

Corporate Governance Report

Notes: 1. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
2. In this report, fiscal years (FY) indicate years ended March 31.

Last updated: February 1, 2022
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The state of corporate governance of Nichirei Corporation (“the Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information

1. Basic Views

On the basis of its holding company structure, the Nichirei Group (“the Group”) engages in business through its operating companies across a wide range of fields including processed foods, marine products, meat and poultry products, 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 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 by taking action with respect to appropriately allocating resources, accelerating the decision-making process, and ensuring strict compliance under the supervision of the Board of Directors.

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.

Please refer to the Company's website (URL below) for its “Basic Policy on Corporate Governance,” which outlines its basic views on corporate governance, along with its policies regarding the corporate governance framework and related initiatives.

https://www.nichirei.co.jp/english/corpo/governance/governance_policy.html

Reasons for Non-compliance with Principles of Japan's Corporate Governance Code

The Company implements all principles of Japan's Corporate Governance Code.

Disclosure based on Principles of Japan's Corporate Governance Code (Updated)

(Principle 1.4 Cross-Shareholdings)

Cross-shareholdings are only utilized when it is determined that they will contribute to improvement of 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 proposal 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

(Principle 1.7 Related Party Transactions)

Competitive transactions and transactions involving potential conflict of interest with directors or Audit & Supervisory Board members are subject to deliberation at the meeting of the Board of Directors prior to the commencement of such transactions, and post-transaction results are reported at the meeting of the Board of Directors.

For transactions with related parties other than directors and Audit & Supervisory Board members, the Company has established the criteria for important transactions (e.g., purchase of shares, borrowing of funds, debt guarantee provided by the Company when a subsidiary, etc. borrows funds) in the Board of Directors regulations and other regulations of the Company. In accordance with such criteria, transactions are performed by following the procedures of the Board of Directors, depending on the importance of those transactions.

Transactions between the Company and its directors or Audit & Supervisory Board members or their respective close relatives/affiliated companies are checked periodically, on an annual basis.

**(Principle 2.4 Ensuring Diversity, Including Active Participation of Women)
(Supplementary Principle 2.4.1)**

Views on ensuring diversity

In the Nichirei Pledge, its basic CSR policy for the realization of sustainable communities, the Group commits itself to promoting respect for the diversity of its employees and to continuously improving the workplace environment to enable every employee to make the most of their abilities and work with enthusiasm. In addition, the Group has set "securing and developing a diverse array of human resources" as one of its material matters for achieving its long-term management goals toward 2030, and is working to develop its human resources to ensure diversity (URL below).

<https://www.nichirei.co.jp/english/ir/policy/materiality.html>

Voluntary and measurable targets for ensuring diversity

As a material matter, the Company has set a target of increasing its ratio of female line managers to 30% and is promoting the advancement of female employees toward reaching this figure by FY2031. In addition, for foreign national employees and mid-career hires, regardless of such attributes, the Company focuses on their abilities as individual employees and promotes them to managerial positions accordingly (URL below).

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/12-13.pdf>

Status of ensuring diversity

Status of implementation of policies for human resource development and internal environment improvement

The Company is particularly focusing on the advancement of women, and promotions of female employees to line manager have been increasing. The Company also hires mid-career employees as needed and provides various opportunities to future core human resource candidates among such hires. Foreign nationals are employed as presidents and in other management positions at subsidiaries outside Japan as the Company deems necessary according to the details of the business and regional characteristics (URL below).

<https://nichirei.disclosure.site/en/themes/188>

(Principle 2.6 Roles of Corporate Pension Funds as Asset Owners)

Corporate pension funds of the Company and its major domestic subsidiaries have transitioned to corporate defined contribution plans since FY2012. For the purpose of supporting stable asset formation for employees, on an annual basis the Company conducts issue/purpose-oriented education targeted at all employees, which has been highly effective.

(Principle 3.1 Full Disclosure)

(1) Company objectives (e.g., Management Principles), management strategies, and business plans

The Group's Management Principles are disclosed on the Company's website (URL below). The Company revised the Group's Management Principles on April 1, 2019.

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

The Company's long-term management goals toward 2030, Medium-term Business Plan “WeWill 2021,” and material matters for realizing long-term management goals toward 2030 are disclosed on its website (URLs below).

https://www.nichirei.co.jp/english/ir/policy/m_management_plan.html

https://www.nichirei.co.jp/english/ir/policy/l_management_plan.html

<https://www.nichirei.co.jp/english/ir/policy/materiality.html>

(2) Basic views and policies on corporate governance

The Company's basic views on corporate governance are as described in “I. 1. Basic Views” above.

For the Company's basic policies, please refer to the URL for “Basic Policy on Corporate Governance” (posted on the Company's website) stated in “I. 1. Basic Views” above.

(3) Policies and procedures for determination of remuneration for senior management and directors by the Board of Directors

The Company's basic policies for the remuneration of its directors and executive officers are as follows.

- Remuneration shall strongly encourage the performance of duties in accordance with the Group's Management Principles, basic CSR policy “The Nichirei Pledge,” and management strategies.
- Remuneration shall serve as a strong incentive to achieve specific management targets in the medium-term business plan, etc.
- In order to make remuneration serve as a sound incentive toward the Group's sustainable growth, the ratio of remuneration linked to short-term results, performance of duties, etc. (i.e., performance-linked bonuses) and remuneration linked to medium- to long-term results and corporate value (i.e., stock compensation) will be set in an appropriate manner.
- Directors and executive officers 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, including those in the food and logistic industries, that compete with the Group in terms of business and human resources, and changes in the business environment.

