

# Nipponham Group Group Profile 2024



Unleash new potentials for protein

NH Foods Group Vision 2030

# Philosophy & Vision

## 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.

## NH Foods Group Vision2030



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.

# Our history

Built on proteins and dedicated to the future of protein—The NH Foods Group

Corporate  
Philosophies  
Management  
Principles

Reliable supply of  
animal protein



Ham and sausages



Fresh meats



Dairy products



Processed marine  
products



Processed foods



Halal-compliant  
products



Reduced salt,  
low-salt



Food allergy-friendly  
products



Soy meat



Cell-based foods

Creating and  
providing new  
protein choices



Malt



Algae

Providing diversified  
opportunities to  
enjoy animal protein.

Vision2030  
Unleash new  
potentials for  
protein

Create more  
protein choices.

Enable people  
to enjoy  
protein more.

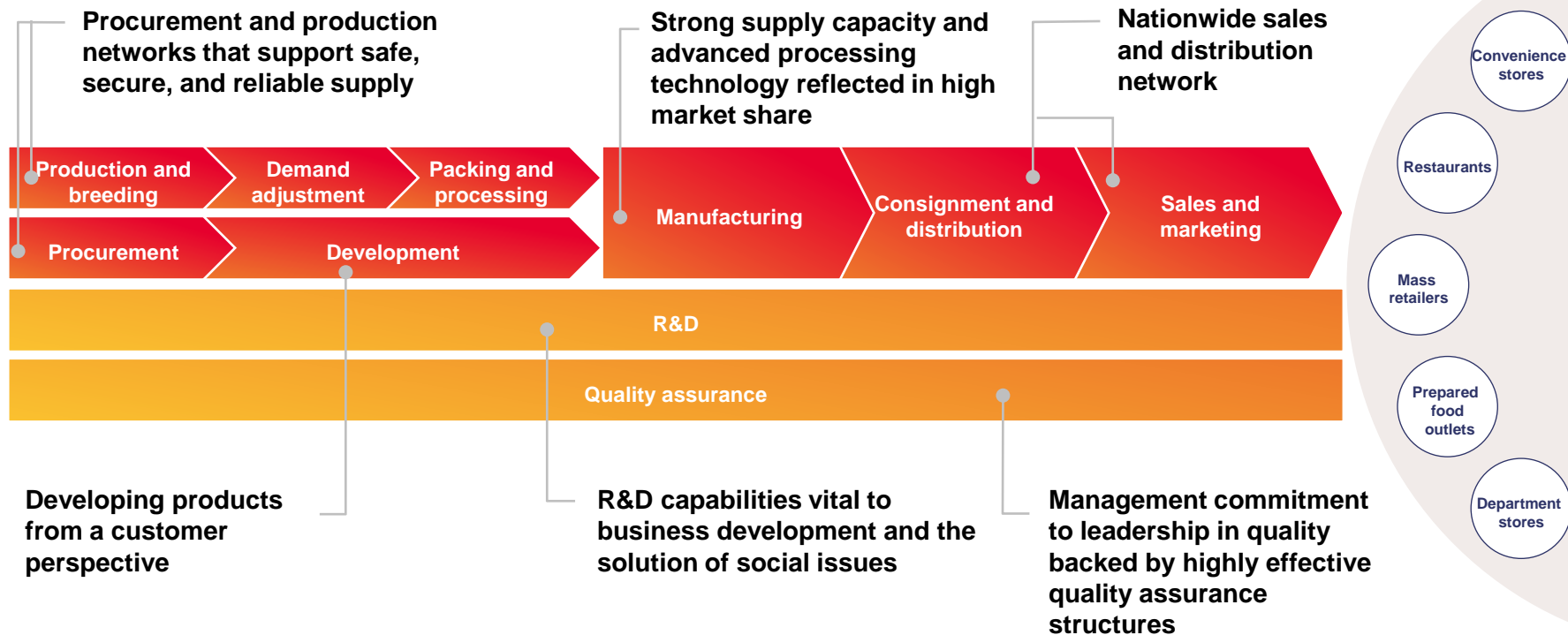
Fulfill our  
responsibility to  
help people  
benefit more  
from protein.

