Corporate Governance Report

Notes: 1. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
2. In this report, fiscal years (FY) indicate years ended March 31.

Last updated: June 25, 2025
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The state of corporate governance of Nichirei Corporation ("the Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information

1. Basic Views

On the basis of its holding company structure, the Nichirei Group ("the Group") engages in business through its operating companies across a wide range of fields including processed foods, marine products, meat and poultry products, logistics and biosciences. In pursuit of sustainable growth and the enhancement of corporate value over the medium to long term, the Company's Board of Directors formulates Group strategies and supervises the business execution of operating companies.

The Company is well aware that ensuring equitable and highly transparent business practices is a key managerial issue, and accordingly strives to enhance its corporate governance practices by taking action to appropriately allocate resources, accelerate the decision-making process, and ensure strict compliance under the supervision of the Board of Directors.

In addition, we have established ourselves as a company with an Audit & Supervisory Board system, an institutional design specified under the Companies Act of Japan.

Please refer to the Company's website (URL below) for its "Basic Policy on Corporate Governance," which outlines its basic views on corporate governance, along with its policies regarding the corporate governance framework and related initiatives.
https://www.nichirei.co.jp/english/corpo/governance/governance_policy.html

Reasons for Non-compliance with Principles of Japan's Corporate Governance Code

The Company implements all principles of Japan's Corporate Governance Code.

Disclosure based on Principles of Japan's Corporate Governance Code (Updated)

(Supplementary Principle 1.2.4 Exercise of Voting Rights at Annual General Shareholders Meeting)

To provide timely information and enhance convenience for shareholders, the Company uses the electronic voting platform for institutional investors provided by ICJ, Inc. (a Tokyo Stock Exchange, Inc. company) and an online proxy voting site.

Starting with the Annual General Shareholders Meeting held in June 2016, part of the convocation notice (notice of the meeting and reference documents) is translated into English and is disclosed as reference information on the websites of the Company and of Tokyo Stock Exchange, Inc.

(Principle 1.4 Cross-Shareholdings)

Cross-shareholdings are only utilized when it is determined that they will contribute to improvement of the Company's corporate value; for example by maintaining and strengthening trade and cooperative relationships. In addition, every year, the Board of Directors reviews the economic rationale of individual shareholdings of this type from a medium- to long-term perspective. If the importance of a particular shareholding is determined to have diminished, the shares are sold. In conducting such reviews, the Board of Directors carefully examines and makes a comprehensive judgment on whether the benefits, such as profits from transactions, and dividends or risks are commensurate with the cost of capital, followed by consideration of a qualitative evaluation of the strategic importance of the shareholding.

In regard to the exercise of voting rights for cross-shareholdings, the Company will review all the details of the relevant proposal in the investee company's shareholders meeting agenda, and if any of the following apply to the investee company, the Company will make a decision after carefully examination on a case-by-case basis:

(1) The investee has engaged in acts that will lead to a loss of shareholder value
(2) The investee's performance or stock price has deteriorated significantly
(3) There are other serious doubts with respect to agreeing to the proposal

(Principle 1.7 Related Party Transactions)

Competitive transactions and transactions involving potential conflict of interest with directors or Audit & Supervisory Board members are subject to deliberation at the meeting of the Board of Directors prior to the commencement of such transactions, and post-transaction results are reported at the meeting of the Board of Directors.

For transactions with related parties other than directors and Audit & Supervisory Board members, the Company has established the criteria for important transactions (e.g., purchase of shares, borrowing of funds, debt guarantee provided by the Company when a subsidiary, etc. borrows funds) in the Board of Directors regulations and other regulations of the Company. In accordance with such criteria, transactions are performed by following the procedures of the Board of Directors, depending on the importance of those transactions.

Transactions between the Company and its directors or Audit & Supervisory Board members or their respective close relatives/affiliated companies are checked periodically on an annual basis.

(Supplementary Principle 2.4.1 Ensuring Diversity, Including Active Participation of Women)

Views on ensuring diversity

In the Nichirei Group Sustainability Policy: The Nichirei Pledge, which sets out to make communities more sustainable, the Group commits itself to promoting respect for the diversity of its employees and to continuously improving the workplace environment to enable every employee to make the most of their abilities and work with enthusiasm. In addition, the Group has set "securing and developing a diverse array of human resources" as one of its material matters for achieving its Long-term Management Goal, N-FIT (Nichirei Future Innovative Tactics) 2035. The Group is further stepping up efforts to ensure diversity by deepening cooperation among related departments, centering on the Human Resources Division (URL below).
https://www.nichirei.co.jp/english/ir/policy/materiality.html

Voluntary and measurable targets for ensuring diversity

As a material matter, the Company has set a target of increasing its ratio of female line managers to 30% and is promoting the advancement of female employees toward reaching this figure by FY2031. In addition, the Company treats foreign employees and mid-career hires in the same manner as it treats its regular Japanese employees, focusing on their abilities as individuals and promoting them to management positions accordingly (URL below).
Pages 54-55, KPIs for Group Material Matters (Materiality)
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/52_73.pdf

Status of ensuring diversity

Status of implementation of policies for human resource development and internal environment improvement

The Company particularly focuses on the advancement of women, and the number of female line managers is increasing. To further promote these initiatives, we have revised the target ratio of female line managers of 30% by

2030, which has previously been applied only to the holding company, to be applied for all major domestic companies, and are promoting efforts to achieve this target. The ratio of female line managers at major domestic companies was 10% as of April 2025 (30% for the holding company alone).

The Company also hires mid-career employees as needed and provides various opportunities to future core human resource candidates among such hires. Foreign nationals are employed as CEOs and in other management positions at subsidiaries outside Japan as the Company deems necessary according to the details of the business and regional characteristics. The ratio of employees hired mid-career who are line managers in the Company and its major domestic subsidiaries was 15% as of April 2025. (At present, a numerical target has not been set.) The Company has started recruiting students from other countries who are studying in Japan for employment in FY2026 at the holding company, and a diverse range of human resources are playing active roles regardless of their attributes.
https://nichirei.disclosure.site/en/themes/186

(Principle 2.6 Roles of Corporate Pension Funds as Asset Owners)
Corporate pension funds of the Company and its major domestic subsidiaries have transitioned to corporate defined contribution plan since FY2012. To support stable asset formation by employees, the Company conducts annual basic education on its defined contribution plan through e-learning targeting all employees, as well as training that started in FY2024 to review the defined contribution plan at the initial career training attended by employees who have been with the Company for up to three years. The Company raises the effectiveness of training by holding level-specific seminars on basics and practical application, including consideration of changes in financial products and designation of allocations.

(Principle 3.1 Full Disclosure)
(1) Company objectives (e.g., Management Principles), management strategies, and business plans
The Group's Management Principles are disclosed on the Company's website (URL below).
https://www.nichirei.co.jp/english/corpo/management/philosophy.html
The Nichirei Group Sustainability Policy: Nichirei Pledge, the basic sustainability policy that is the foundation of the Group's business activities; Long-term Management Goal N-FIT (Nichirei Future Innovative Tactics) 2035; material matters for realizing the Long-term Management Goal N-FIT (Nichirei Future Innovative Tactics) 2035; and Medium-term Business Plan Compass×Growth 2027, are disclosed on the Company's website (URLs below).
• Sustainability Policy: The Nichirei Pledge:
https://www.nichirei.co.jp/english/corpo/management/responsibility.html
• Long-term Management Goal N-FIT (Nichirei Future Innovative Tactics) 2035
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/news/20250513_e_1.pdf
• Materiality:
https://www.nichirei.co.jp/english/ir/policy/materiality.html
• Nichirei Group Medium-term Business Plan Compass×Growth 2027
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/news/20250513_e_2.pdf

(2) Basic views and policies on corporate governance
The Company's basic views on corporate governance are as described in "I. 1. Basic Views" above.
For the Company's basic policies, please refer to the URL for "Basic Policy on Corporate Governance" (posted on the Company's website) stated in "I. 1. Basic Views" above.

(3) Policies and procedures for determination of remuneration for senior management and directors by the Board of Directors
The Company's basic policies for the remuneration of its directors and executive officers are as follows.
• Remuneration shall strongly encourage the performance of duties in accordance with the Group's Management Principles, basic sustainability policy "The Nichirei Pledge," and management strategies.

