

Continuing to take on the challenges of contributing to the stable protein procurement and supply and solving environmental issues

One of the corporate philosophies of the NH Foods Group is “Under the basic theme of *Joy of Eating* our company creates a culture that marks an epoch and contributes to society,” and since our founding, we have provided people with protein, an essential nutrient for life, under this philosophy. In the future, it is predicted that protein supplies will no longer be able to meet demand driven by global population growth. Therefore, as Japan’s biggest supplier of protein, we have a social responsibility to ensure the stability of protein supplies. Based on this spirit, we have incorporated our Vision2030 corporate message of “Unleash new potentials for protein” into our activities and continue to take on new challenges.

One of these challenges is to contribute to the stable protein procurement and supply. The Group’s business operations, including our cattle, pig, and chicken farms, rely upon the bounty of nature. However, in the Japanese livestock rearing industry, farmers are aging and personnel shortages are getting worse, creating the need for improvements in worker productivity and people to inherit skills. In response to this, we are working to tackle the industry’s issues through the development of PIG LABO®, a pig rearing support system that uses AI and IoT technology. We are also advancing livestock initiatives with an animal welfare perspective that looks to reduce stress on the animals. Furthermore, we are responding to growing global demand for fresh meat by both ensuring stable procurement in our existing business and working to realize commercial applications for new proteins, such as plant-based protein products and cell-based foods (cultivated meat).

Another challenge we are addressing is to solve environmental issues. Our initiatives in this area include installing solar panels at our business sites, effectively using livestock manure as a resource, and advancing research into ways to curb livestock-derived greenhouse gas emissions, such as the methane emitted by cattle belching. We are also working to tackle the issue of marine plastics by revising product packaging to reduce plastic use.

We will respond to changes in the times by accurately assessing social issues, staying current with the needs of our customers, and providing products that embody sustainability in a way that only the NH Foods Group can.

Succeeding in these challenges, will require diverse knowledge and perspectives. We will work together as a Group to realize new value, with a focus on co-creation with both internal and external partners.

Our other corporate philosophy is “Our Company is a place where employees can feel truly happy and fulfilled.” This is reflected in our efforts to practice human resource development that supports employee growth and to create workplaces where a diverse workforce can participate wholeheartedly. Going forward we will continue striving to be a corporate Group that is an essential presence for society and our employees.

Nobuhisa Ikawa

President and
Representative Director



Creating the future of food to build a sustainable society

Masahito Kataoka

Director and Managing Executive Officer
(Director in Charge of Sustainability)

Solving social issues

The NH Foods Group advances its sustainability strategy and business strategies in tandem, and we strive to solve social issues while also raising corporate value. In April 2021, we formulated Vision2030—Unleashing new potentials for protein—and identified the Five Materialities (key issues) that we need to address. Since then, we have been working steadily to achieve these. Within these efforts, we are currently putting a particular emphasis on “responding to climate change,” “contributing to sustainable livestock rearing,” and “human resources development.”

Responding to climate change

We are responding to climate change by setting the two goals of reducing fossil fuel-derived CO₂ emissions and curbing and reducing livestock-derived CO₂ emissions with the aim of reducing combined greenhouse gas emissions. For fossil fuel-derived emissions, our targets for 2030 are to reduce emissions in Japan by at least 46% compared to fiscal 2013 and emissions overseas by at least 24% compared to fiscal 2021. We will work toward these targets by upgrading our facilities, including switching equipment in our factories to high-efficiency models and installing solar panels.



Regarding livestock-derived CO₂ emissions, we are advancing joint research through industrial academic collaborations with universities in Japan and other partners with the aim of realizing reductions by both curbing methane emissions and capturing emitted methane.

We are also reviewing product packaging in order to reduce plastic use. For example, by making the packaging for *SCHAU ESSEN* simpler, we reduced the amount of plastic used by 28%, resulting in a reduction in annual CO₂ emissions.

Aiming to contribute to sustainable livestock rearing

To contribute to sustainable livestock rearing, it is essential to ensure the continued existence of livestock farmers. We are developing PIG LABO®, a comprehensive pig rearing support system that utilizes technology such as AI and cameras. One of the services provided is PIG LABO® Breeding Master, which detects estrus in pigs. Verification tests of this service on mother pigs resulted in improved conception rates, and we have concluded that it can reduce the decision-making workload of pig rearing personnel. We believe that it will lead to understanding and improvements in rearing environments at individual farms and that once it becomes commercially available, it will contribute to raising the sustainability of livestock rearing.

Regarding animal welfare, we have formulated core values and a code of conduct and set quantitative targets. Furthermore, operations are carried out using management guidelines and

operational procedures. We also educate farm personnel on animal welfare and operational procedures through internal study sessions.

Expanding our lineup of sustainable protein products

Global population growth and declining fish stocks mean that a shortage of animal protein is predicted in the future, so it is vital that new food technologies are developed to cover this shortage. We are enhancing our lineup of soy meat products that use plant-based materials in place of beef or fish, and its use in the restaurant industry is growing. In March 2023, we launched *NatuMeat Fishless Fried Fish Fillets* (Plant-based), which uses our proprietary technology to recreate a flavor and texture that is almost indistinguishable from the real thing. We are also advancing the development of cell-based foods (cultivated meat) as a source of sustainable protein. In October 2022, we announced that we had succeeded in replacing the main components of the “culture medium” required for culturing meat cells with those derived from commonly distributed foodstuffs, instead of those derived from animals (serum), and we are making progress on increasing the amounts that can be produced.

Becoming a flexible organization that enhances the abilities of our people

Regarding human resources development, we are helping employees gain both specialist knowledge

and management skills by providing a wide range of educational opportunities, including basic training, training programs with specific objectives, and career development support. Our approach is that the growth of individuals will drive organizational growth, and based on this, we are building a diverse, flexible organization that provides employees with roles and workplaces that nurture their individual skills. Also, we will strive to implement effective human resource strategies by practicing human resource-related KPI management and expanding the scope of information disclosure.

The NH Foods Group’s biggest mission is to fulfill our responsibilities as a supplier of protein. We will work to achieve this by finding solutions to various social issues and creating the future of food.