Help people  
to live more  
freely.

Create more  
freedom to  
take up new  
challenges.

# Our strengths

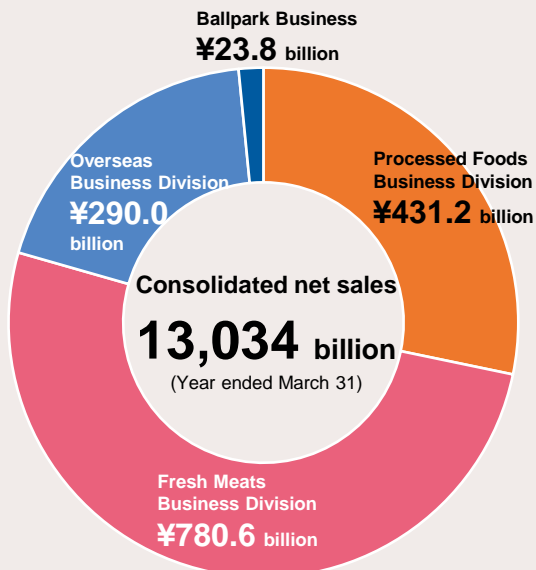
## The vertical integration system, a world-leading business model



# Overview

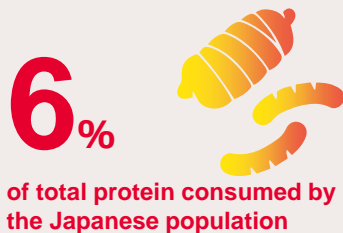
NH Foods Group has expanded into a wide variety of categories, including fresh meats, processed foods, dairy products, seafood, and extract seasonings.

Business performance in FY2023  
(Share of total net sales)



The sum of segment net sales does not match consolidated net sales because these figures have not been adjusted on a company-wide basis.

Supplies an average of about



Shares of meat markets in Japan about  
(Based on research by NH Foods Group, as of March 2024)



Sales in the Japanese meat processing industry (FY2023)



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



# 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. It contributes to the enjoyment of food in many areas through the development of products with high market shares, including *Schau Essen*, *Chuka Meisai*, and *Ishigama Kobo*, and long-selling products, such as Vanilla Yogurt. Supplied not only to consumers, but also to convenience stores and restaurants, these products have achieved top market shares in a wide range of categories.



### Main brands handled



*Schau Essen*



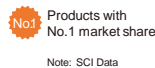
*Ishigama Kobo*



*The Chuka Meisai series*



*Sutamina En*



Note: SCI Data



*Vanilla Yogurt*



*ROLF®  
smoked cheese*



*Nippon no Saba Mizuni  
(canned Japanese mackerel)*



### Our advantages in each value chain

#### 1. Raw material procurement

Our domestic and overseas procurement networks enable us to supply products reliably.

#### 3. Manufacturing

Our manufacturing systems combine advanced quality management expertise with sophisticated production methods capable of recreating delicious flavors.

#### 4. 物流

Our logistics networks extend throughout Japan.

#### 5. Sales

In addition to our diverse sales channels, our sophisticated proposal, sales, and marketing capabilities also contribute to enhanced customer satisfaction.

#### 6. External customers

Volume retailers, butchers, drugstores, department stores, convenience stores, processed food sellers, restaurant operators, food manufacturers

#### 2. Product development

Our ability to develop products that match consumer needs is backed by unique consumer monitor 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 the Nippon Food companies' sales networks in Japan and overseas. We currently handle approximately 20% of all meat sold in Japan in volume terms



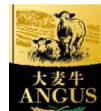
### Three major brands



Sakurahime Domestically produced chicken



Mugikomachi Domestically produced pork



Australian-produced Omugi Beef ANGUS

### Main brands



Kitanokomekokko brand of chicken produced in Hokkaido



Domestically produced beef GENMAI GYU



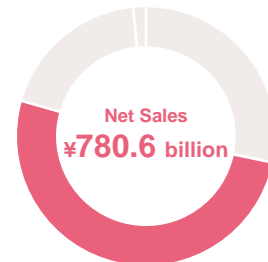
America-produced Toumorokoshi Buta



Thai-produced Herb Soiku Chicken

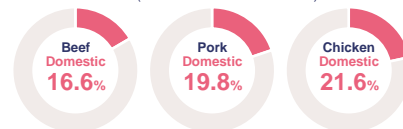


Australian-produced Suffolk-Cross Lamb



### Share of the fresh meats market

As of March 2024 (based on NH Foods research)



### Our strengths in each value chain

#### 1. Production and breeding

By operating our own farms in Japan and Australia, we are able to ensure reliability of supply and stringent quality management.

