators

	3/19	3/20	3/21	3/22	3/23
Total equity attributable to owners of the parent ratio (%) <sup>*1</sup>	54.1	52.6	52.5	52.7	52.6
Interest-bearing liabilities/equity ratio (Times) <sup>*2</sup>	0.37	0.44	0.45	0.44	0.49
Interest-bearing liabilities/cash flow ratio (%) <sup>*3</sup>	21.0	37.1	42.6	15.8	4.7
Interest coverage ratio (Times) <sup>*4</sup>	24.2	40.6	61.6	27.9	6.3

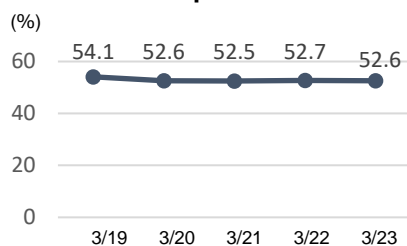
<sup>\*1</sup> Total equity attributable to owners of the parent ratio [NH Foods Ltd. shareholders' equity ratio] (%) = Total equity attributable to owners of the parent/Total assets×100

<sup>\*2</sup> Interest-bearing liabilities/equity ratio (Times) = Interest-bearing liabilities/Total equity attributable to owners of the parent

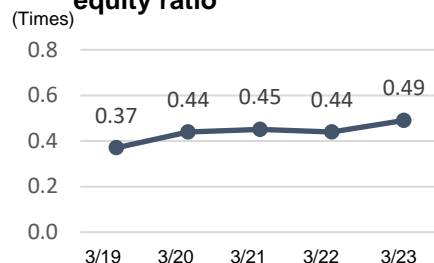
<sup>\*3</sup> Interest-bearing liabilities/cash flow ratio (%) = Net cash provided by operating activities/Interest-bearing liabilities×100

<sup>\*4</sup> Interest coverage ratio (Times) = Net cash provided by operating activities/Interest paid

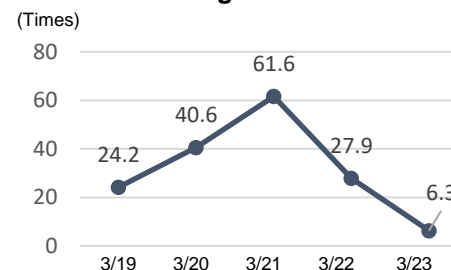
### Total equity attributable to owners of the parent ratio



### Interest-bearing liabilities/equity ratio



### Interest coverage ratio



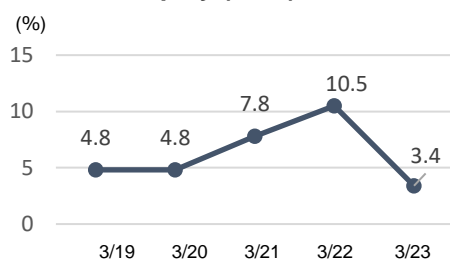
## Return Indicators

	3/19	3/20	3/21	3/22	3/23
Return on equity (ROE) <sup>*5</sup>	4.8	4.8	7.8	10.5	3.4
Return on invested capital (ROIC) <sup>*6</sup>	4.9	5.3	5.9	5.0	2.4

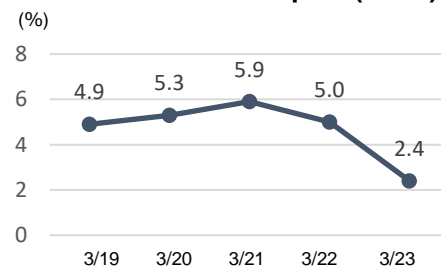
<sup>\*5</sup> Return on equity (ROE) (%) = Profit attributable to owners of the parent/Average total equity attributable to owners of the parent×100

<sup>\*6</sup> Return on invested capital (ROIC) (%) = Invested capital turnover × Business profit rate × (1 – Tax rate)

### Return on equity (ROE)



### Return on invested capital (ROIC)



## Efficiency Indicators

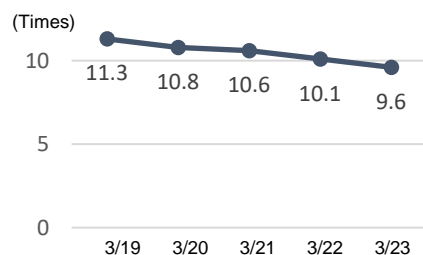
	3/19	3/20	3/21	3/22	3/23
Inventory turnover (Times) <sup>*1</sup>	11.3	10.8	10.6	10.1	9.6
Total assets turnover (Times) <sup>*2</sup>	1.7	1.6	1.5	1.3	1.4
Inventory turnover (Days) <sup>*3</sup>	32.4	33.8	34.5	36.1	37.9

<sup>\*1</sup> Inventory turnover (Times) = Net sales/Average inventories

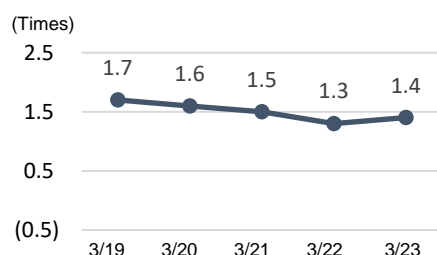
<sup>\*2</sup> Total assets turnover (Times) = Net sales/Average total assets

<sup>\*3</sup> Inventory turnover (Days) = 365/Inventories turnover

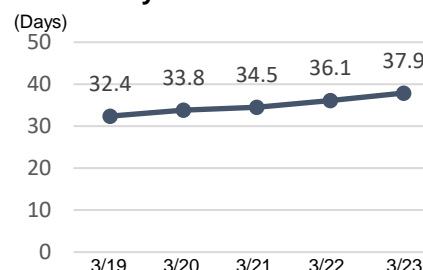
### Inventory turnover



### Total assets turnover



### Inventory turnover

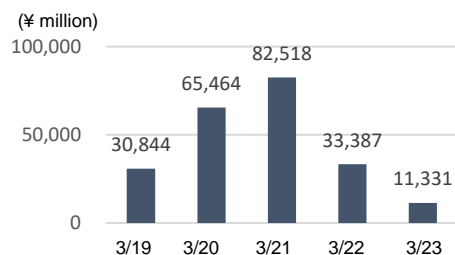


## Cash Flows

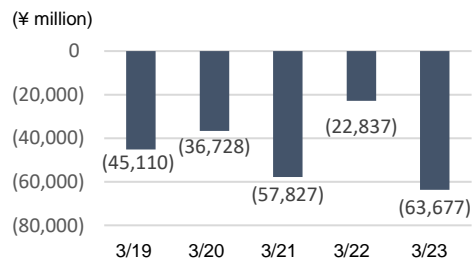
	3/19	3/20	3/21	3/22	3/23
Cash flows from operating activities	30,844	65,464	82,518	33,387	11,331
Cash flows from investing activities	(45,110)	(36,728)	(57,827)	(22,837)	(63,677)
Free cash flow <sup>*4</sup>	(14,266)	28,736	24,691	10,550	(52,364)
Cash flows from financing activities	2,932	(3,077)	(14,934)	(12,162)	28,417
Cash and cash equivalents at end of the year	48,108	72,399	83,831	85,374	64,986

<sup>\*4</sup> Free cash flow = Net cash from operating activities + Net cash from investing activities

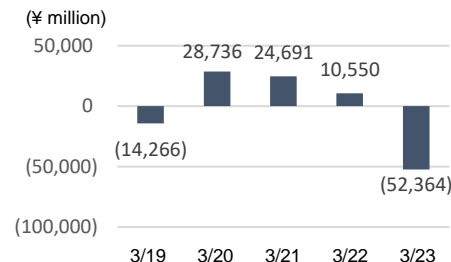
### Cash flows from operating activities



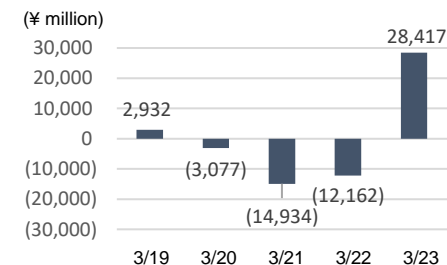
### Cash flows from investing activities



### Free cash flow



### Cash flows from financing activities

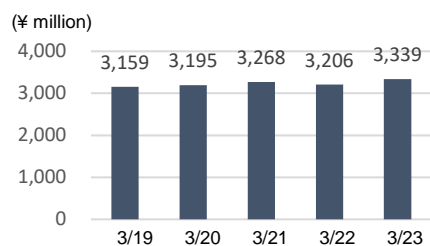


## R&amp;D, Capital Expenditures, Depreciation and Amortization

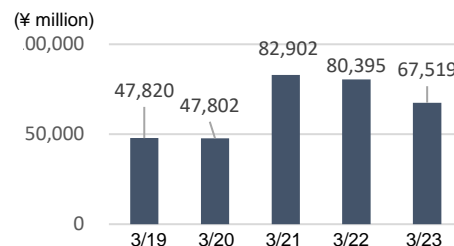
(¥ million)

	3/19	3/20	3/21	3/22	3/23
R&D expenditures	3,159	3,195	3,268	3,206	3,339
Capital expenditures	47,820	47,802	82,902	80,395	67,519
Depreciation and amortization	22,417	33,038	33,939	36,379	38,379

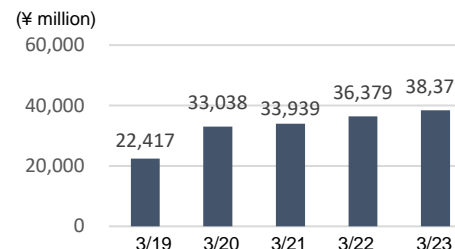
## R&amp;D expenditures



## Capital expenditures



## Depreciation and amortization

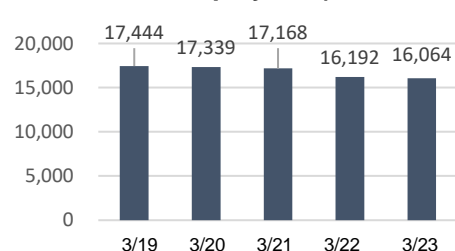


## Other Data

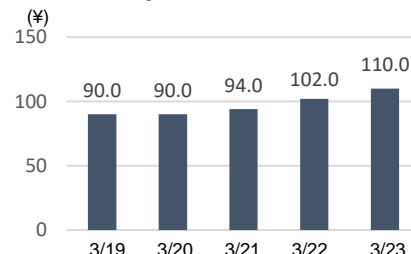
	3/19	3/20	3/21	3/22	3/23
Number of employees (consolidated)	17,444	17,339	17,168	16,192	16,064
Average number of temporary employees	13,396	12,791	12,222	11,457	10,986
Dividend per share (¥) <sup>*1</sup>	90.0	90.0	94.0	102.0	110.0
Payout ratio (consolidated) (%)	49.1	48.2	29.6	21.7	67.7
Stock price					
High (¥)	4,830	4,940	5,100	5,100	4,370
Low (¥)	3,655	2,900	3,220	3,220	3,490

<sup>\*1</sup> Cash dividends represent the actual payment prior to the relevant share consolidation.