- Remuneration shall serve as a strong incentive to achieve specific management targets in the medium-term business plan, etc.
- In order to make remuneration serve as a sound incentive toward the Group's sustainable growth, the ratio of remuneration linked to short-term results, performance of duties, etc. (i.e., performance-linked bonuses) and remuneration linked to medium- to long-term results and corporate value (i.e., stock compensation) will be set in an appropriate manner.
- Directors and executive officers shall be treated in a manner befitting their positions as officers of the Company in consideration of the significance of the Group's social role and responsibilities, the results of comparisons with other companies, and changes in the business environment.

The Company remuneration system has been designed to incorporate the views of a third-party organization and comprises the following three items:

i. Basic (fixed) remuneration: Role-based remuneration and director allowance that are paid monthly
ii. Performance-linked bonuses: Remuneration linked to factors such as short-term results and performance of duties
iii. Stock compensation: Remuneration linked to medium- to long-term results and corporate value

Outside directors receive only basic (fixed) remuneration, a fixed amount that is paid monthly. Basic remuneration consists of base remuneration paid to all outside directors as members of the Board of Directors at a uniform amount, and chairperson allowance paid additionally to the chairperson of the Nominating Advisory Committee or the Remuneration Advisory Committee.

The total amount of "basic remuneration," "performance-linked bonuses" and "stock compensation" paid to directors is set within the maximum total amounts decided by resolution at the 101st Annual General Shareholders Meeting held on June 25, 2019. (Since the Company conducted a 2-for-1 stock split of common stock effective April 1, 2025, the maximum number of restricted shares after April 1, 2025 will be the number after adjustment due to the stock split.)

The Company has established the Remuneration Advisory Committee, an advisory committee for the Board of Directors chaired by an outside director. The committee, of which a majority of members are outside directors, deliberates such matters as the remuneration system, remuneration levels and appropriateness of remuneration amounts and reports its findings to the Board of Directors.

(4) Policies and procedures for appointment/dismissal of senior management and nomination of candidates for directors and Audit & Supervisory Board members by the Board of Directors

The Company has established the Nominating Advisory Committee, an advisory committee for the Board of Directors chaired by an outside director. The committee, of which a majority of members are outside directors, deliberates such matters as the suitability of candidates for senior management and directors/Audit & Supervisory Board members, as well as succession planning, and reports its findings to the Board of Directors.

The committee holds discussions taking into consideration such factors as the knowledge, ability, personality and achievements of individual candidates in a comprehensive manner, in accordance with the criteria for the selection of human resources for top management and the criteria for the selection of candidates for directors presented by the representative directors.

In cases where a member of senior management or an Audit & Supervisory Board member has failed to properly perform the duties expected to be performed after appointment, or a member of senior management or an Audit & Supervisory Board member has engaged in an act that violates laws and regulations and the Articles of Incorporation, that person's dismissal is executed by following the procedures prescribed by law and the Company's regulations following the committee's deliberation and report of its findings to the Board of Directors.

(5) Explanations with respect to individual appointments/dismissals or nominations upon appointment/dismissal of senior management or nomination of candidates for directors and Audit & Supervisory Board members by the Board of Directors based on (4) above

For the appointment of senior management and nomination of candidates for directors and Audit & Supervisory Board members, the proposer of such appointment/nomination or the Representative Director, President provides an explanation of the candidates' background, ability, achievements and other reasons on an individual basis at the meeting of the Board of Directors, subject to deliberation by the Nominating Advisory Committee. For the nomination of candidates for independent directors and independent Audit & Supervisory Board members, the proposer or the Representative Director, President not only provides such explanation but also explains that there are no problems with respect to the candidates' independence. For dismissal, the Representative Director, President explains the reason for dismissal at the meeting of the Board of Directors, following deliberation by the committee.

The reasons for the selection of candidates for directors and Audit & Supervisory Board members and the reasons for the dismissal of directors and Audit & Supervisory Board members will be stated in the convening notice of the Annual General Shareholders Meeting.

(Supplementary Principle 3.1.2 Full Disclosure)

The Company provides English translations of integrated reports, financial statements, presentation materials, corporate governance reports, and part of the Notice of the Annual General Shareholders Meeting (notice of the meeting and reference documents) as reference information on the Company's website and elsewhere.

(Supplementary Principle 3.1.3 Full Disclosure)

Initiatives for sustainability

The Company discloses its specific initiatives for sustainability in the "Sustainability" section of its *Integrated Report 2024* and in "Part 1, II 'Business Overview,' 2. 'Approach and Initiatives Concerning Sustainability'" in its Annual Securities Report for the fiscal year ended March 31, 2025 (URLs below).

https://www.nichirei.co.jp/english/ir/library/integrated.html

https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/yuhohh-pdf/yuho_25e.pdf

Investment in human capital, etc.

Regarding investment in human capital, the Company has set "securing and developing a diverse array of human resources" as one of its material matters for achieving its Long-term Management Goal, N-FIT (Nichirei Future Innovative Tactics) 2035, and has disclosed target figures toward its Vision for 2030 in its *Integrated Report 2024*.

In addition, the Company promotes health management based on the idea that it is necessary to create a safe and comfortable workplace environment that maintains employees' physical and mental health so that each and every employee can feel satisfied and harness their abilities to the fullest extent possible (URL below).

• Materiality:

https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/12-13.pdf

• Health Management

https://nichirei.disclosure.site/en/themes/184

Intellectual property

Viewing its product development capabilities, facility capacity, and ability to provide a wide variety of products and services as strengths in fulfilling its Mission to "Focus on Lifestyles, and Provide True Satisfaction," the Group has made the core of its business cooling power, which is characterized by the ability to preserve the quality of food over the long term while ensuring that when thawed and warmed, the product maintains its original delicious flavor and texture, and conducts business that utilizes these characteristics. The Group positions intellectual property as an asset for growth that adds value to these business activities and contributes to improving corporate value, and is promoting intellectual property management, which includes the acquisition, utilization, and protection of patents, trademarks, and other assets linked to its business activities.

Disclosure of climate change risks and profit opportunities based on TCFD recommendations

The Company assesses climate change scenarios and discloses relevant information in its Integrated Report 2024 (URL below) with respect to the four aspects of the recommended framework put forward by the Task Force on Climate-related Financial Disclosures (TCFD): governance, strategy, risk management, and metrics and targets. Pages 58-59, Addressing Climate Change (TCFD)
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/52_73.pdf

(Supplementary Principle 4.1.1 Matters to be Resolved by the Board of Directors and the Scope of Delegation)
Decision-making by the Board of Directors is limited in scope to matters of top priority. This includes addressing matters to be resolved in accordance with the Companies Act of Japan, determining content of the Management Principles, the medium-term business plan, management policy and the operating budget, revising and repealing various directives, policies and key regulations, and making decisions on important officer appointments. Authority for important matters other than the aforementioned is delegated to the Management Committee, whose membership comprises the executive officers, thereby keeping the functions of business execution separate from those of managerial supervision so that the executive officers will be able to better deal with pressing and future business challenges.

(Principle 4.8 Effective Use of Independent Directors)
Independent directors, who are highly qualified in their respective fields of expertise, attend meetings of the Board of Directors and other bodies in charge of strategic management as well as major advisory committees to contribute to the Company's sustainable growth and improvement in its medium- to long-term corporate value by making comments from an expert's point of view.

From among the 11 directors, five outside directors have been designated independent directors by the Company. The Company will continue to look into the optimal composition of the Board of Directors based on the Group's management strategies and future discussions at the meetings of the Board of Directors and other meetings.

(Principle 4.9 Independence Standards and Qualification for Independent Directors)
Please refer to the Company's "Criteria for Independence," which was formulated based on its "Basic Policy on Corporate Governance, Article 3. Corporate Governance Structure, 3. Criteria for Independence." (URL below)
https://www.nichirei.co.jp/english/corpo/governance/system/guideline_independence.html

(Supplementary Principle 4.10.1 Use of Optional Approach)
The Company has established a Nominating Advisory Committee and a Remuneration Advisory Committee as advisory bodies to the Board of Directors. In addition, the majority of the members of each committee are outside directors, and the chairperson of each committee is mutually selected by and from among the outside directors.

