

# NH Foods Group Data Book 2022

Issued on June 30, 2022

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Unleash new potentials for protein

NH Foods Group Vision 2030



# Financial data

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As of September 30, 2022

# Consolidated Financial Statements (past ten years)

NH Foods Ltd. and Subsidiaries

For the Years Ended March 31

	USGAAP						IFRS					(¥ million)
	3/13	3/14	3/15	3/16	3/17	3/18	3/18	3/19	3/20	3/21	3/22	
Net sales	¥1,011,619	1,110,766	1,199,956	1,229,324	1,202,293	1,269,201	1,258,463	1,234,180	1,229,826	1,106,351	1,174,389	
Operating income	30,447	36,089	47,770	49,207	53,802	49,218	—	—	—	—	—	
Profit before tax [Net profit for the period from continuing operations before income taxes, etc.]	30,552	35,673	43,797	35,309	49,112	50,455	52,798	30,267	27,039	47,604	51,366	
Profit attributable to owners of the parent [Net profit attributable to owners of the parent]	16,459	24,524	31,048	21,779	35,004	37,147	37,552	19,561	19,214	32,616	48,049	
Business profit	—	—	—	—	—	—	50,589	38,311	43,772	52,426	48,116	
Total assets	610,293	627,220	661,567	682,855	720,276	755,076	734,528	741,388	768,861	825,405	909,213	
Total equity attributable to owners of the parent	293,414	320,984	353,664	356,353	404,126	440,793	417,982	401,014	404,414	433,595	479,069	
Interest-bearing liabilities	149,821	144,901	136,758	154,583	138,284	110,948	111,401	147,009	176,493	193,750	211,407	
Cash flows from operating activities	37,407	32,952	29,681	52,535	65,254	54,626	53,284	30,844	65,464	82,518	33,387	
Cash flows from investing activities	(22,384)	(27,021)	(31,517)	(49,139)	(38,271)	(49,006)	(48,194)	(45,110)	(36,728)	(57,827)	(22,837)	
Free cash flow	15,023	5,931	(1,836)	3,396	26,983	5,620	5,090	(14,266)	28,736	24,691	10,550	
Cash flows from financing activities	(10,964)	(9,373)	(17,187)	8,182	(11,439)	(27,508)	(27,110)	2,932	(3,077)	(14,934)	(12,162)	
Capital expenditures	33,285	29,152	35,694	36,799	43,765	41,466	41,201	47,820	47,802	82,902	80,395	
Depreciation and amortization	19,323	18,649	18,951	19,445	19,765	21,234	20,714	22,417	33,038	33,939	36,379	
<b>Per share amounts</b>												
Basic earnings per share [Basic net profit per share attributable to owners of the parent]												
Continuing operations (¥)	¥182.94	¥248.02	¥297.70	¥245.56	¥343.59	¥348.46	¥352.26	¥183.21	¥186.70	¥311.13	¥380.87	
Discontinued operations (¥)	(24.10)	(3.79)	7.16	(31.72)	(0.12)	—	—	—	—	¥6.84	¥89.05	
Total (¥)	¥158.84	¥244.23	¥304.86	¥213.84	¥343.47	¥348.46	¥352.26	¥183.21	¥186.70	¥317.97	¥469.92	
Diluted earnings per share [Diluted earnings per share for the period attributable to owners of the parent]												
Continuing operations (¥)	¥164.56	¥225.27	¥279.50	¥230.61	¥322.66	¥342.07	¥350.00	¥181.48	¥186.64	¥311.05	¥380.78	
Discontinued operations (¥)	(21.68)	(3.44)	6.72	(29.72)	(0.12)	—	—	—	—	¥6.84	¥89.03	
Total (¥)	¥142.88	¥221.83	¥286.22	¥200.89	¥322.54	¥342.07	¥350.00	¥181.48	¥186.64	¥317.89	¥469.81	
Total equity per share attributable to owners of the parent (¥)	¥2,944.20	¥3,151.94	¥3,472.37	¥3,498.72	¥3,832.95	¥4,100.70	¥3,888.48	¥3,896.64	¥3,929.43	¥4,243.70	¥4,681.82	
Cash dividends (¥)	¥24.00	¥37.00	¥46.00	¥33.00	¥52.00	¥53.00	¥53.00	¥90.00	¥90.00	¥94.00	¥102.00	
<b>Financial indicators</b>												
Business profit ratio (%)	—	—	—	—	—	—	4.0	3.1	3.6	4.6	3.9	
Operating profit ratio (%)	3.0	3.2	4.0	4.0	4.5	3.9	—	—	—	—	—	
Return on equity (ROE) (%)	5.6	8.0	9.2	6.1	9.2	8.8	9.4	4.8	4.8	7.8	10.5	
Return on invested capital (ROIC) (%)	4.3	4.9	6.4	6.5	7.0	6.2	6.6	4.9	5.3	5.9	5.0	
Total equity attributable to owners of the parent ratio [Total equity ratio] (%)	48.1	51.2	53.5	52.2	56.1	58.4	56.9	54.1	52.6	52.5	52.7	
Interest-bearing liabilities / Equity ratio [Equity ratio] (Times)	0.51	0.45	0.39	0.43	0.34	0.25	0.27	0.37	0.44	0.45	0.44	
Interest coverage ratio (Times)	22.8	21.3	24.2	35.1	57.4	44.7	43.1	24.2	40.6	61.6	27.9	
Payout ratio (consolidated) (%)	30.2	30.3	30.2	30.9	30.3	30.4	30.1	49.1	48.2	29.6	21.7	

### Notes:

1. NH Foods Ltd. has voluntarily applied International Financial Reporting Standards (IFRS) to consolidated financial statements for the first quarter of the fiscal year ended March 31, 2019.  
Where items differ from the USGAAP or IFRS standards, the corresponding USGAAP item is shown in [ ].
2. Figures have been rounded to the nearest unit.
3. As of April 1, 2018, NH Foods Ltd. carried out a share consolidation at a ratio of one share for each two shares of common stock.  
Total NH Foods Ltd. shareholders' equity per share, basic earnings per share attributable to NH Foods Ltd. shareholders and diluted earnings per share attributable to NH Foods Ltd. shareholders were computed on the assumption that the share consolidation was carried out at the beginning of the fiscal year ended March 31, 2013.  
Cash dividends represent the actual payment prior to the relevant share consolidation.
4. Operating income represents net sales less cost of goods sold and selling, general and administrative expenses.
5. Starting from the fiscal year ended March 31, 2020, NH Foods Group discloses business profit (calculated by deducting the cost of goods sold, and selling, general and administrative expenses from net sales, and making adjustments of currency gains and losses as determined by the Group, adjustments in accordance with IFRS, and adjustments of non-recurring items) in place of the operating income results disclosed previously. The purpose of this change is to provide a clear indication of profit earned through business activities.  
The figures for the fiscal years ended March 31, 2018 and March 31, 2019 have been restated retroactively.
6. Interest-bearing liabilities under USGAAP consists of short-term bank loans, current maturities of long-term debt and long-term debt, less current maturities (including zero coupon convertible bonds) in the consolidated balance sheets.
7. Capital expenditures represent the additions to tangible and intangible fixed assets.  
Since the fiscal year ended March 2020, capital expenditures have consisted of changes.
8. Depreciation and amortization consist of depreciation of tangible fixed assets and amortization of intangible fixed assets.  
Since the fiscal year ended March 2020, depreciation and amortization have consisted of depreciation of property, plant and equipment, right-of-use assets, and intangible assets.
9.  $ROE (\%) = \text{Profit attributable to owners of the parent} / \text{Average total equity attributable to owners of the parent} \times 100$   
 $\text{Free cash flow (million yen)} = \text{Cash flows provided by operating activities} + \text{Cash flows used in investing activities}$   
 $\text{Total equity attributable to owners of the parent ratio} (\%) = \text{Total equity attributable to owners of the parent} / \text{Total assets} \times 100$   
 $\text{Interest-bearing liabilities/equity ratio (times)} = \text{Interest-bearing liabilities} / \text{Total equity attributable to owners of the parent}$   
 $\text{Interest coverage ratio (times)} = \text{Cash flows provided by operating activities} / \text{Interest paid}$
10. In the fiscal year ended March 2022, we sold our entire shareholding in Marine Foods Corporation, a consolidated subsidiary.  
As result, Marine Foods Corporation and its subsidiaries, etc., are now classified as non-continuous businesses.  
Figures for non-continuous businesses have been excluded from net sales and profit for the period before income taxes, etc., for the fiscal year ended March 2022 and the fiscal year ended March 2021.  
The ratio of business profit to net sales was calculated using business profit after adjustment for non-continuing businesses (¥45,821 million in FYE March 2022, ¥50,532 million in FYE March 2021).

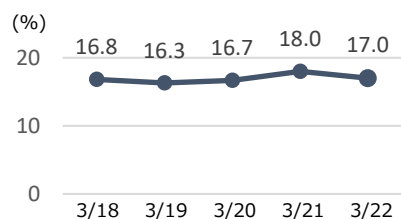
# Consolidated Financial Summary

## Profitability Indicators

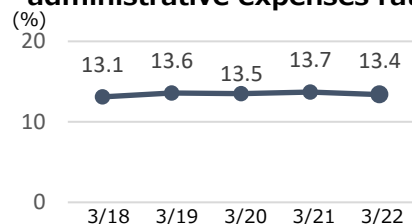
	3/18	3/19	3/20	3/21	3/22
Gross profit ratio	16.8	16.3	16.7	18.0	17.0
Selling, general and administrative expenses ratio	13.1	13.6	13.5	13.7	13.4
Business profit ratio	4.0	3.1	3.6	4.5	3.9
Return on sales <sup>*1</sup>	3.0	1.6	1.6	2.8	4.1

<sup>\*1</sup> Return on sales (%) = Profit attributable to Owners of The Parent/Net sales×100

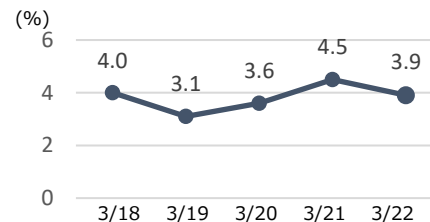
### Gross profit ratio



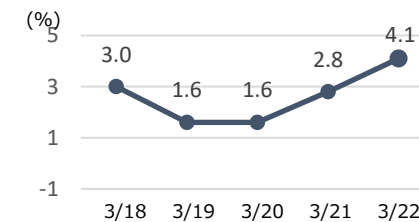
### Selling, general and administrative expenses ratio



### Business profit ratio



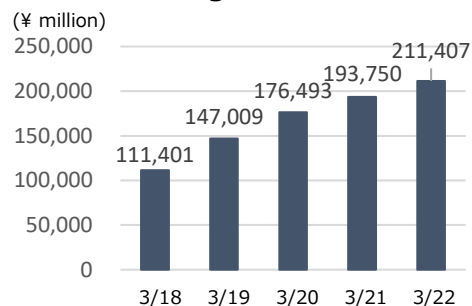
### Return on sales



## Total Assets, Total Equity attributable to Owners of The Parent and Interest-Bearing Liabilities

	3/18	3/19	3/20	3/21	3/22
Total assets	734,528	741,388	768,861	825,405	909,213
Total equity attributable to owners of the parent	417,982	401,014	404,414	433,595	479,069
Interest-bearing liabilities	111,401	147,009	176,493	193,750	211,407

### Interest-bearing liabilities



## Stability and Liquidity Indicators

	3/18	3/19	3/20	3/21	3/22
Total equity attributable to owners of the parent ratio (%) <sup>*1</sup>	56.9	54.1	52.6	52.5	52.7
Interest-bearing liabilities/equity ratio (Times) <sup>*2</sup>	0.27	0.37	0.44	0.45	0.44
Interest-bearing liabilities/cash flow ratio (%) <sup>*3</sup>	47.8	21.0	37.1	42.6	15.8
Interest coverage ratio (Times) <sup>*4</sup>	43.1	24.2	40.6	61.6	27.9

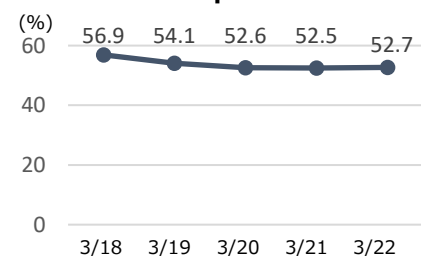
\*1 Total equity attributable to owners of the parent ratio [NH Foods Ltd. shareholders' equity ratio] (%) = Total equity attributable to owners of the parent/Total assets×100

\*2 Interest-bearing liabilities/equity ratio (Times) = Interest-bearing liabilities/Total equity attributable to owners of the parent

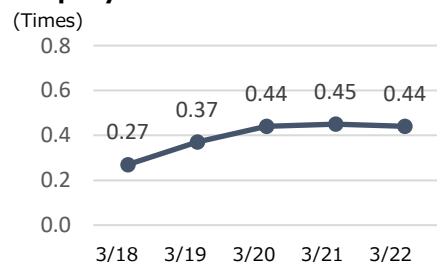
\*3 Interest-bearing liabilities/cash flow ratio (%) = Net cash provided by operating activities/Interest-bearing liabilities×100