#### 2. Packing and processing

We satisfy customer needs by supplying extremely fresh meats processed at our own plants to meet a variety of requirements.

#### 3. Consignment

Our product lineup covers a full range of meat types sourced from various locations in Japan and overseas. We deploy expert personnel to support reliable procurement and adjust supply and demand.

#### 4. Logistics

We have established a just-in-time delivery system based on Japan's largest meat distribution centers.

#### 5. Sales

We combine a nationwide sales network with customer-focused marketing.

#### 6. External customers

Volume retailers, food stores, butchers, fresh meat wholesalers, processed food sellers, restaurant operators, food manufacturers

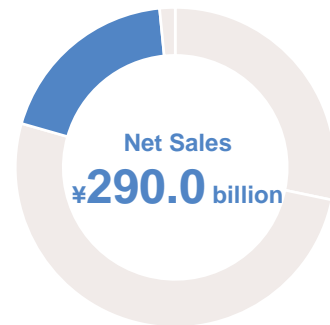
# Segments—Overseas Business Division

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

The Overseas Business Division is engaged in beef and chicken production, breeding, processing and packing in Australia and the Middle East, and processed food production, sales, and trading in North America, Asia, Europe, and other markets. The products that we supply locally, in third countries, and in Japan are backed by our understanding of and respect for diverse food traditions, values, preferences, and needs.



Overseas bases / Main brands handled



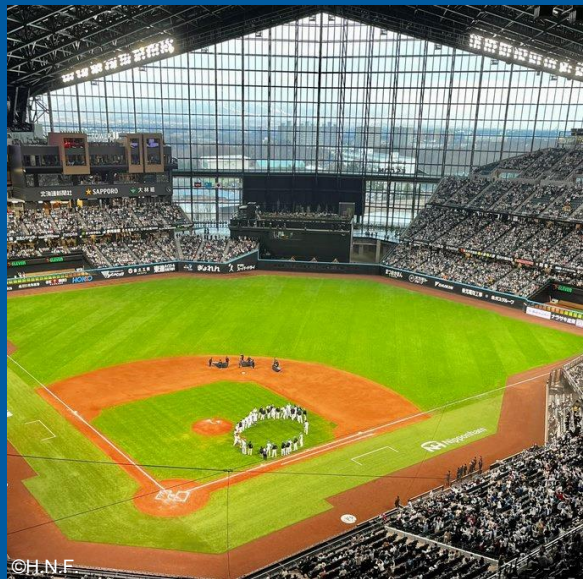
	Processed foods	Fresh meats	Trading
Business area	ASEAN 6 group companies Vietnam/Indonesia/ China/Thailand		4 group companies Thailand/Singapore/Taiwan
	Oceania 4 group companies Australia		2 group companies Australia
	Europe 1 group company United States		1 group company United Kingdom
	North America 1 group company United States		1 group company United States
	South and Central America 2 group companies Chile/Mexico		2 group companies Chile/Mexico
	Middle East 1 group company Turkey		

- Local sales
- Exporting to third countries
- Exports to Japan



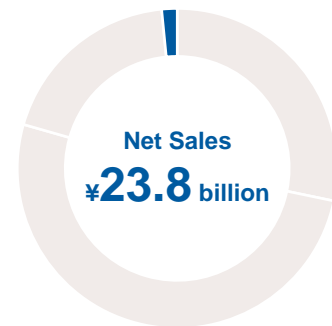
# Segments—Ballpark Business

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



Through our Ballpark Business, we are involved in the management of the Hokkaido Nippon-Ham Fighters, a professional baseball team, and in March 2023, we opened our new ballpark, ES CON FIELD HOKKAIDO. Through the Hokkaido Ballpark F Village scheme, we are creating a new community based on a business model that combines sport value with Hokkaido value.

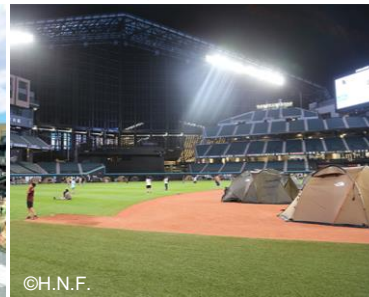
We aim to achieve community development and innovation through co-creation and collaboration, including participation by a wide range of businesses from the government and private sectors and academia, as well as partners offering products and services to enhance the visitor experience at the ballpark.



F VILLAGE STARLING LIVE



Family camping area



Stand-up paddle boards



## 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.



### Stable procurement and supply of proteins

- Research into new proteins  
**Research themes** — Cultured meat, koji (malted rice)
- Reducing the environmental impact of the livestock industry  
**Research themes** — Development of smart livestock farming technology



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



### Food diversification and health

- Food allergies  
**Research themes** — Development of food allergen detection kits, research into food allergy prevention
- Extending healthy expectancy  
**Research themes** — Social awareness course at the University of Tokyo



Test kits



### Contributing to a sustainable environment

- Reducing greenhouse gas emissions  
**Research themes** — 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/>

# Medium-Term Management Plan 2026

Continuously strengthen earning performance, set new profit records, enhance capital efficiency.

(¥ billion)



(¥ billion)	FY2025/3	FY2026/3	FY2027/3	Business profit (breakdown) FY2027/3	
Net Sales	1,340.0	1,350.0	1,380.0	Processed Foods Business Division	16.0
Business profit	48.0	54.0	61.0	Fresh Meats Business Division	42.5
Business profit ratio	3.6%	4.0%	4.4%	Overseas Business Division	6.5
Profit attributable to owners of the parent	27.0	31.0	38.0	Ballpark Business	2.6
ROE	5.2%	6.0%	7-8%	Eliminations and adjustments	(6.6)
ROIC	4.4%	5.0%	5-6%		

# Sustainability Strategy

## Stable procurement and supply of proteins

- Maximize the reliable supply of meat.
- Support co-creation with livestock farmers.

## Creating new value

- Develop the F-Village community
- Explore diverse potentials for protein.

## Fostering an Organizational Culture Focused on New Challenges

- Strengthen and embed systems to encourage and support new challenges.
- Review executive remuneration items.

## Materialities

## Enrichment of lives through food

- Develop products that contribute to good health.

## Contributing to a sustainable environment

- Reduce emissions of CO2 and livestock-derived GHGs.
- Reduce the use of plastics.

## Four pillars of sustainability

Provide the joy of eating.

Create new value.

Protect the global environment.

Strengthen the resilience  
of the business base.

Solving social issues  
through business  
activities

The NH Foods Group will help people everywhere to enjoy happier, healthier lives by working in harmony with the global environment, which produces the bounties of nature.

# Initiatives Addressing the Materialities—Environment



## Targets focused on contribution to a sustainable environment.

Priority issue		Target	Scope
Responding to climate change	Reducing CO2 emissions	Reduction of fossil fuel-derived <b>CO2 emissions</b> in Japan by <b>at least 46%</b> (compared to FY2013 levels: Japan) *	All business sites in Japan
		Reduction of fossil fuel-derived <b>CO2 emissions</b> overseas by <b>at least 24%</b> (compared to FY2021 levels) *	Overseas
Saving and recycling resources	Reducing waste discharge	Reduction of <b>waste emissions per unit of production</b> in Japan by <b>5%</b> (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 <b>recycling ratio</b> of <b>92% or higher</b> in Japan *	All business sites in Japan
	Reduce water consumption	Reduction of <b>water use per unit of production</b> in Japan by <b>5%</b> (compared with the 2019 level: emissions per unit of production) *	All processing and production sites in Japan (55 sites)
		Reduction of <b>overseas water use</b> by <b>5%</b> (compared with the 2021 level) *	Overseas
Addressing biodiversity	Expanding the handling of certified goods	<b>Achievement of an RSPO-certified palm oil utilization ratio of 100%</b> (including book and claim utilization) *	Certified palm oil business sites in Japan and overseas

\* Target year: fiscal 2030

### TOPIC

#### Changing packaging to reduce plastic use

We have changed the packaging for the *Schau Essen* series from a drawstring-style bag to eco-friendly pillow-type packaging. We have also switched to non-tray packaging for the *Chuka Meisai* series. These packaging changes are part of our ongoing efforts to reduce the amount of plastic used.



