

NH Foods Group Group Profile 2023



Unleash new potentials for protein
NH Foods Group Vision 2030

Corporate data

| Corporate Philosophies |

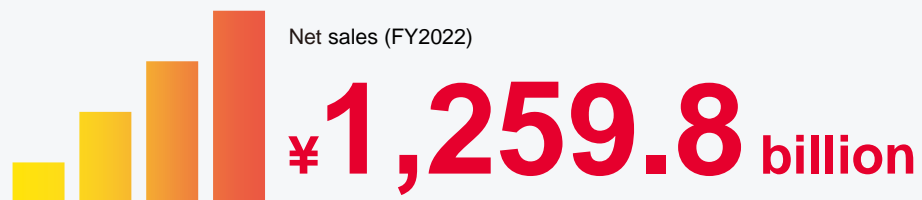
1. Under the basic theme of *Joy of Eating* our company creates a culture that marks an epoch and contributes to society.
2. Our company is a place where employees can feel truly happy and fulfilled.

| Management Principles |

1. Act with noble ideals and the determination to achieve them.
2. Learn from others, teach others, and be willing to be taught by others.
3. Create the times by meeting the needs of the times.
4. Expand relationships through quality and service, and take responsibility for all people with whom we have relationships.
5. Strive for a highly functional organization.

Corporate name	NH Foods Ltd.
Established	May 30, 1949
Capital	¥36,294 million
President	Nobuhisa Ikawa
Employees	Consolidated 27,050 Non-consolidated 2,198 <small>Note: Including the average number of temporary employees</small>
Main businesses	<ul style="list-style-type: none">• Manufacture and sale of processed meats (hams and sausages, etc.) and cooked foods (retort-packed foods, pre-prepared foods, etc.)• Breeding of livestock, and processing and sale of fresh meats• Production and sale of dairy products and marine products
Head office	Breezé Tower, 4-9, Umeda 2-chome, Kita-ku, Osaka 530-0001, Japan
Telephone	+81-6-7525-3026

At a glance



Supplies an average of about

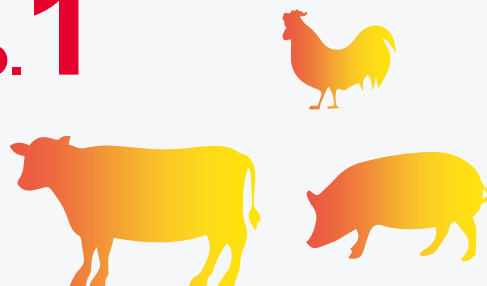
6%

of total protein consumed by the Japanese population

Note: Estimated by the NH Foods Group using data for the weight of products handled, and external data

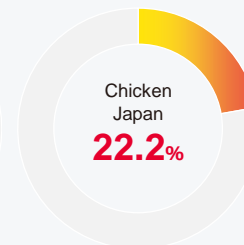
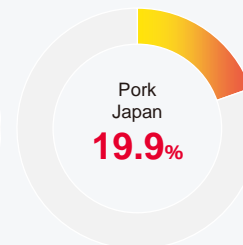
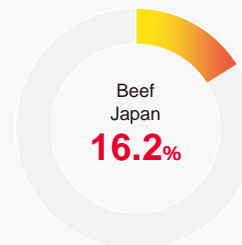
Sales in the Japanese meat processing industry (FY2022)

No. 1

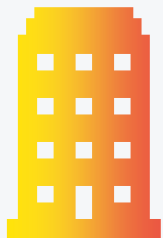


Shares of meat markets in Japan about
(Based on research by NH Foods Group,
as of March 2023)

20%



At a glance



Years since establishment

81



Number of patent applications
(fiscal 2021)

18



Percentage of female managers
(fiscal 2022) *

9.8%

* The figures apply to NH Foods Ltd. (non-consolidated).



