



A message from the executive officer in charge of human resources



System reforms designed to foster an organizational culture focused on new challenges

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Review of fiscal 2023

We created the NH Foods Group's human resource strategy by backcasting from Vision2030. We aim to maximize our human capital through employee engagement, value creation, and innovation. The human resource policies that we have developed to realize this vision are based on three pillars: personal growth, organizational growth, and diversity, equity, and inclusion.

I regard personal growth as a key step toward career autonomy. As in the previous fiscal year, we supported career development through a personal declaration system and career interviews. We also ran career seminars and provided support for reskilling. In addition, we conducted a survey of our employees. In fiscal 2023, the percentage of employees who responded positively when asked if they were able to take up new challenges through their work was 0.4% lower year on year at 66.5%, while 66.7% responded positively to a question about work motivation (0.6% lower).

Our efforts to achieve organizational growth centered on the enhancement of management processes and specialized capabilities. We placed particular emphasis on the training of management personnel, including transfers in coordination with succession plans, and training programs designed to enable selected personnel to gain the necessary knowledge and skills when before and after transfers.

In 2021, we defined approximately 30 assessment KPIs relating to diversity, equity and inclusion. Evidence that initiatives based on these KPIs are steadily yielding results includes the fact that the percentage of female managers exceeded 10% in fiscal 2023.

Key aspects of our human resource strategy under Medium-Term Management Plan 2026

One of the major goals under our human resource strategy is to foster an organizational culture focused on new challenges. As under the previous Medium-Term Management Plan, our initiatives to develop our organizational culture center on personal growth, organizational growth, and diversity, equity, and inclusion. We have also prioritized the training and recruitment of innovative managers, and career development for diverse people.

For the purpose of these initiatives, we have broadly divided our corporate organization into three categories: the management team, frontline action leaders at the divisional and department manager levels, and general employees.

We have identified key steps toward fostering an organizational culture focused on new challenges. Above all, the management team needs to show leadership and express their commitment to the employees. Another requirement is effective management and monitoring of progress on these initiatives.

We are moving into an era of increasingly diverse value systems and accelerating social change. To adapt to these environmental changes and achieve growth over the medium- to long-term future, we need to reform our business models and ensure that individual employees can take up new challenges.

To enable employees to take up new challenges, we need to free up time by improving operational efficiency. We will also pursue workstyle reforms so that employees can choose workstyle options according to their life stages.

Motivation is a vital element for personal growth. We will develop environments and systems designed to motivate employees by ensuring that the results of their initiatives are properly recognized.



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changes to our systems for training, transfers, and other processes, and by onboarding mid-career hires.

Implementing and strengthening the human resource strategy

While fostering an organizational culture focused on new challenges will be a priority under Medium-Term Management Plan 2026, personal growth, organizational growth, and diversity, equity, and inclusion will also continue to be important goals. We will link personal growth to organizational growth, while positioning diversity, equity, and inclusion as the foundations for growth.

I have two key roles to play in these efforts. First, I will ensure that our systems and mechanisms are consistently administered in ways that contribute to the realization of our vision for NH Foods, as defined in Vision2030. Human resource systems and mechanisms are meaningless unless they are administered effectively. Comprehensive initiatives in this area will enable the management team, action leaders, and general employees to work toward the same goals, leading to the achievement of Vision2030.

My other role is to modify any systems that are found to be unworkable or counterproductive in the context of our efforts to foster an organizational culture focused on new challenges. I aim to create an improvement cycle in which actions will be guided by analyses to determine whether immediate remedial measures are possible, or whether we should prepare for system upgrades to be implemented in the following fiscal year. In fiscal 2024, I will redefine my role as the executive officer in charge of human resources and focus my efforts toward the creation of this cycle.

We aim to achieve cultural reform under the current Medium-Term Management Plan through a flow of processes. The management team will set the direction for efforts to foster an organizational culture focused on new challenges, while action leaders will assess and approve initiatives that reflect the management team's commitment and create an environment in which people can take up challenges.

In fiscal 2024, we took our first steps toward fostering an organizational culture focused on new challenges by incorporating KPIs relating to innovation, challenge, and career development for diverse people into executive officers' commitment sheets, and by setting targets for the management team through interviews with the president. We will monitor these targets quantitatively and qualitatively while working to maximize our human capital.

From the viewpoint of ensuring our future competitiveness, I feel that in addition to this reform of our organizational culture, we also need to think about changes to our recruitment methods. Traditionally, our recruitment activities have focused primarily on new graduates. Going forward, we will also step up our efforts to attract a diverse range of mid-career recruits. Mid-career recruitment has been a KPI for our human resource strategy since fiscal 2022, and we aim to increase the percentage of mid-career recruits to 15% or higher as we move into 2030. We are initially bringing mid-career personnel into our corporate organization, and we have already appointed mid-career hires to management positions. Going forward, we will also consider mid-career recruitment for positions in business units and the management team. At the same time, we are working to accommodate diverse career aspirations through