## Number of employees (consolidated)



## Dividend per share





# Segment Information

## By Operating Segment

(¥ million)

		3/19	3/20	3/21	3/22	3/23
<b>Processed Foods Business Division</b>	Net sales	512,302	498,781	489,362	496,700	417,738
	(1) External customers	487,607	473,953	463,526	469,953	390,397
	(2) Intersegment	24,695	24,828	25,836	26,747	27,341
	Segment expenses	502,739	485,413	471,385	482,021	412,720
	Segment profit	9,563	13,368	17,977	14,679	5,018
	Assets	301,254	293,662	308,769	271,700	278,588
	Depreciation and amortization	10,130	11,168	11,720	12,666	12,234
<b>Fresh Meats Business Division</b>	Capital expenditures	27,096	16,995	26,032	11,038	10,730
	Net sales	673,000	685,630	656,668	683,301	750,109
	(1) External customers	603,661	612,545	591,576	621,531	685,332
	(2) Intersegment	69,339	73,085	65,092	61,770	64,777
	Segment expenses	638,409	653,597	615,425	585,958	721,027
	Segment profit	34,591	32,033	41,243	35,573	29,082
	Assets	336,738	342,144	341,364	364,830	410,977
<b>Overseas Business Division</b>	Depreciation and amortization	7,241	7,752	8,012	8,705	9,157
	Capital expenditures	13,768	11,735	15,966	17,083	19,273
	Net sales	254,789	254,649	223,649	267,623	321,429
	(1) External customers	128,237	129,374	112,155	142,799	186,449
	(2) Intersegment	126,552	125,275	111,494	124,824	134,980
	Segment expenses	258,549	252,799	223,753	265,214	326,465
	Segment profit (loss)	(3,760)	1,850	(104)	2,409	(5,036)
<b>Others</b>	Assets	125,146	115,226	123,427	159,029	162,728
	Depreciation and amortization	2,722	3,115	3,126	3,482	4,076
	Capital expenditures	4,903	6,032	4,955	3,321	4,000
	Net sales	17,181	16,553	11,758	13,809	17,052
	(1) External customers	13,874	13,288	8,581	10,631	13,818
	(2) Intersegment	3,307	3,265	3,177	3,178	3,234
	Segment expenses	16,204	15,992	13,536	15,378	17,535
<b>Consolidated (before adjustment for discontinued operations)</b>	Segment profit (loss)	977	561	(1,778)	(1,569)	(483)
	Assets	12,900	29,377	27,535	50,421	75,469
	Depreciation and amortization	252	269	258	276	709
	Capital expenditures	163	1,092	19,181	21,806	20,619
	Net sales	1,234,180	1,229,826	1,176,101	1,246,442	1,289,995
	(1) External customers	1,234,180	1,229,826	1,176,101	1,246,442	1,289,995
	(2) Intersegment	—	—	—	—	—
<b>Transfer to discontinued operations</b>	Segment expenses	1,195,869	1,186,054	1,123,675	1,198,326	1,264,399
	Segment profit	38,311	43,772	52,426	48,116	25,596
	Assets	741,388	768,861	825,405	909,213	937,155
	Depreciation and amortization	22,417	33,038	33,939	36,379	38,379
	Capital expenditures	47,820	47,802	82,902	80,395	67,519
	Net sales	—	—	—	(94,556)	(30,203)
	(1) External customers	—	—	—	(94,556)	(30,203)
<b>Consolidated (after adjustment for discontinued operations)</b>	(2) Intersegment	—	—	—	—	—
	Segment expenses	—	—	—	(92,662)	(32,798)
	Segment profit (loss)	—	—	—	(1,894)	2,595
	Assets	—	—	—	—	—
	Depreciation and amortization	—	—	—	(1,724)	(664)
	Capital expenditures	—	—	—	(1,121)	(360)
	Net sales	—	—	—	1,151,886	1,259,792
<b>Consolidated (after adjustment for discontinued operations)</b>	(1) External customers	—	—	—	1,151,886	1,259,792
	(2) Intersegment	—	—	—	—	—
	Segment expenses	—	—	—	1,105,664	1,231,601
	Segment profit	—	—	—	46,222	28,191
	Assets	—	—	—	909,213	937,155
	Depreciation and amortization	—	—	—	34,655	37,715
	Capital expenditures	—	—	—	79,274	67,159

## Notes:

- Depreciation and amortization consist of depreciation of property, plant and equipment and amortization of intangible assets.
- Capital expenditures represent the additions to property, plant and equipment and intangible assets.
- Since the fiscal year ended March 31, 2020, the new "segment profit" has been calculated by deducting the cost of goods sold and selling, general and administrative expenses from net sales, and accounting for foreign exchange gains and losses determined by the Group, while excluding adjustments in accordance with IFRS and non-recurring items. Since the fiscal year ended March 31, 2018, "segment profit" has been presented by applying the new calculation method from the viewpoint of the comparability with the fiscal year ended March 31, 2020.
- The consolidated figures were calculated by deducting eliminations, adjustments and others from the results for each business division.
- From the first quarter of the fiscal year ending March 2022, the Company has classified the team business and new business into "Other" for the purpose of expanding into new business areas. In addition, from the first quarter of the fiscal year ending March 2022, we have changed the method of calculating sales in order to more appropriately reflect the performance of the reporting segment. Regarding this change, the figures before the previous fiscal year have been retroactively revised. However, the figures before the fiscal year ended March 2020 have not been audited.
- Net sales and profits (losses), etc., and capital expenditure for the seafood business of The Marine Foods Corporation and its subsidiaries, etc., which are included in the results for Processed Foods Business Division, have been reallocated as part of the transfer of The Marine Foods Corporation to the discontinued business category. This discontinued business is included in the results for Processed Foods Business Division as the reporting segment. However, the results for the fiscal year ended March 2021 and earlier years have not been adjusted retrospectively.
- Net sales and profits (losses), etc., and capital expenditure relating to Breeders & Packers Uruguay S.A., which is included in our overseas business operations, have been transferred to discontinued operations. Discontinued operations are included in the Overseas Business Division reporting segment. However, the results for the fiscal year ended March 31, 2021 and earlier years have not been adjusted retrospectively.

## By Geographical Area

		(¥ million)				
		3/19	3/20	3/21	3/22	3/23
<b>Asia &amp; Europe</b>	Net sales	79,191	73,898	56,423	64,771	66,376
	(1) External customers	24,850	25,869	23,324	26,301	32,466
	(2) Intersegment	54,341	48,029	33,099	38,470	33,910
	Segment profit (loss)	(152)	809	(818)	(428)	(1,180)
<b>Americas</b>	Net sales	79,432	84,547	88,050	100,486	123,759
	(1) External customers	22,331	21,757	20,288	25,614	34,334
	(2) Intersegment	57,101	62,790	67,762	74,872	89,425
	Segment profit (loss)	(344)	698	2,722	1,198	1,731
<b>Australia</b>	Net sales	99,306	98,826	80,947	105,193	133,677
	(1) External customers	81,056	81,749	68,543	90,884	119,649
	(2) Intersegment	18,250	17,077	12,404	14,309	14,028
	Segment profit (loss)	(2,123)	1,466	(1,048)	2,585	(4,473)

Notes: 1. The total of each area is not equal to the Overseas Business Division total, by reason of the elimination of intersegment transactions.

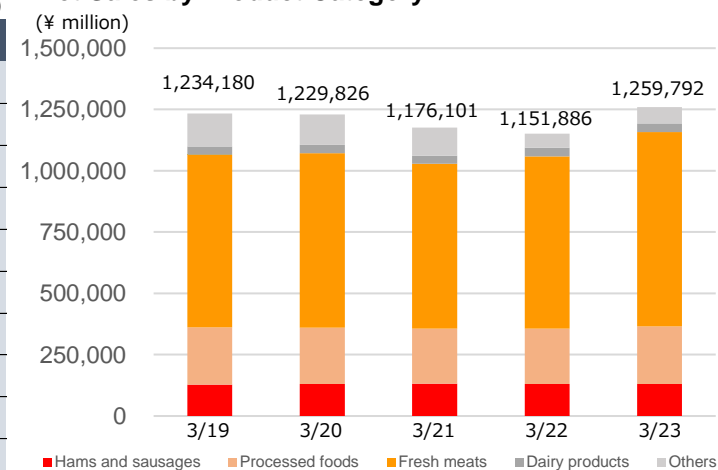
2. The Americas includes North and South American businesses.

