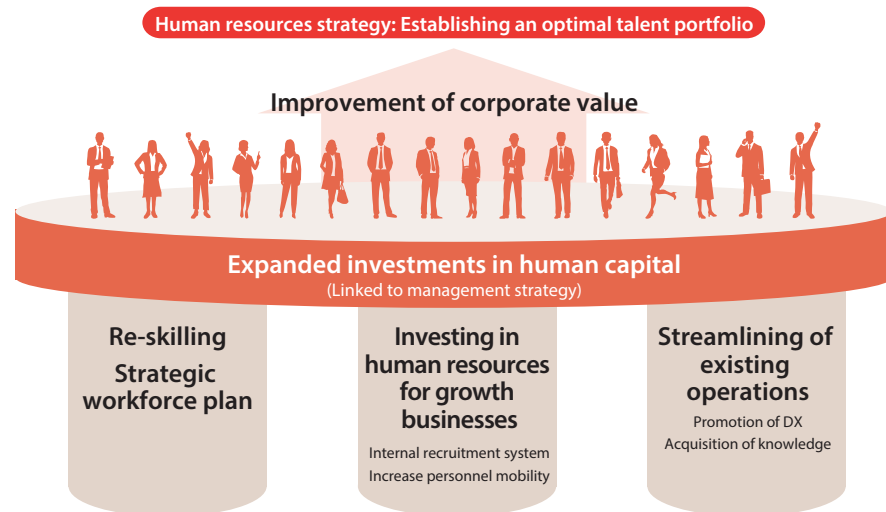


Initiatives for Society

In October 2022, we established the Human Resources Committee to implement specific measures for “tackling the challenge of developing new businesses” and “domestic business transformation” per the new Medium-Term Management Plan. The committee is now formulating specific strategies for securing and developing human resources.

Human Resources Strategy Underpinning the New Medium-Term Management Plan



In the new medium-term management plan, which kicked off in 2023, the Group states a clear commitment to expanding investment in human capital for a new stage of growth and sets the stage for its future human resources strategy. In the past, we carried out recruitment and personnel transfers in response to requests from each business department. However from this fiscal year, we formulated a “workforce plan” and established a system that allows us to build an optimal human resources portfolio by systematically and strategically recruiting and developing the human resources needed for future business activities.

We especially recognize that there is an urgent need to recruit and train human resources who can support the development of overseas businesses, which we target to account for 15% of net sales by 2030 as a way to tackle the challenge of developing new businesses, as well as human resources who can plan and sell high-value-added products, which is the pillar of our domestic business transformation.

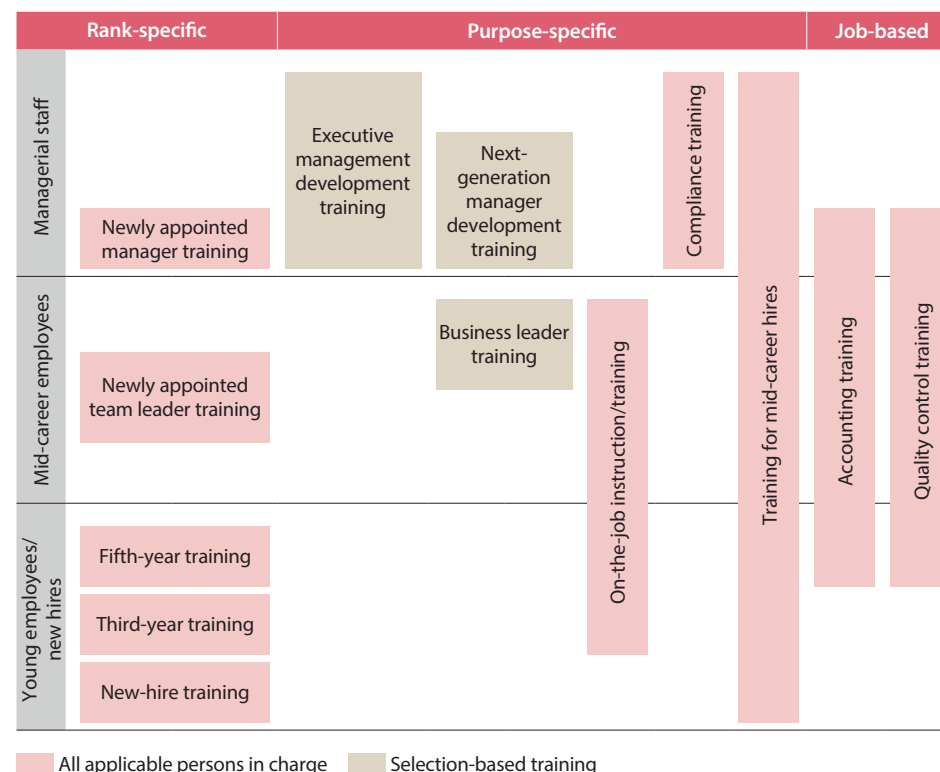
We will focus on investing in human resources in these areas and achieve a human resources strategy linked to our management strategy.