\*4 Interest coverage ratio (Times) = Net cash provided by operating activities/Interest paid

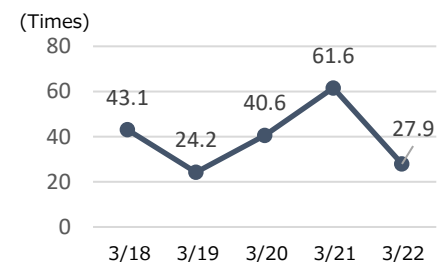
### Total equity attributable to owners of the parent ratio



### Interest-bearing liabilities/equity ratio



### Interest coverage ratio



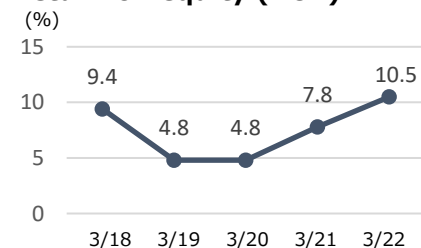
## Return Indicators

	3/18	3/19	3/20	3/21	3/22
Return on equity (ROE) <sup>*5</sup>	9.4	4.8	4.8	7.8	10.5
Return on invested capital (ROIC) <sup>*6</sup>	6.6	4.9	5.3	5.9	5.0

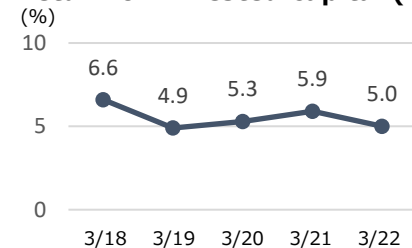
\*5 Return on equity (ROE) (%) = Profit attributable to owners of the parent/Average total equity attributable to owners of the parent×100

\*6 Return on invested capital (ROIC) (%) = Invested capital turnover × Business profit rate × (1 – Tax rate)

### Return on equity (ROE)



### Return on invested capital (ROIC)



## Efficiency Indicators

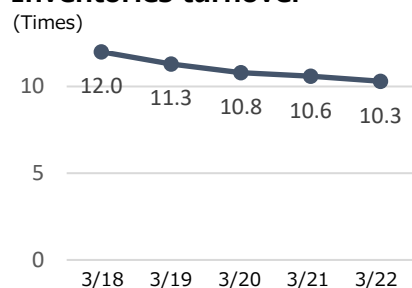
	3/18	3/19	3/20	3/21	3/22
Inventory turnover (Times) <sup>*1</sup>	12.0	11.3	10.8	10.6	10.3
Total assets turnover (Times) <sup>*2</sup>	1.8	1.7	1.6	1.5	1.4
Inventory turnover (Days) <sup>*3</sup>	30.3	32.4	33.8	34.5	35.4

<sup>\*1</sup> Inventories turnover (Times) = Net sales/Average inventories

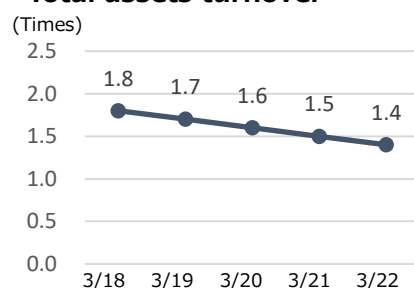
<sup>\*2</sup> Total assets turnover (Times) = Net sales/Average total assets

<sup>\*3</sup> Inventories turnover (Days) = 365/Inventories turnover

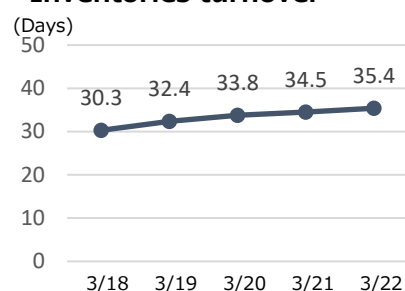
### Inventories turnover



### Total assets turnover



### Inventories turnover



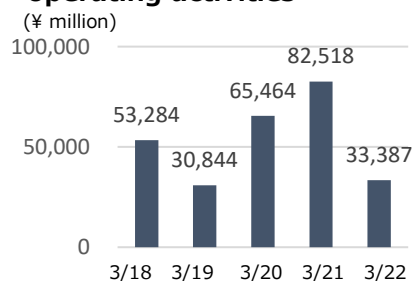
## Cash Flows

	3/18	3/19	3/20	3/21	3/22
Cash flows from operating activities	53,284	30,844	65,464	82,518	33,387
Cash flows from investing activities	(48,194)	(45,110)	(36,728)	(57,827)	(22,837)
Free cash flow <sup>*4</sup>	5,090	(14,266)	28,736	24,691	10,550
Cash flows from financing activities	(27,110)	2,932	(3,077)	(14,934)	(12,162)
Cash and cash equivalents at end of the year	58,290	48,108	72,399	83,831	85,374

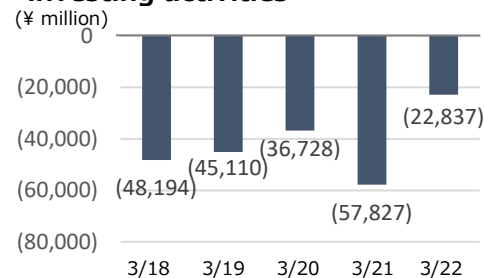
(¥ million)

<sup>\*4</sup> Free cash flow = Net cash from operating activities + Net cash from investing activities

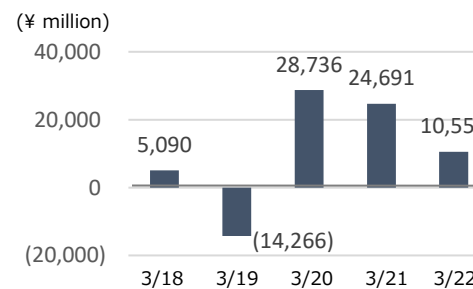
### Cash flows from operating activities



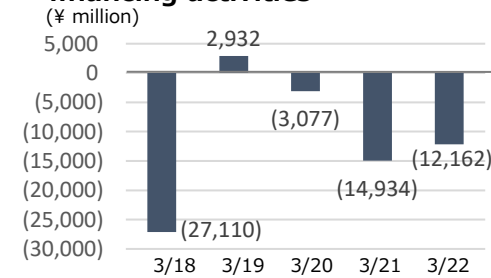
### Cash flows from investing activities



### Free cash flow



### Cash flows from financing activities

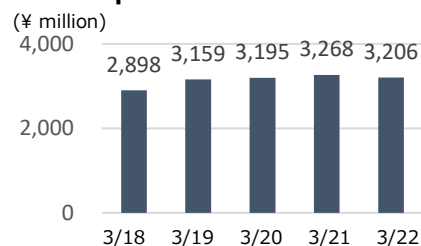


## R&amp;D, Capital Expenditures, Depreciation and Amortization

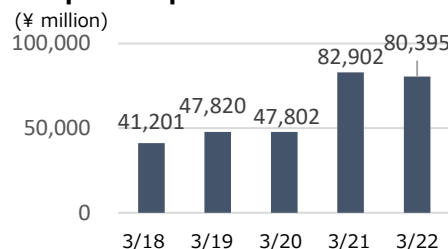
(¥ million)

	3/18	3/19	3/20	3/21	3/22
R&D expenditures	2,898	3,159	3,195	3,268	3,206
Capital expenditures	41,201	47,820	47,802	82,902	80,395
Depreciation and amortization	20,714	22,417	33,038	33,939	36,379

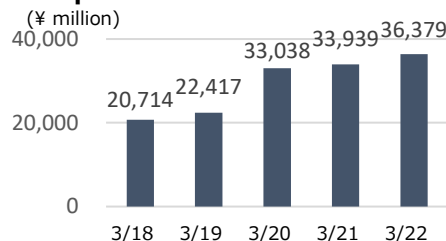
## R&amp;D expenditures



## Capital expenditures



## Depreciation and amortization



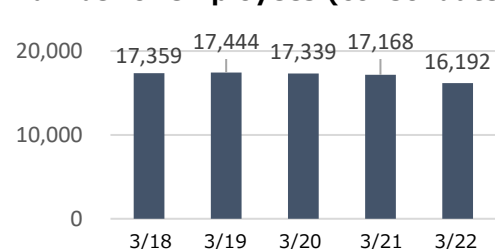
## その他データ

	3/18	3/19	3/20	3/21	3/22
Number of employees (consolidated)	17,359	17,444	17,339	17,168	16,192
Average number of temporary employees	13,296	13,396	12,791	12,222	11,457
Dividend per share (¥) <sup>*1</sup>	53.0	90.0	90.0	94.0	102.0
Payout ratio (consolidated) (%)	30.1	49.1	48.2	29.6	21.7
Stock price <sup>*2</sup>					
High (¥)	4,435 [3,660]	4,830	4,940	5,100	5,100
Low (¥)	4,295 [2,142]	3,655	2,900	3,220	3,790

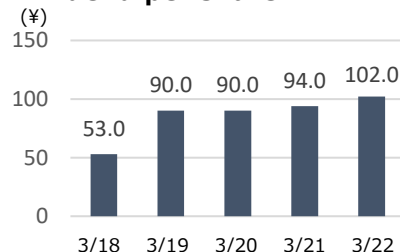
<sup>\*1</sup> Cash dividends represent the actual payment prior to the relevant share consolidation.

<sup>\*2</sup> For the fiscal year ended March 31, 2018, the highest and lowest stock price after the consolidation of shares is stated and the highest and lowest stock price before the stock consolidation is stated in “[ ]”.

## Number of employees (consolidated)



## Dividend per share





## Segment Information

## By Operating Segment

(¥ million)

		3/18	3/19	3/20	3/21	3/22
<b>Processed Foods Business Division</b>	Net sales	525,351	512,302	498,781	489,362	496,700
	(1) External customers	500,748	487,607	473,953	463,526	469,953
	(2) Intersegment	24,603	24,695	24,828	25,836	26,747
	Segment expenses	516,058	502,739	485,413	471,385	482,021
	Segment profit	9,293	9,563	13,368	17,977	14,679
	Assets	292,057	301,254	293,662	308,769	271,700
	Depreciation and amortization	8,974	10,130	11,168	11,720	12,666
<b>Fresh Meats Business Division</b>	Capital expenditures	23,005	27,096	16,995	26,032	11,038
	Net sales	690,094	673,000	685,630	656,668	683,301
	(1) External customers	617,396	603,661	612,545	591,576	621,531
	(2) Intersegment	72,698	69,339	73,085	65,092	61,770
	Segment expenses	644,550	638,409	653,597	615,425	585,958
	Segment profit	45,544	34,591	32,033	41,243	35,573
	Assets	318,754	336,738	342,144	341,364	364,830
<b>Overseas Business Division</b>	Depreciation and amortization	6,785	7,241	7,752	8,012	8,705
	Capital expenditures	11,961	13,768	11,735	15,966	17,083
	Net sales	253,895	254,789	254,649	223,649	267,623
	(1) External customers	125,662	128,237	129,374	112,155	142,799
	(2) Intersegment	128,233	126,552	125,275	111,494	124,824
	Segment expenses	258,605	258,549	252,799	223,753	265,214
	Segment profit (loss)	(4,710)	(3,760)	1,850	(104)	2,409
<b>Others</b>	Assets	122,255	125,146	115,226	123,427	159,029
	Depreciation and amortization	2,516	2,722	3,115	3,126	3,482
	Capital expenditures	4,812	4,903	6,032	4,955	3,321
	Net sales	17,156	17,181	16,553	11,758	13,809
	(1) External customers	13,893	13,874	13,288	8,581	10,631
	(2) Intersegment	3,263	3,307	3,265	3,177	3,178
	Segment expenses	16,273	16,204	15,992	13,536	15,378
<b>Consolidated (before adjustment for discontinued operations)</b>	Segment profit	883	977	561	(1,778)	(1,569)
	Assets	13,353	12,900	29,377	27,535	50,421
	Depreciation and amortization	245	252	269	258	276
	Capital expenditures	229	163	1,092	19,181	21,806
	Net sales	1,258,463	1,234,180	1,229,826	1,176,101	1,246,442
	(1) External customers	1,258,463	1,234,180	1,229,826	1,176,101	1,246,442
	(2) Intersegment	—	—	—	—	—
<b>Transfer to discontinued operations</b>	Segment expenses	1,207,874	1,195,869	1,186,054	1,123,675	1,198,326
	Segment profit	50,589	38,311	43,772	52,426	48,116
	Assets	734,528	741,388	768,861	825,405	909,213
	Depreciation and amortization	20,714	22,417	33,038	33,939	36,379
	Capital expenditures	41,201	47,820	47,802	82,902	80,395
	Net sales	—	—	—	—	(72,053)
	(1) External customers	—	—	—	—	(72,053)
<b>Consolidated (after adjustment for discontinued operations)</b>	(2) Intersegment	—	—	—	—	—
	Segment expenses	—	—	—	—	(69,758)
	Segment profit	—	—	—	—	(2,295)
	Assets	—	—	—	—	—
	Depreciation and amortization	—	—	—	—	(1,173)
	Capital expenditures	—	—	—	—	(1,048)
	Net sales	—	—	—	—	1,174,389
<b>Consolidated (after adjustment for discontinued operations)</b>	(1) External customers	—	—	—	—	1,174,389
	(2) Intersegment	—	—	—	—	—
	Segment expenses	—	—	—	—	1,128,568
	Segment profit	—	—	—	—	45,821
	Assets	—	—	—	—	909,213
	Depreciation and amortization	—	—	—	—	35,206
	Capital expenditures	—	—	—	—	79,347

