

April 15, 2025

To Whom It May Concern,

Company: Nichirei Corporation

Representative: Kenya Okushi,

Representative Director, President &

Chief Executive Officer

(Securities Code: 2871, Tokyo Stock Exchange, Prime Market)

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Notice Regarding Formulation of Recurrence Prevention Measures and Disciplinary Actions for Executives

As stated in the "Notice Regarding Misconduct by Former Employees at Our Chinese Subsidiary" dated March 25, 2025, we sincerely accept the investigation results, cause analysis, and recommendations for recurrence prevention measures from the investigation committee. At the board meeting held today, we have resolved the recurrence prevention measures that our company will undertake, as detailed below.

Additionally, to clarify management responsibility, we have decided on disciplinary actions for executives, which we also announce here.

We deeply apologize for the significant inconvenience and concern caused to our shareholders, investors, and other related parties. We will diligently implement the recurrence prevention measures and strive to restore trust.

1. Cause Analysis

The investigation committee identified the following causes of the misconduct:

- Unclear criteria for appointing executives at the Chinese subsidiary
- Deficiencies in governance at the Chinese subsidiary
- Management left to the Chinese subsidiary
- Ineffective audit and monitoring system
- Inadequate internal reporting system and operational failure
- Insufficient compliance promotion activities for group companies

2. Overview of Recurrence Prevention Measures

Based on the investigation committee's recommendations on the causes of the misconduct and how to prevent the recurrence of the same or similar misconduct, we have formulated the following measures to prevent recurrence:

(1) Clarification of Appointment Criteria for Executives at Overseas Subsidiaries

We will review the selection criteria for executives at overseas subsidiaries, including not only language skills and local business experience but also loyalty to the company and compliance awareness. We will establish objective and transparent selection criteria.

Additionally, to prevent excessive concentration of authority among local managers and eliminate opportunities for misconduct, the term of office will be limited to five years in principle, and we will implement rotations through planned human resource development.

(2) Strengthening Governance and Internal Controls at Local Subsidiaries

We will review the composition of the board of directors, the methods and frequency of meetings at local subsidiaries, and strengthen the supervisory function of business execution to improve the effectiveness of the board of directors.

We will also enhance the transparency of the decision-making process by adhering to the criteria for submission and approval, and thoroughly control important contracts and fund management processes, thereby reorganizing the internal control system.

(3) Ensuring Thorough Management Involvement by Core Companies and the Holding Company

The core companies' supervisory department will not only receive regular performance reports from overseas subsidiaries but also deepen two-way communication through addressing management issues, thereby reviewing the management involvement with local managers.

The holding company has dispatched management personnel to some overseas subsidiaries, but going forward, we will establish regional headquarters directly under the holding company in each region to strengthen the supervisory and management functions by timely monitoring the governance system and management status of overseas subsidiaries.

Additionally, we will restructure the reporting system for the entire group so that any violations of laws, regulations, or rules discovered will be promptly reported to the holding company's board of directors and relevant departments.

(4) Strengthening Audit and Monitoring System

Auditors will evaluate managers using employee survey results in addition to interviews with managers and employees during audits of overseas subsidiaries, and share the results with the core companies' managers.

The audit department will strengthen collaboration with the core companies' management department and the holding company's accounting and legal departments, and enhance the effectiveness of audits by utilizing external experts as needed.

(5) Ensuring Thorough Operation and Management of Internal Reporting System

The core companies will improve the environment for the internal reporting system at overseas subsidiaries by ensuring protection of whistleblowers and thorough dissemination in local languages, regularly confirming the operational status, and the audit department will monitor the situation.

In addition to the internal reporting systems that overseas subsidiaries have independently established, the holding company will gradually expand the regions where the internal reporting system, which has been introduced in some regions, is implemented, in order to design an effective system overall.

(6) Ensuring Thorough Compliance Education and Guidance

In response to this misconduct, we will reissue the top message to all group employees, emphasizing the pursuit of sound profits and the non-evaluation of profits obtained through unfair or unjust means for any reason.

We will also plan and implement compliance training for local executives in addition to pre-departure training for employees dispatched from Japan, and at the headquarters, we will establish group regulations to ensure swift and accurate crisis management response when signs of misconduct are detected, and continue compliance training and awareness activities.

3. Disciplinary Actions for Executives

We solemnly accept the significant inconvenience and concern caused to our shareholders, investors, and other related parties, and to clarify management responsibility

and thoroughly implement recurrence prevention measures, we will take on the following disciplinary actions for directors and executive officers involved in this matter:

Nichirei Corporation

Representative Director, President & Chief Executive Officer, Kenya Okushi: Reprimand and return of 10% of monthly remuneration (for 3 months)

(Of this, 10% of the monthly salary (3 months) will be voluntarily returned)

Director and Senior Executive Officer, Masahiko Takenaga: Return of 10% of monthly remuneration (for 3 months) (Representative Director, President of Nichirei Foods Inc.)

(Of this, 10% of the monthly salary (2 months) will be voluntarily returned)

Nichirei Foods Inc.

Director, Senior Managing Executive Officer, Yasutoshi Nakano: Return of 10% of monthly remuneration (for 3 months) (In charge of International Business Division)

Managing Executive Officer, Shuhei Obata: Demotion (Managing Executive Officer to Executive Officer) (Former Head of International Business Division)

Additionally, executives with management responsibility related to this misconduct will be disciplined in accordance with internal regulations.

End