



Cultivating a culture of taking on challenges

Rewarding workplaces

Pleasant workplaces
(Self-reliant compliance)

Organizational culture focused on new challenges

The NH Foods Group is taking actions to foster an organizational culture focused on new challenges to realize Vision2030. We have established an environment in which each and every employee can work on creating new values by encouraging them to actively take on challenges in their daily work, including the Annual Innovation Contest, a yearly contest for young development staff to introduce innovative ideas.

Taking on challenges is what happens in a rewarding workplace. Doing so will lead us towards the realization of Vision2030.

Fostering an organizational culture focused on new challenges

The needs of society and consumers are changing on a daily basis, and only those companies that take on the challenge of creating new value ahead of the changing times will be able to continue to grow. To this end, it is important for each and every employee to question and change the status quo. First of all, we are promoting mindfulness toward stepping beyond accepted practices, starting with our daily work.

Creating a rewarding workplace

To create an organizational culture focused on new challenges, we must have a workplace that has a pleasant foundation and is rewarding. Respect for each other's human rights and personalities and cooperation with each other leads to a pleasant working environment. Furthermore, to provide a more rewarding workplace, we focus on creating an environment and mechanisms that allow employees to tangibly feel their growth and contributions through their daily work.

Tackling the challenge of creating sustainable urban areas

Creating an innovative ballpark like never before.

In this interview, Ken Maezawa, Managing Director of Fighters Sports & Entertainment Co., Ltd. that has been driving our Ballpark Business, spoke to us about the past and future challenges of creating an urban area through the ballpark.

For more details, please see our website.

NH Foods Map for the Future of Protein (Japanese only)

https://www.nipponham.co.jp/tanpaku-mirai/challenge/02/

01

Creating a ballpark the world has never seen. HOKKAIDO BALLPARK F VILLAGE

The HOKKAIDO BALLPARK F VILLAGE, which opened in March 2023 after a series of bold challenges, was created not only to be a place to watch baseball games, but also a co-creative community where people of all ages and nationalities can gather, interact, and form a community. When the project first began, we said, "Maintaining the status quo is risky. We will steer toward discontinuous growth." In other words, rather than settling for stable growth at Sapporo Dome, it was necessary to boldly steer toward discontinuous and significant growth in order to contribute to the future of baseball and Hokkaido, as well as to create significant value for the NH Foods Group. Our posture was also one of unflagging resolve, where we would not neglect even the slightest hitch. Some questioned the relocation to the relatively low-population Kitahiroshima City in Hokkaido, but with thorough case studies and logical explanations, we were able to transform their concerns about the project into confidence. However, even after the official opening, the

urban area is still only about 30% complete. Therefore, we still have much further to go. Though it may be obvious, we consider this project to be one where we "set goals, not dreams." To "dream" is a wonderful thing, but all it gives us is excuses if we don't achieve them. However, we believe that this project is a "goal" that must be reached.

After the opening, we established an "Uncle F VILLAGE" hashtag on social media to hear visitors' opinions, making more than 100 improvements in the first year. However, being mindful of **flexibility and keeping an edge**, the core concept of "ease of getting around" that allows visitors to circulate and enjoy souvenir shopping, meals, and other amenities without stress was not compromised. In addition, in order to **create an**









- 1 Steady progress in urban development, including the opening of a new station in 2028
- 2 Various events other than baseball are held in the F VILLAGE
- 3 Visitors can enjoy many activities even on days without a ballgame
- 4 SUNNY TERRACE, a new dining and commercial facility

environment of unshackled freedom, we have built a culture in which young employees can make proposals and decisions beyond the scope of their positions. We also believe that business is not a game of two sides—nine on nine—but instead a collaborative effort with many partners, including government agencies, universities, and other companies. Furthermore, within the Group, we place importance on being genuine and straightforward, and even blunt with each other. In working with the NH Foods head office, we built relationships of trust by honestly communicating negative information, including not being able to open the station on time.