Notes:

- 1 Depreciation and amortization consist of depreciation of property, 2 plant and equipment and amortization of intangible assets.
- 3 Capital expenditures represent the additions to property, plant and equipment and intangible assets. Since the fiscal year ended March 31, 2020, the new “segment profit” has been calculated by deducting the cost of goods sold and selling, general and administrative expenses from net sales, and accounting for foreign exchange gains and losses determined by the Group, while 4 excluding adjustments in accordance with IFRS and non-recurring items.
- 5 Since the fiscal year ended March 31, 2018, “segment profit” has been presented by applying the new calculation method from the viewpoint of the comparability with the fiscal year ended March 31, 2020. The consolidated figures were calculated by deducting eliminations, adjustments and others from the results for each business division. From the first quarter of the fiscal year ending March 2022, 6 the Company has classified the team business and new business into “Other” for the purpose of expanding into new business areas. In addition, from the first quarter of the fiscal year ending March 2022, we have changed the method of calculating sales in order to more appropriately reflect the performance of the reporting segment. Regarding this change, the figures before the previous fiscal year have been retroactively revised. However, the figures before the fiscal year ended March 2020 have not been audited. Net sales and profits (losses), etc., and capital expenditure for the seafood business of The Marine Foods Corporation and its subsidiaries, etc., which are included in the results for Processed Foods Business Division, have been reallocated as part of the transfer of The Marine Foods Corporation to the discontinued business category. This discontinued business is included in the results for Processed Foods Business Division as the reporting segment. However, the results for the fiscal year ended March 2021 and earlier years have not been adjusted retrospectively.

## By Geographical Area

(¥ million)

		3/18	3/19	3/20	3/21	3/22
<b>Asia &amp; Europe</b>	Net sales	81,436	79,191	73,898	56,423	64,771
	(1) External customers	25,366	24,850	25,869	23,324	26,301
	(2) Intersegment	56,070	54,341	48,029	33,099	38,470
	Segment profit (loss)	(188)	(152)	809	(818)	(428)
<b>Americas</b>	Net sales	76,969	79,432	84,547	88,050	100,486
	(1) External customers	21,556	22,331	21,757	20,288	25,614
	(2) Intersegment	55,413	57,101	62,790	67,762	74,872
	Segment profit (loss)	(599)	(344)	698	2,722	1,198
<b>Australia</b>	Net sales	97,875	99,306	98,826	80,947	105,193
	(1) External customers	78,740	81,056	81,749	68,543	90,884
	(2) Intersegment	19,135	18,250	17,077	12,404	14,309
	Segment profit (loss)	(3,032)	(2,123)	1,466	(1,048)	2,585

Notes: 1. The total of each area is not equal to the Overseas Business Division total, by reason of the elimination of intersegment transactions.  
2. The Americas includes North and South American businesses.  
3. Breeders & Packers Uruguay S.A. is included in Australia.

## Net Sales by Product Category

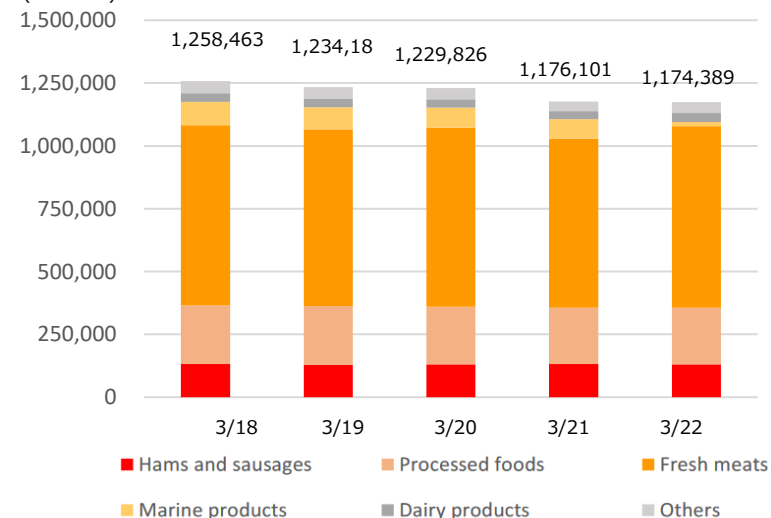
(¥ million)

	3/18	3/19	3/20	3/21	3/22
Hams and sausages	132,404	128,356	130,982	132,425	131,147
Processed foods	233,089	233,655	228,833	223,585	224,976
Fresh meats	716,343	703,557	711,753	672,880	722,843
Beef	293,287	297,583	296,913	256,999	293,909
Pork	227,186	221,157	226,612	229,450	230,762
Chicken	172,501	160,821	166,032	166,222	179,550
Other fresh meats	23,369	23,996	22,196	20,209	18,622
Marine products	93,804	88,138	80,724	76,853	16,224
Dairy products	34,191	33,270	33,614	31,967	35,214
Others	48,632	47,204	43,920	38,391	43,985
<b>Total</b>	<b>1,258,463</b>	<b>1,234,180</b>	<b>1,229,826</b>	<b>1,176,101</b>	<b>1,174,389</b>

Notes: 4. Net sales for the fiscal year ended March 31, 2022 exclude the results for the seafood business of The Marine Foods Corporation and its subsidiaries, etc.

## Net Sales by Product Category

(¥ million)



## Consolidated Financial Statements (IFRS)

## Consolidated Statements of Financial Position

(¥ million)

	3/18	3/19	3/20	3/21	3/22
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	58,290	48,108	72,399	83,831	85,374
Trade and other receivables	154,781	153,260	130,213	127,067	136,017
Inventories	105,422	113,415	114,520	107,906	119,980
Biological assets	24,830	25,971	21,335	23,581	32,755
Other financial assets	14,558	12,041	11,701	15,082	24,648
Other current assets	4,893	5,468	5,583	8,561	15,532
Total current assets	362,774	358,263	355,751	366,028	414,306
<b>Non-current assets</b>					
Property, plant and equipment	269,143	289,898	284,060	325,629	345,022
Right-of-use assets	—	—	35,545	38,362	46,090
Biological assets	2,057	1,877	1,883	1,314	1,240
Intangible assets and goodwill	10,329	7,097	8,953	10,608	15,269
Investments accounted for using the equity method	14,426	14,400	13,910	9,011	12,410
Other financial assets	40,638	34,125	32,647	35,796	35,232
Deferred tax assets	24,772	28,004	29,745	26,056	26,279
Other non-current assets	10,389	7,724	6,367	12,601	13,365
Total non-current assets	371,754	383,125	413,110	459,377	494,907
<b>Total assets</b>	<b>734,528</b>	<b>741,388</b>	<b>768,861</b>	<b>825,405</b>	<b>909,213</b>
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Interest-bearing liabilities	48,979	62,746	55,924	59,322	90,056
Trade and other payables	113,984	111,573	99,802	98,983	103,719
Income taxes payable	6,557	2,738	3,178	9,748	6,494
Other financial liabilities	23,560	18,123	18,877	25,290	42,056
Other current liabilities	38,904	38,788	35,966	35,822	39,594
Total current liabilities	231,984	233,968	213,747	229,165	281,919
<b>Non-current liabilities</b>					
Interest-bearing liabilities	62,422	84,263	120,569	134,428	121,351
Retirement benefit liabilities	13,513	14,118	14,920	14,543	12,951
Other financial liabilities	1,187	1,105	719	683	754
Deferred tax liabilities	1,306	1,326	732	581	1,045
Other non-current liabilities	1,228	1,250	1,577	1,696	1,639
Total non-current liabilities	79,656	102,062	138,517	151,931	137,740
<b>Total liabilities</b>	<b>311,640</b>	<b>336,030</b>	<b>352,264</b>	<b>381,096</b>	<b>419,659</b>
<b>Equity</b>					
Common stock	36,291	36,294	36,294	36,294	36,294
Capital surplus	72,818	72,672	72,639	71,240	71,272
Retained earnings	300,076	286,934	294,018	320,577	360,900
Treasury stock, at cost	(16)	(202)	(173)	(3,532)	(2,856)
Accumulated other comprehensive income	8,813	5,316	1,636	9,016	13,459
Total equity attributable to owners of the parent	417,982	401,014	404,414	433,595	479,069
Non-controlling Interests	4,906	4,344	12,183	10,714	10,485
<b>Total equity</b>	<b>422,888</b>	<b>405,358</b>	<b>416,597</b>	<b>444,309</b>	<b>489,554</b>
<b>Total liabilities and equity</b>	<b>734,528</b>	<b>741,388</b>	<b>768,861</b>	<b>825,405</b>	<b>909,213</b>

## Consolidated Statements of Income

(¥ million)

	3/18	3/19	3/20	3/21	3/22
Net sales	1,258,463	1,234,180	1,229,826	1,176,101	1,174,389
Cost of goods sold	1,047,478	1,033,577	1,024,296	964,367	974,361
Selling, general and administrative expenses	165,155	168,338	166,030	161,215	157,950
Gain from the transfer through the posting system	2,273	—	—	—	—
Other income	6,506	8,510	3,592	8,497	10,609
Other expenses	3,808	9,292	14,790	11,956	8,554
Financial income	2,220	1,427	1,285	1,942	2,193
Financial costs	1,292	3,561	3,903	1,534	3,984
Share of profit (loss) in investments accounted for using the equity method	1,069	918	1,355	1,406	9,024
Profit before tax	52,798	30,267	27,039	48,874	51,366
Income tax expense	15,074	11,250	8,106	17,816	12,668
Profit	37,724	19,017	18,933	31,058	47,647
Profit attributable to:					
Owners of the parent	37,552	19,561	19,214	32,616	48,049
Non-controlling interests	172	(544)	(281)	(1,558)	(402)
Profit	37,724	19,017	18,933	31,058	47,647

## Financial data

### Consolidated Statements of Cash Flows

(¥ million)

	3/18	3/19	3/20	3/21	3/22
<b>Operating activities</b>					
Profit before tax	52,798	30,267	27,039	48,874	51,366
Net profit for the period from discontinued operations before income taxes, etc.	—	—	—	—	13,139
Depreciation and amortization expenses	21,200	22,865	33,336	34,109	36,464
Impairment losses	1,292	4,937	3,904	7,069	2,395
Decrease (increase) in fair value of biological assets	461	187	1,205	(192)	44
Financial income and costs	(928)	2,134	2,618	(408)	2,826
Gains (losses) on sales of business operations	—	—	—	—	(12,037)
Decrease (increase) in trade and other receivables	(21,884)	1,386	21,968	3,817	(8,157)
Decrease (increase) in inventories	(199)	(8,113)	(2,316)	7,722	(22,655)
Decrease (increase) in biological assets	4,745	(2,110)	1,005	113	(9,187)
Decrease (increase) in other assets	(143)	2,678	555	(8,815)	(7,455)
Increase (decrease) in trade and other payables	9,915	(2,222)	(10,964)	(1,252)	8,552
Increase (decrease) in other liabilities	2,519	38	(3,772)	(507)	4,737
Others - net	(385)	(6,287)	(1,143)	648	(8,537)
Interest received	689	719	675	287	355
Dividends received	1,180	1,573	2,304	2,735	3,779
Interest paid	(1,235)	(1,273)	(1,611)	(1,339)	(1,197)
Income tax paid	(16,741)	(15,935)	(9,339)	(10,343)	(21,045)
Cash flows from operating activities	53,284	30,844	65,464	82,518	33,387
<b>Investing activities</b>					
Acquisition of fixes assests	(31,796)	(47,504)	(36,898)	(59,398)	(44,473)
Proceeds from sales of fixed assets	3,181	978	607	1,423	728
Decrease (increase) in time deposits	3,602	2,836	(610)	259	4,024
Acquisiton of other financial assets	(2,482)	(1,077)	(84)	(182)	(130)
Sales and redemption of other financial assets	1,808	527	42	673	929
Income from sales of business operations	—	—	—	—	16,628
Investments in associated companies	(8,929)	(38)	(120)	—	—
Net increase (decrease) in cash and cash equivalents resulting from purchase of business	(13,404)	—	—	—	—
Net increase (decrease) in cash and cash equivalents resulting from sale of business	608	—	—	—	—
Others - net	(782)	(832)	335	(602)	(543)
Cash flows from investing activities	(48,194)	(45,110)	(36,728)	(57,827)	(22,837)
<b>Financing activities</b>					
Cash dividends	(10,980)	(11,403)	(9,271)	(9,269)	(9,610)
Increase (decrease) in short-term bank loans	(4,221)	9,026	(2,001)	(4,840)	17,065
Proceeds from debt	6,198	40,970	38,714	70,393	27,462
Repayments of debt	(19,074)	(16,060)	(39,019)	(66,351)	(47,490)
Contributions from non-controlling interests	1,063	406	8,563	2	—
Acquisitions from non-controlling interests	—	—	—	(1,489)	(191)
Acquisition of treasury stock	(10)	(20,007)	(4)	(3,567)	(2)
Sale of treasury stock	—	—	—	187	604
Others - net	(86)	0	(59)	0	0
Cash flows from financing activities	(27,110)	2,932	(3,077)	(14,934)	(12,162)
Effect of exchange rate changes on cash and cash equivalents	(406)	1,152	(1,368)	1,675	3,155
Net increase (decrease) in cash and cash equivalents	(22,426)	(10,182)	24,291	11,432	1,543
Cash and cash equivalents at beginning of the year	80,716	58,290	48,108	72,399	83,831
Cash and cash equivalents at end of the year	58,290	48,108	72,399	83,831	85,374