(Supplementary Principle 4.11.1 Views on Balance, Diversity, Scale, etc. of the Board of Directors as a Whole)
The Board of Directors of the Company has the role and responsibility of promoting appropriate resource allocation within the Group, expediting decision-making and conducting thorough compliance through its supervision of strategic Group planning and the business execution of operating companies. To effectively fulfill this role and responsibility, the Board of Directors shall be composed of human resources with sufficient knowledge, experience and abilities, whether from inside or outside the Company, in light of the Group's medium- to long-term management strategy and from the standpoint of diversity. In addition, the Board of Directors has specified the knowledge, experience and abilities that candidates should have, two aspects of which include "ESG/sustainability" and "global." In addition, a skill matrix that lists the knowledge, experience and abilities of each director and Audit & Supervisory Board member is presented in the Notice of the Annual General Shareholders Meeting(URL below).
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/meeting_107.pdf

(Supplementary Principle 4.11.2 Concurrent Positions at Listed Companies)
Concurrent positions as officers of listed or other organizations held by directors and Audit & Supervisory Board members are a matter to be shared at the meeting of the Board of Directors held in June each year, and efforts are

being made to oversee the reasonableness of the number of concurrently held positions. Cases in which a director or an Audit & Supervisory Board member concurrently holds a position in a listed company and cases in which a director or an Audit & Supervisory Board member is on an important assignment at the organization in which they concurrently hold a position (e.g., they serve as the chairman of a general incorporated association) are disclosed in the "Matters concerning Company Officers" appendix of the Japanese Notice of the Annual General Shareholders Meeting and "Status of Officers" section of the Japanese annual securities report.

(Supplementary Principle 4.11.3 Summary of Results of Evaluation of Board of Directors)

The Board of Directors of the Company analyzes and evaluates its own performance with the aim of ensuring its effectiveness, with the assistance of outside experts as necessary, and accordingly discloses summaries of such findings. The findings in FY2025 are described below.

1. Evaluation procedure

   Subjects: Directors and Audit & Supervisory Board members (16 individuals in total)
   Period: From January 2025 to February 2025
   Method: Self-assessment involving a questionnaire survey conducted by a third party

   (1) Questionnaire survey

   Rating on a scale of one to five, combined with open responses in 10 categories (42 questions)

   [Categories]

   i. Roles and functions / scale and structure of the Board of Directors
   ii. Management conditions of the Board of Directors
   iii. Structure and roles / management conditions of the Nominating Advisory Committee
   iv. Structure and roles / management conditions of the Remuneration Advisory Committee
   v. Roles of and support system for outside directors
   vi. Roles of and expectations for Audit & Supervisory Board members
   vii. Relationship with investors and shareholders, etc.
   viii. Governance structure of the Company and overall effectiveness of the Board of Directors
   ix. Vision of the Board of Directors
   x. Self-evaluation

2. Summary of findings

   Outside expert observations based on the aforementioned questionnaire survey are as follows. "On the whole, most expressed positive opinions indicating that the effectiveness of the Board of Directors was secured to a considerable extent. There opinions included responses indicating that free and frank exchange of opinions is conducted and sufficient discussions are made in terms of both the content and time of deliberations, and on top of that, ongoing efforts are being made, including improvements being made in presentations and materials for meetings of the Board of Directors, to make discussions at Board meetings more substantial based on previous evaluations of the effectiveness of the Board of Directors. On the other hand, several directors and Audit & Supervisory Board members pointed out multiple potential areas for improvement in order to further enhance the Board's effectiveness. These matters are expected to be reviewed in future deliberations of the Board of Directors."

   Taking the outside experts' evaluation seriously, the Board of Directors of the Company discussed the matters pointed out or suggested and decided to reflect the following in managing the Board of Directors going forward.

   (1) Board of Directors oriented toward a monitoring model

   Regarding matters to be submitted to the Board of Directors, there were some favorable opinions saying that the delegation of authority to the Management Committee and the decision-making bodies of each operating company was proceeding appropriately, and that matters to be submitted to the Board of Directors were similar to those of companies that have adopted the so-called monitoring model. Conversely, there were also many opinions saying that the delegation of authority should be further promoted from the perspective of

promoting the transition to the monitoring model, and that the decision-making authority of operating companies should be expanded from the viewpoint of speedy decision-making.

Future approach

1) Review of current matters submitted for discussion at Board of Directors meetings

On April 1, 2023, the Company revised the standards for submitting matters to the Board of Directors orienting the standards toward a monitoring model, which has had some positive effects. However, based on the results of this evaluation, in order to further review matters to be submitted to the Board of Directors to secure time for discussion on long-term strategies, the Company decided to consider in detail which matters should be delegated to the Management Committee and the decision-making bodies of each operating company.

2) Review of institutional design

Reaffirming that the institutional design is the foundation of the corporate governance system, the Company decided to deepen its consideration of an appropriate institutional design, taking into account management strategies, changes in the business environment, the requirements of the Corporate Governance Code, and the movements of government study groups, while relating it to the succession plan being promoted by the Nominating Advisory Committee.

In proceeding with the delegation of authority described in 1) above, the Company has also decided to consider whether it is necessary to shift to a company with an Audit & Supervisory Committee or a company with a Nominating Committee, which would enable the Board of Directors to substantially delegate its authority to the executive side, except for certain matters stipulated in the Companies Act.

(2) System and operation to ensure appropriateness of business execution

Many respondents also stated the lack of sufficient human resources and organizational structures required to address the challenge of expanding the overseas business in addition to preventing the recurrence of incidents of misconduct at overseas subsidiaries, which accounted for the majority of opinions.

Future approach

In order to ensure effective group governance, the Company has decided to implement the following recurrence prevention measures resolved at the Board of Directors meeting of the Company on April 15, 2025, and to monitor these measures on a regular basis.

i. Clarification of criteria for appointment of executives of overseas subsidiaries
ii. Strengthening of governance and internal controls at local subsidiaries
iii. Thorough management involvement of the core company and holding company
iv. Reinforcement of auditing and monitoring systems
v. Thorough operation and management of the in-house reporting system
vi. Thorough education and guidance on compliance

(Supplementary Principle 4.14.2 Policy on Training for Directors and Audit & Supervisory Board Members)

When initially appointed, directors or Audit & Supervisory Board members must take part in training with respect to the Companies Act of Japan, other relevant laws and regulations, management strategies, financial analysis and other such topics as necessary, and even after being appointed, they must appropriately take part in training with respect to revisions to legal code and managerial issues. Moreover, the Company must provide explanations to outside directors and outside Audit & Supervisory Board members summarizing the Group operations, as well as factfinding tours to major business locations as necessary.

(Principle 5.1 Policy for Constructive Dialogue with Shareholders)

To promote constructive dialogue with its shareholders, the Company establishes an organizational framework and engages in initiatives involving the following:

<u>IR Organizational Framework and Details of Initiatives:</u>

(1) Establishment of a department specifically dedicated to investor relations (IR department)
(2) Strengthening of ties by the director in charge of IR with each department of the holding company

(3) Holding of investor briefings and handling of interviews by the representative director, director in charge of IR or others
(4) Holding of investor briefings, tours of facilities and addressing of matters involving press coverage by the IR department
(5) Surveys of shareholders and other investors by external research organizations, and presentation of feedback in that regard at the meeting of the Board of Directors
(6) Communication with shareholders in accordance with the Group Disclosure Policy

Status of Dialogue Held with Shareholders and Other Investors, etc.:
The status of the main dialogues held with shareholders and other investors in FY2025 was as follows.
Number of individual interviews: Approximately 220
Overview of interview participants: Domestic and overseas active investors, passive investors, etc. (Interview participants included analysts, fund managers, ESG supervisors, etc.)
Company representatives: Representative director, director in charge of IR, etc.
Main dialogue topics: Medium- to long-term strategy, capital policy and shareholder returns, business portfolio management, capital investment, next medium-term business plan, integration of food business, response to cost increases, overseas growth
Number of small meetings held by the representative director: 2
Number of individual interviews held with outside directors: 2

Measures to Realize Management Conscious of Capital Cost and Stock Price

Description (Updated)	Disclosure of initiatives (update)
Disclosure in English	Available
Date of update (Updated)	June 17, 2025

Explanation (Updated)

Measures to Realize Management Conscious of Capital Cost and Stock Price
(1) In formulating its medium-term business plan and annual plan, the Company has set capital cost and target return on invested capital (ROIC) for each business. In addition, on its website the Company has disclosed a news release and financial results presentation materials that explain the medium-term business plan in detail and present the basic policy of the Company's revenue plan and capital policy, as well as targets for profitability, capital efficiency, and other matters.

• Nichirei Group Medium-term Business Plan: Compass×Growth 2027
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/news/20250513_e_2.pdf

• New Medium-term Business Plan Compass×Growth 2027 Presentation Materials
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/presentation/250513_e.pdf

(2) To improve capital efficiency, the Company has newly added ROIC as a key financial indicator in its current medium-term business plan and is conducting business portfolio management.

In addition, the Company has incorporated this indicator into the evaluation indicators for directors' remuneration with the intention of increasing directors' motivation to contribute to improving corporate value over the medium to long term and ensuring that they have interests in common with shareholders.

