



Providing the greatest
“Joy of Eating” in the world

NH Foods Group
Integrated Report 2018

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Forward-looking statements

This integrated report includes forecasts regarding targets, strategies, and earnings. These forecasts are based on information available at the current time and contain certain assumptions about the future. They are subject to numerous external uncertainties in areas such as the economic environment, market trends, and exchange rates. Actual performance may differ significantly from the targets in this presentation, and investment decisions should not be based exclusively on them.

Editorial policy

Since the reporting for the fiscal year ended March 31, 2018, we have published this document as an integrated report in order to convey our value creation, integrating financial information with non-financial information such as that associated with the environment, society, and governance to our shareholders, investors, and all our other stakeholders, in an easy-to-understand manner. When editing this report, we made reference to the International Integrated Reporting Framework published in December 2013 by the International Integrated Reporting Council (IIRC).

Time frame

Fiscal 2017 (April 1, 2017 – March 31, 2018)

Note: Some fiscal 2018 content is also included.

Scope

NH Foods Ltd. and 85 consolidated subsidiaries (55 in Japan; 30 overseas)
10 affiliated companies

IR information:

<https://www.nipponham.co.jp/eng/ir/>

CSR information:

<https://www.nipponham.co.jp/eng/csr/>



The Group's Brand Statement

The Brilliance of People for the Future of Food

The Group Brand Pledges

We aspire to share the pleasures of good eating
and the joys of health
with people around the world.

We pledge to impart the "Joy of Eating"
with the greatest of care,
through products that reflect our appreciation of
the bounty of nature and
our uncompromising commitment to quality,
and to remain at the forefront in our exploration of
food's contribution to a happy and healthy life.

Message from the President

We will aim to be a company that increases corporate value with a forward-looking view, and is able to contribute to a sustainable society.

I was appointed President and Representative Director starting this year.

Since our founding in 1942, the NH Foods Group has been striving to elevate culinary culture amid such changes in society as diversification of food and lifestyles through the “Joy of Eating,” which is the cornerstone of a happy life, by delivering a wide variety of foods to our customers, from hams and sausages, fresh meats, and processed foods to marine products, dairy products, and health foods. However, in order for the NH Foods Group to further grow, we must further evolve from conventional corporate activities. Unprecedented changes have occurred at unprecedented speed. For instance, globally, a sense of crisis over a stable food supply has been heightened due to population growth and climate change, and fully autonomous, more efficient operations have been brought on by technological innovation through AI and the IoT. While in Japan, low childbirth and the aging population is progressing, the number of farms, which are the most upstream point in our value chain, is declining. There are labor shortages in factories and other sites due to the falling labor population and new lifestyles are appearing due to increasing diversity. We must help solve the challenges facing society by creating new value, making these changes into growth opportunities.

In April 2018, the NH Foods Group started its Medium-Term Management Plan 2020. This plan describes our Ideals for 2040 and sets out initiatives over the next three years based on these ideals. Positioning “High-level Management for No.1 Quality” as our foundation, we will strive to improve products, management, and human resource quality and strengthen compliance and corporate governance. At the same time, we will increase our corporate value in terms of the environment, society, and the economy by facing the future in a medium- to long-term perspective, and aim to be a company that can contribute to a sustainable society.

Yoshihide Hata

President and Representative Director

The NH Foods Group Vision

Present

Medium-Term Management Plan 2020

Theme:
Building systems
that pave the way
to the future

Ideals for 2040

We will bring people
together everywhere by
creating great-tasting
fare that contributes to
happy and healthy lives

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.

Remaining True to Our Corporate Philosophies and Management Principles

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.