

# Ballpark and Other Business



An exciting new business model combining leisure facility development with community building

## Building a stable income base and ensuring future growth through business model innovation

In March 2023, we opened Hokkaido Ballpark F Village (“F Village”), with our new ballpark, ES CON FIELD HOKKAIDO, as its centerpiece.

We substantially modified the business scheme in 2023 following the relocation from the Sapporo Dome stadium. By owning and operating the ballpark within the NH Foods Group, we will gain a greater degree of freedom, as well as the potential for significant growth in revenues from merchandise, food and beverages, and advertising. Our yearly sales target is ¥23.4 billion, an increase of ¥7.7 billion. We expect business profit in the fiscal year ending March 2024 to rise by ¥2.6 billion.

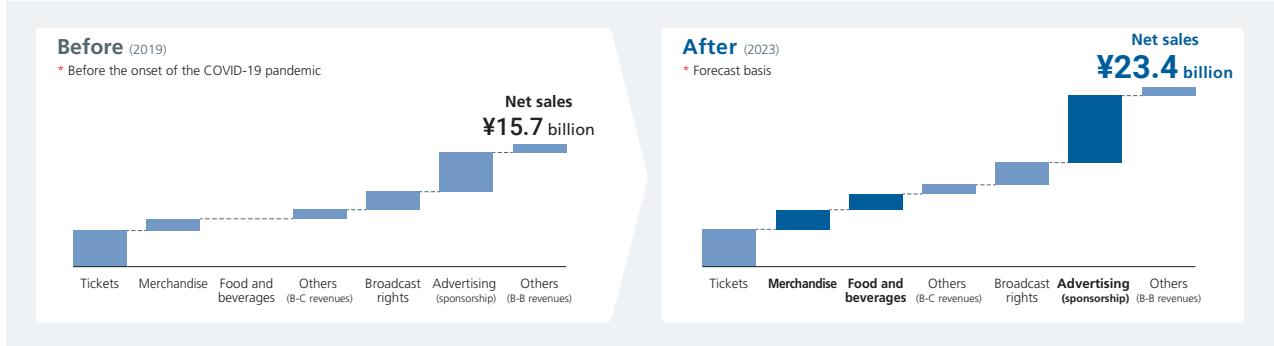
We are projecting that the F Village complex will attract three million visitors per year, with two million attending on match days and one million on non-match days. On match days, we will enhance visitor satisfaction by providing an entertainment experience that combines food and sports. Some of the food and beverage and merchandise outlets will also open on non-match days,

and the stadium itself will be open 365 days a year. Stadium tours will also be available. By attracting not only baseball fans but also visitors who are not interested in the sport, we will be able to generate profit even on non-match days.

In the first three months after the opening of the ballpark in March 2023, the facility attracted 1.53 million visitors (a daily average of 13,900), with 37% visiting on non-match days. Around 27% of the visitors were from outside of Hokkaido, including a significant number of overseas visitors. In June 2023, there were over 165,000 group visitors, a five-fold increase over the 2019 level.

During the off-season starting in October, we will work to capture overseas inbound tourist demand by organizing a variety of events. In 2024, we will open the senior residence facility and medical mall. We aim to achieve sustainable growth at F Village by continuing to expand our co-creation initiatives with our partners.

### Sales mix before and after



## A co-creative community space

Our philosophy for the F Village complex has earned the support of our partners in the business, government, and academic sectors. In addition to generating financial value, we will work with our partners to develop the complex as an exciting co-creative community space. This sustainable community development perspective will lead to improvement in our corporate value, including non-financial value.

In addition to the ballpark, the complex already includes residential units, a certified childcare support center, glamping facilities, and athletic facilities. We will work with our partners to create not just a leisure destination, but an entire community. We see initiatives such as this as a way to contribute to regional development and enhance our

corporate value from a wide range of perspectives.

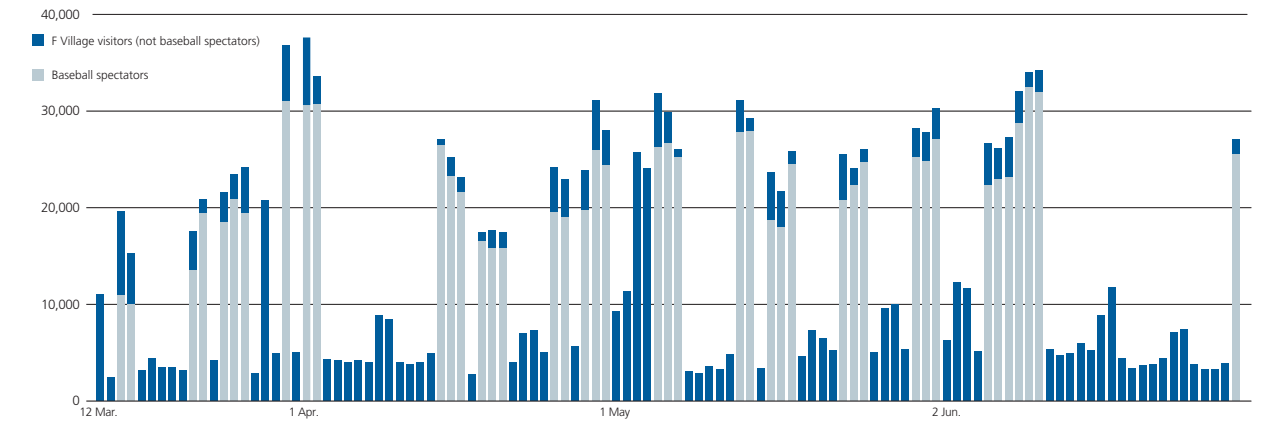
### Visitors to tourist attractions in Hokkaido (FY2019)