The Company remuneration system has been designed to incorporate the views of a third-party organization and comprises the following three items:

- i. Basic (fixed) remuneration: Role-based remuneration and director allowance that are paid monthly
 - ii. Performance-linked bonuses: Remuneration linked to factors such as short-term results and performance of duties
 - iii. Stock compensation: Remuneration linked to medium- to long-term results and corporate value
- Outside directors receive only basic (fixed) remuneration, a fixed amount of which is paid monthly.

The total amount of “basic remuneration,” “performance-linked bonuses” and “stock compensation” paid to directors is set within the maximum total amount-s decided by resolution at the 101st Annual General Shareholders Meeting held on June 25, 2019.

The Company has established the Remuneration Advisory Committee, an advisory committee for the Board of Directors chaired by an outside director. Outside directors account for the majority of the committee's members. The committee holds meetings at least twice each year as a general rule, deliberating such matters as the remuneration system, remuneration levels and appropriateness of remuneration amounts and reporting its findings to the Board of Directors.

- (4) Policies and procedures for appointment/dismissal of senior management and nomination of candidates for directors and Audit & Supervisory Board members by the Board of Directors

The Company has established the Nominating Advisory Committee, an advisory committee for the Board of Directors chaired by an outside director. The Committee, which consists of outside directors and representative directors, holds meetings at least twice each year as a general rule, deliberating such matters as the suitability of candidates for senior management and directors/Audit & Supervisory Board members, as well as succession planning, and reporting its findings to the Board of Directors.

The committee holds discussions taking into consideration such factors as the knowledge, ability, personality and achievements of individual candidates in a comprehensive manner, in accordance with the criteria for the selection of personnel for top management and the criteria for the selection of candidates for directors presented by the representative directors.

In cases where a member of senior management or an Audit & Supervisory Board member has failed to properly perform the duties expected to be performed after appointment, or a member of senior management or an Audit & Supervisory Board member has engaged in an act that violates laws and regulations and the Articles of Incorporation, that person's dismissal is executed by following the procedures prescribed by law and the Company's regulations following the committee's deliberation and report of its findings to the Board of Directors.

- (5) Explanations with respect to individual appointments/dismissals or nominations upon appointment/dismissal of senior management or nomination of candidates for directors and Audit & Supervisory Board members by the Board of Directors based on (4) above

For the appointment of senior management and nomination of candidates for directors and Audit & Supervisory Board members, the proposer of such appointment/nomination or the Representative Director, President provides an explanation of the candidates' background, ability, achievements and other reasons on an individual basis at the meeting of the Board of Directors, subject to deliberation by the Nominating Advisory Committee. For the nomination of candidates for independent directors and independent Audit & Supervisory Board members, the proposer or the Representative Director, President not only provides such explanation but also explains that there are no problems with respect to the candidates' independence. For dismissal, the Representative Director, President explains the reason for dismissal at the meeting of the Board of Directors, following deliberation by the committee.

The reasons for the selection of candidates for directors and Audit & Supervisory Board members and the reasons for the dismissal of directors and Audit & Supervisory Board members will be stated in the convening notice of the Annual General Shareholders Meeting.

(Supplementary Principle 3.1.3)

Initiatives for sustainability

The Company discloses its specific initiatives for sustainability in the "Initiatives for Achieving a Sustainable Society (Environment/Social/Governance)" section of its *Integrated Report 2021* (URL below).

<https://www.nichirei.co.jp/english/ir/library/integrated.html>

Investment in human capital, intellectual property, etc.

Regarding investment in human capital, the Company has set "securing and developing a diverse array of human resources" as one of its material matters for achieving its long-term management goals toward 2030 and has disclosed target figures toward its Vision for 2030 in its *Integrated Report 2021*.

In addition, the Company promotes health management based on the idea that it is necessary to create a safe and comfortable workplace environment that maintains employees' physical and mental health so that each and every employee can feel satisfied and harness their abilities to the fullest extent possible (URL below).

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/12-13.pdf>

<https://nichirei.disclosure.site/en/themes/184>

Regarding intellectual property, the Company has set “creating new markets and customer value by taking on challenges outside existing business areas in both food and health” as a material matter and is creating businesses through an innovation management system (IMS) and other means.

The Company also considers intangible assets such as brands, data, know-how, and customer networks to be strategically important management resources, and will invest in these assets from a long-term perspective (URL below).

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/34-37.pdf>

Disclosure of climate change risks and profit opportunities based on TCFD recommendations

The Company assesses climate change scenarios and discloses relevant information in its *Integrated Report 2021* (URL below) with respect to the four aspects of the recommended framework put forward by the Task Force on Climate-related Financial Disclosures (TCFD): governance, strategy, risk management, and metrics and targets.

<https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/58-61.pdf>

(Principle 4.1 Roles and Responsibilities of the Board (1))

(Supplementary Principle 4.1.1)

Matters to be Resolved by the Board of Directors and the Scope of Delegation

Decision-making by the Board of Directors is limited in scope to matters of top priority. This includes addressing matters to be resolved in accordance with the Companies Act of Japan, determining content of the Management Principles, the medium-term business plan, management policy and the operating budget, revising and repealing various directives, policies and key regulations, and making decisions on important officer appointments. Authority for important matters other than the aforementioned is delegated to the Management Committee, whose membership comprises the executive officers, thereby keeping the functions of business execution separate from those of managerial supervision so that the executive officers will be able to better deal with pressing and future business challenges.

(Principle 4.8 Effective Use of Independent Directors)

Independent directors, who are highly qualified in their respective fields of expertise, attend meetings of the Board of Directors and other bodies in charge of strategic management as well as major advisory committees to contribute to the Company's sustainable growth and improvement in its medium- to long-term corporate value by making comments from an expert's point of view.

From among the 11 directors, four outside directors have been designated independent directors by the Company. The Company will continue to look into the optimal composition of the Board of Directors based on the Group's management strategies and future discussions at the meetings of the Board of Directors and other meetings.