3. Breeders & Packers Uruguay S.A. is included in Australia.

## Net Sales by Product

	(¥ million)				
	3/19	3/20	3/21	3/22	3/23
Hams and sausages	128,356	130,982	132,425	131,147	130,161
Processed foods	233,655	228,833	223,585	224,976	235,166
Fresh meats	703,557	711,753	672,880	702,160	791,972
Beef	297,583	296,913	256,999	273,225	312,372
Pork	221,157	226,612	229,450	230,762	251,001
Chicken	160,821	166,032	166,222	179,549	209,570
Other fresh meats	23,996	22,196	20,209	18,624	19,029
Dairy products	33,270	33,614	31,967	35,214	36,194
Others	135,342	124,644	115,244	58,389	66,299
<b>Total</b>	<b>1,234,180</b>	<b>1,229,826</b>	<b>1,176,101</b>	<b>1,151,886</b>	<b>1,259,792</b>

## Net Sales by Product Category



Notes: 4. Net sales for the fiscal year ended March 31, 2022 exclude the results for the seafood business of The Marine Foods Corporation and its subsidiaries, etc.

5. Net sales for the fiscal years ended March 31, 2022 and March 31, 2023 exclude beef business results relating to Breeders & Packers Uruguay S.A.

# Consolidated Financial Statements (IFRS)

## Consolidated Statements of Financial Position

(¥ million)

	3/19	3/20	3/21	3/22	3/23
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	48,108	72,399	83,831	85,374	64,986
Trade and other receivables	153,260	130,213	127,067	136,017	146,660
Inventories	113,415	114,520	107,906	119,980	141,930
Biological assets	25,971	21,335	23,581	32,755	27,984
Other financial assets	12,041	11,701	15,082	24,648	9,098
Other current assets	5,468	5,583	8,561	15,096	25,171
Assets held for sale	—	—	—	436	12,189
<b>Total current assets</b>	<b>358,263</b>	<b>355,751</b>	<b>366,028</b>	<b>414,306</b>	<b>428,018</b>
<b>Non-current assets</b>					
Property, plant and equipment	289,898	284,060	325,629	345,022	364,381
Right-of-use assets	—	35,545	38,362	46,090	40,898
Biological assets	1,877	1,883	1,314	1,240	1,517
Intangible assets and goodwill	7,097	8,953	10,608	15,269	20,193
Investments accounted for using the equity method	14,400	13,910	9,011	12,410	9,087
Other financial assets	34,125	32,647	35,796	35,232	27,587
Deferred tax assets	28,004	29,745	26,056	26,279	31,082
Other non-current assets	7,724	6,367	12,601	13,365	14,392
<b>Total non-current assets</b>	<b>383,125</b>	<b>413,110</b>	<b>459,377</b>	<b>494,907</b>	<b>509,137</b>
<b>Total assets</b>	<b>741,388</b>	<b>768,861</b>	<b>825,405</b>	<b>909,213</b>	<b>937,155</b>
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Interest-bearing liabilities	62,746	55,924	59,322	90,056	102,199
Trade and other payables	111,573	99,802	98,983	103,719	106,027
Income taxes payable	2,738	3,178	9,748	6,494	1,795
Other financial liabilities	18,123	18,877	25,290	42,056	15,806
Other current liabilities	38,788	35,966	35,822	39,594	41,350
Liabilities that relate directly to assets held for sale	—	—	—	—	11,359
<b>Total current liabilities</b>	<b>233,968</b>	<b>213,747</b>	<b>229,165</b>	<b>281,919</b>	<b>278,536</b>
<b>Non-current liabilities</b>					
Interest-bearing liabilities	84,263	120,569	134,428	121,351	139,856
Retirement benefit liabilities	14,118	14,920	14,543	12,951	12,394
Other financial liabilities	1,105	719	683	754	1,108
Deferred tax liabilities	1,326	732	581	1,045	889
Other non-current liabilities	1,250	1,577	1,696	1,639	1,591
<b>Total non-current liabilities</b>	<b>102,062</b>	<b>138,517</b>	<b>151,931</b>	<b>137,740</b>	<b>155,838</b>
<b>Total liabilities</b>	<b>336,030</b>	<b>352,264</b>	<b>381,096</b>	<b>419,659</b>	<b>434,374</b>
<b>Equity</b>					
Common stock	36,294	36,294	36,294	36,294	36,294
Capital surplus	72,672	72,639	71,240	71,272	71,095
Retained earnings	286,934	294,018	320,577	360,900	369,389
Treasury stock, at cost	(202)	(173)	(3,532)	(2,856)	(2,057)
Accumulated other comprehensive income	5,316	1,636	9,016	13,459	17,193
Accumulated other comprehensive income relating to the disposal	—	—	—	—	999
<b>Total equity attributable to owners of the parent</b>	<b>401,014</b>	<b>404,414</b>	<b>433,595</b>	<b>479,069</b>	<b>492,913</b>
Non-controlling Interests	4,344	12,183	10,714	10,485	9,868
<b>Total equity</b>	<b>405,358</b>	<b>416,597</b>	<b>444,309</b>	<b>489,554</b>	<b>502,781</b>
<b>Total liabilities and equity</b>	<b>741,388</b>	<b>768,861</b>	<b>825,405</b>	<b>909,213</b>	<b>937,155</b>

## Consolidated Statements of Income

(¥ million)

	3/19	3/20	3/21	3/22	3/23
Net sales	1,234,180	1,229,826	1,176,101	1,151,886	1,259,792
Cost of goods sold	1,033,577	1,024,296	964,367	952,971	1,082,760
Selling, general and administrative expenses	168,338	166,030	161,215	156,552	166,080
Other income	8,510	3,592	8,497	10,620	19,098
Other expenses	9,292	14,790	11,956	8,512	12,191
Financial income	1,427	1,285	1,942	2,200	3,360
Financial costs	3,561	3,903	1,534	3,935	1,830
Share of profit in investments accounted for using the equity method	918	1,355	1,406	9,024	2,773
Profit before tax	30,267	27,039	48,874	51,760	22,162
Income tax expense	11,250	8,106	17,816	12,955	4,770
Profit	19,017	18,933	31,058	47,647	15,976
Profit attributable to:					
Owners of the parent	19,561	19,214	32,616	48,049	16,637
Non-controlling interests	(544)	(281)	(1,558)	(402)	(661)
Profit	19,017	18,933	31,058	47,647	15,976

## Financial data

### Consolidated Statements of Cash Flows

(¥ million)

	3/19	3/20	3/21	3/22	3/23
<b>Operating activities</b>					
Profit before tax	30,267	27,039	48,874	51,760	22,162
Net profit (loss) for the period from discontinued operations before income taxes, etc.	—	—	—	12,745	(5,485)
Depreciation and amortization expenses	22,865	33,336	34,109	36,464	38,433
Impairment losses	4,937	3,904	7,069	2,395	1,840
Decrease (increase) in fair value of biological assets	187	1,205	(192)	44	1,027
Financial income and costs	2,134	2,618	(408)	2,826	(1,381)
Gains (losses) on sales of business operations	—	—	—	(12,037)	460
Decrease (increase) in trade and other receivables	1,386	21,968	3,817	(8,157)	(12,879)
Decrease (increase) in inventories	(8,113)	(2,316)	7,722	(22,655)	(24,451)
Decrease (increase) in biological assets	(2,110)	1,005	113	(9,187)	2,651
Decrease (increase) in other assets	2,678	555	(8,815)	(7,455)	(3,379)
Increase (decrease) in trade and other payables	(2,222)	(10,964)	(1,252)	8,552	5,913
Increase (decrease) in other liabilities	38	(3,772)	(507)	4,737	2,514
Others - net	(6,287)	(1,143)	648	(8,537)	(8,578)
Interest received	719	675	287	355	1,632
Dividends received	1,573	2,304	2,735	3,779	6,221
Interest paid	(1,273)	(1,611)	(1,339)	(1,197)	(1,811)
Income tax paid	(15,935)	(9,339)	(10,343)	(21,045)	(13,558)
Cash flows from operating activities	30,844	65,464	82,518	33,387	11,331
<b>Investing activities</b>					
Acquisition of fixes assests	(47,504)	(36,898)	(59,398)	(44,473)	(82,261)
Proceeds from sales of fixed assets	978	607	1,423	728	2,095
Decrease (increase) in time deposits	2,836	(610)	259	4,024	1,152
Acquisiton of other financial assets	(1,077)	(84)	(182)	(130)	(64)
Sales and redemption of other financial assets	527	42	673	929	4,645
Increase in short-term lending	—	—	—	—	9,994
Income from sales of business operations	—	—	—	16,628	3,579
Expenditure resulting from business sales	—	—	—	—	(3,166)
Investments in associated companies	(38)	(120)	—	—	—
Net increase (decrease) in cash and cash equivalents resulting from purchase of business	—	—	—	—	—
Net increase (decrease) in cash and cash equivalents resulting from sale of business	—	—	—	—	—
Others - net	(832)	335	(602)	(543)	349
Cash flows from investing activities	(45,110)	(36,728)	(57,827)	(22,837)	(63,677)
<b>Financing activities</b>					
Cash dividends	(11,403)	(9,271)	(9,269)	(9,610)	(10,448)
Increase (decrease) in short-term bank loans	9,026	(2,001)	(4,840)	17,065	36,504
Proceeds from debt	40,970	38,714	70,393	27,462	110,358
Repayments of debt	(16,060)	(39,019)	(66,351)	(47,490)	(108,594)
Contributions from non-controlling interests	406	8,563	2	—	—
Acquisitions from non-controlling interests	—	—	(1,489)	(191)	—
Acquisition of treasury stock	(20,007)	(4)	(3,567)	(2)	(2)
Sale of treasury stock	—	—	187	604	599
Others - net	0	(59)	0	0	0
Cash flows from financing activities	2,932	(3,077)	(14,934)	(12,162)	28,417
Effect of exchange rate changes on cash and cash equivalents	1,152	(1,368)	1,675	3,155	2,476
Hyper-inflation adjustments	—	—	—	—	1,874
Increase (decrease) in cash and cash equivalents included in assets held for sale	—	—	—	—	(809)
Net increase (decrease) in cash and cash equivalents	(10,182)	24,291	11,432	1,543	(20,388)
Cash and cash equivalents at beginning of the year	58,290	48,108	72,399	83,831	85,374
Cash and cash equivalents at end of the year	48,108	72,399	83,831	85,374	64,986

