## Value creation process

## **VALUE CREATION**

## Sharing the Joy of Eating through the pursuit of improvement in social value and business value

Manufacturing

capital

**Utilization of** 

capital

Human

Intellectual

capital

relationship

capital

We will continue to pursue business activities that enhance our business and social value by leveraging a capital structure that enables us to adapt to changes in the external environment, and a competitive advantage built up over 80 years. The starting point for these efforts is our founding commitment to value and respect the bounty of nature.

Going forward, we are determined to realize our vision and corporate philosophies and further unleash new potentials for protein.

**Financial** 

- 1. Procurement and production networks that support safe, secure, and reliable supply
- 2. Developing products from a customer perspective
- 3. Nationwide sales and distribution network
- 4. Strong supply capacity and advanced processing technology evidenced by high market shares
- 5. Management commitment to leadership in quality backed by highly effective quality assurance structures

Our competitive advantages

Solution of social issues (Materialities)

- Stable procurement and supply of proteins
- Food diversification and health
- Contributing to a sustainable environment
- Co-creation and shared prosperity with local communities and society as a whole through food and sports
- Employee development and respect for diversity

Sustainable Increasing business value through the acquisition of new strengths and value

> Integrating management from a company-wide perspective

Structural reforms

**Business** 

activities

External co-creation activities

Vision2030 **Building an optimized Unleash** new potentials for protein

Enhancing

**Business Segments** 

supply of protein

Corporate philosophy

Joy of Eating

**Creating diverse** protein products

**Processed Foods Business Division** 

Fresh Meats Business Division

Overseas Business Division

**Ballpark and Other Business** 

Vision2030

Progress on materialities

Corporate governance

Solution of social issues Increase social value

Our Corporate Philosophies & **P. 11-**Segment data

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Ш Р. 13-Protein and the NH Foods Group **P. 20-**Capital utilization

Sustainability management

Corporate governance P. 75-

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## **External environment**

• Changes in food demand due to Japan's falling birthrate and demographic aging

Valuing and

respecting the

bounty of nature

- Changes in the supply-demand balance for food driven by global population growth
- Intensification of competition with other companies as trade agreements come into force

Natural

capital

- Environmental risks, including climate change risks and water risks
- Food safety risks
- Diversification of diets due to lifestyle changes

- Global inflation due to the conflict in
- Decrease in the number of domestic livestock farmers
- Soaring resource prices (grain, crude oil, etc.)
- Changes in consumer behavior due to the global pandemic
- Increasing focus on work style modification

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