(Principle 4.9 Independence Standards and Qualification for Independent Directors)

Please refer to the Company's “Basic Policy on Corporate Governance, Chapter 3. Corporate Governance Structure, 3. Criteria for Independence.” (URL below)

https://www.nichirei.co.jp/english/corpo/governance/system/guideline_independence.html

(Principle 4.10 Use of Optional Approach)

(Supplementary Principle 4.10.1)

The Company has established a Remuneration Advisory Committee and a Nominating Advisory Committee as advisory bodies to the Board of Directors. In addition, the majority of the members of each committee are outside directors, and the chairperson of each committee is mutually selected by and from among the outside directors.

(Principle 4.11 Preconditions for Board and Audit & Supervisory Board Effectiveness)

(Supplementary Principle 4.11.1)

Views on Balance, Diversity, Scale, etc. of the Board of Directors as a Whole

The Board of Directors of the Company has the role and responsibility of promoting appropriate resource allocation within the Group, expedited decision-making and thorough compliance through its supervision of strategic Group

planning and the business execution of operating companies. To effectively fulfill this role and responsibility, the Board of Directors shall be composed of human resources with sufficient knowledge, experience and abilities, whether from inside or outside the Company, in light of the Group's medium- to long-term management strategy and from the standpoint of diversity. Selection of candidates for director is decided by the Board of Directors after the Nominating Advisory Committee has deliberated and made its report.

In addition, for the Board of Directors to properly exercise its functions of decision-making and management supervision, it has specified the knowledge, experience and abilities that candidates should have, centered on the two aspects of "ESG/sustainability" and "global." A skill matrix that lists the knowledge, experience and abilities of each director and Audit & Supervisory Board member is presented as Reference Material (3) of this report.

(Supplementary Principle 4.11.2)

Concurrent Positions held by Directors and Audit & Supervisory Board Members

Concurrent positions as officers of listed or other organizations held by directors and Audit & Supervisory Board members are a matter to be shared at the meeting of the Board of Directors held in June each year, and efforts are being made to oversee the reasonableness of the number of concurrently held positions. Cases in which a director or an Audit & Supervisory Board member concurrently holds a position in a listed company and cases in which a director or an Audit & Supervisory Board member is on an important assignment at the organization in which they concurrently hold a position (e.g., they serve as the chairman of a general incorporated association) are disclosed in the "Matters concerning Company Officers" appendix of the Japanese Notice of the Annual General Shareholders Meeting and "Status of Officers" section of the Japanese annual securities report.

(Supplementary Principle 4.11.3)

Summary of Results of Evaluation of Board of Directors

The Board of Directors of the Company analyzes and evaluates its own performance with the aim of ensuring its effectiveness, with the assistance of outside experts as necessary, and accordingly discloses summaries of such findings. The findings in FY2021 are described below.

(1) Evaluation procedure

Subjects: Directors and Audit & Supervisory Board members (15 individuals in total)

Period: From January 2021 to February 2021

Method: Self-assessment involving questionnaires and individual interviews conducted by third-party experts
Specifically, in addition to the annual questionnaire survey, we also conduct individual interviews on a cycle of once every three years.

(a) Questionnaire survey

Rating on a scale of one to five, combined with open responses in 12 categories (76 questions)

[Categories]

- i. Roles and functions of the Board of Directors
- ii. Scale and structure of the Board of Directors
- iii. Management conditions of the Board of Directors
- iv. Structure and roles of the Nominating Advisory Committee
- v. Management conditions of the Nominating Advisory Committee
- vi. Structure and roles of the Remuneration Advisory Committee
- vii. Management conditions of the Remuneration Advisory Committee
- viii. Roles of and support system for outside directors
- ix. Roles of and expectations for Audit & Supervisory Board members
- x. Relationship with investors and shareholders
- xi. Governance structure of the Company and overall effectiveness of the Board of Directors
- xii. Self-evaluation

(b) Individual interviews

Based on the results of (a), individual interviews were conducted for approximately 30–45 minutes to confirm and probe deeper into individual questionnaire survey responses and other matters.

(2) Summary of findings

Outside expert observations based on the aforementioned questionnaire survey and individual interviews are as follows.

“To sum up the opinions of directors and Audit & Supervisory Board members in their responses to the questionnaire survey and individual interviews, although there have been some changes from past Board of Director management methods, such as conducting meetings online due to the spread of COVID-19, discussions remained lively in an atmosphere encouraging the sharing of opinions as the Board promoted further meeting reference material enhancements in an effort to improve Board of Director discussions. On the whole, most held positive opinions indicating that the effectiveness of the Board of Directors was secured to a considerable extent. Furthermore, directors and Audit & Supervisory Board members pointed out multiple areas in need of improvement that will enhance the Board’s effectiveness. We assume these improvements will be incorporated in future Board deliberations.”

Having taken the outside experts' evaluation seriously, the Board of Directors of the Company discussed the matters pointed out or suggested and decided to reflect the following in managing the Board of Directors going forward.

(a) The Board of Directors Role and Institutional Design

The current institutional design of a company with an Audit & Supervisory Board system was deemed appropriate as decision-making and management supervision are executed effectively, thus many were of the opinion that there was no need to transition to a different institutional (a company with audit and supervisory or nominating committees) design. There were also many opinions indicating that, depending on future conditions, the Board should examine transitioning to another institutional design that places more emphasis on the Board of Directors supervisory function.

- Future approach

In light of Nichirei Group management strategies, changes in the business environment going forward and Corporate Governance Code requirements, the Company decided to engage in ongoing discussions regarding the role of the Board of Directors, as well as institutional designs most appropriate for executing that role, while continuing to review options including the transition to a company with audit and supervisory or nominating committees.