# Stock Information

## Share Data

Authorized shares	285,000,000
Issued and outstanding	102,958,904
Shareholders	61,320

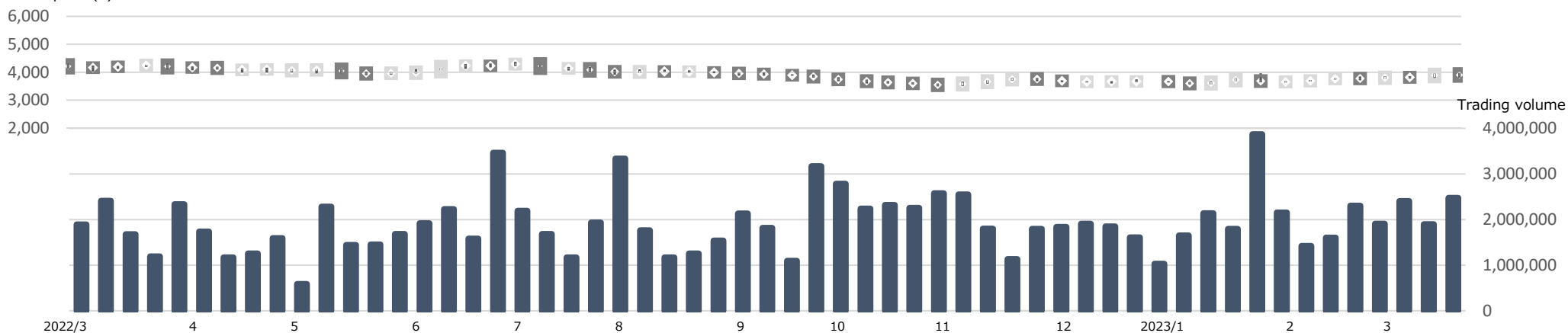
## Major Shareholders (Leading 10 by holding)

Name of shareholder	Holding (1,000s of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	19,305	18.75%
Custody Bank of Japan, Ltd. (Trust account)	9,785	9.50%
The Hyakujushi Bank, Ltd.	3,708	3.60%
Meiji Yasuda Life Insurance Company	3,677	3.57%
The Norinchukin Bank	2,963	2.88%
Nippon Life Insurance Company	2,785	2.71%
MUFG Bank, Ltd	2,200	2.14%
STATE STREET BANK AND TRUST COMPANY 505001	2,168	2.11%
Sumitomo Mitsui Banking Corporation	1,860	1.81%
SSBTC CLIENT OMNIBUS ACCOUNT	1,772	1.72%

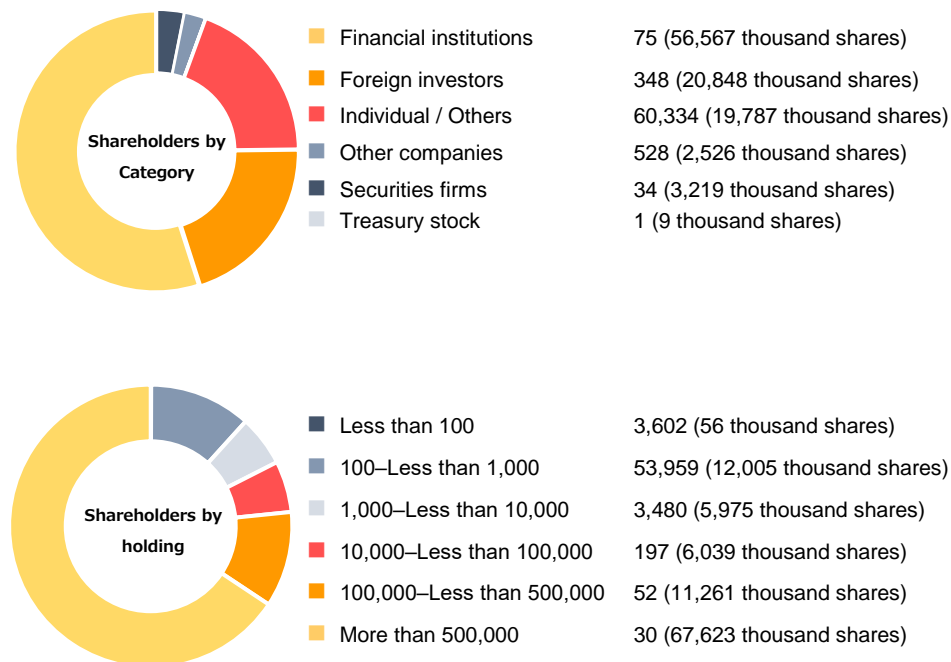
Note: Shareholding ratio is calculated by deducting the number of treasury stock.

## Stock Price Trend

Stock price (¥)



## Distribution of Shares



# Non-financial data

As of July 31, 2023

- 15** Environmental Report
- 26** Social Report
- 30** Corporate Governance

## Scope of Data (as of March 31st, 2023)

Subject			① Company-wide	② Japan	③ Japan (product factories)	④ Overseas	⑤ Overseas (product factories)
Business sites in Japan	Production and Livestock Breeding Facilities and Feedlots	4 production departments of Nippon Clean Farm Ltd./ 4 production departments of Nippon White Farm Co., Ltd./ Nippon White Farm Niigata Co., Ltd./ Miyazaki Environmental Preservation Cooperative/ Junsui Kurobuta Shuton Nojo Y.K.	●	●			
	Meat preparation and processing plants	5 plants of Nippon White Farm Co., Ltd./ 5 plants of Nippon Food Packer, Inc./ Nippon Food Packer Kagoshima, Inc./ Nippon Food Packer Shikoku, Inc./ Nippon Food Packer Tsugaru, Co., Ltd./ Miyazaki Beef Center Co., Ltd./ Nippon White Farm Niigata Co., Ltd.	●	●	●		
	Ham and Sausage Production	5 factories of Nipponham Factory Ltd./ Nipponham Northeast Ltd./ 3 factories of Nipponham Hokkaido Factory Ltd./ Nipponham Southwest Ltd./ Kamakura Ham Tomioka Co., Ltd./ Kyodo Foods Co., Ltd.	●	●	●		
	Processed Food Production	1 plant of NH Foods Ltd./ 3 plants of Nipponham Processed Foods Ltd./ 3 plants of Nipponham Delicatessen Ltd./ 8 plants of Nippon Pure Food, Inc./ 2 plants of Hoko Co., Ltd./ Minami Nippon Fresh Foods Co., Ltd./ 2 plants of Premium Kitchen Co., Ltd.	●	●	●		
	Marine and Dairy Product Production	2 plants of Nippon Luna, Inc./ 3 plants of Hoko Co., Ltd.	●	●	●		
	Sales Offices, Distribution Centers, Headquarters, Branches, Offices and Research Institutes	NH Foods Ltd./ NH Foods Marketing Ltd./ Nippon Route Service, Inc./ Nippon Daily Net Co., Ltd./ Nipponham Frozen Foods Sales Ltd./ Nipponham Customer Communication Co., Ltd./ Nippon Logistics Center, Inc./ Nippon Chilled Logistics, Inc./ Japan Food Corporation/ NH Japan Food Ltd./ Higashi Nippon Food, Inc./ Kanto Nippon Food, Inc./ Naka Nippon Food, Inc./ Nishi Nippon Food, Inc./ Nippon Pure Food, Inc./ Hoko Co., Ltd./ Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd./ Nippon Luna, Inc./ Minami Nippon Fresh Foods Co., Ltd./ Nipponham Hokkaido Factory Ltd./ Usune Co., Ltd./ Fighters Sports & Entertainment Co., Ltd.	●	●			
Business sites overseas	Production and breeding facilities, farms	3 production departments of Whyalla Beef/ Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi	●			●	
	Meat preparation and processing plants	Oakey Beef Exports Pty. Ltd./ Thomas Borthwick & Sons (Australia) Pty. Ltd./ 2 plants of Wingham Beef Exports Pty. Ltd./ Breeders & Packers Uruguay S.A./ Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi	●			●	●
	Manufacture and sale of fresh meats and processed foods	Shandong Rilong Foodstuffs Co., Ltd./ Pure Food Asia, Inc./ 2 factories of Thai Nippon Foods Co., Ltd./ 2 factories of NH Foods Vietnam Joint Stock Company/ NHF Manufacturing (Malaysia) Sdn.Bhd./ NH Foods Diamond Indonesia/ Day-Lee Foods, Inc./ Redondo's, LLC	●			●	●
	Food marketing, trading companies	Shandong Rilong Foodstuffs Co., Ltd./ NH Foods Taiwan Ltd./ NH Foods (Thailand) Ltd./ NH Foods Singapore Pte. Ltd./ NH Foods Australia Pty. Ltd./ Beef Producers Australia Pty. Ltd./ NH Foods U.K. Ltd./ NH Foods Chile Y Compania Limitada/ NH Foods Mexicana S.A.DE C.V./ Day-Lee Foods, Inc./ Japan Food Corporation Korea Branch	●			●	



## Calculation Method

■ Greenhouse gas emissions about Scope 1 and Scope 2 are calculated by using factors in "Act on Promotion of Global Warming Countermeasures" in Japan

↳ Location base is calculated by the alternative value which is annual electric power company's emission factors (above the law)

↳ Market base is calculated by each annual electric power company's emission factors (above the law)

Overseas sites: Primarily use laws and regulations or guideliness of the country or region where each company or office is located. If these are unknown, use coefficients of the "Act on Promotion of Global Warming Countermeasures" in Japan.

↳ If the location base is unknown, use the Emissions Factors provided by the IEA.