Furthermore, the Company will implement measures to improve ROIC in each business and improve capital efficiency throughout the Group, aiming for ROIC of 10% or higher as set forth in its Long-term Management Goal, N-FIT (Nichirei Future Innovative Tactics) 2035.

The Company's capital cost is reviewed at the time of each new medium-term business plan. It is currently set at 4.5% for the Group as a whole.

Capital cost is calculated independently by the Company using a capital asset pricing model (CAPM), and checked against figures calculated by five or more financial institutions and set taking into consideration the capital cost required by external parties.

ROIC for FY2025 was 7.4%; thus, return on capital exceeded capital cost. In FY2026, the Company aims to achieve ROIC of 8.0%

(3) The basic policy on shareholder returns is to continue to steadily increase dividends based on dividend on equity (DOE) and to flexibly conduct stock buybacks, having comprehensively taken into consideration factors such as capital structure, capital needs, and stock price.

In addition, the Company will implement progressive dividends with a minimum DOE of 4.0% from FY2026 as a result of a revision of the dividend standard.

The Company continues to view shareholder returns as an important management measure and will steadily and continuously enhance returns while allocating cash flow generated from its core businesses to growth investments.

(4) In addition to stock price and analyst consensus, stock price indicators such as PBR and PER are explained approximately twice a year at the Board of Directors meeting and are monitored regularly.

In addition, the Company aims to reduce capital cost and increase corporate value by gaining the trust of the capital market through proactive dialogue with shareholders and investors, communication of its medium- to long-term growth strategies, and further enhancement of information disclosure, including on ESG.

Please refer to the following URLs for details announced in the integrated report and financial results presentation materials, among other materials.

• Nichirei *Integrated Report 2024*
Pages 20-23, Financial Strategy
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/20_51.pdf

• Presentation Materials for Full-Year Financial Results for the Year Ended March 31, 2025 and Nichirei Group Medium-term Business Plan: Compass×Growth 2027
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/presentation/250513_e.pdf

2. Capital Structure

Percentage of foreign shareholders	20% or more but less than 30%

Status of Major Shareholders (Updated)

Name	Number of shares owned (shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,135,700	18.47
Custody Bank of Japan, Ltd. (Trust Account)	13,472,150	10.75
Nippon Life Insurance Company	5,744,527	4.59
Mizuho Bank, Ltd.	3,813,865	3.04
Nisshin Seifun Group Inc.	2,719,750	2.17
Fukoku Mutual Life Insurance Company	2,680,000	2.14
The Norinchukin Bank	2,675,200	2.14
GOVERNMENT OF NORWAY	1,970,270	1.57
SUMITOMO LIFE INSURANCE COMPANY	1,855,500	1.48
MUFG Bank, Ltd.	1,703,300	1.36

Controlling shareholder (except for parent company)	———
Parent company	Not adopted

Supplementary explanation (Updated)

(1) Mitsubishi UFJ Financial Group, Inc. submitted a Statement of Large-Volume Holdings in which MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Asset Management Co., Ltd., and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. were stated as joint holders of the Company's shares on August 19, 2024. However, as the Company was unable to confirm the number of shares actually held jointly by those companies as of March 31, 2025, this shareholding is not taken into account in the above "Status of Major Shareholders."

Name	Number of shares owned (Shares)	Percentage
MUFG Bank, Ltd. and three other companies	6,938 thousand shares	5.17%

(2) Nippon Life Insurance Company submitted a Statement of Large-Volume Holdings in which Nissay Asset Management Corporation was stated as a joint holder of the Company's shares on August 7, 2024. However, as the Company was unable to confirm the number of shares actually held jointly by the company as of March 31, 2025, this shareholding is not taken into account in the above "Status of Major Shareholders."

Name	Number of shares owned (Shares)	Percentage
Nippon Life Insurance Company and one other company	6,934 thousand shares	5.17%

(3) Mizuho Bank, Ltd. submitted a Statement of Large-Volume Holdings (Statement of Changes) in which Asset Management One Co., Ltd. was stated as joint holder of the Company's shares on March 7, 2023. However, as the Company was unable to confirm the number of shares actually held jointly by the company as of March 31, 2025, this shareholding is not taken into account in the above "Status of Major Shareholders."

Name	Number of shares owned (Shares)	Percentage
Mizuho Bank, Ltd. and two other companies	8,181 thousand shares	6.10%

3. Corporate Attributes

Listed exchange and market division	Tokyo Stock Exchange, Prime Market
Fiscal year-end	March
Sector classification	Foods
Number of employees (consolidated) as of the end of the previous fiscal year	1,000 or more
Net sales (consolidated) in the previous fiscal year	JPY100 billion or more but less than JPY1 trillion
Number of consolidated subsidiaries as of the end of the previous fiscal year	50 companies or more but less than 100

4. Guideline for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder, etc.

———

5. Other Special Circumstances That May Have Material Impact on Corporate Governance

Not applicable.

II Business Management Organization and Other Corporate Governance Structures regarding Decision Making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation, etc.

Organizational form	Company with an Audit & Supervisory Board system

Directors

Maximum number of directors stipulated in Articles of Incorporation	11
Term of office of directors stipulated in Articles of Incorporation	One year
Chairman of the Board of Directors	President
Number of directors	11
Appointment of outside director (s)	Appointed
Number of outside directors	5
Number of independent directors designated from among outside directors	5

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Mana Nabeshima	From another company											
Itsuo Hama	From another company											
Kenji Hamashima	From another company											
Yukiko Yoshimaru	From another company											
Yumi Yamaguchi	From another company								△			

* Categories for "Relationship with the Company"
* "○" indicates that the director currently falls under the category, or did so recently, and "△" indicates that the director fell under the category in the past.
* "●" indicates that a close relative of the director falls under the category, or did so recently, and "▲" indicates that a close relative of the director fell under the category in the past.

a Executive of a listed company or its subsidiary
b Non-executive director or executive of the parent company of a listed company
c Executive of a fellow subsidiary of a listed company
d A party whose major client or supplier is a listed company or an executive thereof
e Major client or supplier of a listed company or an executive thereof
f Consultant, accountant or legal professional who receives a large amount of money or other property from a listed company other than officer remuneration
g Major shareholder of a listed company (or in cases where the major shareholder is a corporation, an executive of such corporation)
h Executive of a client or supplier of a listed company (which does not correspond to any of d., e., or f.) (this applies only to the director)

i Executive of a company that has its outside officer(s) appointed by the Company and appoints the Company's outside officer(s) (this applies only to the director)
j Executive of a company or organization that receives a donation from a listed company (this applies only to the director)
k Other

Relationship with the Company (2) (Updated)

Name	Designation as independent director	Supplementary explanation of the relationship	Reasons for appointment
Mana Nabeshima	Yes	—	Ms. Mana Nabeshima has extensive experience in overseas business and broad knowledge of finance. Accordingly, the Company has appointed her as an outside director in order to continue to take advantage of her experience and knowledge in the Company's management.
Itsuo Hama	Yes	—	Mr. Itsuo Hama has extensive experience as a corporate manager, expertise related to research and development and broad knowledge of business. Accordingly, the Company has appointed her as an outside director in order to continue to take advantage of her experience and knowledge in the Company's management.
Kenji Hamashima	Yes	—	Mr. Kenji Hamashima has extensive experience as a corporate manager and knowledge related to overseas business. Accordingly, the Company has appointed her as an outside director in order to continue to take advantage of her experience and knowledge in the Company's management.
Yukiko Yoshimaru	Yes	—	Ms. Yukiko Yoshimaru has extensive experience related to global management including overseas business and M&A, and has broad knowledge of the human resource development, diversity and corporate governance sectors. Furthermore, she has acquired extensive experience related to corporate management as an outside director at multiple listed companies. Accordingly, the Company has appointed her as an outside director in order to continue to take advantage of her experience and knowledge in the Company's management.

Yumi Yamaguchi	Yes	While there is a business relationship between a subsidiary of the Company and Mitsui & Co., Ltd., where Ms. Yumi Yamaguchi served as a Managing Officer until March 31, 2023, the annual amount of payment from Mitsui & Co., Ltd.to the Nichirei Group is under 1% of the Group's annual consolidated net sales.	Ms. Yumi Yamaguchi has extensive experience in administrative fields, and has broad insights related to sustainability, global business, and the DX field. Accordingly, the Company has appointed her as an outside director in order to continue to take advantage of her experience and knowledge in the Company's management.