Employees (Consolidated) (As of March 31, 2023)

27,050

Japan: 21,068

Overseas: 5,982

Number of business sites
(as of April 2023,
includes consolidated businesses)

501



Our history

In March 2022, we celebrated the 80th anniversary of the founding of the NH Foods Group in 1942 as the Tokushima Meat Processing Plant. Today we supply products in a wide range of categories, including fresh meats, processed foods, dairy products, marine products, and extract seasonings.

1966

Our first consumer brand



The Winnie consumer brand

1977

Start of overseas business expansion



Whyalla Feedlot

1985

Launch of *Schau Essen* coarse-ground pork wieners for authentic sausage aficionados



Schau Essen

1997

Introduction of allergen-free products



Apilight

2006

Launch of *Utsukushinokuni* range of gift products made possible by integration



Utsukushinokuni

2020

Responding to expanding demand for meat substitutes

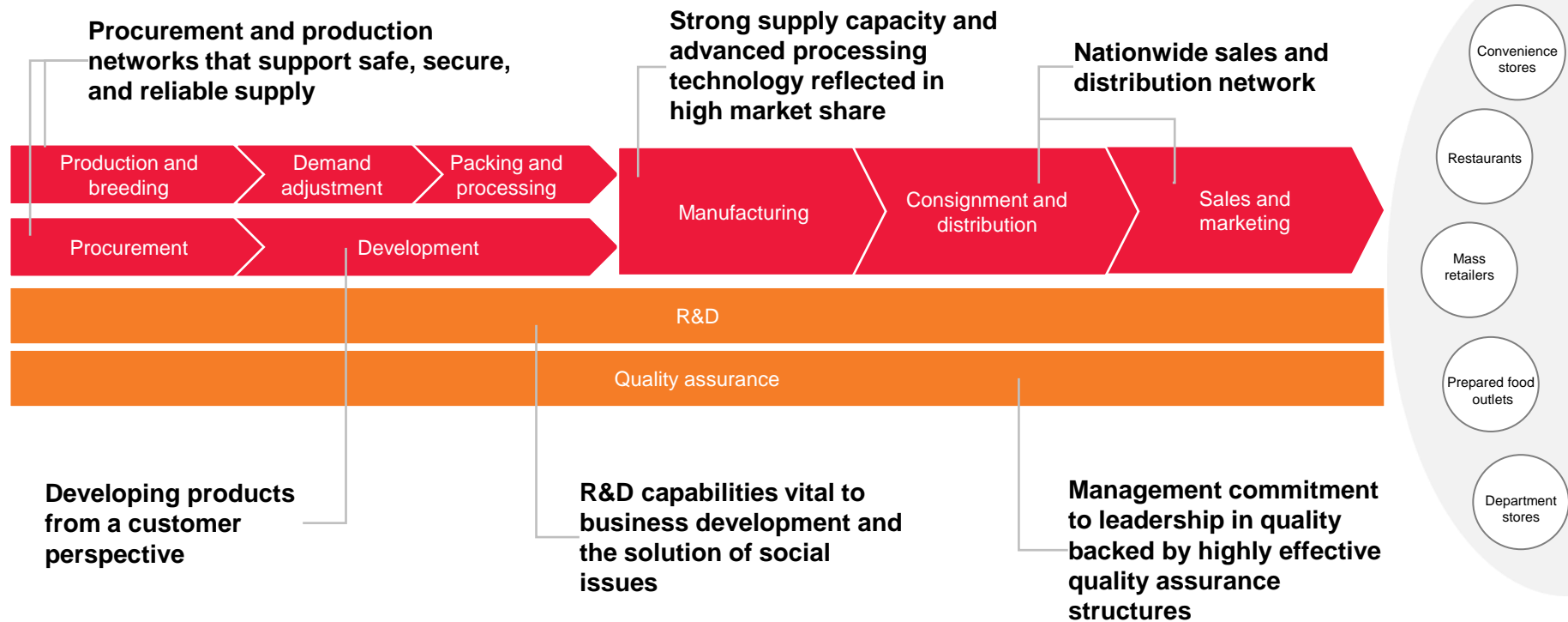


NatuMeat

1940s–		1970s–		1990s–		2000s–		2010s–		2020s–	
Supply of quality protein amid the food shortages of the postwar era		Contribution to the evolution of new food culture through expansion into new food categories and overseas markets		Expansion of product lineup in step with lifestyle diversification		Commitment to being No. 1 in quality as a response to issues identified following a scandal involving the mislabeling of beef		Creation of new paths to the future of food through the introduction of high-added-value products		Focus on the future of food 10–20 years into the future	
1942 Establishment	1968 Expansion into fresh meats farming business	1971 Entered the processed foods business	1981 Expansion into seafood processing business	1992 Expansion into dairy products business	2002 Launch of the <i>Sakurahime</i> range as a major brand of Japanese-produced chicken	2019 Introduction of the first <i>Schau Essen</i> brand extension	2021 Formulation of Vision2030—“Unleash new potentials for protein”	2022 Sale of The Marine Foods Corporation	2023 Opening of Hokkaido Ballpark F Village		
	Start of chicken farming business		1988 Implemented integration system in Australia								
		1973 Established Nippon-Ham Fighters Baseball Club			2004 Establishment of Hokkaido Nippon-Ham Fighters Relocation of home ground from Tokyo to Hokkaido						