There are not applicable of Perfluorocarbons, Sulphur hexafluoride and Nitrogen trifluoride. Also, Hydrofluorocarbons aren't calculation in scope

■ Scope 3 is calculated which is based on our scenario by category, which referred to "Basic Guidelines On Accounting for Greenhouse Gas Emissions throughout the Supply Chain (in Japan)". The emission unit of calculation is used or referred to below

- "Act on Promotion of Global Warming Countermeasures" in Japan about each year

- "Database of Emissions Unit Values on the Same Accounting for Greenhouse Gas Emissions throughout the Supply Chain" in Japan

■ Energy consumption about Scope 1 and Scope 2 is calculated as follows:

Japan: Use coefficients, etc., defined by the "Act of Promotion of Global Warming Countermeasures" and the "Act on the Rational Use of Energy" in Japan

Overseas: Primarily use laws and regulations or guideliness of the country or region where each company or office is located. If these are unknown, use coefficients of the "Act on the Rational Use of Energy" in Japan

■ The waste recycling rate and recycling rate were calculated as follows.

Waste recycling rate:  $(\text{Valuable materials sold} + \text{Recycled waste}) / \text{Waste generation} \times 100$  (Unit: %)

Recycling rate:  $(\text{Waste recycled in-house} + \text{Valuable materials sold} + \text{Recycled waste}) / (\text{Waste generation} - \text{in-house reductions}) \times 100$  (Unit: %)

## Third-Party Verification

Items with a ☒ mark are subject to third-party verification under the AA1000 standard by SGS Japan Inc.

Scope of verification

GHG emissions in Japan: Scope 1, Scope 2, Scope 3    Overseas GHG emissions: Scope 1, Scope 2

Energy use in Japan: Scope 1, Scope 2    Overseas energy use: Scope 1, Scope 2

Water use in Japan: Water withdrawal and Water consumption

Overseas water use: Water withdrawal and Water consumption

# Environmental Targets

As part of its three-year medium-term management plans, the NH Foods Group has formulated environmental targets aimed at reducing the environmental impact of its business activities. In April 2021, the Group formulated Vision2030 and identified, while also setting medium- to long-term environmental targets for 2030.

We are helping to realize a sustainable society through our efforts to reduce environmental loads, and through our continuing commitment to effective resource utilization.

In fiscal 2022, we set environmental targets for 2030 based on our medium- to long-term environmental targets for Japan.

Going forward, we will work to promote efforts to achieve a sustainable society from a more global perspective.

## Results of Medium- to Long-Term Environmental Targets in Japan

Targets	Unit	Baseline	2030 target	FY2022 results	Progress
<b>Reduce fossil fuel-derived CO<sub>2</sub> emissions</b> (Reduce by more than 46% compared with FY2013 levels)	t-CO <sub>2</sub>	550,518	297,279	447,690	Reduction (change from the baseline) : ▲102,828 Reduction (compared with the baseline) : ▲18.7%
<b>Waste discharge (per production unit)</b> (Reduce by 5% compared with FY2019 level)	kg/t	134.6	127.9	124.9	Reduction (change from the baseline) : ▲9.7 Reduction (compared with the baseline) : ▲7.2%
<b>Waste recycling rate</b> (At least 92% by 2030)	%	84.1	92.0	91.9	—
<b>Waste consumption (per production unit)</b> (Reduce by 5% compared with FY2019 level)	m <sup>3</sup> /t	15.2	14.4	15.4	Reduction (change from the baseline) : 0.2 Reduction (compared with the baseline) : 1.3%

\* Coverage of the Plan: Reduction of fossil fuel-derived CO<sub>2</sub> emissions, Waste recycling rate . . . ②, Waste discharges and water consumption . . . ③

\* CO<sub>2</sub> emissions and thermal energy were calculated using the factors stipulated each year under the "Act on Promotion of Global Warming"

\* Intensity units are based on production quantities by manufacturing factory

\* The baseline for the waste recycling rate is 84.1% (FY2019 result). The formula is shown in the "Calculation method" section on p.16

## Medium- to Long-Term Environmental Targets Overseas

Targets	Unit	Baseline	2030 target	FY2022 results	Progress
<b>Reduce fossil fuel-derived CO<sub>2</sub> emissions</b> (Reduce by more than 24% compared with FY2021 levels)	t-CO <sub>2</sub>	143,340	108,938	140,531	Reduction (change from the baseline) : ▲2,809 Reduction (compared with the baseline) : ▲2.0%
<b>Waste consumption (per production unit)</b> (Reduce by 5% compared with FY2021 level)	m <sup>3</sup> /t	14.7	14.1	15.2	Reduction (change from the baseline) : 0.5 Reduction (compared with the baseline) : 3.4%

\* Target base year: For overseas operations, based on FY2021 results, with reduction targets set as equal to yearly reduction targets in Japan

Coverage of the Plan: Reduction of fossil fuel-derived CO<sub>2</sub> emissions . . . ④, Water consumption . . . ⑤

\* CO<sub>2</sub> emissions are mainly calculated using methods defined by the country or region where a company is located.

If this is unknown, the IEA Emissions Factors and the coefficients of the "Act on Promotion of Global Warming Countermeasures" in Japan are used.

\* Intensity units are based on production quantities by manufacturing factory

## Results of Medium-Term Management Plan 2020

The Medium-Term Management Plan 2020, which launched on April 1, 2018, sets environmental targets based on average values for the period from fiscal 2012 to fiscal 2016. The plan achieved the following results.

Initiatives		Baseline (average FY2012-2016)	Targets (average FY2018-2020)	Results (average FY2018-2020) (compared to baseline)
Mitigation of climate change	CO <sub>2</sub> emissions intensity	701.1 kg-CO <sub>2</sub> /t	8.0% Reduction (645.1 kg-CO <sub>2</sub> /t)	10.0% Reduction (631.0 kg-CO <sub>2</sub> /t)
	Thermal energy intensity	12.0 GJ/t	8.0% Reduction (11.0 GJ/t)	3.3% Reduction (11.6 GJ/t)
Resource saving	Water consumption intensity <sup>*1</sup>	17.7 m <sup>3</sup> /t	3.0% Reduction (17.2 m <sup>3</sup> /t)	4.5% Increase (18.5 m <sup>3</sup> /t)
	Waste generation intensity <sup>*2</sup>	207.5 kg/t	6.0% Reduction (195.1 kg/t)	14.3% Increase <sup>*3</sup> (237.1 kg/t)
Promotion of recycling	Waste recycling rate	90.8%	94.0% Over	88.9%

\* CO<sub>2</sub> emissions and thermal energy calculated by using factors in "Act on Promotion of Global Warming Countermeasures" in Japan about each year

\* Coverage of the Plan: ①

\* Primary unit of each intensity is per unit of product

\* Reduction rate in target value is reduction rate from Baseline

\* The formula for the waste recycling rate is shown in the "Calculation method" section on p.16

\*<sup>1</sup> Water consumption and discharged includes some estimated values from production departments

\*<sup>2</sup> Excluding farm excreta

\*<sup>3</sup> Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

# Mitigation of Global Warming

## Greenhouse Gas Emissions from NH Foods Group and Its Entire Supply Chain

### ■ Greenhouse Gas Emissions ☒

Scope	Items	Business scope	Scope 2 pattern	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 1	CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	Japan	—	216	215	220	222	213
		Overseas	—	—	—	—	52	55
	Methane (thousand t-CO <sub>2</sub> )	Company-wide	—	30	31	28	116	134
	Nitrous oxide (thousand t-CO <sub>2</sub> )	Company-wide	—	103	102	101	102	99
Scope 2	CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	Japan	Location base	303	290	276	267	246
			Market base	—	269	257	260	236
		Overseas	Location base	—	—	—	92	86
Total	CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	Company-wide	Location base	652	638	625	851	833
Scope 3	CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	Japan	—	10,948	11,134	10,576	10,503	10,258

\* Coverage of data: Scope 1, Scope 2 ・ ・ ・ ①, Scope 3 ・ ・ ・ ②

### ■ Breakdown of Scope 3 Categories (FY2022 Results in Japan) ☒

Category	CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	Composition ratio (%)
1 Purchased goods and services	8,599	83.8
2 Capital goods	159	1.6
3 Fuel and energy related activities (not included in scope 1 or scope 2)	79	0.8
4 Upstream transportation and distribution	809	7.9
5 Waste generated in operations	44	0.4
6 Business travel	7	0.1
7 Employee commuting	54	0.5
8 Upstream leased assets	5	0.0
9 Downstream transportation and distribution	-	-

\* Coverage of data: ②

Category	CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	Composition ratio (%)
10 Processing of sold products	242	2.4
11 Use of sold products	145	1.4
12 End-of-Life treatment of sold products	115	1.1
13 Downstream leased assets	-	-
14 Franchises	-	-
15 Investments	-	-
<b>Total</b>	<b>10,258</b>	<b>100</b>

## Environmental Data by Business

## ■ Greenhouse Gas

(thousand t-CO<sub>2</sub>)

Items			FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Production and Livestock Breeding Facilities and Feedlots	Scope 1	181	183	182	179	174
		Scope 2	40	39	37	35	35
		Subtotal	221	222	219	215	209
	Fresh Meat Processing and Plants	Scope 1	26	25	27	27	27
		Scope 2	37	35	34	33	31
		Subtotal	62	61	60	60	58
	Ham and Sausage Production	Scope 1	37	36	37	36	34
		Scope 2	55	52	49	48	45
		Subtotal	92	88	86	84	79
	Processed Food Production	Scope 1	66	65	67	69	65
		Scope 2	105	99	94	92	80
		Subtotal	171	164	161	161	145
	Marine and Dairy Product Production	Scope 1	8	8	8	8	8
		Scope 2	18	18	17	16	16
		Subtotal	26	26	25	24	24
	Sales Offices, Distribution Centers, Headquarters, Branches, Offices and Research Institutes	Scope 1	1	1	1	1	2
		Scope 2	49	47	45	44	39
		Subtotal	50	48	46	45	41
	Vehicles	Scope 1	29	28	28	28	26
	Subtotal	Scope 1	348	348	349	348	336
		Scope 2	304	290	276	267	246
		Subtotal	652	638	625	615	582
Overseas		Scope 1	—	—	—	144	165
		Scope 2	—	—	—	92	86
		Subtotal	—	—	—	235	251
Total		Scope 1	348	348	349	492	501
		Scope 2	304	290	276	359	332
		Subtotal	652	638	625	851	833

