

Kyokuyo Group

ESG Databook 2023



Environment

Performance Data (Environment)

Kyokuyo Group's Environmental Targets and Performance (Fiscal 2022)

The Kyokuyo Group is carrying out environmental conservation activities systematically and continuously to meet the following specific items set as group targets while gradually expanding the scope of activities to all business areas.

Kyokuyo Group's Environmental Targets and Performance (Fiscal 2022)

Activity	Objective	FY2022 target	Target value	Actual value	Achievement	Site
Saving energy	Reduce CO ₂ emissions*1 (t-CO ₂)	1% reduction from adjusted performance*2 for FY2021	18,189.0	17,852.9	1.8%	All sites
	Reduce electricity consumption (Thousand kWh)	1% reduction from adjusted performance*2 for FY2021	30,602.9	31,436.8	(2.7%)	All sites
	Reduce heavy oil A consumption (kl)	1% reduction from adjusted performance*2 for FY2021	710.5	594.4	16.3%	Food plants
	Reduce CO ₂ intensity (production volume) (kg-CO ₂ /t)	1% reduction from adjusted performance*2 for FY2021	363.3	355.4	2.2%	Food plants
Saving resources	Reduce water consumption (Thousand m ³)	1% reduction from adjusted performance*2 for FY2021	446.9	398.1	10.9%	Food plants
	Reduce food waste intensity (production volume) (kg/t)	Cumulative target for FY2022: 107.9 kg/ton	107.9	100.8	6.6%	Food plants
Recycling	Increase waste recycling rate (%)	Aim for a waste recycling rate of 92.7%	92.7	90.8	(1.9 p.p.)	Food plants
Biodiversity	Develop new products (products)	Develop 19 environmentally friendly products*3 (in three segments)	19.0	22.0	15.8%	Office sites (Headquarters departments)

*1 CO₂ emissions are aggregated separately by offices, food plants, and cold storage facilities, with the total as the group target.

*2 "Adjusted performance" indicates figures that are revised with taking various variables (number of people, number of working days, production plan, etc.) into account to previous year's actual performance when deciding targets.

*3 Environmentally friendly products include those developed from previously unused parts, and products that have been commercialized with MSC and ASC certification.

Scope of environmental data aggregation

Site	Included in aggregation
Food plants	Shiogama Plant, Hachinohe Plant, and Hitachinaka Plant of Kyokuyo Shokuhin Co., Ltd.; Ohigawa Plant and Souemon Plant of Kyokuyo Suisan Co., Ltd.*1; Kyokuyo Foods Co., Ltd.; Kyokuyo Fresh Co., Ltd.; Kaiyo Foods Co., Ltd.; Ibusuki Shokuhin Co., Ltd.; and Kyokuyo Research and Development Division Laboratory
Cold storage	Jonanjima Site, Tokyo Site, and Fukuoka Site of Kyokuyo Akitsu Reizo Co., Ltd.; and Cold Storage Section of Kyokuyo Suisan Co., Ltd.
Offices	Headquarters and branch offices of Kyokuyo Co., Ltd.; Kyokuyo Sougou Service Co., Ltd.; Kyokuyo Shoji Co., Ltd.; Integrate System Service Co., Ltd.

*1 For Kyokuyo Suisan Co., Ltd., the Cold Storage Section is included in the aggregation for cold storage sites.

Environment

Evaluation of Compliance with Environmental Legislation (Fiscal 2022)

In FY2022, in the category of compliance with environmental laws and regulations, one warning was received from government authorities in relation to the quality of plant wastewater. However, we have resolved this issue by completing corrective measures and filing a report.

Environmental Accounting

The Kyokuyo Group monitors cost-effectiveness by quantitatively managing environmental conservation initiatives from the viewpoint of cost, in the belief that this helps in making more efficient and rational decisions. When disclosing environmental conservation costs, we take the needs of various stakeholders into consideration and report the information in accordance with the Environmental Guidelines issued by Japan's Ministry of the Environment so that it can be compared with other companies.

