

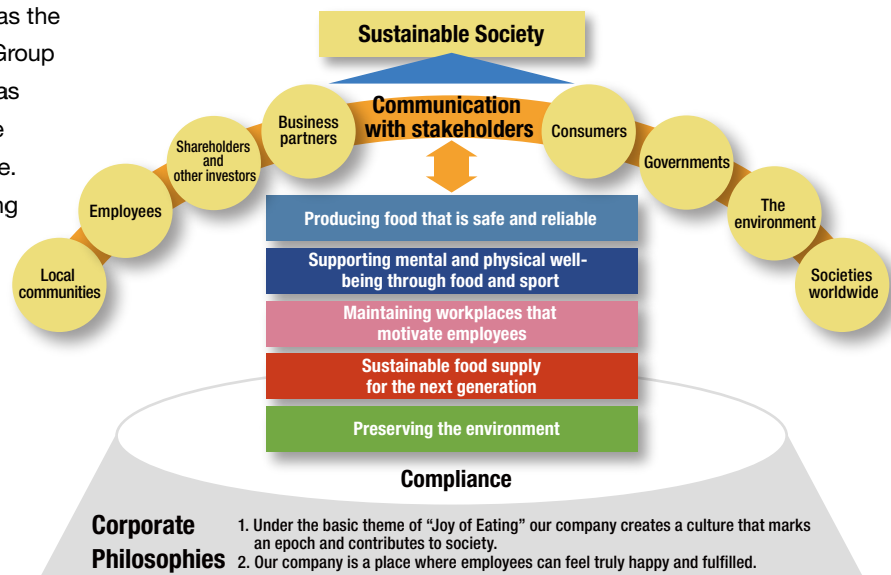
Delivering the “Joy of Eating” to People Everywhere

Nipponham Group contributes to happy and healthy lives by delivering the “Joy of Eating” to people around the world through the breeding of animals such as cattle, hogs, and chickens. In addition, we promote initiatives befitting our position as a food business to contribute to the development of the next generation and the realization of a sustainable society, with the aim of living up to the expectations of stakeholders.

(We focus on five CSR material issues as we value communication with stakeholders)

With the Corporate Philosophies serving as the foundation of management, Nipponham Group values communication with stakeholders as it conducts CSR activities focused on five CSR material issues based on compliance.

Furthermore, we believe that addressing these issues together with stakeholders will realize the establishment of a sustainable society.



Food Education Initiatives

Fostering the Ideas of Enjoying Food, Eating Properly, and Esteeming Food

At Nipponham Group, we believe that fostering a feeling of gratitude for the bounty of nature is our mission as a company involved with food.

We endeavor in our food education activities to teach the children leading the next generation about the importance of enjoying food as well as eating properly and esteeming the value of food.

Food Education Seminars

In sports classes such as those for baseball and soccer, we conduct food education seminars for children and their guardians on topics such as the importance of nutrition and points to remember regarding one's diet during growth periods. We work to raise the awareness of children about food and help with daily diets by distributing recipes to guardians with which they can prepare meals at home.



Wiener Sausage Making

The Group communicates the importance of enjoying food to a variety of people from children to adults through wiener sausage making workshops. In cooperation with the Association of Corporation and Education, a non-profit organization, since 2006, we have held wiener sausage making workshops at elementary and middle schools throughout Japan that allow students to experience what ingredients are used to make the wiener sausages that they are familiar with, and how these sausages are made. 20,758 students from a total of 344 schools have participated in these workshops, as of the fiscal year ended March 31, 2016.

In addition, the Shimodate Kobo (Ibaraki Prefecture) and Nagasaki Roman Kobo (Nagasaki Prefecture) of Nipponham Factory Ltd. conduct wiener sausage making workshops, where customers can create original wieners.



KidZania Tokyo and KidZania Koshien

We have opened “Sausage Workshop” pavilions at KidZania Tokyo and KidZania Koshien as occupational and social experience facilities that allow children to experience what it's really like to work as master sausage makers. Participants can experience our dedication to taste and the importance of hygiene control when handling food through sausage making. The pavilions also have shops where people can eat products including hot dogs using freshly boiled *SCHAU ESSEN*®, allowing people to not only make Nipponham Group products but also experience the fun of eating.



Out of KidZania Work Experience Program in Hokkaido

A three-day work experience program in Hokkaido called “Out of KidZania” was held from July 30 to August 1, 2015. Twenty-five elementary school students living in western Japan participated as employees of the Group to experience how to make sausages, prepare feed for hogs, interact with animals including cattle, and work at the Sapporo Dome, home of the Hokkaido Nippon-Ham Fighters.