(b) Board of Directors Composition

While the ratio of outside directors among Board members was evaluated positively as a whole, taking into account Corporate Governance Code revisions and the annual tightening of voting rights execution criteria for institutional investors, many respondents were of the opinion that the ratio of outside director appointments should be increased to one-third or more. Additionally, there were many other opinions exchanged regarding inside director composition and outside director diversity.

- Future approach

In light of Group management strategies and recent requests from institutional investors to increase the ratio of outside directors, the number of outside directors was increased by one at the Annual General Shareholders Meeting held on June 22, 2021. In all, 11 directors, including four outside directors, were appointed. Going forward, the Company decided to continue examining Inside director composition and outside director diversity and will consider further increases to the outside director ratio over the medium to long term.

(c) Board of Directors Administration and Meeting Materials Management

Many respondents gave positive assessments of the progress made in improving meeting materials in response to paperless initiatives implemented since October 2018. At the same time, several respondents were of the opinion that further improvements were needed regarding the content and timing of provision of Board of Director meeting materials.

• Future approach

With a view to energizing Board of Director deliberations and improving its efficacy by further innovating and enhancing the content of meeting materials and providing information in advance, the Company decided to provide materials even further in advance of meetings, create opportunities to share required information regarding projects of high importance in advance, and pursue improvements in the format of proposal materials used from 2020 pertaining to investment and financing projects and other specific agenda items that tend to involve a comparatively large volume of materials.

The Board of Directors of the Company has considered the opinions obtained through questionnaires and individual interviews and the opinions of external experts based on them, and confirmed that a certain level of effectiveness has been secured, and that issues recognized in the past are being gradually improved. Going forward, we will continue to conduct evaluations of the Board of Directors on a periodic and ongoing basis to boost its effectiveness.

(Principle 4.14 Director and Audit & Supervisory Board Member Training)

(Supplementary Principle 4.14.2)

Policy on Training for Directors and Audit & Supervisory Board Members

When initially appointed, directors or Audit & Supervisory Board members must take part in training with respect to the Companies Act of Japan, other relevant laws and regulations, management strategies, financial analysis and other such topics as necessary, and even after being appointed, they must appropriately take part in training with respect to revisions to legal code and managerial issues. Moreover, the Company must provide explanations to outside directors and outside Audit & Supervisory Board members summarizing the Group operations, as well as fact-finding tours to major business locations as necessary.

(Principle 5.1 Policy for Constructive Dialogue with Shareholders)

To promote constructive dialogue with its shareholders, the Company establishes an organizational framework and engages in initiatives involving the following:

- (1) Establishment of a department specifically dedicated to investor relations (IR department)
- (2) Strengthening of ties by the officer supervising the IR department with each department of Corporate Social Responsibility Headquarters of the holding company.
- (3) Holding of financial results briefings twice annually by the representative director and the directors in charge of investor relations
- (4) Holding of investor briefings, tours of facilities and addressing of matters involving press coverage by the IR department
- (5) Surveys of shareholders and other investors by external research organizations, and presentation of feedback in that regard at the meeting of the Board of Directors
- (6) Communication with shareholders in accordance with the Group Disclosure Policy

2. Capital Structure

Percentage of foreign shareholders	10% or more but less than 20%
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Status of Major Shareholders

Name	Number of shares owned (shares)	Percentage (%)
The MasterTrust Bank of Japan, Ltd. (Trust Account)	25,267,100	18.96
Custody Bank of Japan, Ltd. (Trust Account)	13,294,400	9.97
Nippon Life Insurance Company	5,744,527	4.31
Mizuho Bank, Ltd.	3,813,865	2.86
MUFG Bank, Ltd.	3,406,500	2.56
Mizuho Trust & Banking Co., Ltd.-Retirement Benefit Trusts, Mizuho Bank Ltd. Account, Re-trust Trustee, Custody Bank of Japan, Ltd.	2,799,275	2.10
Nisshin Seifun Group Inc.	2,719,750	2.04
The Norinchukin Bank	2,675,200	2.01
Custody Bank of Japan, Ltd. (Trust Account 7)	2,324,200	1.74
The Dai-ichi Life Insurance Company, Ltd.	2,323,500	1.74

Controlling shareholder (except for parent company)	—
Parent company	None

Supplementary Explanation

(1) Mitsubishi UFJ Financial Group, Inc. submitted a Statement of Large-Volume Holdings (Statement of Changes) in which MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Kokusai Asset Management Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. were stated as joint holders of the Company's shares on July 5, 2021. However, as the Company was unable to confirm the number of shares actually held by them as of September 30, 2021, this shareholding is not taken into account in the above "Status of Major Shareholders."

Name	Number of shares owned (Shares)	Percentage
MUFG Bank, Ltd. and three other companies	11,843 thousand shares	8.46%

(2) Mizuho Bank, Ltd. submitted a Statement of Large-Volume Holdings (Statement of Changes) in which Asset Management One Co., Ltd. was stated as a joint holder of the Company's shares on February 17, 2021. However, as the Company was unable to confirm the number of shares actually held by them as of September 30, 2021, this shareholding is not taken into account in the above "Status of Major Shareholders."

Name	Number of shares owned (Shares)	Percentage
Mizuho Bank, Ltd. and one other company	12,311 thousand shares	8.79%

3. Corporate Attributes

Listed exchange and market division	Tokyo Stock Exchange, first section
Fiscal year-end	March
Sector classification	Foods
Number of employees (consolidated) as of the end of the previous fiscal year	1,000 or more

Net sales (consolidated) in the previous fiscal year	JPY100 billion or more but less than JPY1 trillion
Number of consolidated subsidiaries as of the end of the previous fiscal year	50 companies or more but less than 100

4. Guideline for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder, etc.

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5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

Not applicable.

II. Business Management Organization and Other Corporate Governance Structures regarding Decision Making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation, etc.