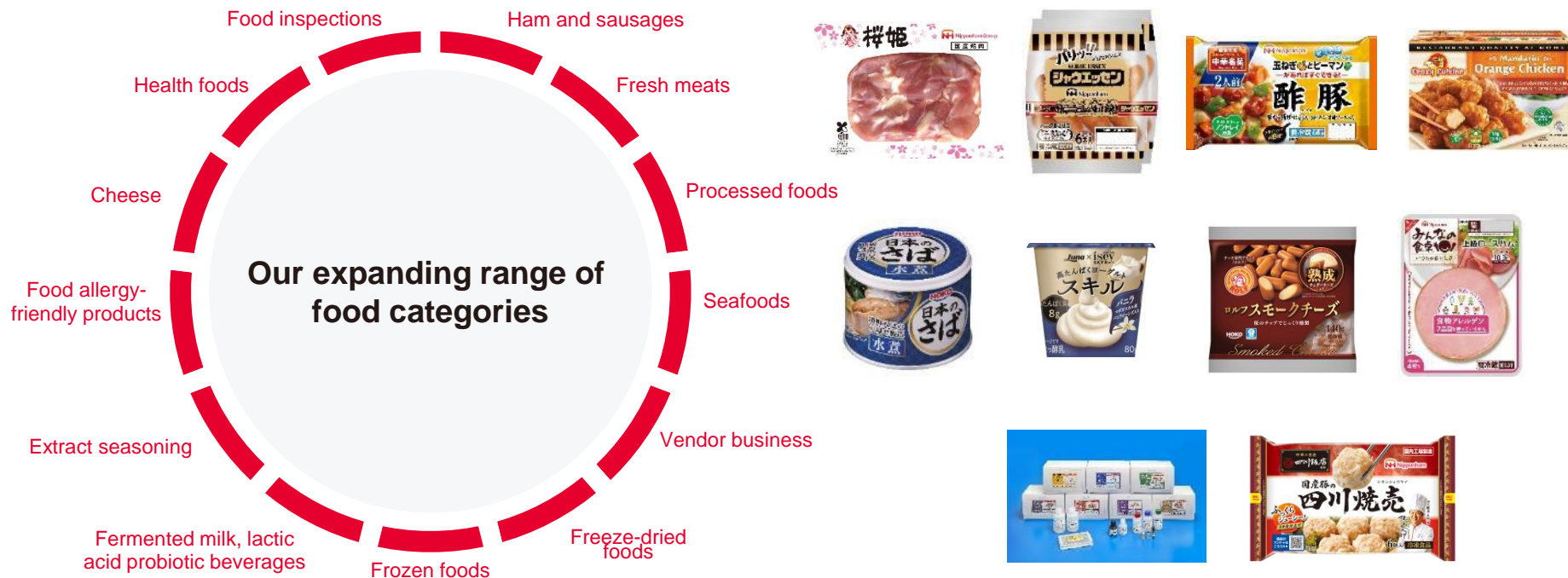
Our strengths

The vertical integration system, a world-leading business model



Overview

NH Foods Group has expanded into a wide variety of categories, including fresh meats, processed foods, dairy products, seafood, and extract seasonings.



NH Foods Group Vision2030

NH Foods Group formulated Vision 2030 as a milestone in efforts to achieve its corporate philosophy.



NH Foods Group will unleash new ideas beyond existing domains
to expand new potentials for protein as the power of life.