We received the following types of feedback from elementary school students who participated: “I enjoyed having my own business card and being able to exchange it with people from Nipponham. It made me feel a bit like an adult.” “Mixing up the hog feed with a variety of ingredients made me realize that we also have to think about the balance of nutrients in what we eat.” “I learned that cattle skins were used in products such as baseballs and bags, and realized how important this was for our daily lives.”

Nipponham Group will also continue such activities going forward to provide the children leading the next generation with the opportunity to think about food and working.



Day 1

Learning about the history of the sausage and the manufacturing process at Carl Raymon (Hakodate)



Day 2

Learning about how to breed animals at Hokkaido University, Hokkaido Industry-Academia-Government Collaboration Center (Sapporo)



Day 3

Learning about work that supports professional baseball at Sapporo Dome (Sapporo)

Food Allergy Initiatives

Striving to Deliver the “Joy of Eating” to People with Food Allergies

The number of people who suffer from food allergies has more than doubled in recent years, as it has now become a social issue. Based on our desire to share the “Joy of Eating” with all family members around the dining table regardless of whether they have food allergies or not, we conduct a broad range of activities that include the development, manufacture, and sale of allergen-free products, as well as R&D and communications related to allergen testing technologies.

Development of Allergen-Free Products

According to research,^{*1} there have been reports that the number of three-year-olds with food allergies has nearly doubled compared with 1999 over a period of 15 years, and food allergies are becoming an important social issue. NH Foods Ltd. developed and released sausages free of raw materials such as milk constituents and egg whites in 1997, and ham and sausages not using specific allergens as raw materials in 2004.

For these products, we conduct strict management at dedicated allergen-free product factories of Nipponham Northeast Ltd. so that seven specific raw materials^{*2} are not carried in. Thorough inspections of these specific raw materials are also conducted on purchased raw materials. We will work to continue to expand our product lineup going forward so that people with food allergies can enjoy a variety of delicious foods.



Plant for allergen-free products



Product and allergen labeling



Processed foods not using egg whites, etc., and “rice flour bread” that does not use wheat

Development of Food Testing Kit

In 2002, the RDC released the FASTKIT® ELISA series as a testing kit that can measure the amount of food allergens contained in processed foods. This kit has been renewed as the FASTKIT® ELISA Ver. III series, and currently conforms to the “Guidelines on Inspection Methods for Food Product Containing Allergens” issued by the Consumer Affairs Agency.

Then in 2009, we developed and released the FASTKIT SLIM® series that enables inspection of the presence of allergens in about 15 minutes.

Currently, the number of companies handling food in addition to the Group that have adopted day-to-day allergen inspection is on the rise. In particular, allergen testing is used

in applications such as confirmation of cleanliness levels and wiping inspections in the manufacturing process. Effectively combining these testing kits makes optimal food allergen management best suited to the situation possible.



FASTKIT® ELISA Ver. III series



FASTKIT SLIM® series

^{*1} Research in Tokyo: “Survey on Three-year-olds Related to Allergies across Tokyo (Fiscal 2014)” by Tokyo Metropolitan Institute of Public Health.

^{*2} Seven specific raw materials: Milk, eggs, flour, buckwheat, peanuts, prawns, and crabs.

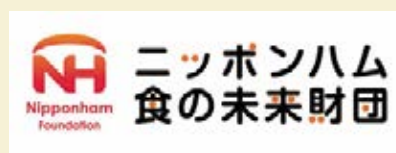
Providing Information on Food Allergies

NH Foods Ltd. manages Food Allergy Net, which is an information website concerning food allergies. In addition to descriptions of allergens and allergy symptoms from the perspective of food manufacturers, the website also introduces seasonal recipes, allergen-free products, and the like. The website was awarded with the Asakawa Grand Prix Award*³ of the Third Web Grand Prix in December 2015. In addition, the website was redesigned in March 2016 to make it easier to view on smartphones. We will continue to provide information that serves society going forward.



Establishment of the “Nipponham Foundation”

NH Foods Ltd. established the “Nipponham Foundation” in January 2015 with the desire to deliver the “Joy of Eating” to people everywhere. The foundation aims to respond to the needs of society including educational activities and research assistance in the field of food allergies from the position of pursuing public interest. The foundation also aims to contribute to society by leveraging the research resources and experience that have been accumulated up until now in a manner that is differentiated from the business activities of NH Foods Ltd.



■ Food Allergy Seminars

Seminars were conducted for national registered dietitians and other people involved with food in five prefectures in Japan. Through these seminars, participants cooperate together to resolve issues related to food allergies.

■ Holding a Cooking Contest

The contest aims to help pass on cooking techniques developed for children who have allergies to the eating habits of people with food allergies and their family members. In the “First Allergen-Free Food Cooking Contest” that was held in 2015, 20 award-winning dishes were selected from a total of 923 applications and introduced through our website and other media.