Attraction	Visitors
Hokkaido Ballpark F Village	3,000,000*
Asahiyama Zoo (Asahikawa City)	1,391,428
Noboribetsu Onsen (Noboribetsu City)	1,024,470
Sapporo Maruyama Zoo (Sapporo City)	1,021,281
Nakayama Pass (Kimobetsu-cho)	977,798
Rice Land Fukagawa Road Station (Fukagawa City)	949,743
Yunokawa Onsen (Hakodate City)	841,461
Niseko View Plaza Road Station (Niseko-cho)	751,916
Nakasatsunai Road Station (Nakasatsunai Village)	720,283
Toyako Onsen (Toyako-cho)	627,638
Akanko Onsen (Kushiro City)	515,910

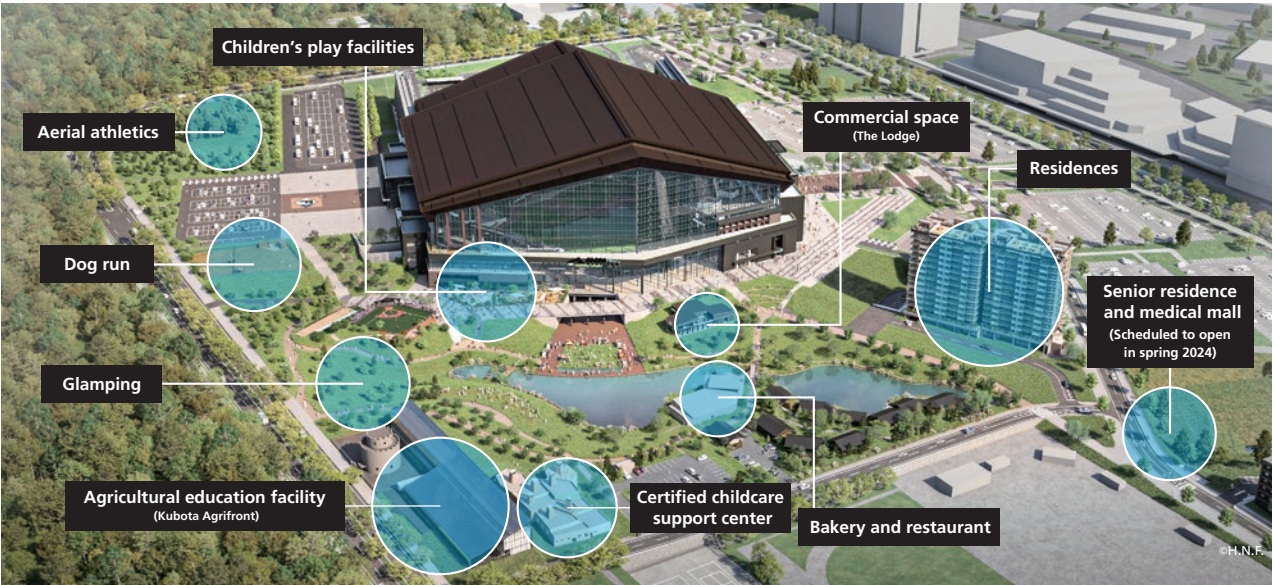
Based on Hokkaido Open Data CC-BY4.0 (with modification)  
Source: Survey of Tourist Destination Trends (2019)  
\* With a yearly visitor number target of 3 million, the F Village is expected to become Hokkaido’s number one leisure destination.

### 37% of F Village visits for non-baseball activities

\* Of the 1.53 million people who visited the F Village between March 12 and June 30, 2023, 960,000 attended baseball games.



### Spaces for co-creative community initiatives by Fighters Sports & Entertainment and partners



Sustainability bonds used to finance the new ballpark

Our goal in creating Hokkaido Ballpark F Village was not only to build the new ES CON FIELD HOKKAIDO ballpark at the heart of the complex, but also to deepen our regional roots and work with stakeholders to create a space that will become a symbol of Hokkaido, and a sustainably growing community that will be viewed with pride and affection by the people of Hokkaido.

We will also create social value by making the complex available as an evacuation facility in times of emergency. Another important characteristic of the new ballpark is its environment-friendly design, which minimizes both energy and resource use.

