

## A message from the executive officer in charge of human resources

# Our evolution as people and organizations ready to take up the challenge of group-wide transformation

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### Human capital strategy centered on fostering a culture of challenge

FY2024 was the first year of Medium-Term Management Plan 2026, under which we have adopted a growth strategy characterized by a shift to a more aggressive stance. Linked to this is a human capital strategy that centers on fostering an organizational culture focused on new challenges. This stance reflects our belief that business transformation and proactive management are the cumulative outcomes of bold challenges by all executives and employees in the NH Foods Group.

The NH Foods Group traditionally had a culture of taking up challenges without fear of change. However, an increased emphasis on compliance after 2002 resulted in a shift to a more defensive organizational culture. We became concerned that this change had weakened our ability to take up new challenges. The goal of our human capital strategy is to rebuild an aggressive organizational culture on a foundation of compliance.

We have adopted two approaches to the development of a challenge-focused organizational culture. The first is the training and recruitment of innovative managers. Cultural transformation begins with the willingness of the management team to take up challenges and transform themselves. All officers, including the President, have declared their own challenges and created mechanisms to reflect progress toward those commitments in executive evaluation systems. We have also prioritized strategic hiring, selection and training.

The other approach is the promotion of career development for diverse people. We have created structures within which people can recognize and support each other's challenges, and we have designed systems and mechanisms from the perspective of engagement and motivation. In FY2024, we began to measure our progress on these initiatives based on 30 KPIs.

We are also revising its systems to ensure that they are administered in ways that result in appropriate assessment and treatment and are conducive to motivation and growth.

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### From mindset transformation to action under the leadership of the management team

Many of our 30 KPIs point to steady improvement in the working environment, including career advancement for women, the reduction of total working hours, and the promotion of mental and physical health. However, a key challenge going forward will be the enhancement of employee motivation. That is why we have prioritized initiatives to create a framework that encourages challenges and a framework to enhance job satisfaction. We are using the results of our annual employee survey (□ P.42) as a KPI for this process. We aim to achieve a positive response ratio of 80% or higher by FY2030.

The results of our FY2024 survey showed a year-on-year improvement in the result for creating a framework that encourages challenge. However, the score for creating a framework to enhance job satisfaction was unchanged. Over the past year, management has issued messages designed to encourage challenges and transformation and modified various systems and mechanisms. For example, we added “challenges” to our evaluation items and created a system that recognized the process of taking up challenges, irrespective of the outcomes. Changes such as these are starting to raise employee awareness about the direction the company is aiming for.

We have decided to make FY2025 a year in which the management team will fully commit to action on the concepts of “challenge” and “motivation.” We will also implement specific measures in all workplaces to ensure that the management team’s commitment is reflected in the actions of division and department managers as the officers responsible for promoting these concepts. When considering how to create an environment where all employees can truly feel the impact of change, we need to move beyond incremental thinking and instead focus on generating fresh ideas and insights. We strongly encourage executives and divisional and department managers to challenge goals identified through back-casting rather than as extensions of past practices. We will also work to deepen our

culture by combining top-down initiatives led by management with encouragement for bottom-up efforts by employees and support for the implementation of those initiatives.

### Expansion of overseas human capital to support global business expansion

The NH Foods Group has identified global business expansion as one of its growth strategies under Medium-Term Management Plan 2026. The recruitment and training of talent to lead this strategy are urgent priorities. We are currently increasing our

pool of management talent and specialist staff, especially in the United States, Australia, and Asia. We also plan to step up mid-career and overseas recruitment of people willing to work overseas. In addition, we aim to build a pool of overseas talent.

Going forward, we are determined to achieve our goals under the Medium-Term Management Plan and realize Vision 2030, including global business expansion, by further clarifying the human capital portfolio needed to drive our management strategies, and by deploying the right people to the right positions across the entire NH Foods Group.

#### Overview of our human resource strategy