# Stock Information

## Share Data

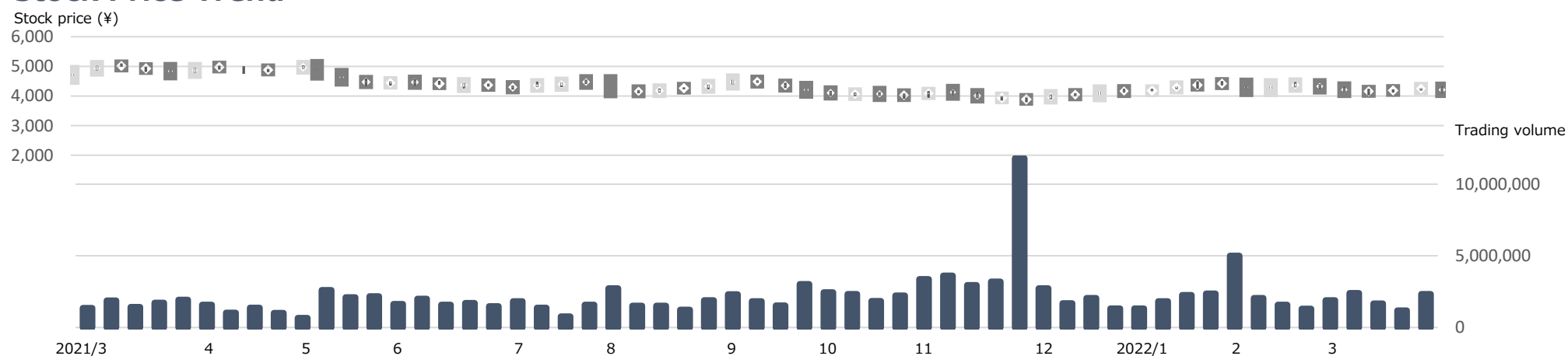
Authorized shares	285,000,000
Issued and outstanding	102,958,904
Shareholders	38,728

## Major Shareholders (Leading 10 by holding)

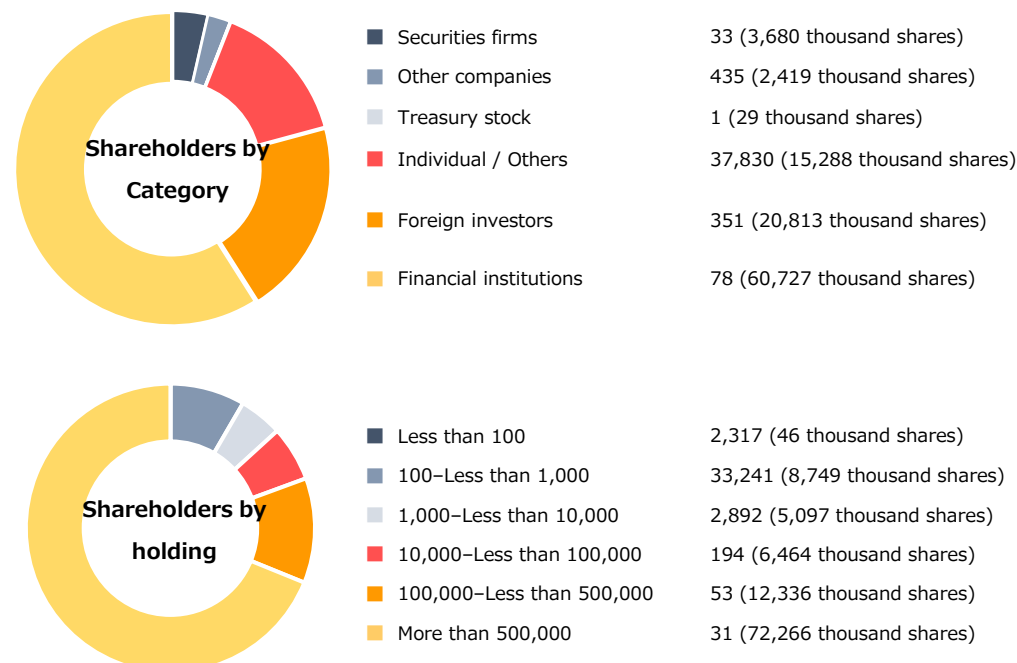
Name of shareholder	Holding (1,000s of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	21,445	20.84
Custody Bank of Japan, Ltd. (Trust account)	8,510	8.27
The Hyakujushi Bank, Ltd.	3,768	3.66
Meiji Yasuda Life Insurance Company	3,677	3.57
The Norinchukin Bank	2,963	2.88
Nippon Life Insurance Company	2,785	2.71
MUFG Bank, Ltd	2,747	2.67
Sumitomo Mitsui Banking Corporation	2,325	2.26
Custody Bank of Japan, Ltd. (Trust account)	1,631	1.58
The Kyoei Fire and Marine Insurance Company, Limited	1,613	1.57

Note: Shareholding ratio is calculated by deducting the number of treasury stock.

## Stock Price Trend



## Distribution of Shares



# Non-financial data

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**38** Social Report

**44** Corporate Governance

As of September 30, 2022

# Environmental Targets

As part of its three-year medium-term management plans, the NH Foods Group has formulated environmental targets aimed at reducing the environmental impact of its business activities. In April 2021, the Group formulated Vision2030 and identified, while also setting medium- to long-term environmental targets for 2030. We will continue to contribute to the development of a sustainable society by working to reduce environmental loads and use resources efficiently.

In addition, from fiscal 2022 we will institute environmental targets with of bringing our overseas in line with medium- to- long-term environmental targets in Japan. Going forward, we will work to promote efforts to achieve a sustainable society from a more global perspective.

## Results of Medium- to Long-Term Environmental Targets in Japan

Targets	Unit	Baseline	Numerical target	FY2021 results	Progress
<b>Reduce fossil fuel-derived CO<sub>2</sub> emissions</b> (Reduce by more than 46% compared with FY2013 levels)	t-CO <sub>2</sub>	550,518	297,279	480,065	Reduction (change from the baseline) : ▲70,453 Reduction (compared with the baseline) : ▲12.8%
<b>Waste discharge (per production unit)</b> (Reduce by 5% compard with FY2019 level)	kg/t	134.6	127.9	124.7	Reduction (change from the baseline) : ▲9.9 Reduction (compared with the baseline) : ▲7.4%
<b>Waste recycling rate</b> (At least 92% by 2030)	%	84.1	92.0	93.0	—
<b>Waste consumption (per production unit)</b> (Reduce by 5% compared with FY2019 level)	m <sup>3</sup> /t	15.2	14.4	15.0	Reduction (change from the baseline) : ▲0.2 Reduction (compared with the baseline) : ▲1.3%

※ Coverage of the Plan: Reduction of fossil fuel-derived CO<sub>2</sub> emissions and improvement of waste recycling rates at NH Foods Group business sites in Japan

Waste discharges and water consumption at NH Foods Group manufacturing factory in Japan

※ CO<sub>2</sub> emissions and thermal energy were calculated using the factors stipulated each year under the "Act on Promotion of Global Warming

※ Intensity units are based on production quantities by manufacturing factory

## Medium- to Long-Term Environmental Targets Overseas

Targets	Unit	Baseline	Numerical target
<b>Reduce fossil fuel-derived CO<sub>2</sub> emissions</b> (Reduce by more than 24% compared with FY2021 levels)	t-CO <sub>2</sub>	143,340	108,938
<b>Waste consumption (per production unit)</b> (Reduce by 5% compared with FY2021 level)	m <sup>3</sup> /t	14.7	14.1

※ Target base year: For overseas operations, based on FY2021 results, with reduction targets set as equal to yearly reduction targets in Japan

Coverage of the Plan: Reduction of fossil fuel-derived CO<sub>2</sub> emissions and improvement of waste recycling rates at NH Foods Group business sites in Overseas

Waste discharges and water consumption at NH Foods Group manufacturing factory in Overseas

※ CO<sub>2</sub> emissions are mainly calculated using methods defined by the country or region where a company is located.

If this is unknown, the IEA Emissions Factors and the coefficients of the "Act on Promotion of Global Warming Countermeasures" in Japan are used.

※ Intensity units are based on production quantities by manufacturing factory



## Results of Medium-Term Management Plan 2020

The Medium-Term Management Plan 2020, which launched on April 1, 2018, sets environmental targets based on average values for the period from fiscal 2012 to fiscal 2016. The plan achieved the following results.

Initiatives		Baseline (average FY2012-2016)	Targets (average FY2018-2020)	Results (average FY2018-2020) (compared to baseline)
Mitigation of climate change	CO <sub>2</sub> emissions intensity	701.1 kg-CO <sub>2</sub> /t	8.0% Reduction (645.1 kg-CO <sub>2</sub> /t)	10.0% Reduction (631.0 kg-CO <sub>2</sub> /t)
	Thermal energy intensity	12.0 GJ/t	8.0% Reduction (11.0 GJ/t)	3.3% Reduction (11.6 GJ/t)
Resource saving	Water consumption intensity ※1	17.7 m <sup>3</sup> /t	3.0% Reduction (17.2 m <sup>3</sup> /t)	4.5% Increase (18.5 m <sup>3</sup> /t)
	Discharged waste intensity ※2	207.5 kg/t	6.0% Reduction (195.1 kg/t)	14.3% Increase ※3 (237.1 kg/t)
Promotion of recycling	Waste recycling rate	90.8%	94.0% Over	88.9%

※ CO<sub>2</sub> emissions and thermal energy calculated by using factors in "Act on Promotion of Global Warming Countermeasures" in Japan about each year

※ Coverage of the Plan: business sites of NH Foods Group in Japan

※ Primary unit of each intensity is per unit of product

※ Reduction rate in target value is reduction rate from Baseline

※1 Water consumption and discharged includes some estimated values from production departments

※2 Excluding farm excreta

※3 Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

# Mitigation of Global Warming

## Greenhouse Gas Emissions from NH Foods Group and Its Entire Supply Chain

The calculation of Scope 1, Scope 2 and Scope 3 for businesses in Japan has been subjected to third-party verification based on AA1000 by SGS Japan Inc.

Additionally, from fiscal 2021 overseas businesses have have also been subject to third-party verification.\*

\*Third-party verification of methane and nitrous oxide has been conducted according to the ISO14064-3 standard.

### Greenhouse Gas Emissions

Scope	Items	Business scope	Scope 2 pattern	FY2017	FY2018	FY2019	FY2020	FY2021
Scope 1	CO <sub>2</sub> (thousandt-CO <sub>2</sub> )	Japan	—	220	216	215	220	222
	CO <sub>2</sub> (thousandt-CO <sub>2</sub> )	Overseas	—	—	—	—	—	52
	Methane (thousandt-CO <sub>2</sub> )	Company-wide	—	30	30	31	28	116
	Nitrous oxide (thousandt-CO <sub>2</sub> )	Company-wide	—	98	102	102	101	102
Scope 2	CO <sub>2</sub> (thousandt-CO <sub>2</sub> )	Japan	Location base	298	303	290	276	267
	CO <sub>2</sub> (thousandt-CO <sub>2</sub> )		Market base	—	—	269	257	260
	CO <sub>2</sub> (thousandt-CO <sub>2</sub> )	Overseas	Location base	—	—	—	—	92
Total	CO <sub>2</sub> (thousandt-CO <sub>2</sub> )	Company-wide	Location base	646	651	638	625	851
Scope 3	CO <sub>2</sub> (thousandt-CO <sub>2</sub> )	Japan	—	10,157	10,948	11,134	10,576	10,503

※ Coverage of data: Scope 1 and Scope 2 are business sites of NH Foods Group in Japan and Overseas, Scope 3 is business activities of domestic sites of the NH Foods Group

※ Greenhouse gas emissions about Scope 1 and Scope 2 are calculated by using factors in "Act on Promotion of Global Warming Countermeasures" in Japan about each year

↳ Location base is calculated by the alternative value which is annual electric power company's emission factors (above the law)

↳ Market base is calculated by each annual electric power company's emission factors (above the law)

Overseas sites: Primarily use laws and regulations or guidelines of the country or region where each company or office is located. If these are unknown, use coefficients of the "Act on Promotion of Global Warming Countermeasures" in Japan.

↳ If the location base is unknown, use the Emissions Factors provided by the IEA.

