

■ Mission

Focus on Lifestyles, and Provide True Satisfaction

■ Vision

We will 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.

■ Guiding Principles

1. Prioritize customers, safety, and quality
2. Ethical operations
3. Transparent management
4. Sustainable communities
5. Value creation

■ Sustainability Policy

- Making Our Communities More Sustainable -

The Nichirei Pledge

The Nichirei Group is committed to resolve social issues and create new value through its business activities, which include the procurement, production, logistics and sale of food, while considering the impact of those activities on the global environment and local communities and respect for human rights. We publicly disclose the details of these activities to promote stakeholder dialogue and increase transparency. Furthermore, we work to create more sustainable communities by fulfilling our responsibilities as a company that supports good eating habits and health.



Creating new value

We constantly strive to create new products and services, while pursuing business activities that help solve issues faced by our customers and communities.



Safe, high-quality products and services

We continuously work to earn the trust of our customers and communities by meeting diverse demands as well as offering safe, stable, and high-quality supply.



Sustainable supply chain and circular economy

We aim to realize an ethical and sustainable supply chain as well as a circular economy by building enduring and positive partnerships, while considering the environment, human rights and working conditions.



Climate change initiatives and biodiversity conservation

We strive to preserve the global environment and biodiversity by reducing greenhouse gas emissions and managing food and water resources appropriately.



Cooperative relationship with communities

We work to develop our communities and resolve social issues as a responsible corporate citizen by engaging in dialogue and close cooperation with our stakeholders.



Diversity and decent work

We respect the diversity of our employees, and strive to ensure occupational health and safety, provide fair treatment and opportunities for personal development, and continuously improve the workplace to enable every employee to thrive.



Good corporate governance

We are committed to employing highly transparent and fair management practices through stakeholder dialogue and information disclosure, while striving for appropriate resource allocation and swift management decisions.



Thorough compliance

We engage only in honest corporate activities that comply with the laws and regulations of each country in which we operate, respecting international norms of behavior and ensuring sound corporate ethics.



Kenya Okushi

Nichirei Corporation
Representative Director, President &
Chief Executive Officer

The Nichirei Group is expanding its business outside Japan and increasing the value of its intangible assets for further growth.

The Medium-term Business Plan in Review and Outlook for the Final Year

In FY2024, we faced skyrocketing raw material and energy prices due to an uncertain international situation, as well as supply and demand imbalances due to supply chain disruptions and exchange rate volatility. At the same time, we began seeing encouraging signs, such as rising inbound demand from foreign visitors to Japan and recovery in personal consumption. In this context, during the second year of Medium-term Business Plan Compass Rose 2024 we implemented relevant management policies with a balanced approach that addresses both our medium- to long-term objectives and the immediate management issues confronting us.

For sustainability, we have continued to prioritize environmental and procurement issues. To obtain SBT¹ certification, we are expanding the scope of our CO₂ emissions reduction targets, revising targets upward and stepping up environmental investments. We are also conducting human rights due diligence initiatives with domestic and overseas business partners for key raw

materials. We also identified nature-related risks and opportunities as a matter of increasing importance. Addressing these issues is essential for the Nichirei Group, which depends on the bounty of nature in its businesses. Once we have gained an understanding of each business's impact, we intend to improve biodiversity and water resource resilience.

As for our business performance, both net sales and operating profit reached record highs. As costs continued to rise, we have been working to adjust prices appropriately by increasing the value we provide and improving productivity, as we deal straightforwardly with customers to gain their understanding. The operating environment is likely to remain challenging. We will develop and provide products and services that capture solid demand for frozen food, including needs arising from an increase in single-person households and rising health consciousness, and respond promptly to changing market conditions.

FY2025 is the final year of Compass Rose 2024. We intend to strengthen the earnings base of our domestic businesses and improve capital efficiency in order to allocate management resources to expanding overseas business and creating new value for our next stage of growth. First, in our processed foods business in Japan, we will strengthen sales of cooked rice and processed chicken products to expand in these strategic categories. For cooked rice products, we will cultivate mainstay brands and ramp up operations at our plant for frozen rice products in Fukuoka Prefecture, which went on line in 2023, with the aim of maximizing production and gross profit. For processed chicken products, we will step up sales promotion of products that incorporate our unique technologies and the rollout of products precisely tailored to the needs of each business category. In addition, to employ new types of added value to create markets, we will maintain our focus on growing the personal-use, single-serving product business while working to expand our lineup of products with enhanced health value.

In our domestic temperature-controlled logistics

business, for some time now we have been taking measures to address a shortage of drivers, an issue exemplified by the so-called “2024 Problem.” Measures include a rollout of *SULS*, our next-generation transportation and delivery system, and the use of trunk-route relay hubs as gateways. We see these measures as opportunities as well as a way to help resolve a social issue, and will use them as a framework for meeting diverse customer needs that will lead to business expansion. In addition, our logistics platform for frozen foods will offer a solution to the labor shortage as it will use both our own and other companies’ assets, and as a result increase our share of products handled. For even greater labor savings and work efficiency, we will also expedite the introduction of robots, automated conveyors and other cutting-edge technologies.