We will endeavor to create diverse dietary lifestyles so people can experience the *Joy of Eating* more freely,
while ensuring a stable supply of food with respect to the environment and society.






















The Five Materialities (Key Issues) of the NH Foods Group

Web

Measures, indicators and progress of the Five Materialities



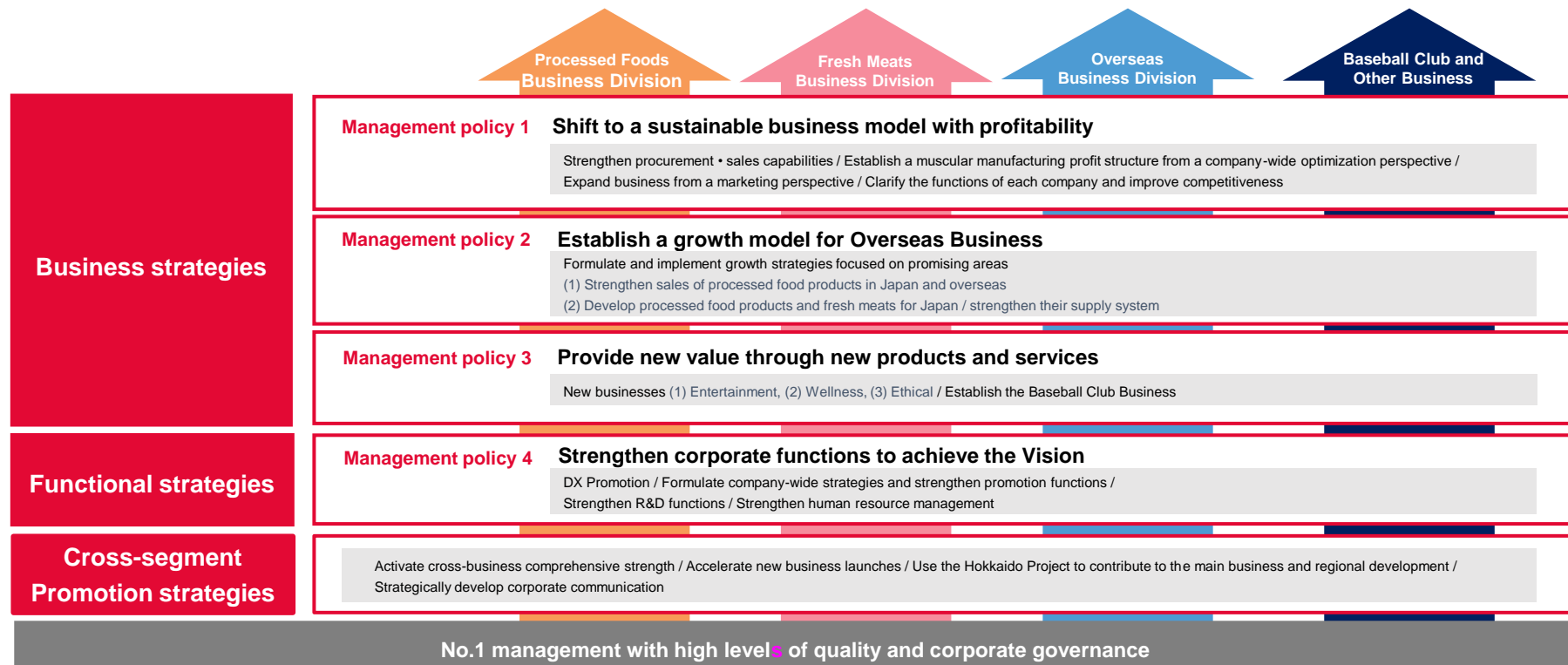
We have also identified the Five Materialities, which encapsulate the social issues that need to be overcome in order to realize the goals in Vision2030.