※ There are not applicable of Perfluorocarbons, Sulphur hexafluoride and Nitrogen trifluoride. Also, Hydrofluorocarbons aren't calculation in scope

※ Scope 3 is calculated which is based on our scenario by category, which referred to "Basic Guidelines On Accounting for Greenhouse Gas Emissions throughout the Supply Chain, Ver. 2.4 (in Japan)". The emission unit of calculation is used or referred to below

\* "Act on Promotion of Global Warming Countermeasures" in Japan about each year

\* "Database of Emissions Unit Values on the Same Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 3.2" in Japan

### Transition of CO<sub>2</sub> Emissions About Scope 1,2 from Fossil Fuel and Their Intensity (Results by Business Activity in Japan)

Items		FY2017	FY2018	FY2019	FY2020	FY2021
Food plants (thousand t-CO <sub>2</sub> )	Location base	288.1	288.4	277.9	271.9	268.0
	Market base	—	—	258.2	252.0	257.1
Livestock breeding facilities and feedlots (thousand t-CO <sub>2</sub> )	Location base	94.1	93.5	94.0	95.2	93.1
	Market base	—	—	97.9	100.3	97.4
Logistics centers, sales offices and etc. (thousand t-CO <sub>2</sub> )	Location base	70.8	71.8	69.6	66.4	65.6
	Market base	—	—	66.5	63.2	64.6
Fresh meat processing and plants (thousand t-CO <sub>2</sub> )	Location base	64.1	63.0	61.5	60.8	60.2
	Market base	—	—	60.0	60.0	61.0
Total (thousand t-CO <sub>2</sub> )	Location base	517.1	516.7	503.0	494.3	486.9
	Market base	—	—	482.6	475.5	480.1
Emissions intensity (kg-CO <sub>2</sub> /t)	Location base	640.9	648.1	630.8	614.4	600.9
	Market base	—	—	605.2	591.1	592.4

※ Primary unit of each intensity is per unit of product

### ■ Breakdown of Scope 3 Categories (FY2021 Results in Japan)

Category	CO <sub>2</sub> (t-CO <sub>2</sub> )	Composition ratio (%)
1 Purchased goods and services	8,762,754	84.3
2 Capital goods	156,771	1.5
3 Fuel and energy related activities (not included in scope 1 or scope 2)	82,981	0.8
4 Upstream transportation and distribution	764,084	7.4
5 Waste generated in operations	43,887	0.4
6 Business travel	2,969	0.1
7 Employee commuting	56,016	0.5
8 Upstream leased assets	4,110	0.0
9 Downstream transportation and distribution	112,323	1.1

Category	CO <sub>2</sub> (t-CO <sub>2</sub> )	Composition ratio (%)
10 Processing of sold products	245,342	2.4
11 Use of sold products	146,378	1.4
12 End-of-Life treatment of sold products	125,839	1.2
13 Downstream leased assets	N/A	—
14 Franchises	N/A	—
15 Investments	N/A	—
<b>Total</b>	<b>10,391,131</b>	<b>100.0</b>

# Resource Saving Initiatives

## Consumption of Energy

From fiscal 2021 results include those from overseas sites as well as those in Japan

### ■ Transition of Energy Consumption

Items			FY2017	FY2018	FY2019	FY2020	FY2021
Japan	Fuel (TJ)	Gasoline	56	52	46	37	35
		Kerosene	563	542	570	591	588
		Light oil	379	375	371	372	379
		Heavy fuel oil A	1,040	968	867	852	775
		Liquefied petroleum gas / LPG	373	361	392	420	455
		Liquefied natural gas / LNG	201	217	281	302	315
		Town gas	946	971	996	1,034	1,111
		Biomass	—	—	—	—	59
		Total Fuel	3,558	3,486	3,523	3,608	3,658
	Steam, cold water, hot water purchased (TJ)		9	21	20	20	21
Electricity purchased (TJ)		5,689	5,772	5,768	5,708	5,727	
Subtotal (TJ)		9,256	9,279	9,311	9,336	9,465	
Overseas	Fuel (TJ)	Gasoline	—	—	—	—	9
		Kerosene	—	—	—	—	0
		Light oil	—	—	—	—	86
		Heavy fuel oil	—	—	—	—	29
		Coal	—	—	—	—	343
		Liquefied petroleum gas / LPG	—	—	—	—	48
		Natural gas	—	—	—	—	190
		Town gas	—	—	—	—	6
		Biomass	—	—	—	—	288
		Total Fuel	—	—	—	—	999
	Steam, cold water, hot water purchased (TJ)		—	—	—	—	44
	Electricity purchased (TJ)		—	—	—	—	600
	Subtotal (TJ)		—	—	—	—	1,643
Total (TJ)		9,256	9,279	9,311	9,336	11,108	

※ Coverage of data: business sites of NH Foods Group. (From FY2021, data from overseas sites has been disclosed)

※ Each energy derived from fossil fuel consumption in Japan has been to third party verification by SGS Japan Inc. since FY2017

※ Energy consumption of all types is calculated as follows for sites in Japan and overseas

Japan: Use coefficients, etc., defined by the "Act of Promotion of Global Warming Countermeasures" and the "Act on the Rational Use of Energy" in Japan

Overseas: Primarily use laws and regulations or guidelines of the country or region where each company or office is located. If these are unknown, use coefficients of the "Act on the Rational Use of Energy" in Japan

### ■ Transition of Electricity Consumption and Per Unit of Production (Results by Business Activity in Japan)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Food plants (million kWh)	342.8	345.7	342.4	339.5	343.4
Livestock breeding facilities and feedlots (million kWh)	75.0	77.9	79.2	79.2	78.1
Logistics centers, sales offices, and etc. (million kWh)	93.6	95.0	95.8	94.5	95.0
Fresh meat processing, plants, and etc. (million kWh)	69.7	71.4	72.6	71.7	72.0
Total (million kWh)	581.1	590.0	590.0	584.9	588.5
In which, renewable energy (million kWh)	—	—	0.01	0.30	1.40
Consumption per unit of production (kWh/t)	720.2	740.0	739.8	726.9	726.3

※ Primary unit of each intensity is per unit of product

### ■ Transition of Fuel and Consumption Per Unit of Production (Results by Business Activity in Japan)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Food plants (thousand kl)	51.0	50.6	50.6	51.6	52.5
Livestock breeding facilities and feedlots (thousand kl)	21.6	20.8	21.5	22.6	22.5
Logistics centers, sales officers, and etc. (thousand kl)	8.8	8.9	8.8	8.5	8.6
Fresh meat processing, plants, and etc. (thousand kl)	10.7	10.3	10.7	11.1	11.5
Total (thousand kl)	92.1	90.6	91.6	93.8	95.1
Consumption per unit of production (l/t)	114.1	113.7	114.8	116.5	117.3

### ■ Fuel consumption trends by usage (Japan)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Fuel (thousand kl)	80.9	79.7	80.9	83.3	84.5
Vehicle fuel (thousand kl)	11.2	10.9	10.7	10.5	10.6
Total (thousand kl)	92.1	90.6	91.6	93.8	95.1

※ Each fuel consumption are calculated by using factors in "Act on the Rational Use of Energy" in Japan

※ Primary unit of each intensity is per unit of product

## Water Consumption

The results of water consumption for sites in Japan has been subjected to third-party verification based on AA1000 by SGS Japan Inc. since FY2018.

### ■ Transition of Water Consumption and Consumption Per Unit of Production (Results by Business Activity and Sites in Japan)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Food plants (thousand m <sup>3</sup> )	8,334	8,316	8,305	8,301	8,274
Livestock breeding facilities and feedlots (thousand m <sup>3</sup> )	2,318	1,879	1,941	1,868	1,829
Logistics centers, sales offices, and etc. (thousand m <sup>3</sup> )	197	207	195	201	186
Fresh meat processing, plants, and etc. (thousand m <sup>3</sup> )	4,303	4,395	4,379	4,450	4,432
Total (thousand m <sup>3</sup> )	15,152	14,797	14,820	14,820	14,721
Consumption per unit of production (m <sup>3</sup> /t)	18.8	18.6	18.6	18.4	18.2

※ Coverage of data: business sites of NH Foods Group in Japan

※ Water consumption and discharged includes some estimated values from production departments

※ Primary unit of each intensity is per unit of product

### ■ Transition of Water Consumption (By Water Source)

From fiscal 2021 results include those from overseas sites.

Items			FY2017	FY2018	FY2019	FY2020	FY2021
Japan	Consumption (thousand m <sup>3</sup> )	Groundwater	11,019	10,798	10,868	10,873	10,881
		Industrial water	1,876	1,828	1,811	1,793	1,739
		Tap water	2,257	2,171	2,141	2,154	2,101
		Total	15,152	14,797	14,820	14,820	14,721
	Reuse/ recycling water (thousand m <sup>3</sup> )		37	37	35	39	37
	Discharged (thousand m <sup>3</sup> )	Discharged treatment water to river etc.	10,714	11,019	11,897	11,765	12,224
		Sewage	1,442	1,485	1,514	1,489	1,512
		Total	12,156	12,504	13,411	13,254	13,736
Overseas	Consumption (thousand m <sup>3</sup> )	Groundwater	—	—	—	—	611
		Surface water	—	—	—	—	564
		Industrial water	—	—	—	—	698
		Tap water	—	—	—	—	1,402
		Sea water	—	—	—	—	13
		Total	—	—	—	—	3,288

※ Coverage of data: business sites of NH Foods Group (Overseas, only those sites targets by medium- to long-term environmental goals)

※ Water consumption and discharged includes some estimated values from production departments

## Waste

### ■ Transition of Waste Generation and Waste Per Unit of Production (Results by Business Activity in Japan)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Food plants (thousand t)	90.4	89.3	91.8	88.7	84.8
Livestock breeding facilities and feedlots (thousand t)	233.3	235.5	199.0	188.2	186.4
Logistics centers, sales offices, and etc. (thousand t)	7.6	8.3	8.3	7.8	8.0
Fresh meat processing, plants, and etc. (thousand t)	91.8	101.6	112.2	117.8	118.4
Total (thousand t)	423.1	434.7	411.3	402.5	397.6
Generation per unit of production (kg/t)	524.4	545.3	515.7	500.2	490.7

※ Coverage of data: business sites of NH Foods Group in Japan

※ Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

※ Primary unit of each intensity is per unit of product

### ■ Breakdown of Waste Generation (Results in Japan)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Waste generation (thousand t)	423.1	434.7	411.3	402.5	397.6
In which, waste discharged (thousand t)	222.3	232.7	205.1	208.8	198.7
Recycling of waste (thousand t)	398.7	405.3	373.8	376.9	380.8
Final disposal waste (thousand t)	17.1	20.7	22.7	19.7	9.6
Recycling rate (%)	94.3	93.6	92.1	94.7	96.9

## Entrusting The Recycling of Containers and Packaging

Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging in Japan requires companies to use containers and packaging to recycle those materials. NH Foods Group entrusting the Japan Containers and Packaging Recycling Association and pays recycling entrusting fees according to the volume of products which are manufactured and sold.

Contracted year		FY2017	FY2018	FY2019	FY2020	FY2021
Application volume of the applicable containers and packaging discharged (t)	Plastic containers and packaging	7,735	7,188	6,495	6,429	6,909
	Paper containers and packaging	41	54	36	33	29
	Glass bottles	509	547	521	291	510
	PET bottles	0	0	0	0	0
Fiscal year used as basis for the discharged		FY2015	FY2016	FY2017	FY2018	FY2019

※ Coverage of data: business sites of NH Foods Group in Japan

※ Application volume of the discharged is based on production and sales results two fiscal years earlier

## State of Compliance with Environmental Laws and Regulations

In fiscal 2021, no accidents that had a significant effect on the environment occurred at business sites of NH Foods Group in Japan. However, as shown below, some situations requiring a response occurred. By taking action immediately and implementing ongoing measures, similar situations have not arisen since.