Visualizing Human Resources and Education/Training Regime

In order to promote a human resources strategy linked to our management strategy, we introduced a new personnel management system in fiscal 2021, enabling integrated data management of the Group’s human capital and the so-called “visualization of human resources.” In the future, we will further utilize data to assign the appropriate people to the appropriate jobs in each department and contribute to the professional and personal growth of our employees.

To increase opportunities for employees to learn and grow, we have expanded rank-specific training, such as training in accordance with the year of employment, training at the time of promotion, and training for selected senior managers.

For example, in the training for executive candidates, we invited Mr. Kunio Ito, Director of Hitotsubashi University CFO Education and Research Center, to be an instructor, and through the one-year training curriculum, we aim to instill a wide range of knowledge and enhance participants’ logical thinking skills.



Initiatives for Society

■ Strategic Workforce Plan

The Group aims to create a workplace environment where everyone can play an active role and is working to enhance systems to ensure the diversity of human resources. In addition, we will continue to carry out activities to improve employee engagement and will continue to create a corporate culture and organization that can take “tackling the challenge developing new businesses” and “domestic business reforms” as set forth in the new medium-term management plan, and a system that enables growth.

Securing Diversity in the Workforce

Under our Management Philosophy of “Become a Company Where Our Employees Are Happy to Work” and “Grow through Our Work,” we have created an environment where diverse human resources can play an active role. Regardless of the type of hiring, whether new graduates or mid-career professionals, we appropriately evaluate their abilities and work achievements and actively assign and promote them. As a result, more than 40% of the Group's managers are mid-career hires.

Promoting career opportunities for women is also an important issue, and we are working to create a comfortable working environment with the goal of increasing female manager representation to 10% by the end of fiscal 2027. Specifically, we have increased the period during which shortened work schedules are provided for childcare for parents of children who have yet to enter fourth grade of elementary school, and we have established a system that allows employees to choose flexible work styles through telework and staggered working hours. To encourage male employees to take childcare leave, we have expanded the number of days of maternity leave for spouses and treat childcare leave at the time of birth as special paid leave.

In terms of improving the workplace, we first implemented a shared desk environment across

floors at our headquarters building in February 2022. As a result, we have achieved significant results, such as more-active communication across departments among employees working at the headquarters. Looking ahead, we will continue to improve the workplace environment at our business locations nationwide.

Enhancing Employee Benefits

In order to maintain and improve the health of our employees, we aim to be recognized as a company with excellent health practices, and in 2020 we received Silver certification from the Tokyo Metropolitan Federation of Insurance Societies. This fiscal year, we will step up our health awareness activities for our employees and aim to obtain “Gold” certification.

We have introduced systems that contribute to the promotion of employee health, such as increasing the age at which people are subsidized for comprehensive medical exams and the creation of a new company-specific online consultation system to encourage employees to receive reexaminations. Furthermore, we have introduced Group Long-Term Disability (GLTD) insurance for employees who are unable to work for a long period of time due to illness or injury, so that they can concentrate on their medical treatment with peace of mind by covering the loss of income during that time.