Kyokuyo Group's environmental conservation costs (Fiscal 2022)

(Thousand yen)

Top figure: FY2022 data Bottom figure: FY2021 data

Category	FY2022 Group total		FY2022 breakdown: Food plants		FY2022 breakdown: Cold storage		FY2022 breakdown: Offices		
	Investment	Expense	Investment	Expense	Investment	Expense	Investment	Expense	
Costs in business areas	107,628 35,480	316,782 336,608	89,708 18,397	260,496 279,881	17,920 17,083	51,477 53,734	0 0	4,809 2,993	
Breakdown	Pollution prevention costs		27,958 5,139	70,412 72,168	27,958 5,139	70,412 72,168	0 0	0 0	
	Global environmental conservation costs		79,045 30,341	130,963 153,127	61,125 13,258	77,761 98,148	17,920 17,083	50,797 53,010	0 0
	Resource recycling costs		625 0	115,407 111,313	625 0	112,323 109,565	0 0	680 724	0 0
Upstream and downstream costs		0 0	1,768 66	0 0	23 26	0 0	0 0	1,745 40	
Management activity costs		0 0	6,699 6,394	0 0	6,699 6,394	0 0	0 0	0 0	
R&D costs		0 2,770	4,770 0	0 2,770	4,770 0	0 0	0 0	0 0	
Social activity costs		0 0	156 75	0 0	156 75	0 0	0 0	0 0	
Environmental damage remediation costs		0 0	15,083 13,872	0 0	5,595 5,907	0 0	9,475 7,952	0 0	
Total		107,628 38,250	345,257 357,015	89,708 21,167	277,739 292,283	17,920 17,083	60,952 61,686	0 0	
Change (FY2022 – FY2021)		69,378	(11,758)	68,541	(14,544)	837	(734)	0	
								3,520	

[Costs in business areas]

Environmental conservation costs to reduce the environmental impact of our main business activities in our business areas are classified into the following three categories.

Pollution prevention costs: Costs of initiatives related to pollution prevention

Global environmental conservation costs: Costs for global warming prevention, ozone layer protection, and other global environmental conservation

Resource recycling costs: Includes the cost of reducing and recycling waste, as well as the appropriate disposal costs for industrial waste

Environment

Gain on sale of valuables – Food plants –

	FY2020	FY2021	FY2022
Food plants: Gain on sale (Thousand yen)	19,247	16,646	19,083

Some waste and crushed products generated in business activities are profitable as they can be sold as goods with recyclable value. Sorting is an important activity that helps to reduce waste and improve recycling rates, and leads to reductions in expenses and product costs.

* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

Energy costs and business activities – Food plants – (Thousand yen)

Energy costs	FY2021 performances	FY2022 performances	Variance (FY2022 – FY2021)
Electricity	354,865	509,632	154,767
Heavy oil	47,090	17,906	(29,184)
Gasoline	889	736	(153)
Diesel	1,029	940	(89)
Kerosene	1,803	1,786	(17)
LPG	21,709	19,421	(2,288)
City Gas	33,165	55,886	22,721
Total	460,550	606,307	145,757

Costs related to resources and business activities

– Food plants – (Thousand yen)

Cost of resource-saving activities	FY2021 performances	FY2022 performances	Variance (FY2022 – FY2021)
City water	68,542	78,280	9,738
OA paper	1,121	942	(179)
Waste disposal consignment	105,457	101,837	(3,620)
Wastewater treatment	57,349	67,008	9,659
Use of detergents and sanitizer	34,324	36,496	2,172
Total	266,793	284,563	17,770

Business activities and environmental impact (FY2022) – Group total –

INPUT

Raw materials*	
Primary and secondary raw materials (t)	36,625

* Raw materials are actual figures for food plants.

Energy	
Purchased electricity (Thousand kWh)	31,437
Heavy oil A (kl)	594
Gasoline (kl)	80
Diesel (kl)	9
Kerosene (kl)	18
LPG (m ³)	53
City Gas (m ³)	502
Total energy (GJ)	368,554
Crude oil equivalent (kl)	9,509

Water resources	
Water supply (m ³)	170
Industrial water (m ³)	106
Groundwater (well water) (m ³)	122
Total water resources (m ³)	398

OUTPUT

Emissions to the atmosphere	
CO ₂ emissions (t-CO ₂)	17,853

Waste	
Food waste (t)	3,726
Other waste* (t)	4,383
Total waste (t)	8,109

* Other waste includes general waste that can be measured at all sites.