Processed food factory	
Overview	On July 1, 2021, an unscheduled inspection of Discharged water by a local public health office indicated that the biochemical oxygen demand (BOD) level was in excess of the level stipulated in the ordinance (25 mg/L). A directive was issued requiring a remedial action report to be submitted. The cause could not be identified, but the problem appears to have resulted from the contamination of the samples by some form of sediment in the pipes or at the discharge outlet.
Response	<p>Apart from the aforementioned Discharged water inspection, the standards have never been exceeded before or since that occasion. However, we have taken the precaution of implementing the following countermeasures based on the probable cause of the incident.</p> <ul style="list-style-type: none"> <li>• The pipes are being periodically cleaned by a contractor to prevent the accumulation of sediment.</li> <li>• Stormwater basins, pipes, manholes and other equipment are periodically inspected.</li> <li>• Water quality is periodically tested, and reports are submitted if abnormal levels are detected.</li> <li>• Training is being provided for staff.</li> </ul> <p>On July 28, 2021, a remedial action completion report was submitted to the public health office and accepted.</p>

## Fines related to environmental issues (NH Foods Ltd.)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Amount of fines(yen)	0	0	0	0	0



# Business Activities and Environmental Impact

## ■ Inputs

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Feed including corn and wheat (thousand t)	667	640	660	641	626
Raw materials for products (thousand t)	267	249	245	241	240
Electricity (million kWh)	581	590	590	585	589
Water (million m <sup>3</sup> )	15	15	15	15	15
Fuel(crude oil equivalent) (thousand kl)	81	80	81	83	84
Vehicle fuel (crude oil equivalent) (thousand kl)	11	11	11	11	11

※ Coverage of data: business sites of NH Foods Group in Japan

※ Water consumption and discharged includes some estimated values from production departments

※ Fuel consumption is calculated by using factors in "Act on the Rational Use of Energy" in Japan

## ■ Outputs

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Products (thousand t)	807	797	797	805	810
Greenhouse gases (thousand t-CO <sub>2</sub> )	646	651	637	625	615
Discharged water (million m <sup>3</sup> )	12	13	13	13	14
Waste (among generated) (thousand t)	423	435	411	403	398
Waste (recycling rate) (%)	94.3	93.6	92.1	94.7	96.9

※ Coverage of data: business sites of NH Foods Group in Japan

※ Water consumption and discharged includes some estimated values from production departments

※ Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

# Environmental Data by Business

## Environmental Impact of Production and Livestock Breeding Facilities and Feedlots

Applicable Sites	4 production departments of Interfarm Co., Ltd./ 4 production departments of Nippon White Farm Co., Ltd. / Nippon White Farm Niigata Co., Ltd./ Miyazaki Environmental Preservation Cooperative/ Junsui Kurobuta Shuton Nojo Y.K.
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### ■Energy, Water Consumption and Discharged Water

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Gasoline (kl)	3	—	—	—	0
Light oil (kl)	0.2	—	—	1.0	—
Heavy fuel oil A (kl)	1,468	1,381	1,112	1,097	925
Kerosene (kl)	14,819	14,352	15,122	15,675	15,654
Liquefied petroleum gas / LPG (t)	2,940	2,792	3,002	3,379	3,516
Electricity purchased (thousand kWh)	75,147	77,717	79,243	79,169	78,077
Water consumption (thousand m <sup>3</sup> )	2,316	1,885	1,941	1,868	1,829
Discharged water (thousand m <sup>3</sup> )	1,947	2,172	3,262	2,985	3,364

※ Water consumption and discharged includes some estimated values from production departments

### ■Air Emissions

Items	FY2017	FY2018	FY2019	FY2020	FY2021
CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	88	88	88	89	87
Methane (t)	1,186	1,212	1,256	1,121	1,113
Nitrous oxide (t)	328	343	343	340	329
Nitrogen oxides / NOx (t)	59	58	60	62	61
Sulfur oxides / SOx (t)	14	13	11	11	10

## ■ Waste

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Waste generation (t)	233,284	235,502	199,055	188,218	186,413
Discharged waste (t)	63,842	64,116	23,625	25,989	25,307
Final disposal waste (t)	1,715	1,147	1,527	1,433	1,138
Recycling rate (%)	97.3	98.2	93.5	94.5	95.5
Percentage reduced and recycled (%)	99.3	99.5	99.2	99.2	99.4

※ Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

## ■ Waste FY2021 detailed data

Items	Plants and Animal Residues	Sludge	Waste Plastics	Waste Papers and Cardboards	Scrap Metals	Ashes	Other	Total
Waste generation (t)	287	34,462	239	24	189	—	151,212	186,413
Discharged waste (t)	270	5,082	239	24	189	807	18,696	25,307
Final disposal waste (t)	—	127	199	—	39	154	619	1,138
Recycling rate (%)	100.0	97.5	16.7	100.0	79.4	80.9	96.7	95.5
Percentage reduced and recycled (%)	100.0	99.6	16.7	100.0	79.4	—	99.6	99.4

※ Ashes are residue after in-house incineration

## Environmental Impact of Fresh Meat Processing and Plants

Applicable Sites	5 plants of Nippon White Farm Co., Ltd./ 5 plants of Nippon Food Packer, Inc./ Nippon Food Packer Kagoshima, Inc./
	Nippon Food Packer Shikoku, Inc./ Nippon Food Packer Tsugaru, Co., Ltd./ Miyazaki Beef Center Co., Ltd./ Nippon White Farm Niigata Co., Ltd.

### ■Energy, Water Consumption and Discharged Water

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Gasoline (kl)	0.2	0.3	0.2	0.3	0.2
Light oil (kl)	0.5	3.0	—	1.0	—
Heavy fuel oil A (kl)	8,472	7,422	5,945	5,991	5,707
Kerosene (kl)	266	230	233	237	212
Town gas (thousand m <sup>3</sup> )	—	13	86	123	139
Liquefied petroleum gas / LPG (t)	1,254	1,301	1,346	1,556	1,884
Liquefied natural gas / LNG (t)	—	430	1,668	1,737	1,904
Electricity purchased (thousand kWh)	69,879	71,366	72,623	71,741	71,962
Water consumption (thousand m <sup>3</sup> )	4,307	4,386	4,379	4,450	4,432
Discharged water (thousand m <sup>3</sup> )	3,817	3,860	3,860	3,908	3,957

### ■Air emissions

Items	FY2017	FY2018	FY2019	FY2020	FY2021
CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	63	62	61	60	60
Nitrogen oxides / NO <sub>x</sub> (t)	42	41	41	42	42
Sulfur oxides / SO <sub>x</sub> (t)	71	62	50	50	48

## ■ Waste

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Waste generation (t)	91,767	101,633	112,150	117,781	118,404
Discharged waste (t)	69,387	78,492	88,289	93,738	87,100
Final disposal waste (t)	6,235	8,722	9,434	7,224	4,362
Recycling rate (%)	91.0	88.9	89.3	92.3	95.0
Percentage reduced and recycled (%)	93.2	91.4	91.6	93.9	96.3

※ Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

## ■ Waste FY2021 Detailed Data

Items	Plants and Animal Residues	Sludge	Waste Plastics	Waste Papers and Cardboards	Scrap Metals	Other	Total
Waste generation (t)	86,791	19,347	502	206	101	11,457	118,404
Discharged waste (t)	57,964	18,853	502	206	101	9,474	87,100
Final disposal waste (t)	1,861	769	73	1	1	1,657	4,362
Recycling rate (%)	96.8	95.9	85.5	99.5	99.0	82.5	95.0
Percentage reduced and recycled (%)	97.9	96.0	85.5	99.5	99.0	85.5	96.3

## Environmental Impact of Ham and Sausage Production

Applicable Sites	5 factories of Nipponham Factory Ltd./ Nipponham Northeast Ltd./ Nipponham Hokkaido Factory Ltd./ Nipponham Southwest Ltd./ Hakodate Carl Raymon Co., Ltd./ Kamakura Ham Tomioka Co., Ltd./ Kyodo Foods Co., Ltd./ Japan Assorted Business Services Co., Ltd.
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### ■Energy, Water Consumption and Discharged Water

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Gasoline (kl)	0.2	0.2	0.3	0.3	0.1
Light oil (kl)	7	1	1	6	2
Heavy fuel oil A (kl)	7,819	7,539	7,508	7,644	6,932
Kerosene (kl)	63	35	38	45	23
Town gas (thousand m <sup>3</sup> )	2,167	2,046	2,037	2,010	2,647
Liquefied petroleum gas / LPG (t)	722	590	544	603	572
Liquefied natural gas / LNG (t)	3,680	3,537	3,475	3,530	3,510
Steam, cold water, hot water purchased (GJ)	8,988	9,849	9,761	9,622	11,105
Electricity purchased (thousand kWh)	106,551	105,870	104,467	103,453	104,465
Water consumption (thousand m <sup>3</sup> )	2,752	2,747	2,732	2,757	2,733
Discharged water (thousand m <sup>3</sup> )	2,446	2,546	2,563	2,573	2,534

### ■Air Emissions

Items	FY2017	FY2018	FY2019	FY2020	FY2021
CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	93	91	88	86	84
Nitrogen oxides / NO <sub>x</sub> (t)	60	58	58	58	58
Sulfur oxides / SO <sub>x</sub> (t)	66	63	63	64	58

## ■ Waste

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Waste generation (t)	22,924	22,377	28,218	27,116	26,087
Discharged waste (t)	22,924	22,373	28,199	27,099	26,071
Final disposal waste (t)	2,038	2,282	2,624	2,423	612
Recycling rate (%)	91.1	89.8	90.7	91.1	97.7
Percentage reduced and recycled (%)	91.1	89.8	90.7	91.1	97.7

※ Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

## ■ Waste FY2021 Detailed Data

Items	Plants and Animal Residues	Sludge	Waste Plastics	Waste Papers and Cardboards	Scrap Metals	Other	Total
Waste generation (t)	9,778	7,674	3,646	3,794	261	934	26,087
Discharged waste (t)	9,778	7,674	3,646	3,794	261	918	26,071
Final disposal waste (t)	53	6	479	3	5	66	612
Recycling rate (%)	99.5	99.9	86.9	99.9	98.1	92.7	97.7
Percentage reduced and recycled (%)	99.5	99.9	86.9	99.9	98.1	92.8	97.7

## Environmental Impact of Processed Food Production

Applicable Sites	NH Foods Ltd./ 3 plants of Nipponham Processed Foods Ltd./ 3 plants of Nipponham Delicatessen Ltd./ 8 plants of Nippon Pure Food, Inc./ 2 plants of Hoko Co., Ltd./ Minami Nippon Fresh Foods Co., Ltd./ 2 plants of Premium Kitchen Co., Ltd.
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### ■ Energy, Water Consumption and Discharged Water

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Gasoline (kl)	—	0.060	0.008	0.010	0.051
Light oil (kl)	7	78	19	20	24
Heavy fuel oil A (kl)	6,986	6,683	6,274	6,135	5,624
Kerosene (kl)	27	24	10	10	6
Town gas (thousand m <sup>3</sup> )	17,356	18,055	18,166	18,983	19,651
Liquefied petroleum gas / LPG (t)	2,119	2,153	2,574	2,514	2,755
Electricity purchased (thousand kWh)	203,191	205,821	202,178	200,435	203,574
Water consumption (thousand m <sup>3</sup> )	4,500	4,504	4,507	4,472	4,514
Discharged water (thousand m <sup>3</sup> )	2,983	2,984	2,772	2,830	2,951

### ■ Air Emissions

Items	FY2017	FY2018	FY2019	FY2020	FY2021
CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	168	171	164	161	160
Nitrogen oxides / NO <sub>x</sub> (t)	110	113	111	111	113
Sulfur oxides / SO <sub>x</sub> (t)	59	56	53	52	47



## ■ Waste

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Waste generation (t)	52,923	53,054	52,249	50,605	49,329
Discharged waste (t)	44,167	45,691	45,427	43,274	43,841
Final disposal waste (t)	2,989	3,931	4,537	4,165	1,632
Recycling rate (%)	93.2	91.4	90.0	90.4	96.3
Percentage reduced and recycled (%)	94.4	92.6	91.3	91.8	96.7

※ Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

## ■ Waste FY2021 Detailed Data

Items	Plants and Animal Residues	Sludge	Waste Plastics	Waste Papers and Cardboards	Scrap Metals	Ashes	Other	Total
Waste generation (t)	19,662	14,341	4,600	6,188	889	—	3,649	49,329
Discharged waste (t)	17,413	11,627	3,892	6,188	889	183	3,649	43,841
Final disposal waste (t)	56	602	667	30	40	183	54	1,632
Recycling rate (%)	99.7	94.8	82.9	99.5	95.5	0.0	98.5	96.3
Percentage reduced and recycled (%)	99.7	95.8	85.5	99.5	95.5	—	98.5	96.7

※ Ashes are residue after in-house incineration

## Environmental Impact of Marine and Dairy Product Production

### Applicable Sites

The Marine Foods Corporation/ 2 plants of Nippon Luna Inc./ 3 plants of Hoko Co., Ltd./ Kushiro Marusui Co., Ltd.