Materialities		Social issues	SDGs areas selected for contribution	
	Stable procurement and supply of proteins	<ul style="list-style-type: none">● Stable procurement and supply of proteins● Greater choice of proteins● Food safety and reliability	  	
	Food diversification and health	<ul style="list-style-type: none">● Food allergy support● Health promotion● Food diversification	 	
	Contributing to a sustainable environment	<ul style="list-style-type: none">● Responding to climate change● Resource saving and recycling● Addressing biodiversity	    	
	Co-creation and shared prosperity with local communities and society as a whole through food and sports	<ul style="list-style-type: none">● Local community development	  	
	Employee development and respect for diversity	<ul style="list-style-type: none">● Enhancing job satisfaction for employees● Respect for diversity	 	



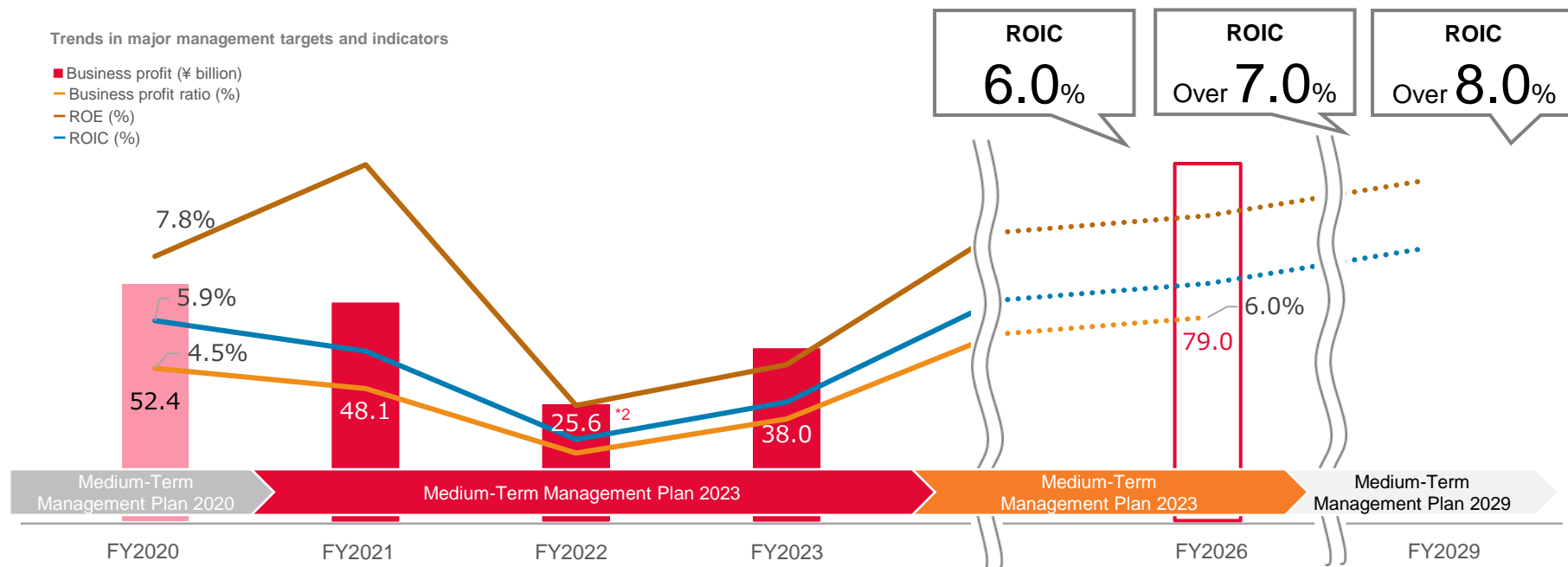
Medium-Term Management Plan 2023/2026: Management Policies

We have formulated management policies designed to realize the goals in Vision2030 over the next six years. We aim to maximize corporate value.



Medium-Term Management Plan 2023/2026: Numerical Plan

We will raise ROIC^{*1} by advancing business strategies and initiatives for addressing the materialities in an integrated manner.



^{*1} ROIC: Return on Invested Capital. An indicator for evaluating the earning capabilities of a company or business.

^{*2} Revised in August 2022

Segments



**Processed Foods
Business Division**

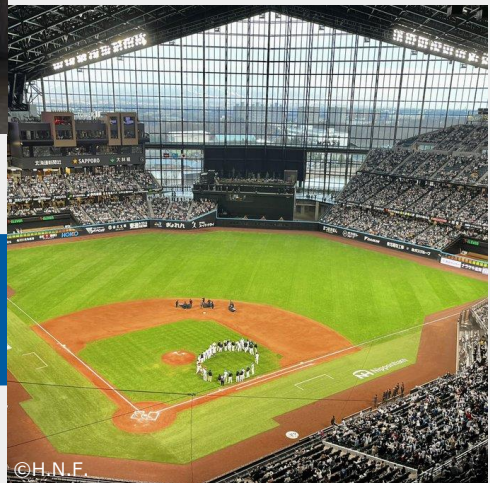


**Fresh Meats
Business Division**



**Overseas
Business Division**

**Other Business
(Ballpark Business,
New Business)**



Segments—Processed Foods Business Division

Responding to diverse needs through product development from a consumer perspective

The Processed Foods Business Division develops, manufactures, and sells ham, sausages, processed foods, dairy products, seafood, and extract seasonings. In addition to *Schau Essen* and other consumer products, the Processed Foods Business Division also supplies commercial products to convenience stores and restaurants.



Main brands handled



Schau Essen



Ishigama Kobo



The Chuka Meisai series



Sutamina En



Products with
No.1 market share
Note: SCI Data



Vanilla Yogurt



*ROLF®
smoked cheese*



*Nippon no Saba Mizuni
(canned Japanese mackerel)*



Our advantages in each value chain

1. Procurement of raw materials	3. Manufacturing	4. Logistics	5. Sales	6. External customers
Domestic and overseas procurement networks to ensure reliable supplies	Highly effective quality control capabilities, use of advanced mass production technology to create delicious flavors	Logistics networks with nationwide delivery capabilities	Diversified sales channels, proposal, sales, and marketing capabilities designed to enhance customer satisfaction	Mass retailers, department stores, convenience stores, drugstores, restaurants, food manufacturers, butcher shops

2. Product development / Marketing

Development of products to meet customer needs through the use of our unique consumer monitoring systems and advanced R&D capabilities

TOPIC

The Marketing Management Division was created in 2023. Its mission is to maximize profit by strengthening product development from a customer perspective, and by managing profit across the entire Processed Food Business Division.

Segments—Fresh Meats Business Division

Supporting dietary lifestyles through the development of a sustainable value chain

The Fresh Meats Business Division has built a vertical integration system covering all stages from the production of fresh meats through to sales, together with fresh meat procurement networks and food company sales networks in Japan and overseas. We currently handle approximately one-fifth of all meat sold in Japan in volume terms.