Establishment of voluntary committee(s) corresponding to nomination committee or remuneration committee	Established

Establishment of voluntary committee, composition of members and attributes of chairperson

	Name of committee	All committee members (persons)	Full-time members (persons)	Inside directors (persons)	Outside directors (persons)	Outside experts (persons)	Other (persons)	Chairperson
Voluntary committee corresponding to nomination committee	Nominating Advisory Committee	6	0	1	5	0	0	Outside director
Voluntary committee corresponding to remuneration committee	Remuneration Advisory Committee	6	0	1	5	0	0	Outside director

Supplementary explanation

Please refer to [Disclosure based on Principles of Japan's Corporate Governance Code] "(Principle 3.1 Full Disclosure)" above.

Audit & Supervisory Board Members

Establishment of Audit & Supervisory Board	Established
Maximum number of Audit & Supervisory Board members stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board members	5

Cooperation among Audit & Supervisory Board members, accounting auditor and Corporate Internal Audit Division

At the Company, liaison meetings are held periodically among the Audit & Supervisory Board members, the accounting auditor and the Group's internal controls division—i.e., Corporate Internal Audit—regarding the execution status of audits, etc. Audit & Supervisory Board members are present at the site during audits conducted by the accounting auditor as necessary.

Appointment of outside Audit & Supervisory Board member(s)	Appointed
Number of outside Audit & Supervisory Board members	3
Number of independent Audit & Supervisory Board members designated from among outside Audit & Supervisory Board members	3

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yuhiko Saito	Attorney													
Takaaki Kato	From another company							△						
Hiromichi Matsushima	Other													

* Categories for "Relationship with the Company"
* "○" indicates that the Audit & Supervisory Board member currently falls under the category, or did so recently, and "△" indicates that the Audit & Supervisory Board member fell under the category in the past.
* "●" indicates that a close relative of the Audit & Supervisory Board member falls under the category, or did so recently, and "▲" indicates that a close relative of the Audit & Supervisory Board member fell under the category in the past.

a Executive of a listed company or its subsidiary
b Non-executive director or accounting advisor of a listed company or its subsidiary
c Non-executive director or executive of the parent company of a listed company
d Audit & supervisory board member of the parent company of a listed company
e Executive of a fellow subsidiary of a listed company
f A party whose major client or supplier is a listed company or an executive thereof
g Major client or supplier of a listed company or an executive thereof
h Consultant, accountant or legal professional who receives a large amount of money or other property from a listed company other than officer remuneration
i Major shareholder of a listed company (or in cases where the major shareholder is a corporation, an executive of such corporation)
j Executive of a client or supplier of a listed company (which does not correspond to any of d., e., or f.) (this applies only to the Audit & Supervisory Board member)
k Executive of a company that has its outside officer(s) appointed by the Company and appoints the Company's outside officer(s) (this applies only to the Audit & Supervisory Board member)
l Executive of a company or organization that receives a donation from a listed company (this applies only to the Audit & Supervisory Board member)
m Other

Relationship with the Company (2)

Name	Designation as independent director	Supplementary explanation of the relationship	Reasons for appointment
Yuhiko Saito	Yes	—	Mr. Yuhiko Saito has had a career in the legal profession, and has held judicial positions in government office. Having worked as an attorney since retiring from public office, he possesses a wealth of experience and detailed knowledge as a legal expert. Accordingly, the Company has appointed him as an outside Audit & Supervisory Board member in order to take advantage of his experience and knowledge in the Company's audits.
Takaaki Kato	Yes	Until March 2008, Mr. Takaaki Kato served as an executive of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.), the Company's main bank.	Mr. Takaaki Kato has acquired extensive experience having served in a number of important positions at financial institutions in Japan and abroad, and has extensive knowledge of finance, accounting and IR. Furthermore, he has extensive experience in all matters related to corporate management including overseeing finance and strengthening IR activities in his role as the Representative Director, Executive Vice President and Executive Officer of KYB Corporation. Accordingly, the Company has appointed him as an outside Audit & Supervisory Board member in order to take advantage of his experience and knowledge in the Company's audits.
Hiromichi Matsushima	Yes	—	Mr. Hiromichi Matsushima has extensive experience through his positions in the administrative field over many years, mainly in the Ministry of Agriculture, Forestry and Fisheries. Furthermore, he has broad knowledge related to international affairs, economy, cultural, and other matters through his role as the Ambassador Extraordinary and Plenipotentiary to the Republic of Slovenia. Accordingly, the Company has appointed him as an outside Audit & Supervisory Board member in order to take advantage of his experience and knowledge in the Company's audits.

Independent Directors and Independent Audit & Supervisory Board Members

Number of independent directors and independent Audit & Supervisory Board members	8

Other matters related to independent directors and independent Audit & Supervisory Board members

The Company has designated all qualifying outside directors/outside Audit & Supervisory Board members as independent directors/independent Audit & Supervisory Board members.

Incentives

Implementation of measures to provide incentives to directors	Introduction of performance-linked remuneration system, etc.

Supplementary explanation

Please refer to [Disclosure based on Principles of Japan's Corporate Governance Code] "(Principle 3.1 Full Disclosure) (3) Policies and procedures for determination of remuneration for senior management and directors by the Board of Directors" above.

Recipients of stock options	

Supplementary explanation

—

Remuneration for Directors

Disclosure of individual directors' remuneration	Remuneration is not disclosed on an individual basis.

Supplementary explanation

In the annual securities and business reports, the total amount of remuneration is disclosed by distinguishing among directors (excluding outside directors), Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members) and outside directors/outside Audit & Supervisory Board members.

Policy on determining amount or calculation method of remuneration	Established

Disclosure of policy on determining amount or calculation method of remuneration

Please refer to [Disclosure based on Principles of Japan's Corporate Governance Code] "(Principle 3.1 Full Disclosure) (3) Policies and procedures for determination of remuneration for senior management and directors by the Board of Directors" above.

Support System for Outside Directors (Outside Audit & Supervisory Board Members)

Materials for the Board of Directors are distributed to each director and Audit & Supervisory Board member no later than three days before the Board meeting date.

In cases where internal communication/coordination is required to accurately provide Company information in response to instructions from independent directors and independent Audit & Supervisory Board

members, the secretary in charge serves as the point of contact and makes arrangements to enable necessary collaboration with relevant divisions in the Company.

Persons Who Retired from the Position of Representative Director, President, etc.

Name and other information of Advisors, Counselors, etc. who were formerly Representative Director, President, etc. (Updated)

Name	Job title/ position	Description of work	Working arrangement and employment terms (e.g., full/part-time, with/without compensation)	Date of resignation as President, etc.	Term of office
-	-	-	-	-	-

Total number of Advisors, Counselors, etc. who were formerly Representative Director, President, etc. (Updated)	0

Other information (Updated)

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2. Matters Related to Business Execution, Auditing, Oversight, Nomination, Remuneration Decisions and Other Functions (Overview of Current Corporate Governance Structure)

Please refer to [Disclosure based on Principles of Japan's Corporate Governance Code] "(Principle 3.1 Full Disclosure)" above.

3. Reasons for Selection of Current Corporate Governance Structure

The Company has adopted the company with an Audit & Supervisory Board system as its institutional design for running a wide range of businesses under the holding company structure. From among the maximum of 11 directors stipulated in the Articles of Incorporation, the Company has designated five as independent outside directors. Among five Audit & Supervisory Board members, the Company has designated three as independent outside Audit & Supervisory Board members.

The Board of Directors and the Audit & Supervisory Board work together effectively to properly supervise and oversee executive officers engaged in business execution. In addition, matters decided by the Board of Directors are limited to matters prescribed by law and matters defined by the Company's own standards, but many decisions are delegated to the Management Committee, a body composed of executive officers, thereby allowing the Board of Directors to concentrate on deciding matters of utmost importance and overseeing business execution by executive officers.

Full-time Audit & Supervisory Board members of the Company, who have extensive knowledge of the Group's business characteristics, cooperate with full-time Audit & Supervisory Board members of the operating companies to conduct onsite audits at key business establishments throughout the year. Audit & Supervisory Board members who have visited the business establishment and conducted audits or hearings on its status in person present the audit findings according to the actual circumstances of each business. Moreover, after performing an audit, Audit & Supervisory Board members report the problems and issues identified in the audit to the Audit & Supervisory Board and the representative directors and make efforts to enhance the effectiveness of auditing functions. In addition, the independent Audit & Supervisory Board members of the Company attend and speak out not only at meetings of the Board of Directors and the Audit & Supervisory Board but also at meetings of the body in charge of strategic management and the Board of Directors' principal advisory committees, in addition to accompanying full-time Audit & Supervisory Board members when they conduct onsite audits as appropriate.