Internal Recruitment System (Career Challenge System)

With the aim of improving employee engagement, we introduced the Career Challenge System, an internal recruitment system, in fiscal 2022.

Under this system, departments that want to supplement their human resources can recruit transfer applicants from within the Company and match employees who have the desire and ability to work in that department.

With the introduction of the system, employees can take on the challenge of working according to their preferences without having to change jobs outside the Company, providing them with options for their career development.

This has led to the discovery of talent that did not materialize in the previous approach to organizational management, the prompt securing of job-ready human resources from within the Company, and the promotion of career autonomy among employees.

In the future, we will consider expanding the system to the entire Group so that more employees can reap the benefits.



Shared desks (Shinagawa headquarters)

Initiatives for Society

For Sustainable and Stable Procurement

Through its business, the Group aims to contribute to the resolution of various social issues in the supply chain by working on the 10 principles of the United Nations Global Compact and the Sustainability Development Goals (SDGs).

Supplier Survey

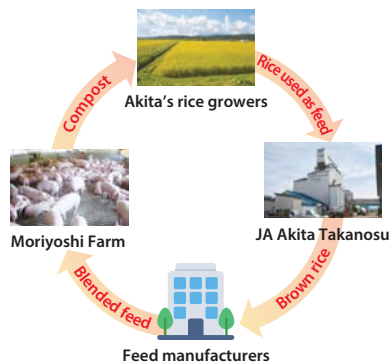
We will conduct surveys of meat suppliers and producers domestically and overseas to confirm whether they are complying with our sustainability activities, human rights, compliance, and other policies. Through this survey, we aim to help our partners understand the Group's philosophy, work together to address social issues, and build a safe and sustainable collaborative relationship.

Akita Junsui Pork

The Group is also promoting initiatives to maintain and develop local industries.

Launched in 2014, Akita Junsui Pork is a brand that results in "locally produced" hogs fed with rice produced by farmers in northern Akita and "recycling-oriented agriculture" that uses compost from pig farms for rice paddy fields. We will continue to deepen cooperation with production areas and support the revitalization of local economies.

Recycling-oriented Agriculture



Acquisition of Grassland in Ashoro

Our Group-affiliated farm in Ashoro City, Hokkaido acquired new grassland locally. As feed prices continue to soar, we have started activities to supply feed at Group-affiliated farms and supply hay as feed to neighboring farmers that we do business with as part of our efforts to build and maintain supply chains with the aim of securing domestic feed and sustainable farm operations.



Grassland in Ashoro

Agriculture-Welfare Collaboration

We support the agriculture and welfare cooperation (Nofuku in Japanese) advocated by Gassan Welfare Association, and we support the sale of Gassan Shorthorn beef raised by people with disabilities who belong to the welfare association.

This Nofuku initiative received the second prize at the Nofuku Awards 2022, which recognizes excellent examples of diverse human resources, including people with disabilities, playing an active role in the agriculture, forestry, and fisheries industries.



Gassan Shorthorn cattle

Soy Meat

We have been producing Zero Meat hamburg steak, along with ham and sausage, made from soybeans without the use of animal ingredients, as well as marketing commercial-use versions, together with Otsuka Foods Co., Ltd. The Zero Meat series has been well received for being delicious, healthy, and environmentally friendly for both consumer and commercial-use products. We continue to ship stable supplies of these products to retail stores and major restaurant chains.

Going forward, we are committed to increasing sales of Zero Meat products as a means to set ourselves apart in order to meet the diverse tastes of consumers.



Zero Meat

Efforts to Ensure Animal Welfare

The Group has identified "promoting animal welfare" as one materiality and is working to realize the "Five Freedoms" representing international norms for animal welfare. In 2022, we eliminated teeth clipping of piglets at Group-affiliated farms, installed drinking water facilities at all livestock processing plants in the Group, and completed the installation of video cameras to ensure proper handling of livestock and prevent accidents.

In addition to new initiatives such as the production of educational videos on the humane treatment of livestock, employee training, and free-stall research through industry-academia collaboration, we regularly provide opportunities for discussions with outside experts.

Initiatives for Society

Quality Assurance System

We are working to build a quality assurance system befitting a leading manufacturer of meat products and to raise awareness of quality among employees.

Starzen Group Quality Policy

1. Legal and regulatory compliance

The Starzen Group complies with all legal and regulatory requirements pertaining to food.

2. Groupwide quality assurance regime

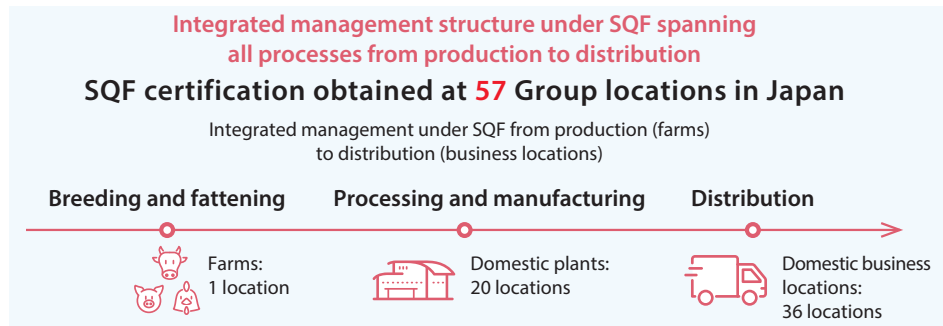
The Starzen Group continuously upgrades its quality assurance regime on a coordinated Groupwide basis to ensure that its food products are safe and reliable.

3. Customer first

The Starzen Group earnestly listens to customer feedback and strives to provide complete, accurate information to customers.

Safety and Quality Assurance System

The Starzen Group focuses first and foremost on making safe and secure products. With “customer first” as a continuous motto, one of the Starzen Group’s most important missions is to deliver delicious products that customers can enjoy with peace of mind. Based on this, the Starzen Group encourages its applicable business sites to obtain Safe Quality Food (SQF) certification under the Hazard Analysis and Critical Control Point (HACCP) system. By obtaining SQF certification in the breeding and fattening business, including partner producers, we will build an integrated quality assurance system, spanning from upstream to downstream meat distribution, thereby aiming to further increase the quality of our meats. Our integrated management structure built under SQF spanning from production to distribution is a first in Japan.



Also, in order to strengthen our foundation as a processed meat manufacturer, we are working to foster a culture of food safety. As a culture rather than a rule, we aim to instill an awareness of hygiene management in each and every employee. Reporting directly to the President & CEO, the Quality Assurance Division regularly instructs quality control managers of each subsidiary and business site, who in turn educate staff at each of their respective business sites. SQF is used as one of the tools in this training.

Quality Guidance for Suppliers and Production Partners Domestically and Overseas

As we increase the handling of highly processed products, there is a growing reliance on external partner companies for contract processing. We have established management regulations for outsourced manufacturing and check whether the same level of hygiene control as the Group is implemented in the product manufacturing processes of suppliers and production partners. From this fiscal year, we have also engaged an outside consultant to further ensure our safety management system from a medium- to long-term perspective, and we are working to further improve the hygiene controls of our partners by checking compliance from the impartial perspective of a third party.



Developing Human Resources in Quality Management

We conduct various training programs and distribute educational videos in order to raise the level of knowledge on quality control among all Group employees. In particular, in fiscal 2022, we held online training for quality control personnel stationed at sales offices nationwide on important matters related to food safety, such as temperature control and food labeling. The content of the training is shared with other staff by quality control personnel to improve the knowledge of everyone working at the sales office. In addition, we provide training to quality control personnel at our plants in line with their career stage. In particular, we reviewed our training system last fiscal year and decided to focus on developing the next generation of quality control personnel. We also provide classroom training to acquire knowledge and on-the-job training at plants in the form of training not only for young quality control personnel but also for mid-career employees, including transferees and mid-career hires.