Domestic fresh meat brands



Genmai-gyu
Domestically
produced beef



Mugikomachi
Domestically
produced pork



Sakurahime
Domestically
produced chicken



Kitanokomekokko brand of
chicken produced in Hokkaido

Imported fresh meat brands



Australian
Omugi-gyu



Chile-produced
Andes Kogen Buta
(pork)



Thai-produced
Herb Soiku Chicken



Australian
Suffolk-Cross Lamb



Our advantages in each value chain

1. Production and breeding

Reliable supply capacity backed by our own quality-controlled farms located mainly in Japan and Australia

2. Packing and processing

Capacity to respond to customer needs by supplying extremely fresh meat processed for various purposes in our own facilities

3. Consignment

Reliable procurement and supply-demand balancing capabilities for various livestock types from a variety of sources in Japan and overseas

4. Logistics

Development of "just-in-time" delivery capabilities backed by some of the biggest meat logistics facilities in Japan

5. Marketing

Nationwide sales network with marketing capabilities tailored to customer needs

6. External customers

Mass retailers, food stores, butcher shops, meat wholesalers, restaurants, food manufacturers

Segments—Overseas Business Division

Offering food ideas from various countries and regions through our global business operations

The activities of the Overseas Business Division include cattle and chicken breeding and production, trading of various meat types, and the manufacture and sales of processed products in Asia, Europe, the Americas, Australia, and other regions. In addition to local and third-country sales and exports to Japan, it also offers products and services to match diverse local dietary culture and values in various countries and regions.



Overseas bases / Main brands handled



「bolez」



United Kingdom



Turkey



「尚味森」

China

Thailand

Taiwan

Vietnam

Singapore

Indonesia

Australia



「riverland」



Canada

USA

Mexico



「Crazy Cuizine's」



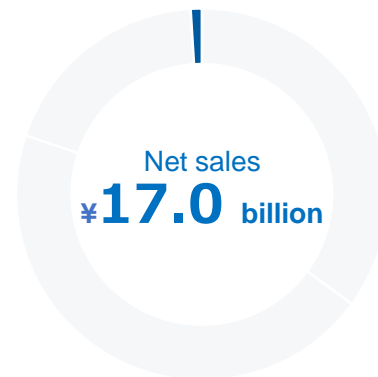
「Nature's Fresh」

Segments—Other Business (Ballpark Business, New Business)

F Village is a hub for social contribution through sports and entertainment.



The Ballpark Business consists of the management of a professional baseball team (Hokkaido Nippon Ham Fighters), together with food and sports activities at Hokkaido Ballpark F Village, a complex centered on a new ballpark, ES CON FIELD HOKKAIDO, which will open in March 2023. The aim of these activities is to realize our Five Materialities through co-creation and shared prosperity with local communities and society as a whole. This exciting complex offers fun for both children and grown-ups, including both baseball and activities that can be enjoyed even by people who are not interested in sport. With daily visitor numbers already reaching around 10,000 even on weekends without games, we are moving ever closer to our initial target of three million visitors per year.



In this new business segment, we are developing D2C activities encompassing entertainment, wellness, and sustainability. For the Entertainment Business, we have established the “Meatful” website, which is based on the concept of expanding the potential of meat in response to dietary diversification, through the development of products and services inspired by cooking experiences, and through food culture diversification. For the Wellness Business, we have launched the “Table for All” site as a comprehensive support platform for allergy-related products and information, based on the concept of responding to everyone’s food preferences. We have launched *Mealin’ Good* as a sustainable business initiative that will expand the range of food options while making effective use of finite resources.



Research and Development Center

Sharing the *Joy of Eating* through research and development

As the NH Foods Group's main R&D facility, the Research and Development Center is working to realize Vision2030 through R&D focusing on new proteins, and through the development of technologies that will contribute to the creation of a cyclical society.



We are advancing research themes based on materialities.