As described above, the Company is striving to enhance and thoroughly implement corporate governance practices by separating business execution functions from supervision/oversight functions, delegating responsibilities and authority to executive officers, ensuring transparency of the decision-making process, and maximizing the auditing functions based on the company with an Audit & Supervisory Board system.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Efforts to Vitalize the Annual General Shareholders Meeting and Smooth Exercise of Voting Rights

	Supplementary explanation
Early dispatch of the Notice of the Annual General Shareholders Meeting	To allow shareholders to fully review the proposals on the agenda at the Annual General Shareholders Meeting, the Company has commenced measures to provide meeting materials in an electronic format on its website and the Tokyo Stock exchange website no later than four weeks before the meeting date, in addition to disclosure on ICJ (Tokyo Stock Exchange) on the same day, while sending the Notice of the Annual General Shareholders Meeting by mail no later than three weeks before the meeting date.
Avoidance of peak day in scheduling of the Annual General Shareholders Meeting	Since the Annual General Shareholders Meeting held in June 2001, the Company has not held the meeting on a peak day.
Exercise of voting rights by electronic means	The Company has adopted an electronic voting system using a website developed by its transfer agent.
Participation in an electronic voting platform and other efforts to improve voting environment for institutional investors	The Company participates in an electronic voting platform operated by ICJ, Inc.
Provision of the convening notice (summary) in English	The Company prepares the Notice of the Annual General Shareholders Meeting in English (abridged translation) and posts it on the English version of its website.

2. IR Activities (Updated)

	Supplementary explanation	Explanation by representative
Preparation and publication of disclosure policy	The Company has established the Group Disclosure Policy, a policy for the appropriate disclosure of information and promotion of constructive dialogue with investors, etc., as part of its efforts to promote corporate governance, in addition to complying with laws and regulations related to disclosure of information. Please refer to the Company's website (URL below). https://www.nichirei.co.jp/english/ir/policy.html	
Regular briefings for individual investors	Briefings are held by the general manager in charge of IR, with a video and presentation materials posted on the Company's website. https://www.nichirei.co.jp/ir/library/individual.html (Japanese only)	Not adopted
Regular briefings for analysts and institutional investors	A briefing session is held for analysts and institutional investors four times a year, once every quarter. For the second quarter and full-year results, the representative director explains the strategies for key businesses and their progress as well as performance forecasts, and the Company sets aside time for responding to questions. In addition, for the first and third quarters, the director in charge of IR holds a briefing focused on explaining the financial results and responding to questions.	Yes

Regular briefings for overseas investors	The Company exchanges opinions with institutional investors primarily in North America and Europe regarding the explanation of management strategies, performance forecasts, etc. In FY2025, the representative director traveled to North America and Europe and visited local institutional investors individually to exchange opinions. In addition to North America and Europe, the director in charge of IR visited Asia to exchange opinions with local institutional investors.	Yes
Posting of IR materials on website	The Company posts financial statements, securities reports, quarterly reports, the Notice of the Annual General Shareholders Meeting, financial results briefing materials, integrated reports, and other materials. In addition, from the perspective of fair disclosure, the Company also posts transcripts of the main Q&A sessions from financial results briefings and conference calls, and from the announcement of financial results in May 2025, the Company has started disclosing financial statements and financial results briefing materials in both Japanese and English simultaneously. Investor relations section of the Company website (Japanese): https://www.nichirei.co.jp/ir Investor relations section of the Company website (English): https://www.nichirei.co.jp/english/ir	
Establishment of department and/or person in charge of IR	Division in charge of IR: Public Relations & Investor Relations Division Director in charge of IR: Kenji Suzuki, Director, Senior Executive Officer & Chief Financial Officer	
Other	The Company provides opportunities for dialogue between outside directors and shareholders and investors. It held two individual interviews in FY2025. https://www.nichirei.co.jp/sites/default/files/inline-images/ir/event/ir_event_20250121_e.pdf Reports on IR activities are made about twice a year at the Board of Directors meeting. In addition, written reports summarizing the status of IR activities and investor opinions are issued four times a year to directors, executive officers, and related departments.	

3. Efforts to Respect Stakeholders' Standpoint

	Supplementary explanation
Stipulations on respecting the standpoint of stakeholders in internal regulations, etc.	For details, please refer to the Company's "Basic Policy on Corporate Governance, Article 2. Stakeholder Relations."
Implementation of environmental conservation activities, CSR activities, etc.	The Company practices sustainability-oriented management based on its Sustainability Policy: The Nichirei Pledge (https://www.nichirei.co.jp/english/corpo/management/responsibility.html). For details on environmental conservation activities and CSR activities, please see the Company's website (URL below) or its *Integrated Report*. https://www.nichirei.co.jp/english/sustainability
Development of policies to provide information to stakeholders, etc.	The Company aims to build longstanding relationships of trust with its various stakeholders, and in accordance with the Group Disclosure Policy, communicates information deemed necessary with respect to both statutory and voluntary disclosure, in a prompt, accurate and impartial manner. To facilitate constructive dialogue with its shareholders, the Company strives to disclose useful information, including non-financial information, in an appropriate and timely manner through various communication tools such as its corporate website (URL below) and *Integrated Report*. https://www.nichirei.co.jp/english/ir/integrated

IV. Matters Related to the Internal Control System, etc.

1. Fundamental Views on Internal Control System and the Progress of System Development (Updated)

The Group recognizes that developing and operating an internal control system to facilitate operational effectiveness and staff ability, ensure the accuracy of reports, comply with laws and regulations pertinent to our business, and protect assets, and safeguard its assets will translate into higher corporate value.

In terms of "the development of systems necessary to ensure that the execution of the duties by the directors complies with the laws and regulations and the articles of incorporation, and other systems prescribed by the relevant Ministry of Justice order as systems necessary to ensure the properness of operations of a Stock Company and operations of group enterprises consisting of the Stock Company and its Subsidiary Companies" pursuant to the Companies Act of Japan, the Company has established the basic policy for its internal control system as follows. We will endeavor to improve the policy by reviewing it annually to adapt to changes in the business environment, etc.

♦ The Company's Internal Controls Basic Policy

1. Compliance with the law and internal regulations
   (1) The Company, in accordance with the Group's Management Principles and Code of Conduct, shall comply with the laws, regulations, and its Articles of Incorporation, refrain from dishonest or antisocial corporate activities, and ensure that competition is fair.
   (2) As the holding company, the Company shall manage the Group and strengthen corporate governance by establishing, implementing, maintaining internal controls for the entire Group; formulate business strategies for the Group; conduct internal Group audits; monitor subsidiaries; and facilitate the joint procurement of assets.
   (3) The Company shall ensure its disclosures are prompt, accurate, and fair, based on the Group's accounting regulations. It shall be accountable to shareholders and investors on an ongoing basis, while ensuring the transparency of corporate information.
   (4) The Company shall establish a Group auditing department that, based on the Group's in-house audit regulations, shall audit Group company controls.
   (5) The Company, in order to handle reports and consultations by employees concerning acts that may violate corporate ethics, shall establish an in-house reporting system (a hotline) that protects whistleblowers. Every effort shall be made to discover and correct violations of the system at an early stage, and ensure compliance.
   (6) The Company, in accordance with guidelines regarding the Board of Directors, office structures, and other internal arrangements, shall establish systems for appropriate and efficient execution of duties, based on rules regarding management authority and decision making.

2. Managing information on Company, subsidiary directors
   (1) The Company shall properly record, retain, manage, and preserve minutes of the Board of Directors meetings, documents for circulation, and other information regarding execution of duties, in accordance with the law, as well as internal regulations regarding the Board of Directors, Group document management, and information security management.
   (2) The Company, based on Group regulations concerning Group management, Group materials for discussion or circulation, and other Group arrangements, shall receive reports on matters regarding the execution of duties by directors and employees of subsidiaries.
   (3) The Company's directors and Audit & Supervisory Board members shall be able to directly examine and/or copy any information regarding execution of duties that has been electronically recorded, retained, managed, or preserved by the Company's departments.
   (4) When requested by a director or Audit & Supervisory Board members, the Company's departments shall promptly provide or submit for inspection the specified information.

3. Risk management of Company, subsidiary losses

(1) Based on the Group's risk management regulations, the Company shall identify and evaluate Group risks through the Group Risk Management Committee, and establish a risk management framework for the Group.
(2) The Company and its businesses, reflecting the risk management cycle, shall voluntarily and independently respond to corporate activity-related risks. Important matters shall be reported to the holding company's Board of Directors, and the response discussed.
(3) Based on the Group's risk management regulations, the Company shall respond promptly and appropriately in the event of a disaster, accident, incident, or other crisis that threatens business continuity.