### ■ Energy, Water Consumption and Discharged Water

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Gasoline (kl)	0.03	0.01	0.01	—	0.01
Light oil (kl)	0.03	0.02	—	—	8.20
Heavy fuel oil A (kl)	1,847	1,730	1,341	919	645
Kerosene (kl)	37	35	39	33	32
Town gas (thousand m <sup>3</sup> )	1,395	1,350	1,686	1,733	2,156
Liquefied petroleum gas / LPG (t)	269	223	197	175	187
Liquefied natural gas / LNG (t)	—	—	—	265	354
Steam, cold water, hot water purchased (GJ)	—	2,632	2,619	2,600	2,501
Electricity purchased (thousand kWh)	32,765	34,151	35,682	35,333	33,922
Water consumption (thousand m <sup>3</sup> )	1,077	1,062	1,066	1,072	1,027
Discharged water (thousand m <sup>3</sup> )	901	869	887	880	866

### ■ Air Emissions

Items	FY2017	FY2018	FY2019	FY2020	FY2021
CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	26	26	26	24	24
Nitrogen oxides / NO <sub>x</sub> (t)	17	17	17	16	16
Sulfur oxides / SO <sub>x</sub> (t)	16	15	11	8	5

## ■ Waste

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Waste generation (t)	14,535	13,862	11,400	11,022	9,398
Discharged waste (t)	14,435	13,761	11,314	10,960	9,346
Final disposal waste (t)	806	830	976	965	439
Recycling rate (%)	94.4	94.0	91.4	91.2	95.3
Percentage reduced and recycled (%)	94.5	94.0	91.4	91.2	95.3

※ Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

## ■ Waste FY2021 Detailed Data

Items	Plants and Animal Residues	Sludge	Waste Plastics	Waste Papers and Cardboards	Scrap Metals	Other	Total
Waste generation (t)	4,212	3,369	506	894	163	254	9,398
Discharged waste (t)	4,160	3,369	506	894	163	254	9,346
Final disposal waste (t)	14	62	190	—	9	164	439
Recycling rate (%)	99.7	98.2	62.5	100.0	94.5	35.4	95.3
Percentage reduced and recycled (%)	99.7	98.2	62.5	100.0	94.5	35.4	95.3

## Environmental Impact of Sales Offices, Distribution Centers, Headquarters, Branches, Offices and Research Institutes

Applicable Sites	NH Foods Ltd./ NH Foods Marketing Ltd./ Nippon Route Service Co., Ltd./ Nipponham Frozen Foods Ltd./ Nipponham Customer Communications Ltd. Nippon Logistics Center, Inc./ Nippon Chilled Logistics, Inc./ Nippon Daily Net Co., Ltd./ Japan Food Corporation/ NHJF Corporation/ Higashi Nippon Food, Inc./ Kanto Nippon Food, Inc./ Naka Nippon Food, Inc./ Nishi Nippon Food, Inc./ Nippon Pure Food, Inc./ The Marine Foods Corporation/ Hoko Co., Ltd./ Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd./ Nippon Luna Inc./ Minami Nippon Fresh Foods Co., Ltd./ Hakodate Carl Raymon Co., Ltd./ Usune Co., Ltd.
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### ■ Energy, Water Consumption and Discharged Water

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Gasoline (kl)	—	0.03	—	—	—
Kerosene (kl)	115	105	95	96	96
Town gas (thousand m <sup>3</sup> )	190	213	258	240	205
Liquefied petroleum gas / LPG (t)	42	41	40	41	41
Steam, cold Water, hot water purchased (GJ)	—	8,134	7,505	7,625	7,120
Electricity purchased (thousand kWh)	93,532	95,042	95,825	94,477	95,106
Water consumption (thousand m <sup>3</sup> )	200	213	195	202	186

### ■ Air Emissions

Items	FY2017	FY2018	FY2019	FY2020	FY2021
CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	49	50	48	46	44
Nitrogen oxides / NO <sub>x</sub> (t)	28	29	29	29	29
Sulfur oxides / SO <sub>x</sub> (t)	0.02	0.01	0.01	0.01	0.01

## ■ Waste

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Waste generation (t)	7,646	8,280	8,224	7,749	7,992
Discharged waste (t)	7,542	8,280	8,223	7,748	7,992
Final disposal waste (t)	3,284	3,804	3,586	3,464	1,408
Recycling rate (%)	56.5	54.0	56.4	55.3	82.4
Percentage reduced and recycled (%)	57.1	54.1	56.4	55.3	82.4

※ Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

## ■ Waste FY2020 Detailed Data

Items	Plant and Animal Residue	Waste Plastic	Waste Paper and Cardboard	Scrap Metal	Other	Total
Waste generation (t)	2,898	638	3,714	74	668	7,992
Discharged waste (t)	2,898	638	3,714	74	668	7,992
Final disposal waste (t)	624	361	266	2	155	1,408
Recycling rate (%)	78.5	43.4	92.8	97.3	76.8	82.4
Percentage reduced and recycle	78.5	43.4	92.8	97.3	76.8	82.4

## Environmental Impact of Vehicles

Applicable vehicles	Approximately 4,000 vehicles used by the NH Foods Group in Japan (as of March 31st, 2022)
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### ■ Fuel Consumption of Vehicles

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Light oil (kl)	10,033	9,853	9,821	9,839	10,015
Gasoline (kl)	1,621	1,503	1,336	1,083	1,014
Natural gas (thousand m <sup>3</sup> )	2	—	—	—	—

### ■ Air Emissions

Items	FY2017	FY2018	FY2019	FY2020	FY2021
CO <sub>2</sub> (thousand t-CO <sub>2</sub> )	30	29	28	28	28
Nitrogen oxides / NO <sub>x</sub> (t)	197	193	191	189	192
Sulfur oxides / SO <sub>x</sub> (t)	8	8	8	8	8

# Summary of Employees

## Status of Employees (NH Foods Ltd.)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees	2,384	2,403	2,137	2,149	2,160
Male (regular employees )	1,341	1,011	883	898	891
Female (regular employees)	363	348	322	339	353
Percentage of female employees (%) (regular employees)	21.3	20.4	26.7	27.4	28.4
Percentage of female managers (%)	3.3	3.8	4.6	6.5	8.5
Number of temporary employees (average)	957	972	953	912	916
Average age	42.5	42.5	41.6	41.2	39.6
Male (age)	44.3	44.6	43.3	42.9	41.4
Female (age)	36.4	36.9	36.1	36.7	35.1
Average duration of employment (years)	18.8	18.8	17.6	17.4	17.8
Male (years)	21.0	20.7	19.4	19.3	19.7
Female (years)	12.2	12.2	11.8	12.6	13.0
Number of new graduates hired	35	61	54	51	41
Male	22	34	34	35	25
Female	13	27	20	16	16
Mid-career hiring rate of workers (%)	26	22	17	26	16
Average salary (yen)	8,706,025	8,570,717	8,422,396	8,395,177	8,575,136
Turnover rate (%)	2.9	3.7	16.0	3.2	4.1
Voluntary retirement rate (%)	1.56	1.72	1.70	1.29	2.09

※ Based on the number of current employees as of March 31st in each fiscal year

※ In fiscal 2019, NH Foods Ltd. expanded the optional retirement system as a temporary measure

## Status of Employees by Region (NH Foods Group)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Domestic	22,725	22,883	22,538	22,615	21,329
Overseas	7,930	7,957	7,592	6,775	6,320
Group total	30,655	30,840	30,130	29,390	27,649

※ Based on the number of current employees as of March 31st in each fiscal year

※ Includes average number of temporary employees

## Gender pay gap (NH Foods Ltd.)

Item	FY2021 (%)	Average annual income (yen)		Average age		Average length of service (year)	
Management	93.0	Total	11,667,651	Total	49.9	Total	26.8
		Men	11,738,018	Men	50.2	Men	27.1
		Women	10,912,500	Women	47.1	Women	23.9
General staff	86.2	Total	6,052,194	Total	38.5	Total	15.1
		Men	6,324,900	Men	40.0	Men	16.7
		Women	5,453,152	Women	35.3	Women	11.5

※ The gender pay gap (%) ratio is calculated by dividing the the average annual income of women by the average annual income of men



# Diversity

## Status of Re-Employment Following Mandatory Retirement (NH Foods Ltd.)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Number of mandatory retirees	29	16	11	3	6
Number of re-employed retirees	19	15	8	3	5
Re-employment rate (%)	65.5	93.8	72.7	100.0	83.3

※ Number of re-employed retirees: includes individuals employed at subsidiary following mandatory retirement

## Status of Hiring Personnel Disabilities (NH Foods Ltd.)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Employment rate (%)	1.8	2.1	2.4	2.5	2.7

※ Disabled Persons Act requires employers to keep the rate of hiring personnel disabilities over 2.3% (as ※ Includes non-regular employees

※ Employment rate is calculated based on Disabled Persons Act

## Condition of Utilizing Child and Nursing Care-Related Systems (NH Foods Ltd.)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Before and after childbirth leave (number of leave takers)	40	30	42	57	39
Spousal childbirth leave (number of leave takers)	52	27	30	29	35
Number of childcare leave takers	76	70	73	96	108
Male	8	4	5	12	18
Female	68	66	68	84	90
Rate of employees returning to work (%)	97.0	97.1	97.0	98.8	98.5
Shortened working hours for childcare (number of users)	64	91	98	81	123
Nursing leave (number of leave takers)	59	118	145	139	173

### ■ Category Details

Before and after childbirth leave	An employee can take the leave for six weeks before giving birth (or fourteen weeks for a multiple pregnancy) and eight weeks after giving birth.
Spousal childbirth leave	From one week before the expected delivery date of an employees' spouse and two week after giving birth, an employee may take three days of leave. (Paid leave)
Childcare leave	Until the child of an employee reaches the age of one year, or until the child reaches the age of three years if the child cannot enter nursery school or is under special circumstances. (Reserve paid leave can be used for the first twenty days)
Rate of employees returning to work	$(\text{Number of employees returning from childcare leave}) / (\text{Number of employees expected to return from childcare leave}) \times 100$
Shortened working hours for childcare	Until an employee's child finishes the six years of elementary school, the employee's scheduled working hours in a day may be shortened by up to two hours.
Nursing leave	12 days per year can be taken as nursing leave when the child of employee in sixth grade of elementary school or lower requires nursing, vaccination, or medical checkup. (Paid leave)

※ Remaining paid leave: annual paid leave which expired two years after being granted and was put into reserve (up to 40 days)

## Human Resources

### Percentage of Employees Subject to Periodic Evaluation with Respect to Business Performance and Career Development (NH Foods Ltd.)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees under the Management by Objectives (MBO)	1,367	1,731	1,528	1,574	1,513
Percentage of employees under the MBO (%)	57.3	72.0	71.5	94.7	100.0

### Freedom of Association and Collective Bargaining

NH Foods Ltd. respects the freedom of association and the rights of collective bargaining as recognized in the Constitution of Japan and laws and regulations. A union shop agreement has been made with the NH Foods Worker's Union ("Employee Union"). Members consist of all employees excluding those in management positions or with equivalent qualifications and others who are excluded based on individual agreements in light of such factors as the nature of their work. In addition, subsidiaries comply with and respect the laws, regulations, and labor practices of their respective countries, based on a stance that respects freedom of association and the rights of collective bargaining.

※ The enrollment rate of NH Foods Worker's Union in FY2021 is 100%

## Employee Health and Occupational Health & Safety

### Status of Working Hours and Use of Annual Paid Leave (NH Foods Ltd.)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Annual actual working hours (hours)	2,116	2,087	2,052	2,040	2,005
Hours of overtime work (hours)	325.37	290.24	278.23	286.74	251.59
Average number of days of annual paid leave granted (days)	18	18	18	18	18
Average number of days of annual paid leave taken (days)	12	12	15	12	13
Average usage rate of annual paid leave (%)	67	69	79	60	63

## Frequency Rate of Occupational Accidents (NH Foods Group in Japan)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
National manufacturing industry average	1.15	1.02	1.20	1.20	1.20
National food manufacturing industry average	3.85	2.95	3.32	3.48	3.51
NH Foods Group average	2.69	2.00	1.97	2.08	2.21

※ Frequency rate of occupational accidents : the number of casualties due to occupational accidents per million hours of actual work, as an indication of the frequency of

## Occupational Accidents Severity Rate (NH Foods Group in Japan)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
National manufacturing industry average	0.07	0.08	0.10	0.10	0.07
National food manufacturing industry average	0.15	0.18	0.21	0.25	0.10
NH Foods Group average	0.05	0.05	0.04	0.05	0.05

※ Occupational accident severity rate :total days of lost time due to accidents with respect to total worked hours of all employees

## Support physical and mental health

Items	Subject	FY2017	FY2018	FY2019	FY2020	FY2021
Rate of follow-up action after physical examinations (%)	NH Foods Ltd.	—	—	—	77.2	86.9
Ratio of smokers (%)	NH Foods Ltd.	—	—	—	32.8	24.9
Stress check examination rate (%)	NH Foods Ltd.	96.3	99.1	95.2	92.0	97.8
	NH Foods Group in Japan	93.0	91.5	90.3	91.6	92.8

※ Stress check: A test conducted by businesses on their workers to assess their level of psychological strain

## Occupational Safety and Health Management System Status (as of March 2022)

■ 8 business sites certified (certified business site ratio: 1.4%)

### Status of ISO45001 Certification Acquisition

Japan	<ul style="list-style-type: none"> <li>● Nipponham Delicatessen Ltd. (Headquarters, Product Development Division, Niigata Plant, Hokkaido Plant, Miyazaki Plant)</li> </ul>
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Thailand	<ul style="list-style-type: none"> <li>● Thai Nippon Foods Co., Ltd. (Ayutthaya Plant, Phitsanulok Branch)</li> <li>● Thai Nippon Cold Storage Co., Ltd. (Ayutthaya)</li> </ul>
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# List of Donations

## FY2021 Status of Donation Destination and Amount (NH Foods Ltd.)

Items	Donation amount
Social Welfare and Social Inclusion (yen)	34,048,998
Health, Medical Science, and Sports (yen)	141,000,000
Academics and Research (yen)	640,000
Education and Social Education (yen)	3,630,000
Culture and Art (yen)	100,000
Environment (yen)	2,360,000
Community Building for Disaster Preparedness, Crime Prevention (yen)	200,000
Political Donations (yen)	1,100,000
Others (yen)	3,700,000

# Corporate Governance

The average attendance rate of board of directors was 100%.