Organizational form	Company with an Audit & Supervisory Board system
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Directors

Maximum number of directors stipulated in Articles of Incorporation	11
Term of office of directors stipulated in Articles of Incorporation	One year
Chairman of the Board of Directors	Chairman (excluding when concurrently serving as President)
Number of directors (Updated)	10
Appointment of outside director (s)	Appointed
Number of outside directors	4
Number of independent directors designated from among outside directors	4

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Shizuka Uzawa	From another company												
Mieko Wanibuchi	From another company												
Kuniko Shoji	From another company												
Mana Nabeshima	From another company												

* Categories for "Relationship with the Company"

*"O" indicates that the director currently falls under the category, or did so recently, and "Δ" indicates that the director fell under the category in the past.

*"●" indicates that a close relative of the director falls under the category, or did so recently, and "▲" indicates that a close relative of the director fell under the category in the past.

- Executive of a listed company or its subsidiary
- Non-executive director or executive of the parent company of a listed company
- Executive of a fellow subsidiary of a listed company
- A party whose major client or supplier is a listed company or an executive thereof
- Major client or supplier of a listed company or an executive thereof
- Consultant, accountant or legal professional who receives a large amount of money or other property from a listed company other than officer remuneration
- Major shareholder of a listed company (or in cases where the major shareholder is a corporation, an executive of such corporation)
- Executive of a client or supplier of a listed company (which does not correspond to any of d., e., or f.) (this applies only to the director)
- Executive of a company that has its outside officer(s) appointed by the Company and appoints the Company's outside officer(s) (this applies only to the director)
- Executive of a company or organization that receives a donation from a listed company (this applies only to the director)
- Others

Relationship with the Company (2)

Name	Designation as independent director	Supplementary explanation of the relationship	Reasons for appointment
Shizuka Uzawa	Yes	—	Mr. Shizuka Uzawa has extensive experience as a corporate executive in addition to wide-ranging knowledge of finance and accounting and, in the interest of Group management, provides opinions and advice during meetings of the Board of Directors and various other internal meetings (including meetings of the Nominating Advisory Committee and Remuneration Advisory Committee). Accordingly, the Company has appointed him as an outside director in order to continue to take advantage of his experience and knowledge in the Company's management.
Mieko Wanibuchi	Yes	—	Ms. Mieko Wanibuchi has worked in corporate management for many years and leverages the experience and knowledge acquired through these endeavors to offer opinions and advice during meetings of the Board of Directors and various other internal meetings (including meetings of the Nominating Advisory Committee and Remuneration Advisory Committee) from perspectives that include the product and service purchasing behaviors of consumers. Accordingly, the Company has appointed her as an outside director in order to continue to take advantage of her experience and knowledge in the Company's management.
Kuniko Shoji	Yes	—	Ms. Kuniko Shoji has extensive experience as a corporate manager in the pharmaceutical-related industry and broad knowledge of quality assurance and R&D. She also offers opinions and advice during meetings of the Board of Directors and various other internal meetings (including meetings of the Nominating Advisory Committee and Remuneration Advisory Committee). Accordingly, the Company has appointed her as an outside director in order to continue to take advantage of her experience and knowledge in the Company's management.
Mana Nabeshima	Yes	—	Ms. Mana Nabeshima has extensive experience in overseas operations and a wide range of knowledge in finance. Accordingly, the Company has appointed her as an outside director in order to take advantage of her experience and knowledge in the Company's management.

Establishment of voluntary committee(s) corresponding to nomination committee or remuneration committee

Established

Establishment of voluntary committee, composition of members and attributes of chairperson

	Name of committee	All committee members (persons)	Full-time members (persons)	Inside directors (persons)	Outside directors (persons)	Outside experts (persons)	Other (persons)	Chairperson
Voluntary committee corresponding to nomination committee	Nomination Advisory Committee	6	0	2	4	0	0	Outside director
Voluntary committee corresponding to remuneration committee	Remuneration Advisory Committee	5	0	1	4	0	0	Outside director

Supplementary explanation

Please refer to [Disclosure based on Principles of Japan's Corporate Governance Code] “(Principle 3.1 Full Disclosure)” above.

Audit & Supervisory Board Members

Establishment of Audit & Supervisory Board	Established
Maximum number of Audit & Supervisory Board members stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board members	5

Cooperation among Audit & Supervisory Board members, accounting auditor and Corporate Internal Audit Division

At the Company, liaison meetings are held periodically among the Audit & Supervisory Board members, the accounting auditor and the Group's internal controls division—i.e., Corporate Internal Audit—regarding the execution status of audits, etc. Audit & Supervisory Board members are present at the site during audits conducted by the accounting auditor as necessary.

Appointment of outside Audit & Supervisory Board member(s)	Appointed
Number of outside Audit & Supervisory Board members	3
Number of independent Audit & Supervisory Board members designated from among outside Audit & Supervisory Board members	3

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yuhiko Saito	Attorney													
Kiyoshi Asahina	Other													
Muneaki Kiyota	From another company							△						

* Categories for “Relationship with the Company”

* “○” indicates that the Audit & Supervisory Board member currently falls under the category, or did so recently, and “△” indicates that the Audit & Supervisory Board member fell under the category in the past.

*“●” indicates that a close relative of the Audit & Supervisory Board member falls under the category, or did so recently, and “▲” indicates that a close relative of the Audit & Supervisory Board member fell under the category in the past.