4. Group duties of Nichirei, subsidiaries (besides those in 1-3 above)
(1) To realize the Mission and Vision of the Nichirei Group, the Company, as a holding company, shall propose, decide, and implement Group strategies, allocate business resources, conduct monitoring and risk management for the entire Group, and fulfill the responsibilities of a publicly traded company.
(2) To implement corporate social responsibility, the Company has corporate staff divisions that support the Board of Directors, as well as internal audit, R&D and quality assurance divisions that monitor the Group.
(3) Each subsidiary shall serve as an independent company (fulfilling the functions of planning, development, production sales, management, and administration), increase the independence of their respective organizations through their presidents, and adapt to the business environment to respond quickly to market demands.
(4) Transactions between the Company and its subsidiaries shall be based on accounting principles, tax laws, and other internal regulations.

5. Exclusion of antisocial forces
The Company, keenly aware of its corporate social responsibility, shall prohibit any submission to, or collusion with, antisocial forces that threaten the order and safety of civil society, and shall resolutely respond thereto.

6. Audit & Supervisory Board members and independence of employees
(1) The Company shall establish a Group internal audit department, and maintain systems that allow Audit & Supervisory Board members to execute audits more effectively and efficiently, including holding regular liaison conferences with Audit & Supervisory Board members.
(2) The Company shall assign specialist staff at the behest of the Audit & Supervisory Board. Personnel assignments shall be decided by consultation between the Board of Directors and Audit & Supervisory Board, with attention given to independence from directors and ensuring of the effectiveness of directives from Audit & Supervisory Board members.

7. Systems for reporting to Audit & Supervisory Board members
(1) The Board of Directors and employees shall report to Audit & Supervisory Board members, without delay, should they become aware of either a serious violation of laws or internal regulations in the execution of their duties, or any facts that could, or do, have the potential to cause the Company substantial harm.
(2) Directors and employees shall report immediately, to Audit & Supervisory Board members, decisions that may seriously impact business or the organization, and the results of internal audits.
(3) Directors, Audit & Supervisory Board members, and employees of subsidiaries with knowledge of facts that could have a serious impact on the Group's internal controls, or persons who have received reports from such persons, shall report such to Audit & Supervisory Board members without delay.
(4) The Company and its businesses shall protect people reporting to Audit & Supervisory Board members, to ensure that the reports do not lead to adverse treatment.

8. Ensuring compliance of Audit & Supervisory Board members
(1) To enable Audit & Supervisory Board members to adequately perform their functions, the Representative Director, President shall arrange for the Audit & Supervisory Board to receive regular reports on, for example, the status of business, apart from briefings on similar topics going to the Board of Directors.

(2) The Board of Directors shall ensure that Audit & Supervisory Board members attend important meetings regarding the Company's business to ensure it is appropriately conducted.
(3) Once requested by the Audit & Supervisory Board members, and unless a request is unreasonable, the Company shall provide prompt advance payment, or reimbursement, for expenses incurred by the Audit & Supervisory Board members in the execution of their duties.

2. Fundamental Approach to and Preparedness for Eliminating Antisocial Forces

♦Fundamental approach to eliminating antisocial forces

The Group is keenly aware of its corporate social responsibility and strictly prohibits any involvement or transactions with antisocial forces. The Group's Code of Conduct, which serves as a set of guidelines for the activities of Nichirei Group executives and employees, prohibits any submission to, or collusion with, antisocial forces that threaten the order and safety of civil society, and stipulates a resolute response thereto.

No person who works for the Nichirei Group shall have any relationship whatsoever with antisocial forces that threaten the order and safety of civil society. Furthermore, they shall neither comply with unreasonable demands from nor engage in transactions with antisocial forces.

♦Preparedness for eliminating antisocial forces

The basic policy stipulated in the Code of Conduct prohibiting involvement or transactions with antisocial forces is explained in detail through specific examples in the Code of Conduct Case Studies. The Company conducts employee education and training using the Code of Conduct and Code of Conduct Case Studies so that employees can respond appropriately to antisocial forces.

In addition, the Company mitigates risk when entering into new transactions by investigating whether potential business partners fall under the category of antisocial forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted

Supplementary explanation (Updated)

♦Basic Policy on the Control over the Stock Company

1. Basic Policy

In the event that the Company receives an acquisition proposal from anyone coming forward to propose the acquisition of the Company's shares, etc., we believe that the decision of whether or not to sell the Company's shares in response to such a proposal should ultimately be left to our shareholders. We also believe that, in order for shareholders to make an appropriate decision, it is important that shareholders are provided with sufficient information on the acquisition proposal as well as the opportunity to look into matters such as the possibility of alternative proposals.

Having declared the Group's Mission to "Focus on Lifestyles, and Provide True Satisfaction" in the Nichirei Management Principles, our Vision is to "continue to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature's bounty, along with our leading-edge logistics services." If the acquisition proposal places importance exclusively on short-term economic efficiency and is incongruent with such Management Principles, Vision or the medium- to long-term management policy of the Group, we believe shareholders need to make a decision after obtaining sufficient information in order to prevent the impairment of the Company's corporate value, and in turn, the common interests of its shareholders.

2. Specific Efforts to Implement the Basic Policy

(1) Special efforts to implement the basic policy

In response to significant changes in the external environment, the Group has established the Long-term Management Goal, N-FIT (Nichirei Future Innovative Tactics) 2035, based on five new management strategies, succeeding the long-term management goals toward 2030. To achieve this plan, the Group has formulated the Group Medium-term Business Plan, Compass×Growth 2027, covering the three years from FY2026 to FY2028, aiming to enhance both social and economic value in the global field.

On the financial front, capital from operating cash flow and asset liquidation will be used for investments to maintain and enhance corporate value, and for shareholder returns through dividends and stock buybacks. The basic policy for shareholder returns is to maintain a stable dividend based on progressive dividends with a minimum consolidated dividend on equity (DOE) of 4.0%, and to conduct flexible share buybacks in consideration of capital efficiency and the market environment.

(2) Efforts to prevent an inappropriate person/entity from gaining control in light of the basic policy

The Group is engaged in the businesses of processed foods, marine products, meat and poultry products, logistics, real estate and others. For the expansion of its physical business activities, the Group conducts businesses worldwide through its subsidiaries and business establishments. Management of the Group is based on extensive knowledge of and a wealth of experience in these multiple businesses and relationships with customers, employees and clients/suppliers around the world; shareholders need to gain a sufficient understanding of these matters when deciding whether or not to accept the acquisition proposal made by the proposer.

The Company strives to provide information to shareholders by proactively engaging in investor relations (IR) activities on a day-to-day basis. In order for shareholders to properly decide whether or not to accept the acquisition proposal by the proposer, provision of appropriate and sufficient information by both the Company and the proposer (description of the Group's management policy and business plan contemplated by the proposer, the impact of the acquisition proposal on shareholders of the Company and the management of the Group, the impact on many stakeholders of the Group, approach to social

responsibility and other information from the proposer) will be indispensable, in addition to securing the time needed for shareholders to examine the proposal to decide whether or not to accept it. Depending on the circumstances, the Company may look into the possibility of an alternative proposal and put it forward to shareholders, allowing shareholders to choose a better proposal from the viewpoint of the Company's corporate value, and in turn, the common interests of shareholders.

The Company will take appropriate measures to the extent permitted by the Financial Instruments and Exchange Law, the Companies Act and other relevant laws and regulations—including requiring the proposer to provide necessary and sufficient information for shareholders to properly decide whether or not to accept the acquisition proposal, disclosing the opinions, etc. of the Board of Directors of the Company, and endeavoring to secure the time and information needed by shareholders to examine the proposal—and continue to make efforts to ensure and improve its corporate value and the common interests of shareholders.

2. Other Matters Concerning Corporate Governance Structure, etc.

♦ Overview of timely disclosure system

1. Basic policy for timely disclosure of Company information

As its basic policy, the Company aims to build longstanding relationships of trust with its various stakeholders, and in accordance with the Group Disclosure Policy, communicates information deemed necessary to them with respect to both statutory and voluntary disclosure, in a prompt, accurate and impartial manner.

2. Internal system for timely disclosure

- Information collection process

  With the aim of collecting information subject to timely disclosure in a comprehensive and swift manner, timely disclosure standards have been established as part of the Company's "Group Proposal and Request Circular for Approval Standards" and measures to be taken upon the occurrence of an important event have been described under the "Group Disclosure Policy," and efforts are being made to instill them thoroughly among employees.