General section: Grand Prize
Delicious cake sale



Student section: Grand Prize
Fried shrimp that will surprise everyone!

■ Publication of an Educational Book

An educational book called “Learning about Food Allergies” was produced for elementary school students to promote self-discipline regarding food allergies and encourage understanding among other students about allergies. A total of 25,500 books were donated to both elementary schools and public libraries across Japan in March 2016. A PDF version of “10 Q&As on Learning about Food Allergies” is also available from the foundation's website.



*³ Asakawa Grand Prix Award: Awarded by the Web Advertising Bureau, host of the Web Grand Prix, to companies and people who have made outstanding contributions to web advertising and marketing in Japan.

Efforts in Food and Sports

Contributing to a Healthy Body and Mind by Supporting Food Products and Sports

The “Joy of Eating” that is set forth as one of the Corporate Philosophies of Nipponham Group represents the pleasures of good eating and the joys of health.

We contribute to a healthy body and mind by supporting food products and sports in the hope that we can share an understanding of the pleasures of good eating and the joys of health with everyone.

Functional Food Products That Support Athletes

The RDC develops functional food products that leverage the research results on imidazole dipeptide.

Imidazole dipeptide is said to be effective in alleviating fatigue, and it has also gained popularity among top athletes, including athletes from the J League’s Cerezo OSAKA and Toyo University’s track & field club.



Imidazole Dipeptide
Sporcopro Powder



Imida No Chikara

What is Imidazole Dipeptide?

It is a collective name for carnosine and anserine, and animal muscles contain high quantities of this substance. It has been confirmed that when it is consumed as a food product, it is stored in the body and improves athletic ability.

The RDC has extracted imidazole dipeptide from chicken meat and conducted research on this compound for a period of 15 years. This compound has gained much attention in advance of the 2020 Tokyo Olympic Games.

Holding Sports Lessons

Nipponham Group holds lessons on sports including baseball and soccer across the country with professional athletes serving as coaches. These lessons communicate the importance of enjoying sports, taking on challenges and eating properly.

In addition, national registered dietitians from the RDC communicate points to note regarding one’s diet during

growth periods to children, their guardians, and instructors. Recipes are also distributed to guardians to help them prepare meals at home.



Reading Promotion Campaign “Take a Book Instead of a Glove” in Hokkaido Prefecture

Since 2014, the Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd. has conducted the reading promotion campaign “Take a Book Instead of a Glove” in Hokkaido Prefecture. In 2015, an illustrated book for young children called “Fighters of the Baseball Team in the Forest” was produced with the involvement of the players association that helped make the draft, and a reading of it was held during the off-season. We will continue supporting the healthy growth of children by instilling the habit of reading at home and at library facilities.



Environmental Activities

Contributions to the Environment and Sustainability

Nipponham Group operates businesses that nurtures life in irreplaceable nature and makes good use of the bounty of nature. We believe that it is our corporate responsibility to conserve nature that nurtures life and make good use of the bounty of nature.

Environmental Targets for New Medium-Term Management Plan Part 5

Nipponham Group has formulated environmental targets related to the mitigation of climate change, resource saving, and resource recycling in New Medium-Term Management Plan

Part 5 that started in April 2015. The progress over the past year is displayed in the table below.

		Indicators		Progress in fiscal 2015
		Targets (Average between fiscal 2015 and fiscal 2017)	Baseline (Average between fiscal 2005 and fiscal 2010)	
Mitigation of climate change	CO ₂ emissions per unit of production	18.5% reduction (665.2kg-CO ₂ /t)	816.2kg-CO ₂ /t	13.0% reduction (709.9kg-CO ₂ /t)
Resource saving	Energy efficiency per unit of production	16.0% reduction (11.4GJ/t)	13.6GJ/t	12.5% reduction (11.9GJ/t)
	Water consumption per unit of production	4.0% reduction (17.2m ³ /t)	17.9m ³ /t	0.6% reduction (17.8m ³ /t)
	Waste per unit of production*	6.0% reduction (231.1kg/t)	245.8kg/t	0.04% increase (245.9kg/t)
Resource recycling	Waste recycling rate	More than 98.0%	95.8%	94.9%

*Excluding farms

Assessment of Product Life Cycle and Supply Chain

Since 2010, Nipponham Group has sold the *Mori-no-Kaori*® series displaying the carbon footprint mark in an effort to assess the volume of CO₂ emissions at various stages in the product life cycle, including the procurement of raw materials (meat, wheat, etc.), production, and the processing of product packages, as well as to share information with customers.

Since fiscal 2013, we have worked to assess CO₂ emissions throughout our supply chain including the use, disposal, and transportation of products, and business trips and commuting by employees, rather than just energy- and resource-use by the Group in Japan. The Group's total CO₂ emissions in fiscal 2015 were 10,058 thousand tons.