Materialities

Stable procurement and supply of proteins

- Research into new proteins →
- Reducing the environmental impact of the livestock industry →

Food diversification and health

- Food allergies →
- Extending healthy expectancy →

Contributing to a sustainable environment

- Reducing greenhouse gas emissions →

Cultured meat, *koji* (malted rice)

Development of smart livestock farming technology



The PIG LABO smart pig-farming system
Test sales starting from October 2022

Development of food allergen detection kits, research into food allergy prevention

Social awareness course at the University of Tokyo



Test kits

Joint research into the reduction and capture of livestock-derived methane emissions

TOPIC

Evidence that meat consumption is an effective way to prevent frailty in old age

NH Foods and the Tokyo Metropolitan Institute for Geriatrics and Gerontology collaborated on a cross-sectional study of 512 elderly people living in rural areas to ascertain the relationship between meat consumption and frailty-related indicators. The results showed that elderly people who consumed large amounts of meat had faster walking speeds. Related news release (Japanese only): <https://www.nipponham.co.jp/news/2023/20230420/>

Initiatives Addressing the Materialities—Environment


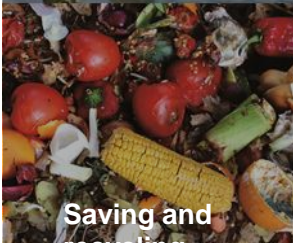


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Sustainability



Targets focused on contribution to a sustainable environment.

Medium- to long-term environmental targets (to fiscal 2030)

Priority issue		Target	Scope
 Responding to climate change	Reducing CO ₂ emissions	Reduction of fossil fuel-derived CO ₂ emissions in Japan by at least 46% (compared to FY2013 levels: Japan) *	All business sites in Japan
		Reduction of fossil fuel-derived CO ₂ emissions overseas by at least 24% (compared to FY2021 levels) *	Overseas
 Saving and recycling resources	Reducing waste discharge	Reduction of waste emissions per unit of production in Japan by 5% (compared with FY2019 levels: emissions per unit of production) *	All processing and production sites in Japan (55 sites)
	Increasing the waste recycling rate	Achievement of a waste recycling ratio of 92% or higher in Japan	All business sites in Japan
	 Reduce water consumption	Reduction of water use per unit of production in Japan by 5% (compared with the 2019 level: emissions per unit of production) *	All processing and production sites in Japan (55 sites)
Reduction of overseas water use by 5% (compared with the 2021 level) *		Overseas	
 Addressing biodiversity	Expanding the handling of certified goods	Achievement of an RSPO-certified palm oil utilization ratio of 100% (including book and claim utilization) *	Certified palm oil business sites in Japan and overseas

* Target year: fiscal 2030

Initiatives Addressing Our Materialities—Human resources

We aim to realize our corporate philosophy by ensuring that the NH Foods Group is a place where employees can feel truly happy and fulfilled, thereby enhancing our corporate value.

Realization of corporate philosophy

Maximization of corporate value

Maximization of human capital

Enhancement of employee engagement, value creation, innovation

1 Personal growth | Career autonomy support

- Career interviews
- Reskilling support
- Training of in-house assessors

2 Organizational growth | Building value creation capacity

- Human resources management cycle
- Leadership development

3 Realization of diversity, equity, and inclusion

- Workstyle reform
- Career development support for women
- Health management

Employee growth, respect for diversity

A culture in which people can take up new challenges

Employee growth

Respect for diversity

Reference material (Japanese only)



TanpakuGO ! – An educational website about protein

A website providing basic knowledge and recommended recipes that make protein more familiar and fun.



Integrated Report

A communication tool created to foster understanding and encourage dialogue about the management policies and growth strategies of the NH Foods Group.



Table for All Food Allergy Care

A website with a food allergy perspective that provides the latest information gathered from ongoing research and easy-to-understand meal ideas based on our unique insights as a food manufacturer.



Rotary

An online magazine sharing the latest information from the NH Foods Group, while also exploring food from a variety of angles, such as trending food topics and recipes, and the relationship between food and health.





 Unleash new potentials for protein
NH Foods Group Vision 2030