  Each department of the Company collects information in collaboration with subsidiaries on a daily basis, and a system is in place to make a report to the information handling manager and the department in charge of disclosure if a significant event arises.

- Analysis and determination process

  The information handling manager and the department in charge of disclosure check and analyze the content of the collected information, and whenever necessary, make a report to the Representative Director, President after checking with the consulting lawyer and the accounting auditor. If timely disclosure is deemed necessary, the materials subject to timely disclosure are put forth for discussion at the meeting of the Board of Directors after ensuring their legitimacy and accuracy.

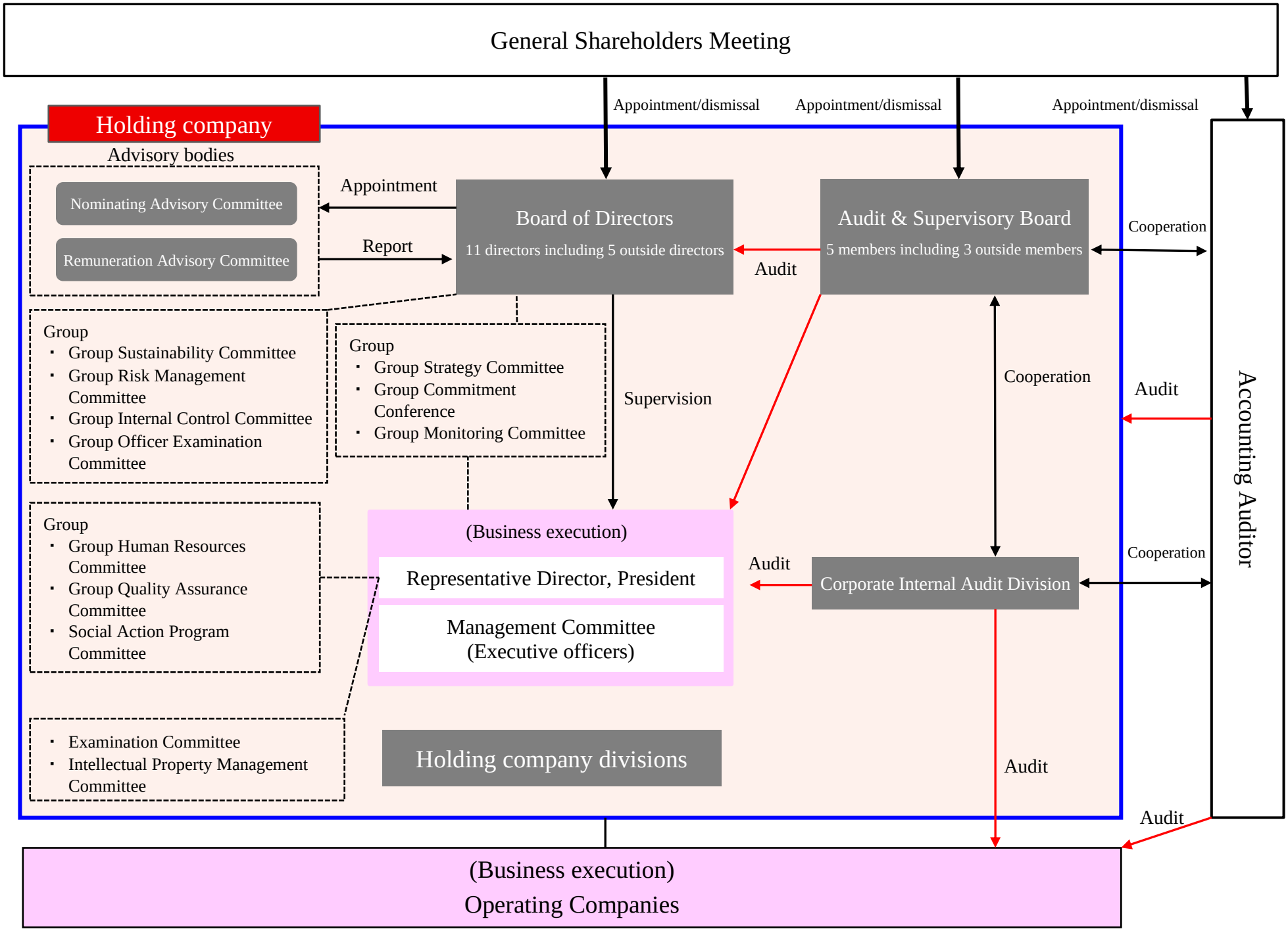
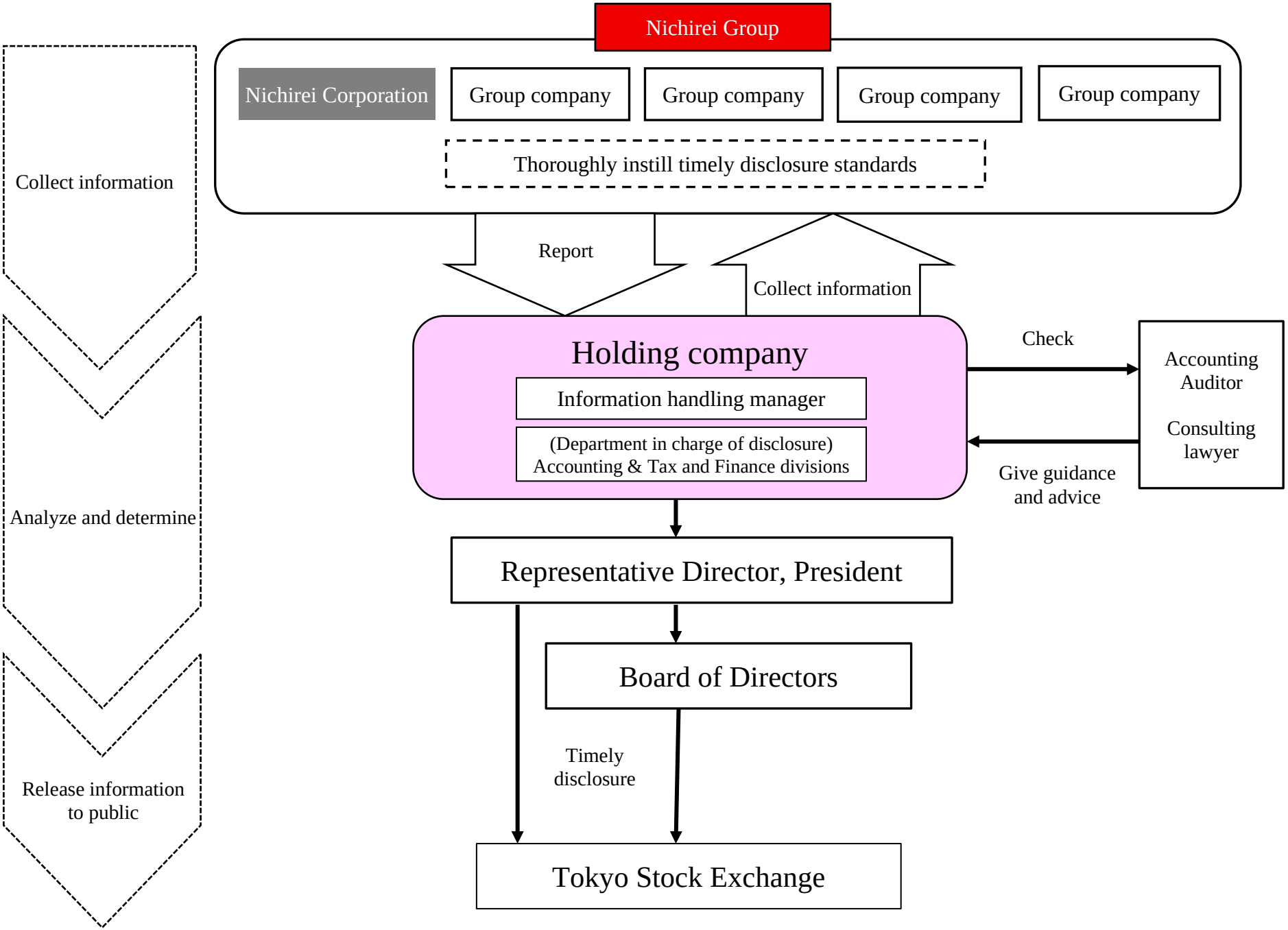
- Process for publication

  The Board of Directors decides the specifics, etc. of timely disclosure, and the department in charge of disclosure carries out the procedures for publication.

(Reference Materials)

(1) Diagram of Corporate Governance Structure

(As of June 25, 2025)



(2) Diagram of Timely Disclosure System