In the marine, meat and poultry products business, we will select product categories to concentrate on and increase the number of high-profit products and marine products with MSC,² ASC³ or other certifications that we handle.

1. Science Based Targets. Targets for reducing greenhouse gas emissions based on scientific evidence, administered by the Science Based Targets Initiative (SBTi).
2. Marine Stewardship Council (MSC) certification requires that wild seafood has been caught using methods that do not deplete the natural supply.
3. Aquaculture Stewardship Council (ASC) certification requires that marine products have been cultivated in a sustainable manner.

Implementing Management That Is Conscious of Cost of Capital and Stock Price

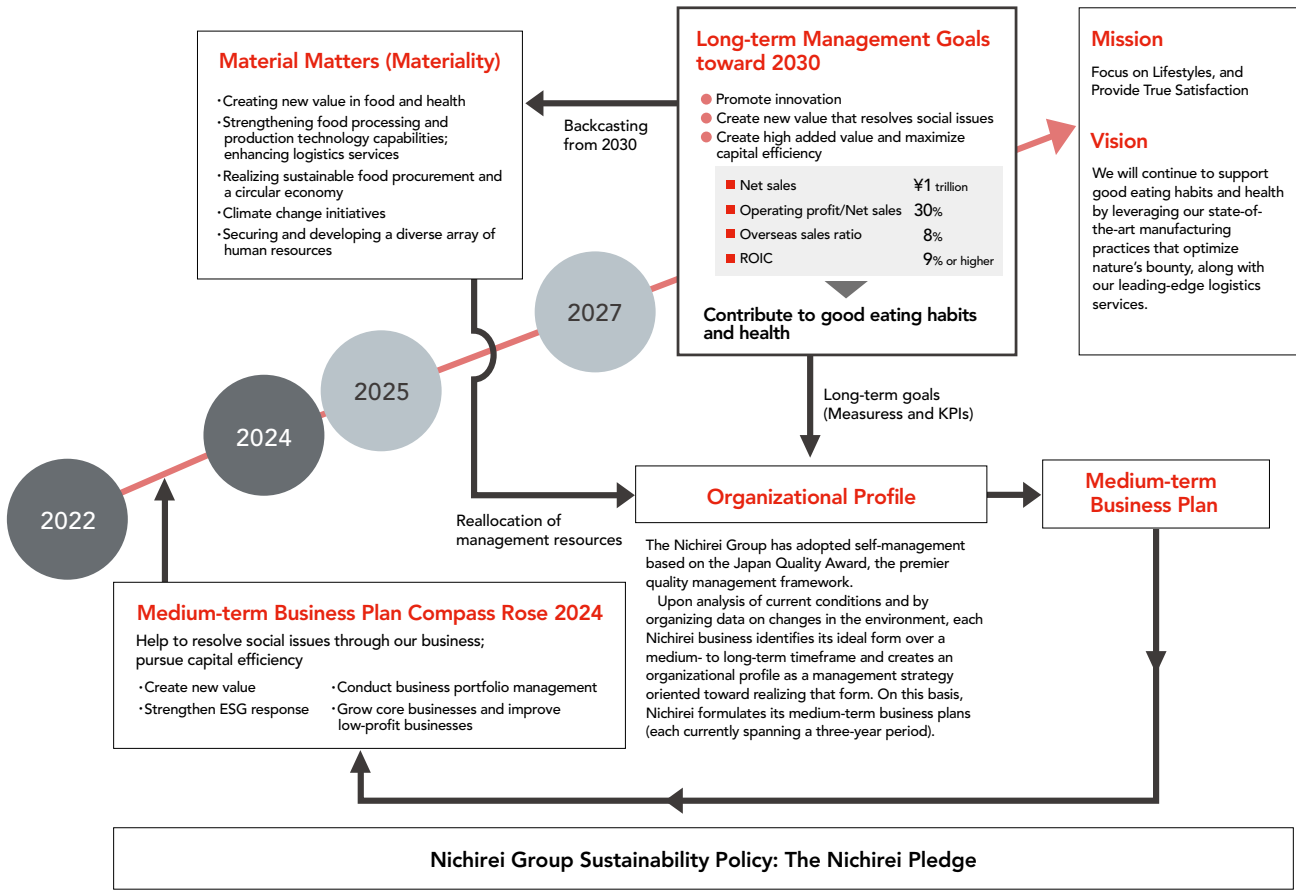
I believe that pursuing capital efficiency will become increasingly critical in the domestic market. We have been using ROIC to conduct business portfolio management through repeated discussions at meetings of the Board of Directors and the Group Strategy Committee, with the aim of improving profit margins and capital efficiency mainly in underperforming businesses. As a result of these efforts, overall Group ROIC has reached 7.5%, achieving our medium-term business plan target of 7% or higher. To further improve capital efficiency in our core businesses, we will work to embed and improve ROIC by utilizing it when creating business strategies and formulating budgets, and by setting and monitoring site-specific indicators that reflect the characteristics of each business.

