# Value Creation Process

At S&B Foods, we have identified the issues of high importance (materiality) in the external environment that surrounds our businesses. Based on an awareness of these issues, we have formulated the Third Medium-Term Business Plan to realize our vision. We will invest various forms of capital in achieving this plan and link it to a range of outcomes by creating value throughout the value chain.

Founding Philosophy: "BI-MI-KYU-SIN"

Corporate Philosophy: "Bring natural life and

happiness to every household"

# Recognized Issues

External environment

### Environment []

- Impact of the climate in growing areas and natural environment
- Food shortages and agricultural decline due to climate change
- Resource depletion

### Society 5

- Growing interest in food safety and reliability
- Rising logistics costs
- Sharp rises in ingredient prices
- Diversifying customer needs

### Governance G

- Changes in food-related laws and regulations
- Compliance with laws and regulations in various countries
- Demand for strengthened governance

product planning

R&D

Strengths

Product lineup that caters

to diverse needs

Customer-focused

product development

Initiatives for stable

procurement

Establishment of a quality

assurance system

Logistics

### Materiality

Key Issues

We have established the S&B Foods Mission as the goal of our activities

- ( See pages: Sustainability Promotion Structure and Materiality)
- Strengthen safety and reliability initiatives
- Reduce environmental impact
- Supply socially and environmentally minded products
- Promote diversity adapted for global society
- Health and safety for customers and employees

## Third Medium-Term **Business Plan**

Key Strategies

- (1) Provide products of value
- (2) Invest in growth areas
- (3) Achieve sustainable business
- (4) Invigorate employees and organization
- (5) Live in harmony with the Earth

### Inputs

#### Financial capital

• Financial base that supports business Sales: 120.6 billion yen Operating income: 5.3 billion yen

#### Manufacturing capital

 Product production/logistics centers Production centers: 9 factories in Japan Logistics centers: 1 location in Japan

#### Human capital

• Diverse human resources that support our business Employees: 2,152

#### Intellectual capital

- Accumulation of findings and know-how cultivated since the company was founded
- Basic research on spices and herbs
- Patents and manufacturing techniques

#### Social capital

- Trust relationship built with stakeholders
- Inquiries made to customer service center: 19,331 cases during fiscal 2022
- Chibikko Marathon (S&B's Original Marathon Event for Kids) finishers: Cumulative total of 1.53 million people
- Sales offices: 21 offices in Japan, 4 offices abroad

#### Natural capital

- Spice and Herb, the Earth's Blessing
- Energy and water use

# Value Chain

### **Business Overview**

### Spices and herbs

Outputs



## Curry/stew sauce mix







#### Spicy condiments















# Social status

• Bring natural life and happiness to every household around the world

**Outcomes** 

- Achieve workplace environments where diverse human resources can play an active and independent role
- Contribute to the global environment through business activities

#### Economic value

Medium-term targets\*

### Sales:

120.7 billion yen

Operating income:

**6.4**billion yen

Operating income margin: 5.3%

ROE: 6.0%

\*For the final year of the Third Medium-Term Business Plan (FY2025)

# Vision (goal)

With the potentiality of "Spice and Herb, the Earth's Blessing," we create a flavorful, healthy, and bright future.



Governance that supports value creation