



MESSAGE

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Director and Managing Executive Officer  
General Manager of Corporate Planning Division

**We want to be successful in the new era of the “new normal” by advancing dynamic strategies incorporating sustainability**

**Pursuing a “all-company perspective” and “overall optimization”**

The Corporate Planning Division established in April 2020 is assigned with forming Group strategies. The division creates the medium-term management plans and other Group management strategies, prepares and executes strategies to optimize the business portfolio, and advances IT and technology strategies.

Doing this requires visualizing Group issues from an “all-company perspective” and forming strategies and initiatives designed for “overall optimization.”

The Group’s businesses are divided into the three segments of fresh meats, processed foods, and overseas business. The businesses each have their own value chains and operations, so our efforts to optimize and expand each business have been tailored to each business individually. However, the business environment has changed significantly in the last few years with fluctuating raw material costs caused by climate change and trade restrictions, diversifying food preferences, and rapidly advancing IT technology. Business conditions are also evolving with the emergence of the “new normal” following the COVID-19 pandemic. We believe that an “all-company perspective” and “overall optimization” are more important than ever for responding to these conditions and generating sustainable growth.

Each business division has been taking steps to optimize their value chains linking the production, manufacturing, receiving, distribution, and sales processes. But we are now approaching the production and logistics bases under their jurisdiction as management resources for the Group as a whole, and are reexamining their functions and configurations from the perspective of overall optimization.

While optimizing our overall businesses system and operations, we are also focusing on bringing about digital transformation (DX) that will enable the creation of new business models structured on assets that will be sources of future profits.

We will also strengthen our KPI management with qualitative and quantitative monitoring and set return on invested capital (ROIC) target as a primary indicator for measuring the all-company optimization. In fiscal 2021, we will introduce ROIC to all relevant departments while also taking steps to ensure a full and correct awareness and understanding of ROIC as we introduce it to all departments. During the year, we will also set additional detailed KPIs.

The Medium-Term Management Plan 2023 launched in April 2021 will build our optimal portfolio of businesses by applying these initiatives along with dynamic cross-departmental and functional strategies to create corporate value and by maximizing the management capital in each business division.

**Status of the Connect IT reform Project and DX**

The Connect Project to restructure the Company’s core enterprise system was launched one year ago. The Connect Project will facilitate cooperation among the divisions by integrating the core systems that were independently created and used in each business division into a single shared business process and system infrastructure. Connect will optimize work processes, save labor, and speed up account settlements, and is a key element for a radical reform of our business structure. The Group considers digital technologies and systems as important business assets and intends to invest in digital technologies as necessary for medium- to long-term growth and to increase corporate value.

**Management that fully considers sustainability**

During the rapid social changes in recent years, environment, society, governance (ESG) initiatives have emerged as essential for companies seeking sustained growth. Climate change and other global-scale social issues are having a major impact even on the Group’s businesses. Co-creation and shared prosperity with local communities and society as a whole through food and sports is also a vital issue that is essential to business activities.

With this in mind, starting from April 2021, we have stepped up our ESG initiatives and moved the Sustainability Department under the

Corporate Planning Division to be closer to the center of management. We have also identified five social issues as new materialities that are important to address through our businesses as we seek to fulfill the Vision2030 set forth with the new medium-term management plan.

These materialities will be integrated into our business strategies. Two ESG themes deeply entwined with Vision2030 are the Stable procurement and supply of proteins and Addressing food diversity and health issues. For contributing to a sustainable global environment, we will take additional action to fulfill our responsibility to address climate change and other issues. For Cocreation and coprosperity with communities and society through food and sports, we will increase the Group’s unique local activities and our Hokkaido Project; and for Employee development and respect for diversity, we will continue implementing workstyle reform and other measures.

**The Hokkaido Project**

The Hokkaido Project is both a cross-departmental promotion strategy and a materiality initiative. The project seeks to contribute to the economic and regional development of Hokkaido and to raise the social, brand, and economic value of both the region and the Group.

The project will come into full swing with opening of the new Hokkaido Ballpark village scheduled for 2023, which will further enhance the synergies between our core business and sports. We plan to build the Hokkaido Project into both a contributor to the local region and a new revenue business for the Group.

**DX initiatives for new business models**