The removal of the "topknot" from the old package will reduce plastic use by **248 tons per year**.



**21% reduction** in the quantity of plastic used

#### Reducing water usage through modifications to factory facilities and equipment

The Shikoku Plant of Nippon Food Packer, Inc. ships approximately 170,000 pigs per year. By improving freezer defrosting systems and modifying the nozzles on washing systems, the company achieved a 23.7% reduction in water usage over a one-year period starting in May 2023.



# 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.

1

## Personal growth — Career autonomy support

By introducing various career development support systems, we have created an environment in which employees can actively design their own careers. We also offer work and life career planning seminars for people in each age group and encourage workers to acquire specialized skills.

Age		Content
I	29	● Life career ● Work career
II	39	
III	49	Both points covered in accordance with employee level
IV	54	

2

## Organizational growth — Building value creation capacity

In regard to employee education, in addition to offering a variety of training programs for each level of employee, NH Foods Ltd. is also enhancing Purpose-Based Human Resource Development Training in order to encourage individuals to self-direct their careers.

Training,  
etc.

- Training programs for each level of employee
- Training programs with specific objectives (voluntary)
- Training programs for promotion
- Training programs for next generation executive development



Workplaces

- OJT (practical experience at workplaces)
- Management by objectives (MBO)
- Career counselling
- Self-reporting system

3

## Realization of diversity, equity, and inclusion

In order to create workplaces where anyone can work comfortably and a more diverse range of human resources can participate fully, we are transforming workstyles that enable a work-life balance to raise creativity and realize diversity to expand the variety of talent available.

Percentage of  
female managers  
NH Foods Ltd.

**10.7%**  
(+0.9% year-on-year)

Annual actual  
working hours  
NH Foods Ltd.

**1,968times**  
(-2 times year-on-year)

Stress check examination rate

NH Foods Ltd.

**97.8%**  
(-0.1% year-on-year)

NH Foods Group in Japan

**95.5%**  
(+1.0% year-on-year)

# Corporate data

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

## The vertical integration system, a world-leading business model



The vertical integration system, a system in which the entire production process, from livestock breeding and rearing through to processing and then sale is conducted within the Group, is our greatest strength. It enables us to deliver high value-added fresh meat, ham and sausages, as well as carry out a variety of other operations, such as manufacturing and selling products including seasoning extracts made from secondary livestock resources, and functional ingredients, such as collagen.

## Group Companies<sup>\*1</sup>



## Group employees<sup>\*2</sup>

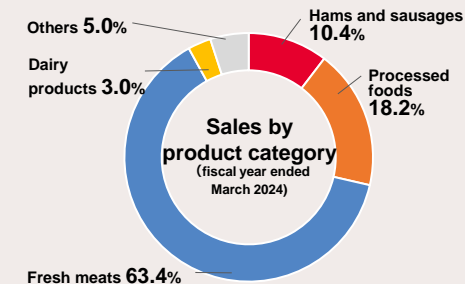


<sup>\*1</sup> Includes subsidiaries by the equity method (As of April 1, 2024)

<sup>\*2</sup> Includes the annual average number of contract employees (As of March 31, 2024)

## Group consolidated net sales

**¥ 1,303.4 billion**



# Global network

The NH Foods Group is developing businesses in many parts of the world. Currently we have production, livestock breeding, processing, packaging, manufacturing, and sales operations in 15 overseas countries and regions.

Number of business sites (March 31, 2024)

# 475



## Reference material



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

An introduction to the various initiatives being implemented by the NH Foods Group to support the future of food in Japan by supplying and enhancing the value of a wide range of proteins.



### 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 (Japanese only)

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