

Basic Views on Corporate Governance

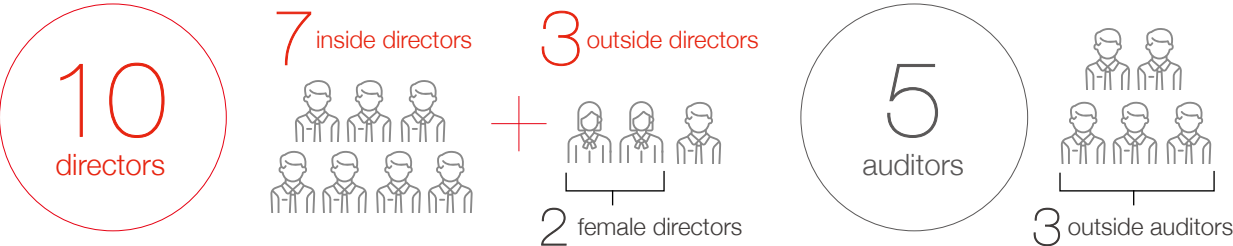
On the basis of its holding company structure, the Group engages in business through its operating companies across a wide range of fields which include processed foods, marine products, meat and poultry products, logistics and biosciences.

The Board of Directors of Nichirei Corporation (the “Company”) draws up the Group’s business strategy and implements an operating structure which provides supervision of business executed by the operating companies with the aim of achieving sustainable growth and increasing its corporate value over the medium to long term.

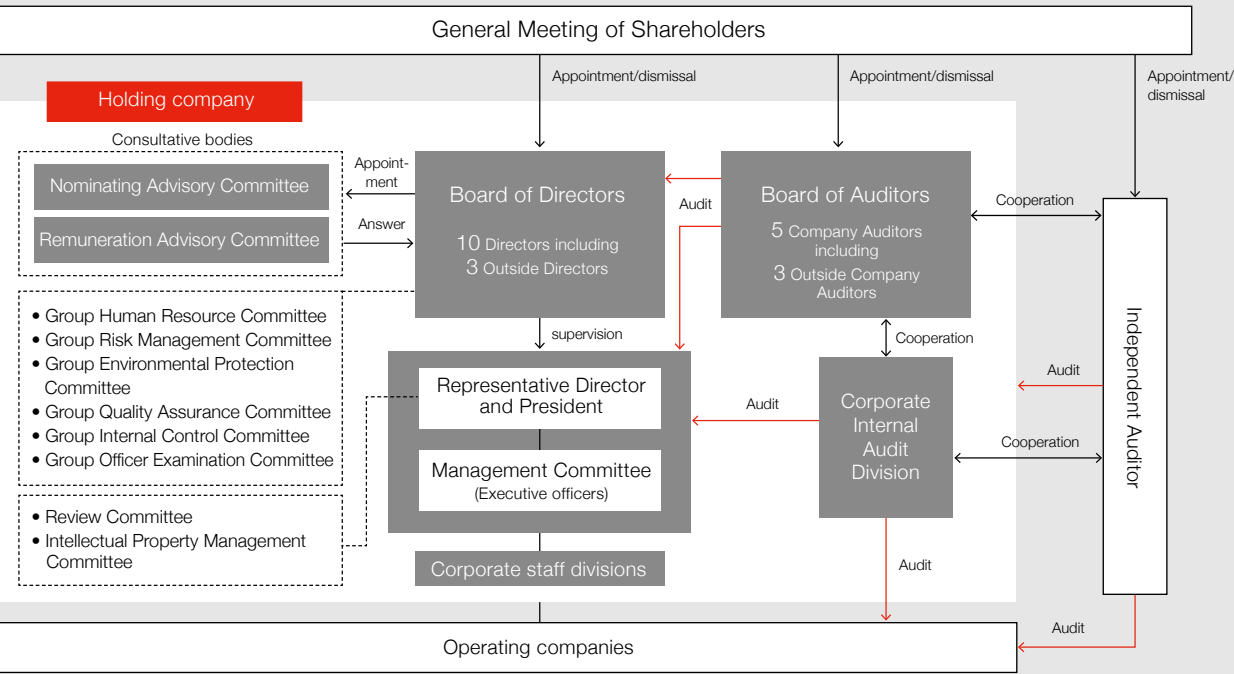
The Company is well aware that ensuring equitable and highly transparent business practices constitutes a key managerial issue, and accordingly strives to enhance its corporate governance practices under the supervision of the Board of Directors by taking action with respect to appropriately allocating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

The Company adopts the company with board of company auditors structure of corporate governance pursuant to the Companies Act of Japan.

Corporate Governance
https://www.nichirei.co.jp/english/corpo/management/governance_policy.html



Corporate Governance Structure (as of June 25, 2019)



Status of the establishment of a voluntary committee, its composition and the attributes of its chairperson

		Number of members	Inside Directors	Outside Directors	Auditors	Chairperson
Voluntary commitment that is functionally equivalent to a nominating committee	Nominating Advisory Committee	9	2	3	4	Outside Director
Voluntary commitment that is functionally equivalent to a remuneration advisory committee	Remuneration Advisory Committee	5	1	3	1	Outside Director

Status of appointment of members to the Board of Directors and various committees

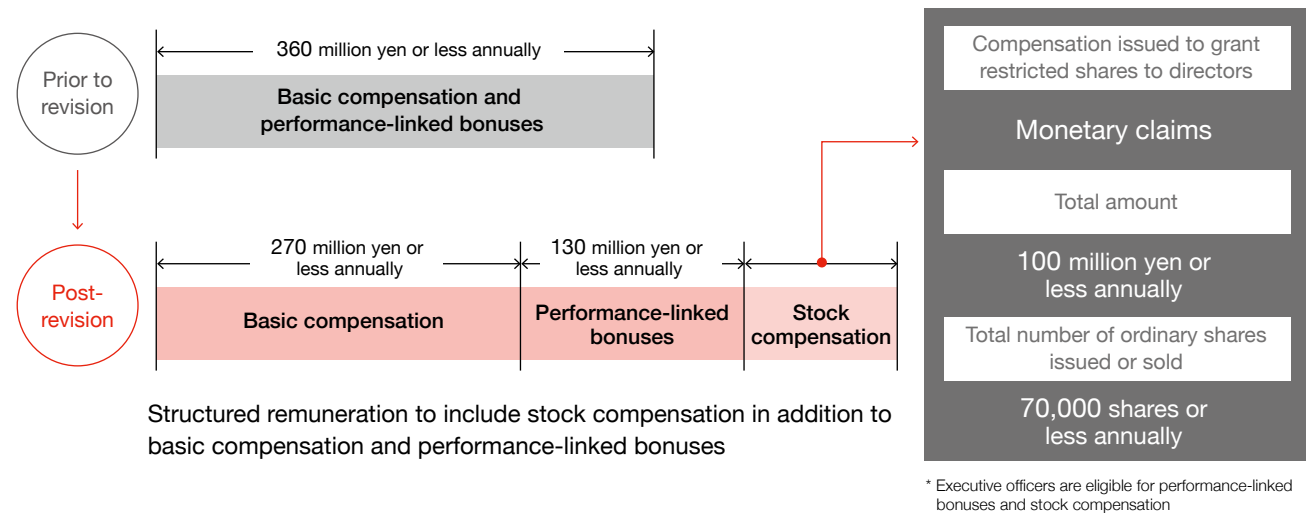
	Status of appointment	
Representative Director, Chairman	Boards of Directors Group Risk Management Committee Group Internal Control Committee Group Officer Examination Committee	Group Human Resources Committee
Representative Director, President		Group Environmental Protection Committee
Inside Directors		Group Quality Assurance Committee
Company Auditors		Social Action Program Committee
Outside Directors		Management Committee
Outside Company Auditors		

Activity aimed at strengthening Nichirei Group’s corporate governance structure

2001	• Implementation of executive officer system	Enhancement of the Board of Directors’ decision-making and supervisory functions
2003	• Implementation of outside director system	Increasing the transparency of management and strengthening the supervisory function of the Board of Directors
2005	• Shift to holding company system	This move is aimed at establishing a management system through which both the holding company, which is responsible for Nichirei Group’s overall strategy and the Group’s operational companies, which handle business execution, can demonstrate their responsibility and mobility.
	• Shift to three independent outside directors structure • First female outside director (one) installed	
2006	• Retirement bonuses for directors discontinued	These were abolished to enable us to review our director compensation system as part of our efforts to conduct management reform and implement a compensation system that is linked to business performance and results.
	• Shortening of director tenure to one year	Tenures were shortened to increase the mobility of our response to changes in the management environment.
2012	• Shift to five auditor structure (including three independent outside company auditors)	
2015	• Corporate Governance Basic Policy established	Established the Nomination and Remuneration Advisory Committees as advisory bodies for the Board of Directors
2016	• Board of Directors effectiveness evaluations started	evaluations started
	• Discontinuation of rules regarding the high-volume purchase of Nichirei share certificates, etc. (Anti-takeover measures)	In the event of an attempt to acquire the company (through a large-scale purchase), its shareholders will respond by determining whether or not the large-scale purchase in question is appropriate. For this decision to take place, they must promptly receive sufficient information regarding the purchase. However, we made the decision to discontinue these rules based on the determination that we have established environments that adequately enable us to appropriately perform these functions in accordance with the Financial Instruments and Exchange Act, reducing the need for us to continue implementing anti-takeover measures.
	• Number of female outside directors increased to two	
2018	• Formulation of Nichirei Group Disclosure Policy	
2019	• Revision of director compensation system	

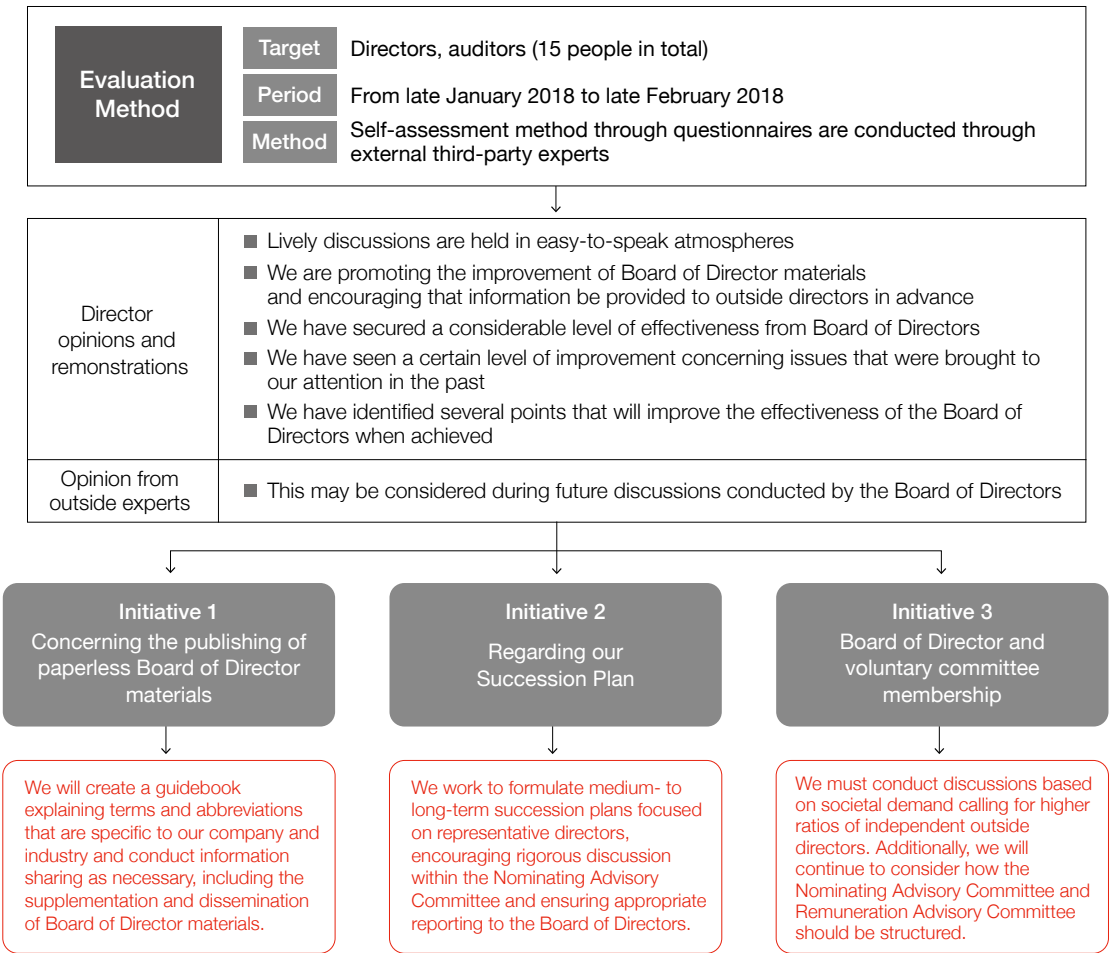
Director Compensation

In pursuit of the targets detailed in our medium-term management plan, we revised our compensation system for directors (excluding outside directors) and executive officers to enhance incentives for directors and to further promote the sharing of value between our directors and shareholders.



Director Evaluations

An analysis and evaluation of the status of activities by the Board of Directors is carried out as necessary with the assistance of outside experts for the purpose of ensuring effective decision-making by the Board and a summary of the results is then disclosed.



Compliance

Basic Views on Compliance

The Nichirei Group conducts various activities intended to maintain high ethical standards and to comply with the laws and social norms of each country in which it operates. To ensure that all employees comply with laws and Nichirei's internal regulations and act in keeping with corporate ethics, Nichirei formulated and distributed a code of conduct and examples of how the code is applied and clarifying the guiding principles by giving specific examples. Employees around the world are also provided with the Group's code of ethics, which has been translated in eight languages including English, French, Chinese and Thai. We also conduct compliance training sessions for regular employees, in order that they might better understand the principles and structure of compliance management.

<https://www.nichirei.co.jp/english/corpo/compliance.html>



Risk Management

Basic Views on Risk Management

Nichirei Group has set up the Group Risk Management Committee, chaired by the Representative Director and President, to manage the various risks associated with its business activities, in the most appropriate and rational ways from a comprehensive standpoint and to maximize the corporate Group's enterprise value. The committee identifies and evaluates Group-wide risks and Nichirei and its business companies respond to these risks on their own accord, based on the established risk management cycle. Important items are reported to the Board of Directors of Nichirei Corporation, the holding company, which considers the response.

We have also established and implement an in-house system to facilitate operational effectiveness and staff ability, ensure the accuracy of financial reports, comply with laws and regulations pertinent to our business and to protect assets.