\* Coverage of data: ①

# Resource Saving Initiatives

## Consumption of Energy

### ■ Transition of Energy Consumption ☒

Items			FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Fuel (TJ)	Gasoline	52	46	37	35	30
		Kerosene	542	570	591	588	582
		Light oil	375	371	372	379	351
		Heavy fuel oil A	968	867	852	775	688
		Liquefied petroleum gas / LPG	361	392	420	455	401
		Liquefied natural gas / LNG	217	281	302	315	274
		Town gas	971	996	1,034	1,111	1,202
		Biomass	—	—	—	59	26
	Total Fuel		3,486	3,523	3,608	3,717	3,554
	Steam, cold water, hot water purchased (TJ)		21	20	20	21	22
	Electricity purchased (TJ)		5,772	5,768	5,708	5,727	5,436
	Of which, renewable energy (TJ)		—	—	1	1	14
	Subtotal (TJ)		9,279	9,311	9,336	9,465	9,012
	Of which, renewable energy (TJ)		—	—	1	60	40
Overseas	Fuel (TJ)	Gasoline	—	—	—	9	9
		Kerosene	—	—	—	0	0
		Light oil	—	—	—	86	85
		Heavy fuel oil	—	—	—	29	19
		Coal	—	—	—	343	371
		Liquefied petroleum gas / LPG	—	—	—	48	91
		Natural gas	—	—	—	190	157
		Town gas	—	—	—	6	6
		Biomass	—	—	—	288	300
	Total Fuel		—	—	—	999	1,038
	Steam, cold water, hot water purchased (TJ)		—	—	—	44	81
	Electricity purchased (TJ)		—	—	—	600	564
	Subtotal (TJ)		—	—	—	1,643	1,683
	Of which, renewable energy (TJ)		—	—	—	288	300
Total	Total (TJ)		9,279	9,311	9,336	11,108	10,695
	Of which, renewable energy (TJ)		—	—	1	348	340

\* Coverage of data: ①

\* Only the amount of consumption is subject to verification, and various energy conversions have not been verified.

## Water Consumption

### ■ Transition of Water withdrawal and Water consumption (By Water Source)

Items			FY2018	FY2019	FY2020	FY2021	FY2022
Japan	<input checked="" type="checkbox"/> Water withdrawal and Water consumption (thousand m <sup>3</sup> )	Groundwater	10,798	10,868	10,873	10,881	10,603
		Tap water	3,999	3,952	3,947	3,840	3,658
		Sea water	0	0	0	0	0
		Subtotal	14,797	14,820	14,820	14,721	14,261
	Reuse/recycling water (thousand m <sup>3</sup> )		37	35	39	37	65
Overseas	<input checked="" type="checkbox"/> Water withdrawal and Water consumption (thousand m <sup>3</sup> )	Groundwater	—	—	—	611	1,072
		Surface water	—	—	—	564	771
		Tap water	—	—	—	2,100	2,240
		Sea water	—	—	—	13	16
	Subtotal		—	—	—	3,288	4,099
	<input checked="" type="checkbox"/> Total water withdrawal and Water consumption		14,797	14,820	14,820	18,009	18,360

\* Coverage of data: Japan...② Overseas...⑤

\* Water withdrawal and Water consumption figures include estimates from production departments

Items			FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Discharged (thousand m <sup>3</sup> )	Discharged treatment water to river etc.	11,019	11,897	11,765	12,224	11,373
		Sewage	1,485	1,514	1,489	1,512	1,502
		Total	12,504	13,411	13,254	13,736	12,875

## Waste

### ■ Breakdown of Waste Generation (Results in Japan)

Items		FY2018	FY2019	FY2020	FY2021	FY2022
Waste generation (thousand t)		434.7	411.3	402.5	397.6	380.2
In which, waste discharged (thousand t)		232.7	205.1	208.8	198.7	193.5
Recycling of waste (thousand t)		405.3	373.8	376.9	380.8	364.2
Final disposal waste (thousand t)		20.7	22.7	19.7	9.6	11.0
Recycling rate (%)		93.6	92.1	94.7	96.9	96.6

\* The formula for the recycling rate is shown in the "Calculation method" section on p.16

Items		FY2018	FY2019	FY2020	FY2021	FY2022
Hazardous waste generation (thousand t)		98.1	15.5	22.5	24.0	18.1

\* Coverage of data: ②

\* Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

\* Hazardous waste is defined as specially controlled industrial waste

## State of Compliance with Environmental Laws and Regulations

The NH Foods Group strives to ensure compliance with laws and regulations at all of its business sites. At farms, factories, and distribution facilities where environmental loads are especially high, we obtain ISO 14001 certification as the basis for the effective administration of compliance systems. In addition, the relevant units in NH Foods Ltd. verify operational conditions through internal environmental audits at our business sites, including those without certification. Steps are taken, including recurrence prevention measures, to address any issues identified through internal audits based on ISO 14001 or internal audits by NH Foods Ltd.

In the unlikely event of an environmental accident, remedial action is implemented in accordance with procedures determined for each business site. We also submit reports to the relevant agencies and establish structures to prevent recurrences. In addition, the circumstances are reported to the Compliance Department of NH Foods Ltd. in order to share details about the actions taken.

In fiscal 2022, there were no accidents that caused serious environmental impacts at NH Foods Group business sites.

\* The meaning of “Serious accident” is as defined in the internal rules of the NH Foods Group.

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of serious environmental accidents	0	0	0	0	0
Amount of fines (yen)	0	0	0	0	0

\* Coverage of data: ①



# Business Activities and Environmental Impact

## ■ Inputs

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Livestock feed (thousand t)	640	660	641	626	626
Raw materials for products (thousand t)	249	245	241	240	215
Plastic	7,735	7,188	6,495	6,429	6,909
Fuel (TJ)	3,486	3,523	3,608	3,717	3,554
Of which, renewable energy (TJ)	—	—	—	59	26
Electricity (million kWh)	590	590	585	589	562
Of which, renewable energy (million kWh)	—	—	1	1	4
Water (million m <sup>3</sup> )	15	15	15	15	14

\* Coverage of data: ②

\* Water input includes some estimated values from production departments

\* Quantities of plastic are based on plastic discharge applications in Japan under the Japanese Law for the Promotion of Sorted Collection and Recycling of Containers and Packaging.

## ■ Outputs

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Quantity of products (fresh meats, processed foods) produced (thousand t)	797	797	805	810	761
Greenhouse gases (thousand t-CO <sub>2</sub> )	651	637	625	615	583
Nitrous oxides/NOx (t)	509	507	507	511	518
Sulfur oxides/SOx (t)	217	196	193	176	167
Discharged water (million m <sup>3</sup> )	13	13	13	14	13
Waste (among generated) (thousand t)	435	411	403	398	380
Waste recycling rate (%)	93.6	92.1	94.7	96.9	96.6

\* Coverage of data: ②

\* Water discharged includes some estimated values from production departments

\* Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

\* The formula for the recycling rate is shown in the "Calculation method" section on p.16

# Third-Party Verification

NH Foods Group has been subjected to third-party verification about the appropriateness of disclosed data.

## ■ Subjects

- Stakeholder management process
- Greenhouse gas (GHG) emissions (Scope 1, 2<sup>\*1</sup>, and 3)
- Energy consumption
- Water consumption: water intake
- The management systems supporting the reporting


<sup>\*1</sup> Greenhouse gases covered carbon dioxide, methane, and nitrous oxide

## ■ Period covered

April 1, 2022 to March 31, 2023

The Scope of each assurance covers the subsidiaries plants, sales offices, logistics hubs, headquarters, branches, and laboratories.

<sup>\*</sup> The information on this page is disclosed on NH Foods Group website.



## ASSURANCE STATEMENT

**SGS Japan's Report on Sustainability Activities in the NH Foods Group website.**

**NATURE AND SCOPE OF THE ASSURANCE**  
 SGS Japan Inc. was commissioned by the NH Foods Group (hereinafter referred to as "the Organization") to conduct an independent assurance of its Sustainability Activities in the website (hereinafter referred to as "the Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the stakeholder management process, data on greenhouse gas (GHG) emissions (Scope 1, 2, and 3), energy consumption, water consumption, and the management systems supporting the reporting process. Refer to the attached sheet for the detailed scope of assurance.

The information contained in the Report is the responsibility of the directors or governing body and the management of the Organization. SGS Japan Inc. has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all the Organization's stakeholders. The organization is responsible for the preparation and fair presentation of the scope of the assurance.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a moderate level of scrutiny using our protocols for:

- Evaluation of content veracity;
- AA1000 Assurance Standard (V3) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);
- Evaluation against the ISO14064-3(2019);

The assurance comprised a combination of pre-assurance research, interviews with the management and the person in charge of producing the Report, onsite visits (Nippon Pure food, Inc. Iseasaki Plant and Nippon Logistics Center, Inc. Okazaki Nampo office), verification and confirmation of vouchers, review of related materials and records, and analytical procedures.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**  
 The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification, quality, environmental, social and ethical auditing and training, and environmental, social and sustainability report assurance. SGS Japan Inc. attests our independence from the Organization, being free from bias and conflicts of interest with the Organization, its subsidiaries and stakeholders.

The assurance team was assembled based on the knowledge, experience and qualifications of each of the team members for this assignment, and comprised auditors registered with lead auditors of ISO9001, ISO14001, ISO45001 and lead verifiers of greenhouse gas emissions.

**ASSURANCE OPINION**  
 Within the scope of the assurance activities employing the methodologies described above, nothing has come to our attention that caused us to believe that the information and data contained within the Report does not provide a fair and balanced description of the Organization's sustainability activities from 1 April, 2022 to 31 March, 2023. The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders. We believe that the Organization has chosen an appropriate level of assurance for this stage in their reporting.

**AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

**Inclusivity**  
 The organization identifies its stakeholders as consumers, business partners, shareholders, investors, employees, government, international community, local community, and local environment, and establishes communication opportunities for each of them. The needs and expectations of the stakeholders are input to the organization through these activities, and their responses are considered. This process is continuous and effective because it is integrated into the business. Consequently, SGS Japan Inc. confirmed through the verification that the Organization supports the principle of inclusivity.


**Materiality**  
 As a milestone in pursuing the realization of our corporate philosophy, the organization have formulated "Vision 2030" and identified as "Five Materialities (key issues)" that should be prioritized to be solved the social issues toward its realization. These "Five Materialities (key issues)" have referred to the initiatives of SDGs, SASB, ISO 26000, GRI, and various social issue, and extract initial evaluation items. In addition, taken the opinions of various positions stakeholders and extracted and identified important issues. The identified issues are evaluated and finalized by specialized stakeholders and management. These "Five Materialities (key issues)" are reflected in the medium-term management plan, ensuring that they are addressed as business activities. These processes are published in the Report. As described above, it was confirmed in this verification that important issues have been identified.

**Responsiveness**  
 The organization is engaged in various activities, taking into account the allocation of resources to the Five Materialities identified. Their activities have been reported to stakeholders by disclosing them in the Report. The organization implements initiatives to raise awareness among employees and communicates with external stakeholders through various means, including dialogue. Consequently, SGS Japan Inc. confirmed through the verification that the Organization addresses these issues.

**Impact**  
 The results of activities for the identified issues are reported in the Report, including detailed case examples. This report also includes reports on the impacts on the ecosystem. Consequently, SGS Japan Inc. confirmed through the verification that the Organization supports the principle of impact.

For and on behalf of SGS Japan Inc.  
 Knowledge  
 Management Committee Member  
 Head of Certification/Accreditation

7 July, 2023  
 Signed: Yuji Takeuchi



**AA1000**  
 Licensed Report  
 000-8/V3-AY8H7

The scope	The boundary	The assertion
1 Scope 1 and 2 * energy-related CO <sub>2</sub> emissions, energy consumption	NH Foods Group (484 sites in Japan and overseas)	Scope1: 265,351,716 kg-CO <sub>2</sub> Scope2(Location-based): 332,901,719 kg-CO <sub>2</sub> Scope2(Market-based): 322,870,129 kg-CO <sub>2</sub>
Scope 1 * CO <sub>2</sub> from incineration of wastes	Nipponham Processed Foods Ltd. (Kanto Plant)	Scope1: 2,039,490 kg-CO <sub>2</sub>
Scope 1 * CH <sub>4</sub> and N <sub>2</sub> O derived from livestock: fermentation in the digestive tract and excreta disposal	Interfarm Co., Ltd. / Nippon White Farm co., Ltd. / Nippon White Farm Nigata co., Ltd. / Wanyalla Beef Pty. Ltd.	Scope1: 233,443,135 kg-CO <sub>2</sub> e
2 Scope 3: (category 1-8, 10-12) *Category1: Purchased raw materials *Category5: Use of Sapporo Dome *Category10: Cooking with heat of professional products *Category11: Cooking with heat of consumer products *Category12: Leftover food and disposal of wrapping film	Domestic Group	Category1: 8,598,642 t-CO <sub>2</sub> Category2: 150,953 t-CO <sub>2</sub> Category3: 79,324 t-CO <sub>2</sub> Category4: 809,236 t-CO <sub>2</sub> Category5: 43,809 t-CO <sub>2</sub> Category6: 6,881 t-CO <sub>2</sub> Category7: 54,260 t-CO <sub>2</sub> Category8: 4,825 t-CO <sub>2</sub> Category10: 242,141 t-CO <sub>2</sub> Category11: 144,797 t-CO <sub>2</sub> Category12: 114,877 t-CO <sub>2</sub>
3 Energy consumption * Solar power system (including PPA)	24 sites in Japan	3,688,309 kWh
Energy consumption * Animal and vegetable oil	6 sites in Japan	1,740,774 t
Energy consumption * Wood	3 overseas sites	18,490,154 kg
4 Water intake	NH Foods Group (483 sites in Japan and overseas)	18,380,407 m <sup>3</sup>

# Summary of Employees

## Status of Employees (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees	2,403	2,137	2,149	2,160	2,077
Male (regular employees )	1,011	883	898	891	863
Female (regular employees)	348	322	339	353	375
Percentage of female employees (%) (regular employees)	20.4	26.7	27.4	28.4	30.3
Percentage of female managers (%)	3.8	4.6	6.5	8.5	9.8
Number of temporary employees (average)	972	953	912	916	839
Average age	42.5	41.6	41.2	41.6	41.7
Male (age)	44.6	43.3	42.9	43.4	43.5
Female (age)	36.9	36.1	36.7	37.1	37.6
Average duration of employment (years)	18.8	17.6	17.4	17.8	17.7
Male (years)	20.7	19.4	19.3	19.7	19.7
Female (years)	12.2	11.8	12.6	13.0	13.1
Number of new graduates hired	61	54	51	41	53
Male	34	34	35	25	33
Female	27	20	16	16	20
Mid-career hiring rate of workers (%)	22	17	26	16	19
Average salary (yen)	8,570,717	8,422,396	8,395,177	8,575,136	8,465,458
Turnover rate (%)	3.7	16.0	3.2	4.1	3.8
Voluntary retirement rate (%)	1.72	1.70	1.29	2.09	1.34

\* Based on the number of current employees as of March 31st in each fiscal year

\* In FY2019, NH Foods Ltd. expanded the optional retirement system as a temporary measure

\* Average age revised in FY2021

## Status of Employees by Region (NH Foods Group)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Domestic	22,883	22,538	22,615	21,329	21,068
Overseas	7,957	7,592	6,775	6,320	5,982
Group total	30,840	30,130	29,390	27,649	27,050

\* Based on the number of current employees as of March 31st in each fiscal year

\* Includes average number of temporary employees

# Diversity

## Gender Pay Gap (NH Foods Ltd.)

Items		FY2018	FY2019	FY2020	FY2021	FY2022
Statutory disclosure items	All workers (%) <sup>*1</sup>	—	—	—	—	58.0
	Employees (%) <sup>*2</sup>	—	—	—	—	61.0
	Temporary employees (%) <sup>*3</sup>	—	—	—	—	75.2
Optional disclosure items	Regular employees (%)	—	—	—	73.5	68.1
	Managers (%)	—	—	—	93.0	91.7
	General staff (%)	—	—	—	86.2	76.3

\* Gender pay gap: Ratio of female employees' salaries to male employees' salaries as defined in the Act on Promotion of Women's Participation and Advancement in the Workplace (average yearly salary for females / average yearly salary for males)

\* The gender pay gap is caused not by differences in the amounts paid for identical work, but by differences in the percentages of employees at each seniority level, the percentages of employees limited to specific locations, years of service, working hours, and other factors

\* The division of regular employees into managers and general staff is an optional disclosure item

\* The statistics for FY2021 precede the introduction of statutory disclosure in FY2022 and are theoretical figures. For this reason, the calculation method used was different from that for FY2022

\*1 All workers: Employees and temporary employees

\*2 Employees: Workers in regular employment and non-regular employees who have worked full-time over long periods

\*3 Temporary employees: Part-timers and employees on limited-term contracts (excluding dispatched workers)

## Condition of Utilizing Child and Nursing Care-Related Systems (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
1.Before and after childbirth leave (number of leave takers)	30	42	57	39	41
2.Spousal childbirth leave (number of leave takers)	27	30	29	35	16
3.Number of childcare leave takers	70	73	96	108	115
Male	4	5	12	18	37
Female	66	68	84	90	78
4.Rate of employees returning to work (%)	97.1	97.0	98.8	98.5	100.0
5.Shortened working hours for childcare (number of users)	91	98	81	123	117
6.Nursing leave (number of leave takers)	118	145	139	173	165

\* The lower number of spousal childbirth leave days taken in FY2022 reflects the enhancement of the childcare leave system to allow the first 20 days of leave to be used as special leave

### ■ Category Details

Before and after childbirth leave	An employee can take the leave for six weeks before giving birth (or fourteen weeks for a multiple pregnancy) and eight weeks after giving birth.
Spousal childbirth leave	Since September 16, 2022, employees have been able to take three days of paid leave between one week prior to date on which their spouse is expected to give until the date of birth. Until September 15, 2022, employees were able to take three days of paid leave between one week before the date on which their spouse was expected to give birth until two weeks after the date of birth.
Childcare leave	Until the child of an employee reaches the age of one year, or until the child reaches the age of three years if the child cannot enter nursery school or is under special circumstances. (Employees can take 20 days of special paid leave initially.)
Rate of employees returning to work	(Number of employees returning from childcare leave) / (Number of employees expected to return from childcare leave) ×100
Shortened working hours for childcare	Until an employee's child finishes the six years of elementary school, the employee's scheduled working hours in a day may be shortened by up to two hours.
Nursing leave	12 days per year can be taken as nursing leave when the child of employee in sixth grade of elementary school or lower requires nursing, vaccination, or medical checkup. (Paid leave)

## Status of Re-Employment Following Mandatory Retirement (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of mandatory retirees	16	11	3	6	14
Number of re-employed retirees	15	8	3	5	14
Re-employment rate (%)	93.8	72.7	100.0	83.3	100.0

\* Number of re-employed retirees: includes individuals employed at subsidiary following mandatory retirement

## Status of Hiring Personnel Disabilities (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Employment rate (%)	2.1	2.4	2.5	2.7	2.6

\* Disabled Persons Act requires employers to keep the rate of hiring personnel disabilities over 2.3% (as of March 2023)

\* Includes non-regular employees

\* Employment rate is calculated based on Disabled Persons Act

\* In November, 2019, Nipponham Career Consulting Ltd. became a special-purpose subsidiary of NH Foods Ltd.

# Human Resources

## Percentage of Employees Subject to Periodic Evaluation with Respect to Business Performance and Career Development (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees under the Management by Objectives (MBO)	1,731	1,528	1,574	1,513	1,577
Percentage of employees under the MBO (%)	72.0	71.5	94.7	100.0	100.0

## Freedom of Association and Collective Bargaining

NH Foods Ltd. respects the freedom of association and the rights of collective bargaining as recognized in the Constitution of Japan and laws and regulations. A union shop agreement has been made with the NH Foods Worker's Union. Members consist of all employees excluding those in management positions or with equivalent qualifications and others who are excluded based on individual agreements in light of such factors as the nature of their work. In addition, subsidiaries comply with and respect the laws, regulations, and labor practices of their respective countries, based on a stance that respects freedom of association and the rights of collective bargaining.

\* The enrollment rate for the NH Foods Worker's Union in FY2022 was 100%

# Employee Health and Occupational Health & Safety

## Status of Working Hours and Use of Annual Paid Leave (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Annual actual working hours (hours)	2,087	2,052	2,040	2,005	1,970
Hours of overtime work (hours)	290.24	278.23	286.74	251.59	226.00
Average number of days of annual paid leave granted (days)	18	18	18	18	18
Average number of days of annual paid leave taken (days)	12	15	12	13	14
Average usage rate of annual paid leave (%)	69	79	60	63	76

## Frequency Rate of Occupational Accidents (NH Foods Group in Japan)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
National manufacturing industry average (%)	1.02	1.20	1.20	1.20	1.31
National food manufacturing industry average (%)	2.95	3.32	3.48	3.51	4.01
NH Foods Group average (%)	2.00	1.97	2.08	2.21	2.54

\* Frequency rate of occupational accidents: the number of casualties due to occupational accidents per million hours of actual work, and the frequency of accidents

## Occupational Accidents Severity Rate (NH Foods Group in Japan)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
National manufacturing industry average (%)	0.08	0.10	0.10	0.07	0.06
National food manufacturing industry average (%)	0.18	0.21	0.25	0.10	0.15
NH Foods Group average (%)	0.05	0.04	0.05	0.05	0.09

\* Occupational accident severity rate :total days of lost time due to accidents with respect to total worked hours of all employees

## Support Physical and Mental Health

Items	Subject	FY2018	FY2019	FY2020	FY2021	FY2022
Rate of follow-up action after physical examinations (%)	NH Foods Ltd.	—	—	77.2	86.9	81.0
Ratio of smokers (%)	NH Foods Ltd.	—	—	32.8	24.9	23.6
Stress check examination rate (%)	NH Foods Ltd.	99.1	95.2	92.0	97.8	97.9
	NH Foods Group in Japan	91.5	90.3	91.6	92.8	94.5

\* Stress check: A test conducted by businesses on their workers to assess their level of psychological strain

## Occupational Safety and Health Management System Status (as of March 2023)

■ 7 business sites certified (certified business site ratio: 1.4%)

### Status of ISO45001 Certification Acquisition

Japan	● Nipponham Delicatessen Ltd. (Headquarters, Product Development Division, Niigata Plant, Hokkaido Plant, Miyazaki Plant)	Thailand	● Thai Nippon Foods Co., Ltd. (Ayutthaya Plant, Phitsanulok Branch)
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## List of Donations

### Donations (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Total donations (yen)	210,212,139	171,229,030	166,479,466	186,778,998	203,983,276

\* Figures for domestic and overseas group companies have been included since FY2022

\* Amount of donations related to political donations in FY2022: 1,110,000 yen

# Corporate Governance

The average meeting attendance rate for directors in fiscal 2022 was 98%.

## Board of Directors

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	18/18	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	18/18	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	18/18	100
Director and Managing Executive Officer	Fumio Maeda	18/18	100
Director and Executive Officer	Masahito Kataoka	18/18	100
Director (Outside)	Yasuko Kono	18/18	100
Director (Outside)	Atsushi Iwasaki <sup>*1</sup>	4/5	80
Director (Outside)	Hideo Arase	18/18	100
Director (Outside)	Tokushi Yamasaki <sup>*2</sup>	13/13	100
Audit & Supervisory Board Member	Sadanori Miyagai	18/18	100
Audit & Supervisory Board Member	Nobuyuki Tazawa	18/18	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	18/18	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi	18/18	100
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki <sup>*2</sup>	5/5	100
Audit & Supervisory Board Member (Outside)	Shigeru Nishiyama <sup>*3</sup>	13/13	100

The following notes have been added concerning resignations and appointments of officers in June 2022

<sup>\*1</sup> Resigned in June

<sup>\*2</sup> Resigned from the Audit & Supervisory Board was appointed as a director in June

<sup>\*3</sup> Appointed in June



## FY2022 Status of Optional Committee Attendance

## ■ Compliance Committee

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	4/4	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	4/4	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	4/4	100
Director and Managing Executive Officer	Fumio Maeda	4/4	100
Director (Outside)	Yasuko Kono	4/4	100
Managing Executive Officer	Nobuo Oda	3/4	75
Managing Executive Officer	Kohei Akiyama	4/4	100
General Manager of the Compliance Department	Hiroshi Matsuura	4/4	100
Union representative officers	Yuta Yamagishi	4/4	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi <sup>*1</sup>	4/4	100

\* The Committee also includes advisors and outside experts

## ■ Sustainability Committee

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	4/4	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	4/4	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	4/4	100
Director and Managing Executive Officer	Fumio Maeda	4/4	100
Director and Executive Officer	Masahito Kataoka	4/4	100
Director (Outside)	Yasuko Kono	4/4	100
Director (Outside)	Atsushi Iwasaki	4/4	100
Director (Outside)	Hideo Arase	4/4	100
Director (Outside)	Masayuki Kitaguchi <sup>*2</sup>	3/3	100
Managing Executive Officer	Nobuo Oda	4/4	100
Managing Executive Officer	Kohei Akiyama	4/4	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi <sup>*1,*2</sup>	1/1	100
Audit & Supervisory Board Member (Outside)	Shigeru Nishiyama <sup>*1,*3</sup>	3/3	100

\* Additional member is outside expert

\*1 Observer

\*2 Resigned from the Audit & Supervisory Board and was appointed as a director in June 2022

\*3 Appointed in June



### ■ Executive Appointments Committee

Position	Name	Meetings Attended/Meetings Convened	Attendance Rate(%)
Director (Outside)	Yasuko Kono	6/6	100
Director (Outside)	Hideo Arase	6/6	100
Director (Outside)	Tokushi Yamasaki	6/6	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	6/6	100

### ■ Board of Independent Outside Officers

Position	Name	Meetings Attended/Meetings Convened	Attendance Rate(%)
Director (Outside)	Yasuko Kono	2/2	100
Director (Outside)	Atsushi Iwasaki <sup>*1</sup>	1/1	100
Director (Outside)	Hideo Arase	2/2	100
Director (Outside)	Tokushi Yamasaki <sup>*2</sup>	1/1	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	2/2	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi	2/2	100
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki <sup>*2</sup>	1/1	100
Audit & Supervisory Board Member (Outside)	Shigeru Nishiyama <sup>*3</sup>	1/1	100

### ■ Compensation Committee

Position	Name	Meetings Attended/Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	4/4	100
Director (Outside)	Yasuko Kono	4/4	100
Director (Outside)	Atsushi Iwasaki <sup>*1</sup>	1/1	100
Director (Outside)	Hideo Arase	4/4	100
Director (Outside)	Tokushi Yamasaki <sup>*2</sup>	3/3	100

### ■ Board of Independent Officers and Representative Directors

Position	Name	Meetings Attended/Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	2/2	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	2/2	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	2/2	100
Director (Outside)	Yasuko Kono	2/2	100
Director (Outside)	Atsushi Iwasaki <sup>*1</sup>	0/1	0
Director (Outside)	Hideo Arase	2/2	100
Director (Outside)	Tokushi Yamasaki <sup>*2</sup>	1/1	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	2/2	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi	2/2	100
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki <sup>*2</sup>	1/1	100
Audit & Supervisory Board Member (Outside)	Shigeru Nishiyama <sup>*3</sup>	1/1	100

<sup>\*1</sup> Resigned in June

<sup>\*2</sup> Resigned from the Audit & Supervisory Board and was appointed as a director in June 2022

<sup>\*3</sup> Appointed in June

## Promoting Compliance

NH Foods Group engages in awareness-raising activities to deepen employees' understanding of compliance and reaffirm its importance.

### Compliance Training (NH Foods Group in Japan)

We reaffirm the importance of compliance at all levels of the organization by acquiring knowledge about harassment and communication, engaging in group discussions based on case studies, and through other initiatives.

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of attendees	1,070	1,026	1,370	1,272	1,957
Number of attendees ranked manager and higher	732	795	1,102	971	1,625

\* Total number of attendees for training designed for different levels of the organization, such as new employee training, manager training and Group company president training

\* Applicable employees: Officers and General Managers in 2018 and 2021, Section Chiefs in 2019 and 2020, and Officers, General Managers, and Section Chiefs in 2022

### Compliance Competition (NH Foods Group in Japan)

Knowledge on harassment and communication, as well as the results of initiatives underway at different workplaces and business sites are shared.

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of attendees	19,400	17,460	20,545	20,288	17,186

### NH Foods Group Consultation Desk (NH Foods Group in Japan)

In addition to an internal consultation desk, an independent outside consultation desk has also been set up so that Group employees can freely report and consult on actual workplace conditions.

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of consultations received	201	179	199	249	244

### Compliance Visits to Business Sites (NH Foods Group in Japan)

With the aim of avoiding, mitigating and preventing risks, the Compliance Department visits business sites to listen to employee sentiments regarding the onsite atmosphere, business-related issues, interpersonal issues, and other items.

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of group companies visited	9	10	7	18	15
Number of business sites visited	96	43	15	24	24
Applicable number of employees	Approx. 1,300	Approx. 1,000	Approx. 700	Approx. 900	Approx. 650

\* Due to COVID-19, compliance activities were primarily conducted remotely in FY2020