- a. Executive of a listed company or its subsidiary
- b. Non-executive director or accounting advisor of a listed company or its subsidiary
- c. Non-executive director or executive of the parent company of a listed company
- d. Audit & supervisory board member of the parent company of a listed company
- e. Executive of a fellow subsidiary of a listed company
- f. A party whose major client or supplier is a listed company or an executive thereof
- g. Major client or supplier of a listed company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of money or other property from a listed company other than officer remuneration
- i. Major shareholder of a listed company (or in cases where the major shareholder is a corporation, an executive of such corporation)
- j. Executive of a client or supplier of a listed company (which does not correspond to any of d., e., or f.) (this applies only to the Audit & Supervisory Board member)
- k. Executive of a company that has its outside officer(s) appointed by the Company and appoints the Company's outside officer(s) (this applies only to the Audit & Supervisory Board member)
- l. Executive of a company or organization that receives a donation from a listed company (this applies only to the Audit & Supervisory Board member)
- m. Others

Relationship with the Company (2)

Name	Designation as independent Audit & Supervisory Board member	Supplementary explanation of the relationship	Reasons for appointment
Yuhiko Saito	Yes	—	Mr. Yuhiko Saito has had a career in the legal profession, and has held judicial positions in government office. Having worked as an attorney since retiring from public office, he possesses a wealth of experience and detailed knowledge as a legal expert. Accordingly, the Company has appointed him as an outside Audit & Supervisory Board member in order to take advantage of his experience and knowledge in the Company's audits.
Kiyoshi Asahina	Yes	—	Mr. Kiyoshi Asahina engaged for many years in both domestic and foreign business affairs in administrative fields related to agriculture, forestry and fisheries. He has gained a wealth of understanding and expert insight from leading independent audits. Accordingly, the Company has appointed him as an outside Audit & Supervisory Board member in order to take advantage of his experience and knowledge in the Company's audits.

Muneaki Kiyota	Yes	Mr. Muneaki Kiyota used to serve as an executive of Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.), which is the Company's main bank of account.	Mr. Muneaki Kiyota has held important positions in financial institutions, most of which were based abroad. He then served as an Audit & Supervisory Board member and director at a domestic manufacturing company for approximately 10 years. He has a great deal of experience in, and understanding of, corporate management. Accordingly, the Company has appointed him as an outside Audit & Supervisory Board member in order to take advantage of his experience and knowledge, etc. in the Company's audits.
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Independent Directors and Independent Audit & Supervisory Board Members

Number of independent directors and independent Audit & Supervisory Board members	7
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Other matters related to independent directors and independent Audit & Supervisory Board members

The Company has designated all qualifying outside directors/outside Audit & Supervisory Board members as independent directors/independent Audit & Supervisory Board members.

Incentives

Implementation of measures to provide incentives to directors	Introduction of performance-linked remuneration system, etc.
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Supplementary explanation

Please refer to [Disclosure based on Principles of Japan's Corporate Governance Code] “(Principle 3.1 Full Disclosure) (3) Policies and procedures for determination of remuneration for senior management and directors by the Board of Directors” above.

Recipients of stock options	
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Remuneration for Directors

Disclosure of individual directors' remuneration	Remuneration is not disclosed on an individual basis.
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Supplementary explanation

In the annual securities and business reports, the total amount of remuneration is disclosed by distinguishing among directors (excluding outside directors), Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members) and outside directors/outside Audit & Supervisory Board members

Policy on determining amount or calculation method of remuneration	Established
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Disclosure of policy on determining amount or calculation method of remuneration

Please refer to [Disclosure based on Principles of Japan's Corporate Governance Code] “(Principle 3.1 Full Disclosure) (3) Policies and procedures for determination of remuneration for senior management and directors by the Board of Directors” above.

Support System for Outside Directors (Outside Audit & Supervisory Board Members)

Materials for the Board of Directors are distributed to each director and Audit & Supervisory Board member no later than three days before the Board meeting date.

In cases where internal communication/coordination is required to accurately provide Company information in response to instructions from independent directors and independent Audit & Supervisory Board members, the secretary in charge serves as the point of contact and makes arrangements to enable necessary collaboration with relevant divisions in the Company.

Persons Who Retired from the Position of Representative Director, President, etc.

Name and other information of Advisors, Counselors, etc. who were formerly Representative Director, President, etc.

Name	Job title/ position	Description of work	Working arrangement and employment terms (e.g., full/part-time, with/without compensation)	Date of resignation as President, etc.	Term of office
—	—	—	—	—	—

Total number of Advisors, Counselors, etc. who were formerly Representative Director, President, etc.

0

Other information

The Company does not have a system of Advisors (*sodanyaku*) but has established internal regulations for a system of Counselors (*komon*), as there are cases in which a former Representative Director, President, etc. is hired as a Counselor.

Pursuant to these internal regulations, (i) the Counselors' term of office is subject to extension annually, and they shall be in charge of activities of industry groups, economic organizations, etc.; (ii) in cases where the Counselors are in charge of external activities that are important to the Group, they shall be paid remuneration; and (iii) at the time of appointment and reappointment of the Counselors, the acceptability of such appointment or reappointment, their treatment and other such matters shall be decided by the Board of Directors following discussion at the Nominating Advisory Committee and the Remuneration Advisory Committee.

No one is currently subject to the system of Counselors.

2. Matters Related to Business Execution, Auditing, Oversight, Nomination, Remuneration Decisions and Other Functions (Overview of Current Corporate Governance Structure)

Please refer to [Disclosure based on Principles of Japan's Corporate Governance Code] “(Principle 3.1 Full Disclosure)” above.

3. Reasons for Selection of Current Corporate Governance Structure (Updated)

The Company has adopted the company with an Audit & Supervisory Board system as its organizational design for running a wide range of businesses under the holding company structure. From among the maximum of 11 directors stipulated in the Articles of Incorporation, the Company has designated four outside directors independent directors. Among five Audit & Supervisory Board members, the Company has designated three outside Audit & Supervisory Board members independent Audit & Supervisory Board members.

The Board of Directors and the Audit & Supervisory Board work together effectively to properly supervise and oversee executive officers engaged in business execution. Matters decided by the Board of Directors are limited to matters prescribed by law and matters defined by the Company's own standards, but many decisions are delegated

to the Management Committee, a body composed of executive officers, thereby allowing the Board of Directors to concentrate on deciding matters of utmost importance and overseeing business execution by executive officers.