Recognition of these efforts includes a five-star rating under the DBJ Green Building certification system. Administered by the Development Bank of Japan, this system was established to support environmentally and socially responsible initiatives by real estate developers and businesses.

This support enabled us to raise finance through a

sustainability bond issue. The funds were used to cover the cost of constructing the new ballpark, and for refinancing. Sustainability bonds can only be used for projects designed to mitigate environmental and social issues and provide positive outcomes. One of the Five Materialities (key issues) identified by the NH Foods Group in fiscal 2020 was “contributing to a sustainable environment.” The use of the sustainability bond issue to finance the new stadium aligns with our commitment to environmental sustainability and social initiatives.

Sustainability bond issue

Issue dates:	February 2021	October 2022
Maturity:	10 years	5 years
Amount:	¥10 billion	¥20 billion
Lead managers:	SMBC Nikko Securities Inc. (administration) and others	Nomura Securities Co., Ltd. (administration) and others

Fund allocation reporting	<div>Amount raised*1: <b>¥29,813</b> million</div> <div>Amount allocated*2: <b>¥29,813</b> million</div> <div>Unallocated balance: <b>¥0</b> million</div> <div><p>*1 The amount raised from the bond issue after deduction of issuance costs</p><p>*2 This amount was allocated to expenditure on the construction of the new ballpark through refinancing and investment and loans to affiliated companies.</p></div>
Impact reporting (April 2022–March 2023)	<div><p>Green project</p><p><b>Eligibility category: Green building</b></p><p>5-star rating under the DBJ Green Building certification system</p><p>Energy usage: —*</p><p>CO<sub>2</sub> emissions: —*</p><p>Water usage: —*</p><p>* Completed in January 2023, opened in March 2023. The figures have not been disclosed in this report due to the difficulty of monitoring levels accurately since the opening.</p></div> <div><p>Social project</p><p><b>Eligibility category: Improvement of access to essential services</b></p><p>The following facilities have been provided.</p><ul style="list-style-type: none"><li>• Multipurpose toilets (four on 1F, 4 on 2F, and 2 on 3F)</li><li>• 118 disability parking spaces</li><li>• 154 spaces for spectators in wheelchairs</li><li>• Spaces for spectators with guide dogs (access to all areas)</li><li>• 6 wheelchair slopes</li><li>• 2 escalators in the main stairwell on the third base side</li><li>• Stockpiles of emergency provisions*</li><li>• 11 free amusement facilities for children (5 swings, 2 ziplines, 1 immobile car ride, 1 immobile ladybird ride, 1 slide, log steps)</li><li>• Multilingual signage within the urban park area (5 locations)</li></ul><p>* The quantities of stockpiles are not disclosed, since they are the property of the Hokkaido Government.</p></div>

New businesses

In line with our commitment to unleashing new potentials for protein, we are developing the Entertainment Business to create new ways of enjoying protein, the Wellness Business as a way of providing diverse people with opportunities to enjoy food through protein and the Sustainability Business to build future generations with protein.

Three business areas

Entertainment Business  
*Meatful*



*Meatful* is a D2C sales promotion website focused on food entertainment. It was established to help people break out of the sense of isolation caused by the COVID-19 pandemic by offering meat-based meal ideas that can be turned into opportunities for

dialogue with family and friends.

Content includes information about pairing sake with foods, and a free research program through which people learn to make sausages during the summer vacation. One example of the site’s support for dietary diversification is its promotion of jerky as a snack food for mountain climbers.

In fiscal 2023, we have started to pursue collaborative initiatives with Hokkaido Ballpark F Village. We have also established a commercial site to sell products to corporate customers.

Wellness Business  
*Table for all*




We have responded to the diversification of food and health needs by creating the Japanese food industry’s first comprehensive Internet platform for food allergy support. We help people with various food allergies by maintaining a website where people can buy

food allergy support products and obtain information and dietary advice.

New products developed and added to our lineup in fiscal 2022 include *nikuman* (steamed pork buns) made with rice dough, and chocolate cakes made with rice flour.

In fiscal 2023, we will further expand and enhance the community site that we created in fiscal 2022. We will also explore opportunities to develop overseas websites based on success stories in Japan.

Sustainability Business  
*Mealin’ Good*



The *Mealin’ Good*\*1 website went on line in March 2023 as a platform for introducing sustainability initiatives and new products created by the NH Foods Group. The purpose of the site is to help people and the Earth to feel good and enjoy good times by offering new food ideas based on new concepts.

The first product to be offered was *Gras*

*Foie*, a new sustainable product created using a process\*2 exclusively developed by the NH Foods Group to utilize chicken livers, which have food potential that has not been fully realized in the past. The aim was to recreate the rich flavor and smooth texture of foie gras.

In fiscal 2023, we will continue our efforts to create foods that can be produced sustainably, including the use of ingredients that have not previously been employed.

\*1 The name “*Mealin’ Good*” was chosen for its good sound in Japanese, and as an expression of the idea of feeling good and enjoying good times through food.

\*2 A patent application has been submitted for this process, which combines formulation and manufacturing methods.