To advance our business strategies from the perspectives of both growth and efficiency, we will

achieve labor savings and work efficiency through investment in digital technology and other measures to address the accelerating population decline forecast for Japan. This will fortify our domestic earnings base to ensure stable cash flow, underpinning our shift to a business that captures growing markets outside Japan (expanding our overseas business).

Strengthening engagement with shareholders and investors and enhancing information disclosure are also important. We have been working to enhance disclosure in various ways. For example, we have been including ROIC trends by business segment in our presentation materials for the announcement of financial results since the third quarter of FY2024, and I have been proactively engaging in dialogue with investors. We believe that continuing these measures will lead to an appropriate valuation in the market.

Nichirei Group Management Cycle



	(FY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (Est.)
Overall Group ROIC (%)		4.2	4.3	5.9	8.0	8.1	7.8	7.6	7.5	7.8	6.9	7.5	7.8
NOPAT ratio (%)		2.0	2.1	2.7	3.7	3.7	3.7	3.6	3.9	4.1	3.5	3.9	4.0
Capital employed turnover (Times)		2.1	2.0	2.2	2.2	2.2	2.1	2.1	1.9	1.9	2.0	1.9	1.9
WACC (%)		—	—	—	—	—	—	—	—	—	4.0	4.0	4.0
Processed Foods	Simple ROIC* (%)	3.2	5.2	8.3	15.3	14.4	13.3	15.1	13.9	10.3	8.5	10.8	12.5
	Operating profit after tax/Net sales (%)	1.0	1.8	2.7	4.7	4.6	4.5	4.9	5.3	4.0	3.5	4.1	4.6
	Main capital employed turnover (Times)	3.1	2.9	3.1	3.3	3.2	3.0	3.1	2.6	2.6	2.4	2.6	2.8
Temperature-controlled Logistics	Simple ROIC (%)	5.2	5.0	6.0	6.9	7.0	7.1	7.2	7.8	7.7	7.7	7.2	7.2
	Operating profit after tax/Net sales (%)	3.3	3.1	3.6	3.9	4.0	3.9	4.0	4.3	4.5	4.3	4.2	4.1
	Main capital employed turnover (Times)	1.6	1.6	1.7	1.8	1.8	1.8	1.8	1.8	1.7	1.8	1.7	1.8
Marine Products	Simple ROIC (%)	1.5	0.8	2.2	2.7	1.0	0.6	1.5	2.0	3.3	3.5	2.9	7.5
	Operating profit after tax/Net sales (%)	0.4	0.2	0.6	0.8	0.3	0.2	0.5	0.6	1.0	1.0	0.7	1.8
	Main capital employed turnover (Times)	3.9	3.7	3.4	3.4	3.4	3.5	3.3	3.4	3.4	3.7	4.4	4.2
Meat and Poultry Products	Simple ROIC (%)	1.6	3.5	6.2	29.4	16.3	16.8	13.6	21.5	20.2	13.8	12.4	16.8
	Operating profit after tax/Net sales (%)	0.1	0.3	0.3	1.3	1.0	1.1	0.7	1.1	1.0	0.8	0.9	1.0
	Main capital employed turnover (Times)	15.9	13.1	22.3	23.3	16.4	15.1	19.1	20.0	20.1	17.9	14.1	16.2
Bioscience	Simple ROIC (%)	8.4	9.6	14.9	9.5	9.4	2.4	(2.2)	(3.2)	(3.0)	8.9	12.5	9.2
	Operating profit after tax/Net sales (%)	7.6	9.4	13.2	11.1	11.4	4.5	(4.5)	(6.6)	(6.1)	12.0	15.2	10.9
	Main capital employed turnover (Times)	1.1	1.0	1.1	0.9	0.8	0.5	0.5	0.5	0.5	0.7	0.8	0.8

* Simple ROIC = Operating profit after tax ÷ Main capital employed (Operating funds + Non-current assets)

Growth in Overseas Business

The average annual growth rate of our overseas sales over the past 10 years is 10%, demonstrating strong performance and reaffirming the high growth potential of this business. The Nichirei Group's current overseas sales ratio is 21%, rising faster than planned. However, there is still potential for growth in many countries and regions, so it will be crucial to identify market potential as we roll out our business with an emphasis on speed. Moreover, I have noticed that overseas markets can accommodate

a more flexible response to the pricing issues that have been a challenge in the domestic market during the inflationary phase of the past few years. During the three-year period of the current medium-term business plan, we expect to make 26% of our capital expenditures outside Japan, a significantly higher percentage than in the initial plan. Including both investments and loans, we intend to raise that percentage to around half of total expenditures going forward.

In the processed foods business, we have high expectations for growth in North America, where the growth rate for Asian foods in the frozen food market has been higher than in other regions. Also, in FY2025 we have launched a new Latin-inspired brand, which together with our existing Asian brands will drive growth in our North American business.

Currently, we are focusing on the processed foods business in North America, and we are considering pursuing synergies with the marine products business there in the future. Due in part to the popularity of Japanese food overseas, potential for expansion of the marine products business is greater outside Japan than domestically. We intend to utilize the functions of both businesses, including our marine products processing base in Vietnam, to capture rising needs for healthier foods globally.

In the temperature-controlled logistics business, we aim to achieve growth in both sales and profits by increasing management efficiency in Europe. In January 2024, we conducted a reorganization in the Netherlands and the United Kingdom that will enable us to expand our one-stop services that integrate customs clearance, storage, transportation and delivery, and to extend our cross-border transport operations, such as from Germany to the United Kingdom. In Poland, we have established a

new base and expanded an existing one to enhance our temperature-controlled logistics services for mass retailers. In Asia, we began operations of a new refrigerated warehouse in Vietnam in July 2024, with a focus on building our infrastructure and expanding sales in the ASEAN region, including Thailand and Malaysia.

At the same time, to avoid being limited solely to organic growth, we must develop markets through methods including M&A and alliances to expedite entry into new areas in both the food and temperature-controlled logistics businesses,

In advancing our overseas business expansion strategy, securing and developing human resources for our overseas operations is an issue. Faster-than-expected overseas business growth has created a pressing need to develop such talent, including people capable of dealing with governance and sustainability information disclosure. Our systematic initiatives to develop these human resources include dispatching junior employees overseas or on long-term postings with a specific theme, with the expectation that they will be assigned to management positions overseas in the future. Previously, each operating company conducted language classes and other off-the-job training separately, but from FY2025 we are working to provide a fuller range of learning opportunities across the Group.

including cultivating talent for overseas positions, advancing succession plans, and improving engagement.

In addition, we conduct a common Group-wide engagement survey in Japan, and use the analysis results to enhance employee motivation. One issue revealed by the survey was a lack of communication and dialogue. We intend to hone communication skills, mainly among management, and create more effective systems to support the growth of both our employees and our Group companies.

■ Conducting Activities to Create Value

Creating new value in food and health is a material matter for the Group. To provide society with value worthy of the Nichirei name, we strive to contribute to people’s mental and physical health through the development and sale of eco-friendly products that maximize the potential of our materials and cooling power. Progress toward our targets for 2030 has been largely according to plan, but from a longer-term perspective, it will also be important to develop new businesses beyond our existing business fields. To this end, we are working to deepen our core technologies, investigate new technologies and step up our efforts to identify the needs of customers and new markets. These activities are based on our Innovation Management System (IMS). Because an interplay of diverse insights is essential for creating new value, we will actively seek out opportunities for collaboration with external partners. Inside Nichirei, we will establish a cycle in which talent with value-creation skills and knowledge gather to refine ideas, enhance their skills and build up expertise within the organization.

■ Strengthening Branding

Sensing the need to further increase trust in the Nichirei brand and brand loyalty, we are now working on rebranding that will encourage people to reappraise Nichirei’s value. We are taking a fresh look at how the Nichirei brand is perceived from the outside. Internal branding is likewise important. Nearly 20 years have passed since Nichirei converted to a holding company structure, and particularly among junior employees, there is a growing awareness not only of the brand value of their own business, but also of the Group as a whole. They want to know how the Nichirei Group is contributing to society in its wide-ranging fields of food, logistics and bioscience, and seek a deeper understanding of other Group businesses, as well as more initiatives the businesses can carry out together. Because these sentiments are closely related to loyalty, nurturing them is crucial.

■ Disclosing Information on Sustainability

As our overseas business expands, we are keenly aware of the importance of disclosing sustainability information and the need to do so appropriately. In particular, we are closely monitoring legislation on disclosure of sustainability information in Europe and are making preparations, including developing human resources and studying systematization. Addressing this issue will be no simple matter, but we believe that once we have a stock of studying sustainability information, we can use it as a basis for making management decisions.

Building a Foundation for Creating New Value

During the current medium-term business plan, we have been focusing on investment in intangible assets such as human capital, research and development, and brands, with the conviction that this investment is essential for sustainably increasing our corporate value.

■ Enhancing Human Capital

The key to creating new value is enhancing human capital. Securing the human resources we need to expand our

overseas business, which I mentioned previously, is one example of this. In the Nichirei Group, we believe it is important to visualize how we perceive the value of our human capital and how we allocate management resources to enhance it, and we are working to do so. In April 2024, we conducted a major review of the organizations that deal with human resources at Nichirei Corporation, our holding company. Specifically, we did away with our previous Human Resources division and established new departments for Diversity Promotion, Human Resources Planning and Human Resources Development. With these three organizations working in their respective fields of specialization as well as in collaboration, we aim to roll out a human resources strategy linked to our management strategy. Diversity Promotion will step up efforts to secure and develop diverse human resources based on our Sustainability Policy. Human Resources Planning will be responsible for flexible system design, increasing use of human resources data and similar initiatives. Human Resources Development will handle various functions,

Working to Realize Our Vision for 2030

“We will 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.” This is the Nichirei Group’s Vision, and to achieve it, we must understand the needs of society to create and provide products and services that offer value and satisfy our customers. We believe that diet contributes significantly to people’s well-being. Given the Nichirei Group’s deep involvement in the entire food value chain, we are confident that we can help in this regard. We intend to continue to engage in detailed communication and dialogue with all stakeholders regarding the value we offer.

FY2025 is the final year of Medium-term Business Plan Compass Rose 2024, which we have positioned as a period of transformation toward 2030. In addition to steadily implementing management measures such as sustainability initiatives and strengthening our business foundation, we must also accelerate our shift to a strategy for growth of Nichirei’s next generation. By linking the Nichirei Group’s goal of helping resolve social issues through its business operations to the ambitions of each employee, and by building an organization that moves proactively, we aim to create social and economic value. In doing so, we look forward to your ongoing support.



TOWARD 2030

To achieve our long-term management goals toward 2030, we have identified material matters for the Nichirei Group based on the significant changes, risks and opportunities in our business environment.

We aim to realize our vision for 2030 by addressing these material matters and by drafting and implementing a medium-term business plan for every three-year period.

A Period of Transformation toward 2030

- Ramp up sustainability management
- Pursue capital efficiency

- Resolve social issues
- Expand overseas business
- Improve capital efficiency

Set Our Long-Term Management Goals toward 2030

- Identify material matters for the Group

To FY2022

FY2023 to FY2025

FY2026 to FY2028

FY2023–FY2025 Medium-term Business Plan

Compass Rose 2024

Details ▶ Pages 24-25

Help to resolve social issues through our business; pursue capital efficiency

Creating new value

Details ▶ Pages 68-69

Strengthen ESG response

Details ▶ Pages 56-67, 80-87

Conduct business portfolio management

Details ▶ Pages 30-31

Grow core businesses and improve low-profit businesses

Details ▶ Pages 32-39

Allocation of management resources

Growth investment

Overseas business expansion

Details ▶ Pages 26-29

New business

Environmental measures

Details ▶ Pages 56-62

Promotion of IT and DX

Details ▶ Pages 50-51

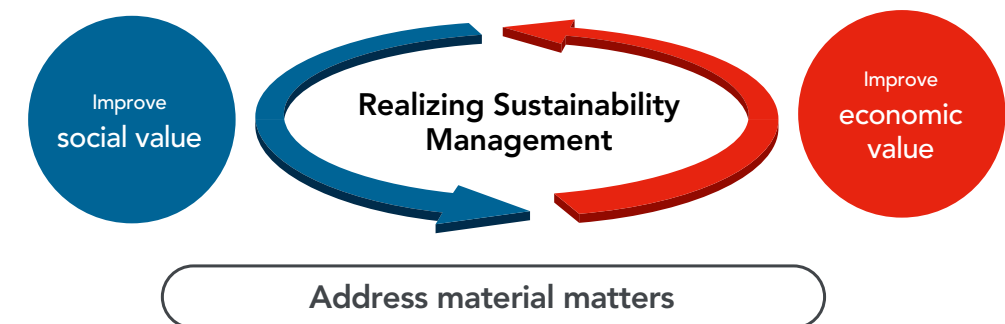
Human resource development

Details ▶ Pages 40-47

FY2031

Achieve Our Long-term Management Goals toward 2030

Contribute to good eating habits and health



Our Long-term Management Goals toward 2030

Net sales Overseas sales ratio Operating profit/Net sales

¥1 trillion

30%

8%

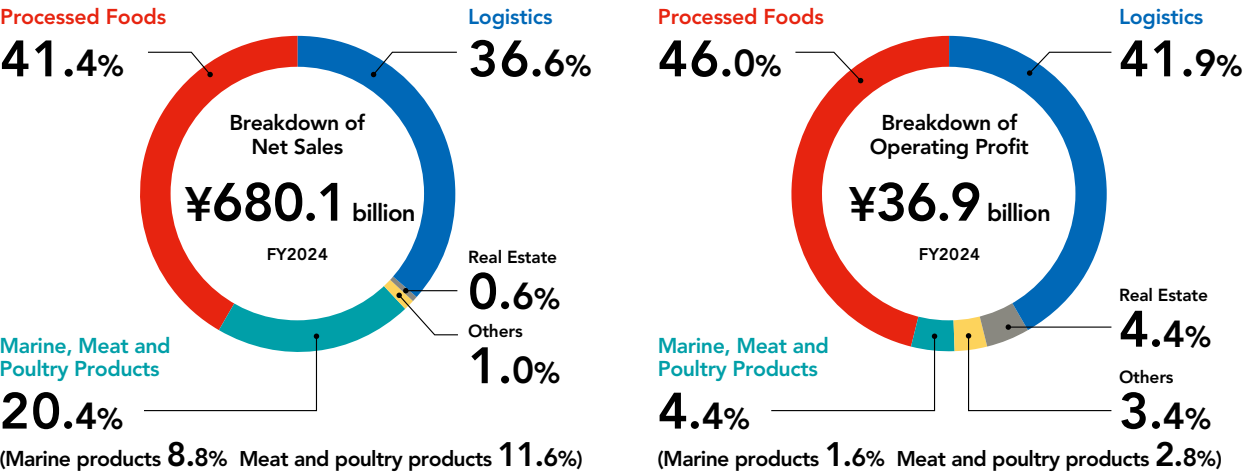
Promoting innovation to contribute to good eating habits and health for all people by creating new value that helps to resolve the issues of customers and society

ROIC

9% or higher

Create high added value and maximize capital efficiency

The Nichirei Group conducts business in areas including marine, meat and poultry products; bioscience; and real estate. Its main focus, however, is on processed foods and temperature-controlled logistics. Under a holding company responsible for overall Group strategy, each operating company aims to create new value for customers through flexible business operations in order to raise corporate value over the medium to long term.



Note: "FY2024" refers to the twelve-month period ended March 31, 2024.

Processed Foods



► Nichirei Foods Inc.

By closely following the way people live, we contribute to the realization of a healthy and abundant society through food that is characterized by seven basic values: delicious; healthy; enjoyable to eat; safe; simple and convenient to prepare; stable supply; and reasonably priced. We will continue to refine our distinctive abilities and create superb value through frozen foods, retort pouch foods and wellness foods, in order to become the most trusted food company in the world.

History
https://www.nichirei.co.jp/sites/default/files/inline-images/ir/integrated/pdf/ngir2022_en_nf_history.pdf

Marine, Meat and Poultry Products



► Nichirei Fresh Inc.

In promoting the development of premium marine, meat and poultry products, we utilize our global procurement abilities and emphasize freshness, deliciousness, safety, security, health, and sustainability. In addition, we aim to provide greater value to consumers while considering resources and the environment.

History
https://www.nichirei.co.jp/sites/default/files/inline-images/ir/integrated/pdf/ngir2023_en_nfr_history.pdf

► Nichirei Corporation (Holding Company)

Real Estate

As the holding company for the Nichirei Group, Nichirei Corporation aims to maximize corporate value by promoting organizational management. It carries out the functions of management planning, monitoring and fund procurement for the entire Group, as well as management support for each operating company. It also operates a real estate business to make effective use of Group-owned land and other assets.

Logistics



► Nichirei Logistics Group Inc.

We are the largest temperature-controlled logistics group in Japan. Our business comprises a logistics network focused on transportation and delivery; regional storage businesses providing storage and delivery services that are deeply rooted in their local areas; an overseas business that handles operations in Europe, East Asia, and Southeast Asia; and engineering services, which handle matters from logistics facility planning and design to maintenance management. Throughout our supply chain we provide high-quality service.

History
https://www.nichirei.co.jp/sites/default/files/inline-images/ir/integrated/pdf/ngir2021_en_nl_history.pdf

Bioscience



► Nichirei Biosciences Inc.

By making the best use of biotechnologies to conduct business in the three fields of molecular diagnostics, immunochromatographic diagnostic reagents, and biomedical materials, we are able to contribute to the health of a large number of people. We provide high-quality products and services with the aim of becoming a technology-oriented company with outstanding expertise.

We have provided true satisfaction by identifying the needs of individuals and society, enabling us to create the products and services required in each era. The Nichirei Group will continue to support eating habits through business activities covering a wide range of foods.

Accumulated Assets

A history and heritage of continuing to take on challenges to help resolve social issues

- Unique ingredients procurement network
- Japan's leading advanced temperature-controlled logistics services
- Development and production technology capabilities for reproducing deliciousness
- Human resources with a high level of expertise and experience

Comprehensive Group capabilities in food procurement, processing, distribution, and sales functions in its cold chain network

Ability to help resolve social issues

Refined and advanced capabilities in food processing, production technology and temperature-controlled logistics services

Continuing to create new value for the times with our capabilities as a food pioneer

Procurement

Processing and production

Sales

Storage and distribution

Comprehensive Group capabilities based on our own cold chain network

1940s to 1950s

Launch of the Nichirei Group to rebuild the postwar food supply system and respond to rising consumption

Nippon Reizo was established to take over the marine products, refrigeration, and ice-making businesses. With a mission to provide a stable food supply after World War II, we diversified our businesses as consumption rose rapidly in the 1950s.



Headquarters building at the time of establishment

Provided frozen foods and other products to the Antarctic expedition



1960s to 1970s

The spread of electric refrigerators changes eating habits. Expanding into the broiler and processed marine products businesses.

With brisk economic growth, electric refrigerators became common household appliances and household-use frozen foods began to be accepted. We contributed to the government-led creation of a cold chain logistics network to maintain food freshness during transport from producing areas to stores.



Rotating poultry house at the Kamagaya Laboratory



Unified products under the Green Belt brand with the spread of household frozen foods

Opened Terrace Nichirei (a restaurant) at the Osaka Expo

1980s to 1990s

Increasing interest in frozen foods as more women began working outside the home. Actively developing new businesses

A management crisis led to Tomorrow's Nichirei, a bottom-up in-house campaign soliciting employee proposals for innovation and improvement, which led to a series of new businesses. In addition, rising numbers of women working outside the home spurred growth in demand for highly convenient frozen foods. From the latter half of the 1980s, we started full-scale overseas expansion in the fields of processed foods and temperature-controlled logistics.



Entered the acerola business



Full-scale introduction of microwaveable products

2000s

Addressing diversifying eating habits and consumer concerns about food safety. Accelerating business operations by converting to a holding company structure

We fundamentally revised the structure of our traceability system to enhance quality assurance so we could provide safer, more reliable products. We also converted to a holding company structure and started new initiatives in each business.



Japanese pure-bred Junwakei chicken



Initial Honkaku-Itame-Chahan (fried rice)



GFPT Nichirei (Thailand) Co., Ltd.

2010s

Conducting management with a medium- to long-term perspective that addresses simplifying food preparation, increasing health consciousness, Japan's labor shortage, and globalization

By strengthening our earnings base and improving asset efficiency, we promoted profit growth and expansion of the scale of our overseas business. We also stepped up our ESG initiatives to increase corporate value.



Global Innovation Center



Began frozen food operations in North America

2020 onward

Becoming a company that creates new customer value and helps resolve social issues to achieve a sustainable society

We are forging a strong link between sustainable corporate growth and the achievement of a sustainable society, dealing openly with the public as we continue to support eating habits.

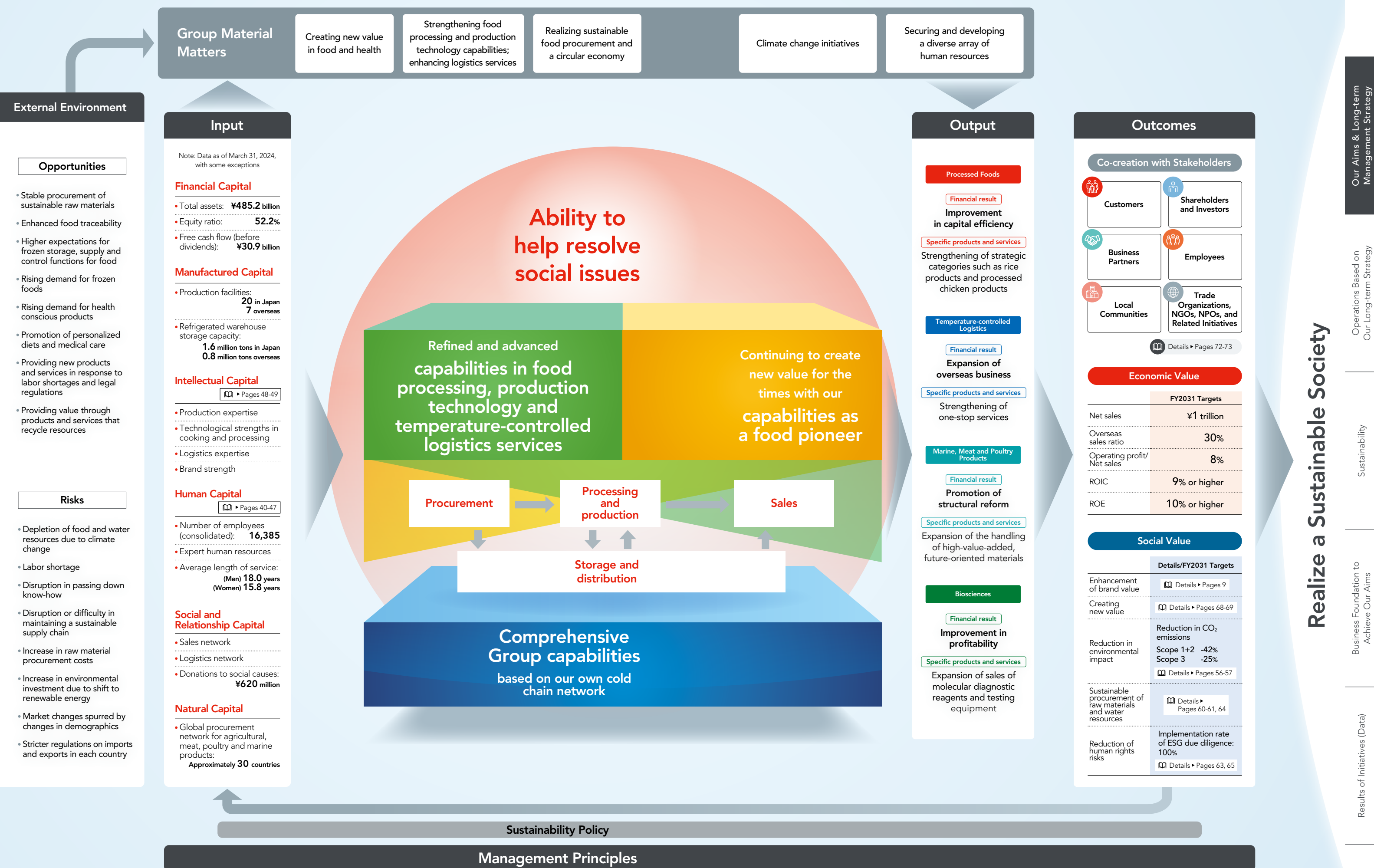


Nagoya Minato DC



COVID-19 antigen test kit

Value Creation Process



Group Material Matters (Materiality)

Material Matters (Materiality)

In 2020, the Nichirei Group identified five material matters (materiality) and set a vision for each of them in order to achieve the long-term management goals for 2030. We are promoting sustainability management by executing measures that address the material matters while balancing social and economic value.

Process for Identifying Material Matters (Materiality)

Nichirei Group Integrated Report 2020 Pages 15-20
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/nichirei_IntegratedReport2020_all.pdf

Identifying stakeholders	Since our business domain is food provision, we have a tremendous social responsibility, being involved, as we are, with many stakeholders and impacting their lives and society at large. For this reason, we have identified stakeholders based on the level of their demands and the extent of our impact on society.
Identifying social issues (risks and opportunities)	After identifying our stakeholders, we delineated social issues from future and global perspectives.
Evaluating social issue criticality	We then evaluated the importance of those social issues, based on the fact that proactive measures result in business growth, and reactive ones are focused on minimizing damage to corporate value.
Mapping material matters	We mapped material matters that would require proactive and reactive steps, and in November 2019 we held initial deliberations on the details of mapping during the Nichirei Group Strategy Committee meeting, at which we usually discuss overall management strategies.
Creating drafts	We created separate drafts for those issues that would require a proactive or reactive approach.
Dialogue with experts	In December 2019, outside experts evaluated the validity of the drafts under consideration and exchanged opinions with Company corporate officers, including the president.
Integration and narrowing down	Based on opinions received from experts, we integrated and narrowed down material matters as proactive or reactive.
Finalizing the draft	In February 2020, at the second Group Strategy Committee meeting, after repeated deliberation on both the evaluation of validity by experts and opinions on distinctive Nichirei features, an agreement was reached, resulting in a draft containing five material matters.

Material Matters (Materiality)		Vision for 2030
1	Creating new value in food and health	Create new markets and customer value by taking on challenges outside existing areas in both food and health Discover the potential of materials and cooling power to contribute to the future of the Earth and people's mental and physical health through food
2	Strengthening food processing and production technology capabilities; enhancing logistics services	Further refine core competencies in food processing, production and logistics to resolve social issues and improve profitability through competitive advantages in global markets Ability to generate cash improved by concentrating management resources on core businesses Overseas business as a new pillar of earnings
3	Realizing sustainable food procurement and a circular economy	Resolve various social issues related to the supply chain, which is the foundation of our business, and contribute to sustainable food procurement and the realization of a circular economy All raw materials and ingredients are procured from suppliers and partner companies that comply with the Nichirei Group Supplier Code of Conduct and Supplier Guidelines Promoting a circular economy by creating new business models Understanding risks to natural capital and improving resilience related to biodiversity and water resources
4	Climate change initiatives	As a food and logistics company that is greatly affected by climate change, we will work with stakeholders to counter global warming and reduce energy consumption throughout the supply chain Efforts under way to reduce CO ₂ emissions both inside and outside the Group toward the goal of becoming carbon neutral by 2050 Elimination of CFCs progressing at production and logistics facilities as a global warming countermeasure
5	Securing and developing a diverse array of human resources	Secure and develop diverse human resources and foster an inclusive corporate culture to achieve sustainable growth Diverse human resources with various characteristics and skills, maximizing their potential to improve their job satisfaction and support the sustainable growth of the Group

Connection between Non-financial Measures and Corporate Value Enhancement

Nichirei believes that enhancing corporate value requires initiatives that improve profitability (ROIC, ROE), reduce capital costs (WACC), and promote growth expectations (PER). We view the execution of measures to address our material matters as contributing to the improvement of these three types of economic value, thereby enhancing corporate value. By continuing to promote non-financial measures that address our material matters, we will create both economic and social value, which will ultimately enhance corporate value.