Full-time Audit & Supervisory Board members of the Company, who have extensive knowledge of the Group's business characteristics, cooperate with full-time Audit & Supervisory Board members of the operating companies to conduct onsite audits at key business establishments throughout the year. Audit & Supervisory Board members who have visited the business establishment and conducted audits or hearings on its status in person present the audit findings according to the actual circumstances of each business. Moreover, after performing an audit, Audit & Supervisory Board members report the problems and issues identified as a result of the audit to the Audit & Supervisory Board and the representative directors and make efforts to enhance the effectiveness of auditing functions. In addition, the independent Audit & Supervisory Board members of the Company attend and speak out not only at meetings of the Board of Directors and the Audit & Supervisory Board but also at meetings of the body in charge of strategic management and the Board of Directors' principal advisory committees, in addition to accompanying full-time Audit & Supervisory Board members when they conduct onsite audits as appropriate.

As described above, the Company is striving to enhance and thoroughly implement corporate governance practices by separating business execution functions from supervision/oversight functions, delegating responsibilities and authority to executive officers, ensuring transparency of the decision-making process, and maximizing the auditing functions based on the company with an Audit & Supervisory Board system.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Efforts to Vitalize the Annual General Shareholders Meeting and Smooth Exercise of Voting Rights

	Supplementary explanation
Early dispatch of the Notice of the Annual General Shareholders Meeting	To allow shareholders to fully review the proposals on the agenda at the Annual General Shareholders Meeting, the Company discloses them on its website, TDnet and ICJ (Tokyo Stock Exchange) no later than four weeks before the meeting date, and sends the Notice of the Annual General Shareholders Meeting no later than three weeks before the meeting date.
Avoidance of peak day in scheduling of the Annual General Shareholders Meeting	Since the Annual General Shareholders Meeting held in June 2001, the Company has not held the meeting on a peak day.
Exercise of voting rights by electronic means	The Company has adopted an electronic voting system using a website developed by its transfer agent.
Participation in electronic voting platform and other efforts to improve voting environment for institutional investors	The Company participates in an electronic voting platform operated by ICJ, Inc.
Provision of the convening notice (summary) in English	The Company prepares the convening notice in English (abridged translation) and posts it on the English version of its website.

2. IR Activities

	Supplementary explanation	Explanation by representative
Preparation and publication of disclosure policy	The Company has established the Group Disclosure Policy, which serves as the policy for the appropriate disclosure of information and promotion of constructive dialogue with investors, etc. as part of its efforts to promote corporate governance, in addition to complying with laws and regulations related to disclosure of information. Please refer to the Company's website (URL below). https://www.nichirei.co.jp/english/ir/policy.html	
Regular briefings for individual investors	A briefing session is held for individual investors about twice a year.	No
Regular briefings for analysts and institutional investors	A briefing session is held for analysts and institutional investors twice a year, after the announcement of first-half financial results and full-year financial results. In addition to explaining the strategies for key businesses and their progress as well as performance forecasts, the Company sets aside time for responding to questions. For the first and third quarters, the Company holds a teleconference focused on explaining the financial results and responding to questions. Main questions and answers are posted on the Company's website.	Yes
Regular briefings for overseas investors	The Company exchanges opinions with institutional investors primarily in North America and Europe regarding the explanation of management strategies, performance forecasts, etc.	No
Posting of IR materials on website	Please refer to the "Investor Relations Information" section of the Company's website (URL below). https://www.nichirei.co.jp/english/ir	

Establishment of department and/or person in charge of IR	Investor Relations, Group Communication	
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3. Efforts to Respect Stakeholders' Standpoint (Updated)

	Supplementary explanation
Stipulations on respecting the standpoint of stakeholders in internal regulations, etc.	For details, please refer to the Company's "Basic Policy on Corporate Governance, Chapter 2. Stakeholder Relations."
Implementation of environmental conservation activities, CSR activities, etc.	<p>The Group is acting as one to promote initiatives for CSR activities, having established its basic CSR policy, "the Nichirei Pledge." For environmental conservation activities, please refer to the Nichirei Group Environmental Policy (URL below). https://nichirei.disclosure.site/en/themes/85</p> <p>For details of the above CSR activities and environmental conservation activities, please refer to the Nichirei <i>Integrated Report</i> and the Company's website (URL below). https://www.nichirei.co.jp/english/ir/library/integrated.html</p>
Development of policies to provide information to stakeholders, etc.	<p>The Company aims to build longstanding relationships of trust with its various stakeholders, and in accordance with the Group Disclosure Policy, communicates information deemed necessary to them with respect to both statutory and voluntary disclosure, in a prompt, accurate and impartial manner.</p> <p>To engage in constructive dialogue with its shareholders, the Company strives to disclose useful information, including non-financial information, in an appropriate and timely manner through various communication tools such as its corporate website (URL below) and <i>Integrated Report</i>. https://www.nichirei.co.jp/english/ir/integrated</p>

Other

In its basic CSR policy, “the Nichirei Pledge,” the Group has specified “Continually enhance our workplaces” as one of its priority initiatives, and explicitly declared: “While promoting respect for the diversity of our employees, we continuously improve the workplace environment to enable every employee to make the most of their abilities and work with enthusiasm.” In our view, it is important to “respect the dignity of each individual and their right to a full personal life,” “provide opportunities for the development and manifestation of skills, and implement a reward system based on ability, effort, and results,” and “prevent discrimination based on gender, age, education, race or religion, and provide equal opportunity.”

As a guide to promoting the development of the workplace environment, provision of opportunities and enhancement of workplaces based on such view, we established “The Nichirei Group Workplace Improvement Policy” in April 2017. Targets based on the policy are set for each operating company, and measures are formulated and executed accordingly. The Group Human Resources Committee and Diversity Promotion Council each hold a meeting twice a year, where they confirm the progress, etc. to develop an environment in which each and every employee can fully demonstrate their diverse values.