Recycling	
Amount recycled (t)	7,472
Final disposal amount (t)	637

Environment

Electricity consumption – Group total –

Site	FY2018	FY2019	FY2020	FY2021	FY2022
Food plants (Thousand kWh)	18,903	19,017	19,374	20,570	20,877
Cold storage (Thousand kWh)	11,272	9,070	8,857	8,925	9,258
Offices (Thousand kWh)	1,331	1,285	1,359	1,314	1,302
Total (Thousand kWh)	31,506	29,372	29,590	30,809	31,437
Electricity consumption intensity* (Thousand kWh/t)	0.56	0.53	0.53	0.54	0.56

* The scope of electricity consumption intensity is only for food plants.

* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

CO₂ emissions – Group total –

Site	FY2018	FY2019	FY2020	FY2021	FY2022
Food plants (t-CO ₂)	13,073	12,699	12,764	12,904	13,136
Cold storage (t-CO ₂)	5,416	4,274	3,700	3,757	3,988
Offices (t-CO ₂)	870	841	762	744	729
Total (t-CO ₂)	19,359	17,814	17,226	17,405	17,853
CO ₂ emissions intensity* (t-CO ₂ /t)	0.39	0.36	0.35	0.34	0.36

* The scope of CO₂ emissions intensity is only for food plants.

* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

Total energy input

Site	FY2020	FY2021	FY2022
Food plants (kl)	6,284	6,698	6,727
Cold storage (kl)	2,279	2,296	2,382
Offices (kl)	404	396	399
Total	8,967	9,390	9,508

* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

* Errors in the FY2020-21 data have been corrected.

CO₂ emissions from transportation

	FY2020	FY2021	FY2022
CO ₂ emissions from transportation (t-CO ₂)	8,130	7,310	6,747

* Uses a deemed value, in accordance with the Ministry of Economy, Trade and Industry's notice "Method of calculating the energy consumption in freight transportation consigned to freight carriers of energy use in such freight transportation"

* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

Energy intensity

Site	FY2020	FY2021	FY2022
Food plants (MJ/t)	6,632	6,848	7,055
Cold storage (MJ/t)	97	98	94

* Total production for food plants, and income tons for cold storage

* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

Fluorocarbon emissions (leakage)

	FY2020	FY2021	FY2022
Fluorocarbon emissions (leakage) (kg)	116	370	281

* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

Environment

Water consumption – Food plants –

	FY2018	FY2019	FY2020	FY2021	FY2022
Water usage (m ³)	346,856	355,442	355,983	390,620	398,126
Water usage intensity (m ³ /t)	10.28	9.96	9.69	10.30	10.77

* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

Water consumption (by water consumption source) – Food plants –

	Kyokuyo Shokuhin (Shiogama Plant)	Kyokuyo Shokuhin (Hachinohe Plant)	Kyokuyo Shokuhin (Hitachinaka Plant)	Kyokuyo Fresh	Kaiyo Foods	Kyokuyo Foods	Kyokuyo Suisan (Ohigawa Plant)	Kyokuyo Suisan (Souemon Plant)	Ibusuki Shokuhin	Total
Water supply (m ³)	12,795	22,831	13,984	40,461	446	61,296	444	78	18,209	170,544
Industrial water (m ³)	105,696	—	—	—	—	—	—	—	—	105,696
Well water (m ³)	—	37,736	16,204	—	18,688	—	35,292	13,966	—	121,886
Total	118,491	60,567	30,188	40,461	19,134	61,296	35,736	14,044	18,209	398,126

Drainage destinations

Kyokuyo Shokuhin (Shiogama Plant)	Kyokuyo Shokuhin (Hachinohe Plant)	Kyokuyo Shokuhin (Hitachinaka Plant)	Kyokuyo Fresh	Kaiyo Foods	Kyokuyo Foods	Kyokuyo Suisan (Ohigawa Plant)	Kyokuyo Suisan (Souemon Plant)	Ibusuki Shokuhin
Sewer	River	River	Sewer	Sewer	River	River	River	Wastewater (facilities belonging to a cooperative)

Production volume, food waste output and intensity – Food plants –

	FY2018	FY2019	FY2020	FY2021	FY2022
Production Volume (t)	33,751	35,687	36,726	37,909	36,962
Food waste output (t)	2,403	2,533	2,803	3,639	3,726
Food waste intensity (kg/t)	71	71	76	96	101

* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

* Errors in the FY2018-21 data have been corrected.

Waste recycling rate – Food plants –

	FY2020	FY2021	FY2022
Waste recycling rate (%)	92.5	93.2	92.3

* All wastes, including food waste

* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

* An error in the FY2021 data has been corrected.

Social

Employee Data

Employees

	FY	Total	Men	Women
Number of employees	2020	682	510	172
	2021	695	513	182
	2022	704	510	194
Average age	2020	40 yrs. 5 mo.	42 yrs. 3 mo.	36 yrs. 1 mo.
	2021	40 yrs. 7 mo.	42 yrs. 5 mo.	36 yrs. 5 mo.
	2022	40 yrs. 10 mo.	42 yrs. 11 mo.	36 yrs. 4 mo.
Length of service	2020	16 yrs. 1 mo.	17 yrs. 10 mo.	10 yrs. 11 mo.
	2021	16 yrs. 4 mo.	18 yrs. 2 mo.	11 yrs. 2 mo.
	2022	16 yrs. 5 mo.	18 yrs. 7 mo.	10 yrs. 8 mo.
Average annual salary (yen)	2020	6,974,126	—	—
	2021	7,134,548	—	—
	2022	7,252,138	—	—
Average number of temporary employees	2020	85	—	—
	2021	84	—	—
	2022	80	—	—
Number of consolidated employees	2020	2,313	—	—
	2021	2,208	—	—
	2022	2,112	—	—

Recruitment of new graduates

	Total	Men	Women
Joined in April 2020	30	19	11
Joined in April 2021	31	19	12
Joined in April 2022	33	16	17
Joined in April 2023	34	18	16

Mid-career recruitment

	Total	Men	Women
April 2018 – March 2019	2	1	1
April 2019 – March 2020	4	3	1
April 2020 – March 2021	2	1	1
April 2021 – March 2022	1	0	1
April 2022 – March 2023	11	4	7

Employee age distribution (as of March 31, 2023)

	Total	Men	Women
Under 30 y.o.	185	114	71
30 – 39 y.o.	167	100	67
40 – 49 y.o.	141	98	43
50 – 59 y.o.	204	191	13
60 y.o. or over	7	7	0
Total	704	510	194

* Number of employees hired (not including contract employees)

Status of promotion to managerial positions (as of March 2023)

	Total	Men	Women	Non-Japanese
Managers	341	309	32 (9.4%)	0
Of which, general managers and higher	25	25	0 (0%)	0
Directors	15	13	2 (13.3%)	0

* "Managers" means supervisors and higher ranks

* "General managers and higher" means branch managers, laboratory directors, and general managers

* "Directors" means the number of Directors of the Board and Supervisory Board Members

* Figure in parentheses is percentage of women

Number of employees who left the company (from April 1, 2022 to March 31, 2023)

	Total	Early	Voluntary	Involuntary	Transfer	Other
Men	23	0	18	0	2	3
Women	11	0	9	0	0	2
Total	34	0	27	0	2	5

Share of employees who left the company within three years after having joined as recent graduates (entered in FY2018–FY2022)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees joining the company	39	20	30	31	33
Number of employees leaving the company (employees who joined within the past three years)	3	2	2	3	0
Employee turnover rate (within three years of joining the company) (%)	7.7	10.0	6.7	9.7	0.0

Number of re-employed employees

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of re-employed employees	0	0	0	1	5