## Board of Directors

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	18/18	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	18/18	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	18/18	100
Director and Managing Executive Officer	Fumio Maeda	18/18	100
Director and Executive Officer	Masahito Kataoka	13/13	100
Director (Outside)	Yasuko Kono	18/18	100
Director (Outside)	Atsushi Iwasaki	18/18	100
Director (Outside)	Hideo Arase	18/18	100
Audit & Supervisory Board Member	Koichi Nishihara	5/5	100
Audit & Supervisory Board Member	Nobuyuki Tazawa	18/18	100
Audit & Supervisory Board Member	Sadanori Miyagai	18/18	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	18/18	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi	18/18	100
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki	18/18	100

## FY2021 Status of Optional Committee Attendance

## ■ Compliance Committee

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	4/4	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	4/4	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	4/4	100
Director (Outside)	Yasuko Kono	4/4	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi	4/4	100 ※1
Managing Executive Officer	Hitoshi Yao	4/4	100
Executive Officer	Kohei Akiyama	4/4	100
General Manager of the Compliance Department	Hiroshi Matsuura	4/4	100
Union representative officers	Yuta Yamagishi	4/4	100

※ Additional member is outside expert

※1 Observer

## ■ Sustainability Committee

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	4/4	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	4/4	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	4/4	100
Director and Managing Executive Officer	Fumio Maeda	4/4	100
Director and Executive Officer	Masahito Kataoka	4/4	100
Director (Outside)	Yasuko Kono	4/4	100
Director (Outside)	Atsushi Iwasaki	4/4	100
Director (Outside)	Hideo Arase	4/4	100
Managing Executive Officer	Nobuo Oda	4/4	100
Executive Officer	Kohei Akiyama	4/4	100
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki	4/4	100 ※1

※ Additional member is outside expert

※1 Observer

### ■ Executive Appointments Committee

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
Director (Outside)	Yasuko Kono	7/7	100
Director (Outside)	Atsushi Iwasaki	7/7	100
Director (Outside)	Hideo Arase	7/7	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	7/7	100

### ■ Board of Independent Outside Officers

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
Director (Outside)	Yasuko Kono	2/2	100
Director (Outside)	Atsushi Iwasaki	2/2	100
Director (Outside)	Hideo Arase	2/2	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	2/2	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi	2/2	100
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki	2/2	100

### ■ Compensation Committee

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	3/3	100
Director (Outside)	Yasuko Kono	3/3	100
Director (Outside)	Atsushi Iwasaki	3/3	100
Director (Outside)	Hideo Arase	3/3	100

### ■ Board of Independent Officers and Representative Directors

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	2/2	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	2/2	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	2/2	100
Director (Outside)	Yasuko Kono	2/2	100
Director (Outside)	Atsushi Iwasaki	2/2	100
Director (Outside)	Hideo Arase	2/2	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	2/2	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi	2/2	100
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki	2/2	100

## Promoting Compliance

NH Foods Group engages in awareness-raising activities to deepen employees' understanding of compliance and reaffirm its importance.

### Compliance Training (NH Foods Group in Japan)

We reaffirm the importance of compliance at all levels of the organization by acquiring knowledge about harassment and communication, engaging in group discussions based on case studies, and through other initiatives.

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Number of attendees	1,101	1,070	1,026	1,370	1,272
Number of attendees ranked manager and higher	820	732	795	1,102	971

※ Total number of attendees for training designed for different levels of the organization, such as new employee training, manager training and Group company president training

※ Applicable employees: Officers and General managers in 2018 and 2021, section chiefs in 2017, 2019 and 2020

### Compliance Competition (NH Foods Group in Japan)

Knowledge on harassment and communication, as well as the results of initiatives underway at different workplaces and business sites are shared.

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Number of attendees	18,689	19,400	17,460	20,545	20,288

### NH Foods Group Consultation Desk (NH Foods Group in Japan)

In addition to an internal consultation desk, an independent outside consultation desk has also been set up so that Group employees can freely report and consult on actual workplace conditions.

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Number of consultations received	192	201	179	199	249

### Compliance Visits to Business Sites (NH Foods Group in Japan)

With the aim of avoiding, mitigating and preventing risks, the Compliance Department visits business sites to listen to employee sentiments regarding the onsite atmosphere, business-related issues, interpersonal issues, and other items.

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Number of group companies visited	17	9	10	7	18
Number of business sites visited	36	96	43	15	24
Applicable number of employees	Approx. 1,000	Approx. 1,300	Approx. 1,000	Approx. 700	Approx. 900

※ Due to COVID-19, compliance activities were primarily conducted remotely in fiscal 2020.



# Third-Party Verification

NH Foods Group has been subjected to third-party verification about the appropriateness of disclosed data.

## ■ Subjects

- Stakeholder management process
- Greenhouse gas (GHG) emissions (Scope 1, 2<sup>\*1</sup>, and 3)
- Energy consumption
- Water consumption
- The management systems supporting the reporting


## ■ Period covered

April 1, 2021 to March 31, 2022

The Scope of each assurance covers the domestic subsidiaries plants, sales offices, logistics hubs, headquarters, branches, and laboratories.

\* The information on this page is disclosed on NH Foods Group website.

\*1 Greenhouse gases covered carbon dioxide, methane, and nitrous oxide



## ASSURANCE STATEMENT

**SGS Japan's Report on Sustainability Activities in the NH Foods Group website.**

**NATURE AND SCOPE OF THE ASSURANCE**  
 SGS Japan Inc. was commissioned by the NH Foods Group (hereinafter referred to as "the Organization") to conduct an independent assurance of its Sustainability Activities in the website (hereinafter referred to as "the Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the stakeholder management process, data on greenhouse gas (GHG) emissions (Scope 1, 2, and 3), energy consumption, water consumption, and the management systems supporting the reporting process. The Scope of each assurance is limited to the domestic subsidiaries plants, sales offices, logistics hubs, headquarters, branches and laboratories.

The information contained in the Report is the responsibility of the directors or governing body and the management of the Organization. SGS Japan Inc. has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all the Organization's stakeholders. The organization is responsible for the preparation and fair presentation of the scope of the assurance.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a moderate level of scrutiny using our protocols for:

- Evaluation of content veracity;
- AA1000 Assurance Standard (V3) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);
- Evaluation against the ISO14064-3(2019);

The assurance comprised a combination of pre-assurance research, interviews with the management and the person in charge of producing the Report, onsite visits (NH Foods Ltd. Tokyo Branch and Nippon Luna Inc. Takasaki Plant), remote verification from organization's branch (Nipponham Delicatessen Ltd. Hokkaido Plant) and confirmation of vouchers, review of related materials and records, and analytical procedures.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**  
 The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; and environmental, social and sustainability report assurance. SGS Japan Inc. affirms our independence from the Organization, being free from bias and conflicts of interest with the Organization, its subsidiaries and stakeholders.

The assurance team was assembled based on the knowledge, experience and qualifications of the each of the team members for this assignment, and comprised auditors registered with lead auditors of ISO9001, ISO14001, ISO45001 and lead verifiers of greenhouse gas emissions.

**ASSURANCE OPINION**  
 Within the scope of the assurance activities employing the methodologies described above, nothing has come to our attention that caused us to believe that the information and data contained within the Report does not provide a fair and balanced description of the Organization's sustainability activities from 1 April, 2021 to 31 March, 2022.

The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders. We believe that the Organization has chosen an appropriate level of assurance for this stage in their reporting.


**AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**


**Inclusivity**  
 The organization identifies its stakeholders as consumers, business partners, shareholders, investors, employees, government, international community, local community, and local environment, and establishes communication opportunities for each of them. The needs and expectations of the stakeholders are input to the organization through these activities, and their responses are considered. This process is continuous and effective because it is integrated into the business. Consequently, SGS Japan Inc. confirmed through the verification that the Organization supports the principle of Inclusivity.

**Materiality**  
 As a milestone in pursuing the realization of our corporate philosophy, the organization have formulated "Vision 2030" and identified as "Five Materials (key issues)" that should be prioritized to be solved the social issues toward its realization. These "Five Materials (key issues)" have referred to the initiatives of SDGs, SASB, ISO 26000, GRI, and various social issue, and extract initial evaluation items. In addition, taken the opinions of various positions stakeholders and extracted and identified important issues. The identified issues are evaluated and finalized by specialized stakeholders and management. These "Five Materials (key issues)" are reflected in the medium-term management plan, ensuring that they are addressed as business activities. These processes are published in the Report. As described above, it was confirmed in this verification that important issues have been identified.

**Responsiveness**  
 The organization is engaged in various activities, taking into account the allocation of resources to the Five Materials identified. Their activities have been reported to stakeholders by disclosing them in the Report. The organization implements initiatives to raise awareness among employees and communicates with external stakeholders through various means, including dialogue. Consequently, SGS Japan Inc. confirmed through the verification that the Organization addresses these issues.

**Impact**  
 The results of activities for the identified issues are reported in the Report, including detailed case examples. This report also includes reports on the impacts on the ecosystem. Consequently, SGS Japan Inc. confirmed through the verification that the Organization supports the principle of impact.

For and on behalf of SGS Japan Inc.  
 Senior Executive & Director  
 Certification and Business Enhancement  
 21 June, 2022  
 Signed: 

 **AA1000**  
 Licensed Report  
 000-8/V3-1OCLG

The details of the scope of verification

The scope	The boundary	The assertion
1 Scope 1 and 2: energy-related CO <sub>2</sub> emissions, energy consumption, CO <sub>2</sub> from incineration of wastes, CH <sub>4</sub> and N <sub>2</sub> O derived from livestock: fermentation in the digestive tract and excreta disposal	Domestic Group	Scope1: 347,560 t-CO <sub>2</sub> Scope2 (Location-based): 287,140 t-CO <sub>2</sub> Scope2 (Market-based): 280,260 t-CO <sub>2</sub>
2 Scope 3: category 1-12 *Category1: Purchased raw materials *Category6: Use of Sapporo Dome *Category10: Delivery from customer to store *Category11: Cooking with heat of professional products *Category12: Leftover food and disposal of wrapping film *Category 13-15 are not applicable to the Organization	The activities of Domestic Group	category1: 5,752,754 t-CO <sub>2</sub> category2: 156,771 t-CO <sub>2</sub> category3: 82,981 t-CO <sub>2</sub> category4: 704,084 t-CO <sub>2</sub> category5: 43,887 t-CO <sub>2</sub> category6: 2,969 t-CO <sub>2</sub> category7: 58,018 t-CO <sub>2</sub> category8: 4,110 t-CO <sub>2</sub> category9: 112,323 t-CO <sub>2</sub> category10: 245,342 t-CO <sub>2</sub> category11: 146,378 t-CO <sub>2</sub> category12: 125,839 t-CO <sub>2</sub>
3 Water consumption	Domestic Group	14,721,039m <sup>3</sup>

### ■ Subjects

#### • Scope1

About cattle, Methane and nitrous oxide emissions during enteric fermentation and manure management.

### ■ Period covered

April 1, 2021 to March 31, 2022

**Verification Opinion**

**SGS**  
22 September 2022  
Opinion No : SGS22/068

Mr. Yoshihide Hata  
President and Representative Director  
NH Foods Ltd.  
BREEZE TOWER, 4-9, Umeda 2-chome, Kita-ku,  
Osaka, Japan

**Objective**  
SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by NH Foods Ltd. (hereinafter referred to as "the Organization") to conduct independent verification based on Criteria of Verification (ISO14064-3: 2019 and the SGS verification protocol) regarding the data prepared by the Organization on the scope of verification (hereinafter referred to as "the statement"). The objective of this verification is to confirm that the statement in the Organization's applicable scope has been correctly calculated and reported in the statement in conformance with the criteria, and to express our views as a third party. The Organization is responsible for the preparation and fair presentation of the statement.

**Scope**  
The scope of verification is Scope1: Methane and nitrous oxide emissions during enteric fermentation and manure management. The period subject to report is from 1 April 2021 to 31 March 2022.  
Refer to the following table for the detailed scope of verification.

**The details of the scope of verification**

The scope	The boundary	The statement
1 Scope1: CH <sub>4</sub> and N <sub>2</sub> O emissions during enteric fermentation and manure management	The cattle raised on Whyalla Beef Pty. Ltd.'s own farm	CH <sub>4</sub> : 87,594t-CO <sub>2eq</sub> N <sub>2</sub> O : 3,589t-CO <sub>2eq</sub>

**Procedure of Verification**  
The statement was verified in accordance with Criteria of Verification, and the following processes were implemented at a limited level of assurance:


- Verification of the calculation system: Interviews on the measurement, tabulation, calculation and reporting methods employed by the Organization as well as review of related documents and records
- Verification of the statement: Interviews and review of vouchers for the scope of verification carried out at the Tokyo branch office

The criteria for this review are based on Australia, 2022 National Inventory Report (NIR), May 2022 and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

**Conclusion**  
Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's statement was not calculated and reported in conformance with the criteria. SGS Japan Inc. affirms our independence from the Organization, being free from bias and conflicts of interest with the Organization.

For and on behalf of SGS Japan Inc.  
Yokohama business Park North Square I  
134, Good-cho, Hodogaya-ku, Yokohama  
Senior Executive & Director  
Knowledge

Yuji Takeuchi



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