◆ **The Nichirei Group Workplace Improvement Policy**

1. Enable diverse styles of working
 - (1) Provide working condition options
 - (2) Set up systems to prevent disruption of employee careers
2. Prevent excessive working hours
3. Ensure equal opportunity
 - (1) Promote the advancement of female employees
 - (2) Provide stimulating employment opportunities for people with disabilities
 - (3) Create employment opportunities for older people

The Company's approach to its employees is disclosed on its website (URL below).
<https://www.nichirei.co.jp/english/csr/work>

IV. Matters Related to the Internal Control System, etc.

1. Fundamental Views on Internal Control System and the Progress of System Development

The Group recognizes that developing and operating an internal control 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, and safeguard its assets will translate into higher corporate value.

In terms of “the development of systems necessary to ensure that the execution of the duties by the directors complies with the laws and regulations and the articles of incorporation, and other systems prescribed by the relevant Ministry of Justice order as systems necessary to ensure the properness of operations of a Stock Company and operations of group enterprises consisting of the Stock Company and its Subsidiary Companies” pursuant to the Companies Act of Japan, the Company has established the basic policy for its internal control system as follows. We will endeavor to improve the policy by reviewing it annually to adapt to changes in the business environment, etc.

◆ The Company's Internal Controls Basic Policy

1. Compliance with the law and internal regulations

- 1) The Company, in accordance with the Group's Management Principles and Code of Conduct, shall comply with the laws, regulations, and its Articles of Incorporation, refrain from dishonest or antisocial corporate activities, and ensure that competition is fair.
- 2) As the holding company, the Company shall manage the Group and strengthen corporate governance by establishing, implementing, maintaining internal controls for the entire Group; formulate business strategies for the Group; conduct internal Group audits; monitor subsidiaries; and facilitate the joint procurement of assets.
- 3) The Company shall ensure its disclosures are prompt, accurate, and fair, based on the Group's accounting regulations. It shall be accountable to shareholders and investors on an ongoing basis, while ensuring the transparency of corporate information.
- 4) The Company shall establish a Group auditing department that, based on the Group's in-house audit regulations, shall audit Group company controls.
- 5) The Company, in order to handle reports and consultations by employees concerning acts that may violate corporate ethics, shall establish an in-house reporting system (a hotline) that protects whistleblowers. Every effort shall be made to discover and correct violations of the system at an early stage, and ensure compliance.
- 6) The Company, in accordance with guidelines regarding the Board of Directors, office structures, and other internal arrangements, shall establish systems for appropriate and efficient execution of duties, based on rules regarding management authority and decision making.

2. Managing information on Company, subsidiary directors

- 1) The Company shall properly record, retain, manage, and preserve minutes of the Board of Directors meetings, documents for circulation, and other information regarding execution of duties, in accordance with the law, as well as internal regulations regarding the Board of Directors, Group document management, and information security management.
- 2) The Company, based on Group regulations concerning Group management, Group materials for discussion or circulation, and other Group arrangements, shall receive reports on matters regarding the execution of duties by directors and employees of subsidiaries.
- 3) The Company's directors and Audit & Supervisory Board members shall be able to directly examine and/or copy any information regarding execution of duties that has been electronically recorded, retained, managed, or preserved by the Company's departments.
- 4) When requested by a director or Audit & Supervisory Board members, the Company's departments shall promptly provide or submit for inspection the specified information.

3. Risk management of Company, subsidiary losses

- 1) Based on the Group's risk management regulations, the Company shall identify and evaluate Group risks through the Group Risk Management Committee, and establish a risk management framework for the Group.
 - 2) The Company and its businesses, reflecting the risk management cycle, shall voluntarily and independently respond to corporate activity-related risks. Important matters shall be reported to the holding company's Board of Directors, and the response discussed.
 - 3) Based on the Group's risk management regulations, the Company shall respond promptly and appropriately in the event of a disaster, accident, incident, or other crisis that threatens business continuity.
4. Group duties of Nichirei, subsidiaries (besides those in 1-3 above)
- 1) To realize the Mission and Vision of the Nichirei Group, the Company, as a holding company, shall propose, decide, and implement Group strategies, allocate business resources, conduct monitoring and risk management for the entire Group, and fulfill the responsibilities of a publicly traded company.
 - 2) As the Corporate Social Responsibility Headquarters, the Company has corporate staff divisions that support the Board of Directors, as well as internal audit, R&D and quality assurance divisions that monitor the Group.
 - 3) Each subsidiary shall serve as an independent company (fulfilling the functions of planning, development, production sales, management, and administration), increase the independence of their respective organizations through their presidents, and adapt to the business environment to respond quickly to market demands.
 - 4) Transactions between the Company and its subsidiaries shall be based on accounting principles, tax laws, and other internal regulations.
5. Exclusion of antisocial forces
- 1) The Company, keenly aware of its corporate social responsibility, shall prohibit any submission to, or collusion with, antisocial forces that threaten the order and safety of civil society, and shall resolutely respond thereto.
6. Audit & Supervisory Board members and independence of employees
- 1) The Company shall establish a Group internal audit department, and maintain systems that allow Audit & Supervisory Board members to execute audits more effectively and efficiently, including holding regular liaison conferences with Audit & Supervisory Board members.
 - 2) The Company shall assign specialist staff at the behest of the Audit & Supervisory Board. Personnel assignments shall be decided by consultation between the Board of Directors and Audit & Supervisory Board, with attention given to independence from directors and ensuring of the effectiveness of directives from Audit & Supervisory Board members.
7. Systems for reporting to Audit & Supervisory Board members
- 1) The Board of Directors and employees shall report to Audit & