

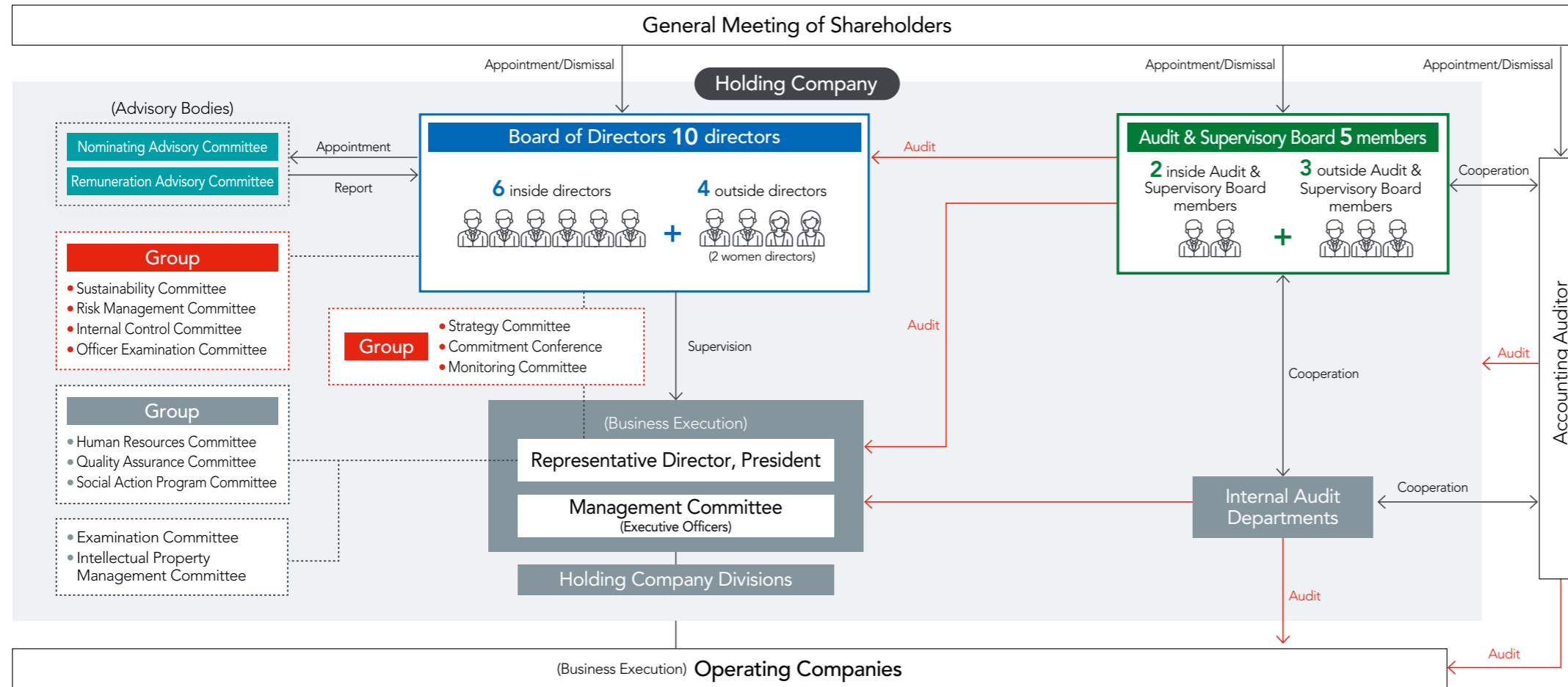
Basic Policy and Structure

On the basis of its holding company structure, the Group engages in business through its Group companies across a wide range of fields that includes processed foods, marine products, meat and poultry products, temperature-controlled 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 holding company adheres to the principles of the Corporate Governance Code and views the achievement of fair and transparent management as an important management issue. Accordingly, under the supervision of the Board of Directors, we will continue to strengthen governance by promoting appropriate resource allocation, speeding up decision-making and ensuring thorough compliance.

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

Corporate Governance Structure (As of June 27, 2023)



Board of Directors

▶ Please refer to the next page for details.

Audit & Supervisory Board

▶ Please refer to the next page for details.

Nominating Advisory Committee

▶ Please refer to the next page for details.

Remuneration Advisory Committee

▶ Please refer to the next page for details.

Group Sustainability Committee

Number of meetings held in FY2023: **4**
Chairperson: Kenya Okushi, Representative Director, President

The committee deliberates on efforts to realize a sustainable society and works to maximize the Nichirei Group's corporate value by balancing social and economic value.

Group Risk Management Committee

Number of meetings held in FY2023: **2**
Chairperson: Kenya Okushi, Representative Director, President

The committee uses the most appropriate and rational methods to comprehensively manage uncertainties that could damage the Nichirei Group's corporate value.

Group Internal Control Committee

Number of meetings held in FY2023: **1**
Chairperson: Kenya Okushi, Representative Director, President

The committee supports the business operations of Group companies and improves efficiency by establishing, operating, monitoring and improving internal control systems at each Group company.

Group Officer Examination Committee

Number of meetings held in FY2023: **0**
Chairperson: Consulting lawyer

The committee ensures the fairness of rewards and punishments for directors and executive officers of the holding company and four core operating companies.*

Group Strategy Committee

Number of meetings held in FY2023: **2**
Chairperson: Kenya Okushi, Representative Director, President

The committee works to maximize the Nichirei Group's corporate value through deliberation and decision-making on strategies and quantitative targets for the medium to long term or the next fiscal year, for the holding company and four core operating companies.

Group Commitment Conference

Number of meetings held in FY2023: **1**
Chairperson: Kenya Okushi, Representative Director, President

The conference works to maximize the Nichirei Group's corporate value by clarifying and making decisions related to the next fiscal year's management policy and budget for the holding company and four core operating companies, and through the promotion of Group-wide efforts to achieve management targets.

Group Monitoring Committee

Number of meetings held in FY2023: **3**
Chairperson: Kenya Okushi, Representative Director, President

The committee works to maximize the Nichirei Group's corporate value by monitoring the status of business execution, budgets, and the progress of the "check and act" part of the PDCA cycle for each Group company. In this way, it ensures the holding company and four core operating companies fulfill their responsibilities regarding matters to be reported.

Group Human Resources Committee

Number of meetings held in FY2023: **2**
Chairperson: Yutaka Karino, Senior Executive Officer

Under a basic policy of creating an employee-oriented workplace and promoting diversity and health management, the committee works to create new value by improving work satisfaction through the monitoring of human resource policies and health promotion initiatives at Group companies, sharing information about effective measures, and promoting cross-departmental development.

Group Quality Assurance Committee

Number of meetings held in FY2023: **2**
Chairperson: Takuji Okugawa, Executive Officer

The committee works to achieve the product and service quality expected by customers and society.

Group Social Action Program Committee

Number of meetings held in FY2023: **1**
Chairperson: Yutaka Karino, Senior Executive Officer

The committee promotes social contribution activities that are unique to the Nichirei Group, such as education on food and logistics and contribution to local communities and environmental protection, as a good corporate citizen, by leveraging the business characteristics of Group companies.

Management Committee

Number of meetings held in FY2023: **25**
Chairperson: Kenya Okushi, Representative Director, President

The committee works to maximize the Nichirei Group's corporate value by discussing matters other than those to be resolved by the Board of Directors, as well as matters to be deliberated on before resolution by the Board.

* Four core operating companies: Nichirei Foods Inc., Nichirei Logistics Group Inc., Nichirei Fresh Inc. and Nichirei Biosciences Inc.

Overview of Board of Directors

Composition	10 directors (4 outside directors)
Number of Meetings in FY2023	19
Description of Operations	Promotes proper allocation of Group resources, swift decision-making and thorough compliance through supervision of the Group's strategy planning and business execution of operating companies. After discussion by the Group Strategy Committee, which meets twice a year, the Board of Directors formulates and approves the Group's strategies and conducts quarterly checks of the status of implementation at each Group business. It also engages in highly effective supervision of executive directors and executive officers.

Overview of Audit & Supervisory Board

Composition	5 Audit & Supervisory Board members (3 outside Audit & Supervisory Board members)
Number of Meetings in FY2023	16
Description of Operations	As a body that is independent from the Board of Directors, the Audit & Supervisory Board communicates with directors, the Corporate Internal Audit Division and other divisions of the holding company in accordance with the annual audit policy and audit plan, to gather information and prepare the audit environment.

Status of the Establishment of Voluntary Committees, Their Composition, and the Attributes of Their Chairpersons

Committee	Role	Chairperson	Number of Meetings in FY2023
Nominating Advisory Committee	Discusses the suitability of candidates for senior management and directors/Audit & Supervisory Board members, as well as succession plans, and reports its findings to the Board of Directors.	Kuniko Shoji Outside Director	8
Remuneration Advisory Committee	Discusses the remuneration system, remuneration levels, the appropriateness of remuneration amounts, and other related matters, and reports to the Board of Directors.	Kenji Hamashima Outside Director	5

Skill Matrix

The Nichirei Group believes that in order for the Board of Directors to effectively fulfill its roles and responsibilities, it must be composed of both internal and external members with sufficient knowledge and experience in fields related to business management. We have designated the following knowledge and experience as important from a corporate management perspective. In addition to having appropriate experience in all of the following areas, the Company selects director candidates based on the areas in which the Company has particular expectations.

Skills Required for Decision-making in Management (Contributing to Medium- to Long-term Corporate Value)

Corporate Management	Demonstrated leadership in corporate management as a top executive; management experience at a listed company with diverse stakeholders
ESG/Sustainability	Experience and expertise in promoting ESG initiatives; knowledge of and experience in making value judgments about ESG and social significance and sustainability for companies; knowledge and experience in promoting corporate sustainability; experience and expertise in human resource development related to continuously developing diverse human resources
Global	Cross-cultural communication skills and a high level of ability to get things done in overseas business as well as knowledge and expertise about markets, economies and business in specific countries and regions gained through experience including the management of local subsidiaries
Innovation/Marketing	Knowledge and expertise that contribute to promoting innovation; experience and expertise in sales and marketing

Skills Required for Supervision in Management (Contributing to Ensuring Continuity of Management)

Corporate Management	Demonstrated leadership in corporate management as a top executive; management experience at a listed company with diverse stakeholders
Financial Accounting/ Finance	Expertise in financial accounting related to financial reporting and auditing; experience and expertise in corporate financing and management
Legal Affairs/ Compliance	Experience and expertise in legal compliance, regulatory compliance, internal controls, and promotion of norms and corporate behavior required by society; experience in the legal profession; expertise and network related to quality assurance

Board of Directors Composition

Experience and Skills

Classification	Name	Board of Directors' Meeting Attendance	Nominating Advisory Committee Meeting Attendance	Remuneration Advisory Committee Meeting Attendance	Audit & Supervisory Board Meeting Attendance	Corporate Management	ESG/ Sustainability	Global	Innovation/ Marketing	Financial Accounting/ Finance	Legal Affairs/ Compliance
Directors	Kenya Okushi	19/19	8/8	5/5		●	●	●	●		
	Kazuhiko Umezawa	19/19				● (Logistics)		●	●		
	Masahiko Takenaga	19/19				● (Processed foods)		●	●		
	Wataru Tanabe	19/19				● (Marine, meat and poultry products)		●	●		
	Kenji Suzuki	15/15 ¹					●	●		●	
	<small>New Appointment</small> Yuichi Takaku	2					●	●	●		
	<small>Designation as Independent Officer</small> Kuniko Shoji	19/19	8/8	5/5			●		●		●
	<small>Designation as Independent Officer</small> Mana Nabeshima	19/19	8/8	5/5			●	●		●	
	<small>Designation as Independent Officer</small> Itsuo Hama	14/15 ¹	6/6 ¹	3/3 ¹		●	●		●		
	<small>Designation as Independent Officer</small> Kenji Hamashima	15/15 ¹	6/6 ¹	3/3 ¹		●	●	●			
Audit & Supervisory Board Members	Tatsushi Kato	19/19			16/16		●				●
	Tetsuro Katabuchi	15/15 ¹			11/11 ¹		●				●
	<small>Designation as Independent Officer</small> Yuhiko Saito	19/19			16/16		●				●
	<small>Designation as Independent Officer</small> Kiyoshi Asahina	19/19			16/16			●			●
	<small>Designation as Independent Officer</small> Muneaki Kiyota	19/19			16/16			●		●	

1. Mr. Suzuki, Mr. Hama, Mr. Hamashima, and Mr. Katabuchi were newly appointed at the 104th General Meeting of Shareholders held on June 24, 2022. Their attendance reflects each meeting held after that date.
2. As Mr. Takaku was newly appointed at the 105th General Meeting of Shareholders held on June 27, 2023, his attendance for FY2023 is not presented.

Succession Plan

The Company positions the succession plan for the representative director, president as one of its most important issues, and implements this initiative from a medium- to long-term perspective based on the Group's Management Principles. Specifically, the Nominating Advisory Committee, which is chaired by an outside director, carries out training, monitoring, and selection of successor candidates according to the selection process, and reports its findings to the Board of Directors based on thorough discussions.

Based on the Nominating Advisory Committee's report, the Board of Directors approves the proposed new Group officer structure and decides on the representative director, president.

Support System for Outside Directors (Outside Audit & Supervisory Board Members)/ Policy for Training Directors and Audit & Supervisory Board Members

Nichirei distributes materials for use at Board of Directors' meetings to each director and Audit & Supervisory Board member at least three days in advance of meetings, in order to ensure meaningful discussions. When internal communication and coordination are required to accurately provide Company information in response to instructions from independent outside directors or independent outside Audit & Supervisory Board members, the secretary in charge acts as the contact point to ensure necessary coordination with relevant departments.

Newly appointed directors and Audit & Supervisory Board members are given training as necessary on the Companies Act of Japan and other related laws, management strategy, financial analysis and other such matters. Additional training on legislative revisions and management issues is provided as necessary after new members assume office. Moreover, explanations of the Group's businesses and tours of the major facilities are provided to outside officers as necessary.

Specific Discussions at Board of Directors' Meetings

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 specific matters discussed during FY2023 were as follows.

Management Strategies	Establishment of KPIs for the Nichirei Group's material matters (materiality) and the issues to be addressed in order to achieve them
Medium-term Business Plan	Progress of Medium-term Business Plan Compass Rose 2024 and issues to be addressed
Sustainability	Formulation and promotion of the Group Human Resources Policy and the Nichirei Group's Sustainable Marine Product Procurement Guidelines and Sustainable Palm Oil Procurement Guidelines, and issues to be addressed
Governance	The ideal state of a monitoring model-oriented Board of Directors, as well as revisions of the Board's official rules, regulations and the standards for agenda items in order to achieve said ideal state
Business Strategies	Management strategy issues related to important domestic and overseas investments

Evaluations of Effectiveness of the Board of Directors

As necessary, and with the assistance of outside experts, the Company conducts analyses and evaluations of the Board of Directors' activities to ensure its decision-making is effective. Summaries of the results are subsequently disclosed.

Evaluation Procedure	Subjects: Directors and Audit & Supervisory Board members (15 individuals in total) Period: January–February 2023 Method: Self-assessment involving questionnaires conducted by third-party experts
Evaluation Results for FY2023	Overall, the largely positive comments affirmed that the Board is maintaining a satisfactory level of effectiveness. Comments included appreciation of the ability to conduct free and open-minded exchanges of opinion in an atmosphere that encourages people to speak up, and of the fact that agenda items are subject to annual scheduling and reviews as part of efforts to ensure more productive discussions at Board meetings.

Issues Identified	Evaluation and Opinion	Future Approach
1. Materials and Standards for Agenda Items	While there were positive evaluations of the substantial discussions held at Board of Directors' meetings, there were also comments pointing out that deliberations often exceeded the pre-allotted time and that Board meetings were held too often, as well as comments suggesting room for further improvement in the quality of discussions.	Proposals on highly important matters, such as investments or capital contributions, tend to involve substantial explanations and a large amount of supporting materials. As well as encouraging departments making proposals to remain conscious of the need for presentation materials to be easy to understand, the Board of Directors' Secretariat is more closely involved in proposals, with the aim of providing support from the meeting material preparation stage. In this way, the information necessary for decision-making and supervision by the Board will be organized more effectively, improving the content and quality of the materials—for example, by omitting additional information that should be handled by the executive side. In addition, presentations held on the day of Board meetings will have shorter explanation sections, focused on the key points from the relevant materials, to ensure adequate time for deliberations. On April 1, 2023, we made monitoring model-oriented revisions to the standards for Board of Directors' meeting agenda items. Going forward, we will continuously analyze and review the effectiveness of these revisions.

2. Institutional Design	There does not appear to be any problem with the current institutional design of a company with an Audit & Supervisory Board system. However, many respondents expressed opinions indicating that they would prefer discussions on the design and system to continue.	Although we do not consider a change in the institutional design to be necessary at this time, it was decided that discussions on an appropriate institutional design should be held on an ongoing basis, in light of management strategies, changes in the business environment going forward, and Corporate Governance Code requirements. In addition, from the perspective that the Board of Directors should focus even more strongly on strategic discussions, our current institutional design of a company with an Audit & Supervisory Board system is bound by constraints under the Companies Act of Japan, in relation to individual and specific business execution decisions being entrusted to the executive side (revisions to standards for agenda items, as part of point 1 on the previous page). Based on those constraints, we will continue to discuss the extent to which the monitoring model should be implemented, including a comparative analysis between the company with Audit & Supervisory Board system and other institutional designs. The progress of these discussions will be reported to and deliberated at Board of Directors' meetings as necessary.
3. Sharing Details of Deliberations by the Nominating Advisory Committee and the Remuneration Advisory Committee	Several respondents, mainly officers who are not committee members, pointed out that while each committee reports to the Board of Directors, details of discussions at each committee meeting are not always shared.	While it may be preferable to share the details of advisory committee discussions at Board of Directors' meetings, we recognize that doing so may adversely affect the free and open-minded atmosphere at both voluntary committees. Thus, it was decided that the extent to which details of discussions at the Nominating Advisory Committee and the Remuneration Advisory Committee will be shared at Board of Directors' meetings should be subject to ongoing consideration by both committees.

Activities Aimed at Strengthening the Nichirei Group's Corporate Governance Structure

	FY2002	FY2006	FY2007	FY2013	FY2016	FY2017	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Group Structure		Shift to holding company system										
Separation of Management Supervision and Execution		Implementation of executive officer system										
Outside Directors		Shift to three independent outside directors								Four		
(Of which, Women Outside Directors)		One First woman outside director appointed				Two				Three	Two	
Outside Audit & Supervisory Board Members				Three								
Establishment of Voluntary Committees												
Evaluation of Effectiveness of Board of Directors						Board of Directors effectiveness evaluations started						
Officer Remuneration			Retirement bonuses for directors discontinued					Revision of officer remuneration system				Revision of officer remuneration system
Others					Establishment of Basic Policy on Corporate Governance	Discontinuation of rules regarding the high-volume purchase of Nichirei share certificates, etc. (Anti-takeover measures)	Formulation of Group Disclosure Policy	Revision of Basic Policy on Corporate Governance (Revisions to policy on capital management and adjustments to maximum terms of office for outside Audit & Supervisory Board members to ensure their independence)			Disclosure of skill matrix	

Officer Remuneration System

Policies for Determining Officer Remuneration

1 Basic Policies

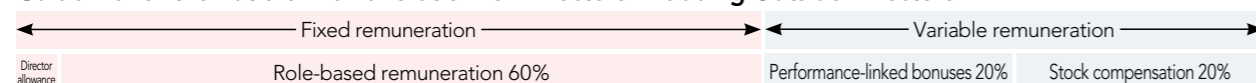
Directors (Excluding Outside Directors)	<ul style="list-style-type: none"> Remuneration shall strongly encourage directors to perform their duties in accordance with the Group's Management Principles, Sustainability Policy: The Nichirei Pledge and management strategies. In order to achieve long-term management goals, remuneration is set to strongly motivate directors to achieve specific management goals as stated in the Group's material matters (materiality) and medium-term business plans. In order for remuneration to serve as an incentive toward the Group's sustainable growth, the ratio of remuneration linked to short-term results, performance of duties, etc. (performance-linked bonuses) and remuneration linked to medium- to long-term results and corporate value (stock compensation) will be set in an appropriate manner. Directors 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, trends at companies competing with the Group in business and human resources, including those in the food and logistics industries, and changes in the business environment.
Outside Directors	<ul style="list-style-type: none"> In light of their role of supervising the Company's management from an independent and objective standpoint, outside directors are paid only basic (fixed) remuneration.

2 Remuneration Composition and Levels

■ Remuneration for Directors Other Than Outside Directors

Basic (fixed) remuneration consists of role-based remuneration and a director allowance, and variable remuneration consists of performance-linked bonuses and stock compensation. Remuneration levels are set at appropriate amounts with reference to objective compensation market survey data (compensation levels of companies competing with the Group in terms of business and human resources, including those in the food and logistics industries), taking into consideration the responsibilities and number of directors, changes in the business environment going forward, and the opinions of third-party organizations.

Guideline for the Ratio of Remuneration for Directors Excluding Outside Directors



Remuneration Composition	Purpose/Description
Role-Based Remuneration	Basic remuneration for performance of duties Set according to the significance of the role of each director
Director Allowance	Remuneration for the responsibilities of making and supervising the execution of management decisions Set at a uniform amount for all directors
Performance-Linked Bonuses	Remuneration to motivate directors to achieve annual financial and strategic goals The amount paid when achieving goals ("standard amount") is set as a percentage of role-based compensation Paid within a range of 0-200% of the standard amount according to degree of achievement
Stock Compensation (Restricted Shares)	Remuneration to encourage management from a long-term/Group-wide perspective and the perspective of shareholders and investors Value of shares issued each fiscal year ("standard amount") is set as a percentage of role-based compensation Restricted shares are issued annually in an amount equal to the standard amount, and restrictions are lifted upon a director's retirement

■ Remuneration for Outside Directors

Only basic (fixed) remuneration is paid to outside directors. The level of remuneration is set at an appropriate amount, taking into consideration the time and effort spent by each outside director fulfilling expected roles and functions, as well as objective compensation market survey data (compensation levels of companies similar in business type and size to that of the Company).

3 Performance-Linked Bonuses

The amount of money to be paid to each individual as a performance-linked bonus varies within a range of 0% to 200% of the base amount for each position, depending on the achievement of Company-wide, business and individual performance targets.

Amount of individual bonus = Base amount by position × Performance evaluation coefficient (0–200%)

Note: The performance evaluation coefficient is a weighted average of the evaluation coefficients of each key performance indicator (KPI).

Evaluation Weight	(a) Company-wide Performance Evaluation					(b) Business Performance Evaluation			(c) Individual Performance Evaluation
	Net sales	EBITDA	Profit	ROIC	ESG third-party evaluation*	Net sales	EBITDA	ROIC	
Representative Director, President	10%	40%	10%	20%	20%	—			—
Director (In Charge of Business)	10%	20%	10%	10%	10%	30%			10%
Director (In Charge of Function)	5%	30%	5%	15%	15%	—			30%

* For ESG third-party evaluation, we utilize the assessments of multiple ESG assessment organizations to ensure objectivity and fairness. Specifically, we utilize the following three types of assessment.

ESG Third-party Evaluation	Reasons for Selection
<ul style="list-style-type: none"> FTSE4Good Index Series MSCI ESG Ratings CDP Climate Change 	<ul style="list-style-type: none"> Appropriate management of ESG-related risks and opportunities Strengthening of response to climate change

4 Procedures for Determining Remuneration

In order to ensure appropriateness and objectivity in matters related to remuneration for individual directors, the Remuneration Advisory Committee, comprising mainly independent outside directors, discusses matters first and reports its findings to the Board of Directors, which then makes its decisions.

The details of officer remuneration for FY2023 are presented in the 105th Annual Securities Report.

https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/yuhohh-pdf/yuho_23e.pdf

Officer Classification	Total Amount of Remuneration by Type (Millions of Yen)			Total Amount of Remuneration (Millions of Yen)	Number of Eligible Officers
	Basic Remuneration	Performance-Linked Bonuses	Stock Compensation (Restricted Shares)		
Directors (Excluding Outside Directors)	110 (210)	30 (63)	62 (62)	203 (336)	7 (7)
Outside Directors	46	—	—	46	6
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	48	—	—	48	3
Outside Audit & Supervisory Board Members	32	—	—	32	3
Total	237 (337)	30 (63)	62 (62)	330 (463)	19 (19)

Notes: 1. The above information includes three directors (two outside directors) and one Audit & Supervisory Board member who retired at the conclusion of the 104th General Meeting of Shareholders held on June 24, 2022.
2. The total amounts of remuneration, etc., shown above are the amounts borne by the Company (the total amount of expenses paid, scheduled to be paid, or borne by the Company). The amounts in parentheses for directors (excluding outside directors) and in the total column represent the total amounts of consolidated remuneration borne by the Company and its subsidiaries.
3. The amounts of Performance-Linked Bonuses shown above represent the amounts expected to be paid (full monetary remuneration) based on performance in FY2023 and other factors.

Approach to Cross-Shareholdings

Cross-shareholdings are only utilized when it is determined that they will contribute to improving 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 proposals 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 careful 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