* In FY2022, three former employees were re-employed after having previously retired, and two former employees made use of the Career Return system

Employment of persons with disabilities

	FY2018	FY2019	FY2020	FY2021	FY2022
Actual number of people	7	9	10	11	9
Employment rate of persons with disabilities (%)	1.49	1.89	1.99	2.13	1.72

* Statutory employment rate: 2.3%

Paid leave

	FY2018	FY2019	FY2020	FY2021	FY2022
Days granted	12,040	12,515	12,976	13,100	13,316
Days taken	5,686	6,527	5,995	6,401	7,950
Utilization rate	47.2	52.2	46.2	48.9	59.7

Childbirth and parental leave

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees taking maternity leave	10	12	11	8	7
Number of employees taking parental leave	9	9	11	14	11
Of which, number of men	1	0	2	4	2
(Number of employees taking leave of up to one week)	1	0	2	3	1
Rate of employees returning to work from parental leave (%)	89	100	100	100	100

* Employees taking maternity and parental leave are counted in the fiscal year in which the leave begins.

Rate of male employees taking parental leave (from April 1, 2022 to March 31, 2023)

	*1	*2
Number of male employees taking parental leave	19	9
Percentage taking parental leave (%)	47.4	

*1 Number of male employees whose spouse was giving birth

*2 Number of male employees who took parental leave or otherwise made use of the leave system for childcare purposes

Shorter Working Hours for Childcare System

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees using the Shorter Working Hours for Childcare System	26	23	23	33	35

Labor union enrollment rate (as of March 31, 2023; Kyokuyo only)

	FY2018	FY2019	FY2020	FY2021	FY2022
Labor union enrollment rate (%)	47.39	47.32	46.57	45.97	47.59

* Number of labor union members ÷ (number of full-time employees + number of part-time and contract employees)

Number of occupational accidents

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of accidents causing lost worktime	4	4	4	2	3

Number of employees taking mental health leave

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees taking leave	3	0	1	0	1

Number of distance learning seminars held, and cost of holding them

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of seminars held	Starts in April	20	51	47	51	82
	Starts in October	51	77	74	84	119
	Total	71	128	121	135	201
Cost (thousand yen)	Starts in April	397	1,029	1,072	1,110	1,409
	Starts in October	798	1,444	1,729	1,760	2,263
	Total	1,195	2,473	2,800	2,870	3,672

Board of Directors, Board of Auditors

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of directors	12	12	11	12	11
Of which, number of outside directors	2	2	2	4	4
Of which, number of female directors	1	1	2	2	2
Proportion of independent directors (%)	16.7	16.7	18.2	33.3	36.4
Proportion of female directors (%)	8.3	8.3	18.2	16.7	18.2
Number of Auditors	4	4	4	4	4
Number of Board of Directors meetings	16	16	16	17	16
Number of Board of Auditors meetings	6	13	14	13	13
Attendance rate at Board of Directors meetings (%)	98.8	99.6	98.8	99.6	99.2
Attendance rate at Board of Auditors meetings (%)	100.0	100.0	100.0	100.0	98.1

Nomination and Remuneration Committee

	FY2018	FY2019	FY2020	FY2021	FY2022
Nomination and Remuneration Committee (number of company personnel)	—	—	—	1	1
Nomination and Remuneration Committee (number of external personnel)	—	—	—	2	2
Total	—	—	—	3	3
Number of Nomination and Remuneration Committee meetings	—	—	—	2	2
Attendance rate Nomination and Remuneration Committee meetings (%)	—	—	—	100.0	100.0

* The committee debated remuneration at a June 2022 meeting and nomination at a February 2023.

Number of briefing meetings

	FY2018	FY2019	FY2020	FY2021	FY2022
IR Presentation	2	2	2	2	2

Number of meetings of various committees

	FY2018	FY2019	FY2020	FY2021	FY2022
Sustainability Committee*	2	2	2	2	2
Internal Audit Committee	7	8	5	6	9

* Environmental Conservation Committee changed its name to Sustainability Committee in FY2022.