

Key Questions and Answers from the FY26/3 Dialogues between Outside Directors and Nichirei's Shareholders

Nichirei held separate dialogues between its outside directors and six corporate shareholders. Key questions and answers from those sessions were as follows.

<<Outline of Dialogue Sessions>>

Date and Time: Tuesday, January 20, 2026, 1:00 p.m. to 2:00 p.m. and 2:30 p.m. to 3:30 p.m.

Tuesday, February 17, 2026, 1:00 p.m. to 2:00 p.m.

Format: Web conferencing

Representatives from Nichirei: Outside Directors Mana Nabeshima, Itsuo Hama, Kenji Hamashima,
Yukiko Yoshimaru, and Yumi Yamaguchi

*Two outside directors participated in each dialogue session conducted in a 1-on-1 format with the Company's shareholders.

<<Q&A>>

■ Medium-term Business Plan

Q How were you involved in the development of the current Medium-term Business Plan? What is your assessment of the target figures?

A [Hama] We held discussions with the basic aim of designing a growth scenario by clarifying the competitive advantages of our mainstay processed foods business and temperature-controlled logistics business. The key to improving ROE is to increase profitability, especially through creating added value, in processed foods and to realize an asset-light growth model in temperature-controlled logistics.

A [Yoshimaru] While we naturally must make efforts to achieve numerical targets, I feel we should not be caught up in doing so to the extent that we lose the ability to make strategic moves for the future. We believe it is important to include our response to environmental changes and explain our approach to stakeholders.

■ Integration of foods business

Q Effective April 2026, the processed foods business and the marine, meat and poultry products business will be integrated as the foods business. Please tell us about your evaluation of the measures taken by the executive side toward the integration and future challenges.

A [Hamashima] The marine, meat and poultry products business had been less profitable than other businesses, and this was a major issue from the perspective of ROIC and other factors. We are content with our approach taken to ensure that the integration with the processed foods business will not be a mere aggregation. That is, in preparation for the integration, we thoroughly implemented structural reforms since the previous Medium-term Business Plan to reduce low-profit products and retain only highly profitable products. We recognize that the products that we retain today as a result of structural reforms are valuable products that are essential to the Nichirei Group's future growth strategy.

A [Yamaguchi] We expect that specific synergies from the integration will be created quickly going forward, and in that perspective, it is important that the employees of the marine, meat and poultry products business that will join the processed foods business have a sense of fulfillment and hope for the future. The Board of Directors also focused on whether the perspective of valuing the wishes of employees is properly reflected. On the other hand, the processed foods business also needs to change its product portfolio in response to growing consumer interests in health and premium products. The processed foods business represents a "box" with processing technology, and without placing good ingredients in the box, good products cannot be created. In considering our product portfolio, the marine, meat and poultry products business is extremely valuable, and we believe that the processed foods business is the best area to leverage the strengths of the marine, meat and poultry products business.

A [Nabeshima] I can say this about the Nichirei Group as a whole, but I feel that there is a lack of adequately promoting the appeal of our products to the outside world. For example, the "safety and security" value of our products is not effectively communicated, and the brand premium is not emphasized much. The rate of growth should increase significantly as our brand strength increases.

■ Synergy between the foods business and the temperature-controlled logistics business

Q I cannot imagine concrete synergies and also have the impression that KPIs are scarce. Do synergies really exist?

A [Hama] We are currently having ongoing discussions on the specific synergies within the Board of Directors, and we believe we can present a clearer image and set KPIs. We are studying matters based on two axes: ROIC improvement through business portfolio optimization and differentiation strategy using non-financial values. We recognize that owning a series of functions from upstream to downstream in the supply chain makes Nichirei highly resistant to environmental changes and enables us to have great potential for differentiation.

A [Yamaguchi] On the other hand, I feel that the low brand recognition of our temperature-controlled logistics business is another reason why we have not been able to provide greater clarity. The growth strategy for the logistics business is all about continuing to do a better job of lowering generalized costs* than our competitors. For example, by using DX to visualize and automate each of the processes, such as when determining where in the warehouse cargo should be placed to increase efficiency, how cargo transshipment and sorting can be made more efficient, etc., without relying on the knowledge of veterans, we can reduce generalized costs and create added value also for customers. This has a universal effect and can be deployed abroad.

*Generalized costs: Costs calculated based on a transportation engineering concept where, in addition to fares and overhead costs, factors such as travel time savings and comfort are converted into economic value and added to calculate the total costs.

■ Strengths and challenges of the Nichirei Group

Q What are your views on the Nichirei Group's strengths and challenges?

A [Yoshimaru] Our strength is the robustness of our business model for each of our businesses along with our meticulous grasp of our financial standing. In addition, while we excel in the ability to implement measures in a firm and steady manner, it will be necessary, going forward, to plan strategies from a medium- to long-term perspective and boldly take on new challenges.

A [Yamaguchi] While we are good at thinking from As Is (the current situation), I would like to see more active discussions toward sketching where we want To Be (our vision). To this end, I feel that the holding company needs to have a specialized function and structure to understand and analyze the external environment from a medium- to long-term perspective.