In June 2025, three years since the opening of F VILLAGE opened a new dining and commercial facility, SUNNY TERRACE. In 2028, F VILLAGE will welcome the opening of a new station and the transfer of university facilities, continuing to evolve as a sustainable urban area that integrates food, lodging, entertainment, and education. We, too, will continue to pursue value and take on challenges so that people will say,

"The Fighters get it done!" You only live once, and there is no such thing as a life without challenges.



Managing Director and General Manager of the Development Headquarters of Fighters Sports & Entertainment Co., Ltd.

He holds an M.B.A. from Chuo University's Chuo Graduate School of Strategic Management. After working for Pasona Inc., as Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd.'s Business Promotion Department General Manager, for Pacific League Marketing Corporation., and as Yokohama DeNA BayStars Baseball Club, Inc.'s Director and Business Division General Manager, he returned to work for Hokkaido Nippon-Ham Fighters in 2015. He also serves as Director of Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd.



Pioneering the future of logistics

The 2024 logistics problem of worker shortages due to overtime caps has become a social issue, partly due to revisions to work style reform-related laws. It has also become an urgent issue for the NH Foods Group as well.

By working to improve transportation efficiency, we are strengthening our logistics infrastructure, an area of strength for us.

Production and breeding

01

Taking on the challenge of palletization to break with long-standing practices

The Group is working to build a sustainable logistics infrastructure to address logistics issues. In the past, drivers were responsible for incidental work such as loading and unloading, which could take up to two and a half or three hours, a long-standing practice that has made it difficult to sustain logistics.

To address this, Nippon Chilled Logistics, Inc. and Nippon Logistics Center, Inc. have taken on the challenge of a drastic reform called "palletization." In this practice, cargo is organized and stacked on pallets, saving drivers' time and allowing them to concentrate on their primary transportation duties. In the beginning, it was difficult to codify loading expertise and other information, which traditionally relied on a driver's many years of experience. However, through trial and error, we established the best possible operating rules. As a result, the companies succeeded in reducing loading time by approximately two to three hours, expanding delivery capacity and significantly reducing the physical burden on drivers. This has made it easier for inexperienced partner companies to enter the market and has greatly broadened the pool of workers.

Source: Rotary 2025, Spring Edition (Japanese only) https://www.nipponham.co.jp/corporate/group/rotary/pdf/all_202503.pdf Vertical integration system

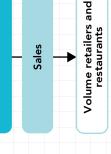
In order to efficiently and reliably supply safe and secure products, Nippon Logistics Center, Inc. operates refrigerated and frozen warehouses as logistics hubs, while Nippon Chilled Logistics, Inc. transports domestic and international fresh meat products to major customers such as volume retailers and restaurants.

Logistics Packing and processing Responsible for food transportation Manufacturing Nippon Chilled Logistics

Logistics hubs for fresh **Nippon Logistics** Center

Manual loading and unloading

Palletization



Becoming the partner of choice for transportation operators

Kazuya Ishibashi

Chief, Tokyo Office, East Japan Division Nippon Chilled Logistics, Inc.

Palletization was a major challenge to change decades-old transportation practices. Initially, those in the field were perplexed by the decision to assign another person to be in charge of manual loading and unloading, which had been the driver's responsibility. However, they all felt a great sense of accomplishment when they realized that loading time had been reduced, driver workloads were lightened, and deliveries could now be made to distant locations.

In the future, we will contribute to a sustainable future for the entire logistics industry by becoming the partner of choice for transportation operators, for example, by creating a simpler system that allows drivers inexperienced in working with us to deliver goods to their destinations with easy instructions.

Building palletization rules to accommodate a variety of stacking methods

Masato Furukawa

Chief, Storage Operations Section, Operations Department, Tokyo Office Nippon Logistics Center, Inc.



We began by getting warehouse workers to understand the 2024 problem in logistics and to take ownership of the issue. The most difficult part of the palletization test operation was setting the rules for stacking goods on pallets. For each truck standard, we determined in detail the loading height and protrusion allowances. In practice, unexpected problems occurred, but each time we reviewed the rules and continued to optimize the process. Going forward, it is expected that small-lot, high-mix deliveries will increase and that loading methods will become even more complex. We will make thorough preparations for warehouses, including improvements to working environments, such as manpower and location.

The FY2024 Annual Innovation Contest

The Annual Innovation Contest is a competition in which young development staff compete with new product ideas with the aim of creating new value through out-of-the-box thinking, strengthening the product development capabilities of the next generation of staff who will lead the future, and creating a climate that encourages them to take on the challenges of the future.

01

Young development staff take on the challenge of creating new value in deliciousness

Our Annual Innovation Contest began in FY2018 and has commercialized 27 products in 12 series by FY2024. In FY2024, the seventh year of the program, 25 young development staff won qualifying rounds in their respective areas, earning their participant slots. The participants proposed a variety of ingenious products, such as snacks that are healthy and environmentally friendly, easy protein breakfast products, and easy lunch box products.





Gras Foie

This product uses chicken liver to reproduce the rich flavor and smooth texture of foie gras, one of the world's three greatest delicacies. The name *Gras Foie* was derived from the idea of flipping the conventional wisdom of foie gras.



Mizuki Ueno

Technology Development Office, Product Management Division, Processed Foods Business Division

Developer comments

Q1. Background and motivation for product development

One is that an increasing number of countries and regions are banning the production of foie gras in the interest of animal welfare, and we were concerned that this food culture might eventually be lost. Second, we considered effective ways to utilize chicken liver, which is not fully utilized as food during off-demand periods. These two conditions inspired the idea of a foie gras substitute utilizing chicken liver.

Q2. Notable difficulties and trial and error in the development process

The most difficult task was to achieve both a smooth mouthfeel and a good appearance after cooking. After repeated trial and error, we achieved the perfect balance of not melting when cooked, but butter-smooth mouthfeel.

Q3. The most impressive reaction after commercialization

Our customers often resonate with our consideration of social issues. I am very happy that we developed this product with that intention. Some customers have also told us that, even though they don't like liver, they enjoyed *Gras Foie*, and we hope that this will become more widespread as a new value offered by chicken liver.

Q4. Experiences and lessons gained through the Annual Innovation Contest

For the first time, I was involved from the planning stage to the start-up of manufacturing, and learned both the difficulties and the sense of accomplishment of commercialization. I am still working on my product development experience through the Annual Innovation Contest.



BOOST NOODLE

The ultimate on-the-go ramen that can be eaten with one hand. The spout pouch contains noodles, char-siu pork, pickled bamboo shoots, and a jelly-like thick seafood and pork bone broth, putting an authentic taste in the palm of your hands.



Shinnosuke Teraoka

Food Service Development and Sales
Department
Processed Foods Business Division
NH Foods Ltd.

Developer comments

Q1. Background and motivation for product development

I myself am a gamer, and when I get caught up in a game, it's a hassle to put a meal together, so I often end up eating something easy, but I've been wanting something a little more like a proper meal. There were a few safe bets I had in mind, but my boss told me that I should show more of my personality. I figured it would be interesting if gamers could slurp down a pouch of ramen, one of their favorite foods, with just one hand.

Q2. Notable difficulties and trial and error in the development process

We struggled to create a tasty, ramen-like product that was designed to be sold at room temperature. The ingredients and the size of the container were carefully selected through trial and error to make it easy to eat with one hand. It was also difficult to communicate points that would stick with the target audience because there was a project handover in the middle of development.

Q3. The most impressive reaction after commercialization

There were mixed reviews, but the most impressive thing was pro gamers calling out the product as cool and interesting. We were very happy to have reached our target audience.

Q4. Experiences and lessons gained through the Annual Innovation Contest

I felt like anything could be turned into useful experience. It actually surprised me that gaming, something I thought would only be a personal hobby, has led to a new product. I realized the importance of trying everything, and developed an awareness of the importance of gaining a variety of experiences.