A [Hama] The Nichirei Group has a very high ability to respond to short-term environmental changes, but I feel that it lacks the speed to envision the future and dynamically invest resources. I also have the impression that the Board of Directors is taking a long time to discuss specific strategies and implementation for each operating company. Furthermore, there is a lack of a common understanding of what the Nichirei Group's "intangible assets" are, such as each company's own know-how. In order to compete globally, we need to recognize our own intangible asset value and then envision how we can gain a competitive advantage in each area.

■ **Overseas business expansion and governance**

Q The globalization of companies associated with the expansion of overseas business may increase management risks such as misconduct. The Nichirei Group issued a news release* dated March 2025 after it became aware of a case of misconduct in China. As you aim to expand your overseas business, what are your thoughts on governance and what discussions have you had at the Board of Directors meetings?

*Notice Regarding Misconduct by Former Employee at Our Chinese Subsidiary: https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/news/20250407_e.pdf

A [Hamashima] As chairman of the Investigation Committee for the misconduct that occurred in China, I did not attribute the problem solely to individual responsibility, but also pointed out severely that there was a problem on the side of the company of not having a sufficient system or mechanism in place, which could have induced the misconduct. I say so with an implication that we cannot increase the number of overseas sites without addressing the shortcomings of our system. We have taken steps to prevent recurrence in six areas, including the establishment of a regional management company. Although we have already implemented measures against the misconduct concerned, we plan to continue this cycle of monitoring through periodic meetings of the Board of Directors, etc. and improving any deficiencies.

A [Hama] In reflection of the inadequacies noted in our governance and auditing systems of the entire Group to date, we have been working quickly to strengthen the functions of overseas management companies and to establish three-line auditing and escalation systems through group-wide collaboration.

A [Nabeshima] There has also been a discussion at the Board of Directors meeting that we should strengthen PMI (Post Merger Integration, the integration process after M&A) at the time of M&A, which is necessary for overseas expansion. Rebuilding the overseas governance system is costly on the flip side, but we believe it is also essential from the perspective of risk reduction.

A [Yoshimaru] For the purpose of future cost reduction, we need to strengthen our system by incorporating initiatives with PMI in mind from the early stages of M&A.

A [Nabeshima] On the other hand, good changes are also taking place when executing M&A on the execution side. Conventionally, M&A was conducted on a case-by-case basis when a potential deal came about, but this approach has changed to become more strategic in that we take a top-down approach in determining which regions to expand

into.

Q What do you think are the challenges in terms of human resources for the expansion of overseas business?

A [Yoshimaru] There is an urgent need to develop managerial human resources to manage local human resources. While promoting the development of internal human resources, we are also hiring from outside the company at the same time.

A [Yamaguchi] Although we are systematically developing human resources capable of dealing with governance, relying on specific individuals is in itself a risk, and it is important to establish systems and mechanisms that do not rely entirely on people. As the overseas business expands, the number of key positions and the qualities required will change, so KPIs and human resource requirements themselves will need to be reviewed flexibly.

■ Managerial human resources

Q The CxO structure will be implemented from April 2026. What is the background behind the discussion on the structure and what challenges do you see regarding managerial human resources in general?

A [Hamashima] The background is the increasing need for us to take the lead across the Nichirei Group in branding, marketing, ESG, prioritizing business portfolios, and so on rather than leaving such activities up to the operating companies.

A [Yamaguchi] We have been holding discussions on "portfolio optimization" for not only our businesses but all areas of the Nichirei Group at the Board of Directors meetings. We determined that promoting the CxO structure is important to avoid delays in decision making.

A [Nabeshima] Currently, we do not have a CHRO (Chief Human Resources Officer) who can draw a grand design for our human resources strategy, and we see this as an issue. This may be a bold idea, but outside directors are sending out the message that management reform cannot be carried out with a sense of speed unless external human resources are appointed even at the executive officer level. The executive side is aware of the challenges, and we expect to see progress in various "portfolio optimization" efforts including human resources strategies over the next year or two.

■ Management that is conscious of stock price and investors

Q Do you feel that the opinions obtained from investors through IR are incorporated into management? Are there any issues that you feel need to be addressed in terms of management that is conscious of stock price and investors?

A [Yoshimaru] Reactions of investors are shared through IR activity reports from executive divisions and analyst reports. We believe that opportunities for direct dialogue with investors are valuable in confirming their expectations of us and awareness of issues. We also recognize that it is the role of outside directors to reflect in management the requests of the stock market that we have been able to confirm.

A [Hamashima] If I were to name a gap between the market and our management, it would be that the speed of change has not kept pace with the market. I view that the speed of promoting strategies such as expanding into overseas markets and creating synergies among businesses should be accelerated, and I believe that outside

directors can reflect in management what the market demands.

End

*This document is not a complete record of the Q&A session and has been edited by Nichirei Corporation.

Please refer to the Integrated Report for more information, including interviews with each outside director.

Website page link for the Nichirei Group INTEGRATED REPORT: <https://www.nichirei.co.jp/english/ir/library/integrated.html>

<<Issues featuring interviews>>

- Nichirei Group INTEGRATED REPORT 2024: Nabeshima, Hama, and Hamashima
- Nichirei Group INTEGRATED REPORT 2025: Hamashima, Yoshimaru, and Yamaguchi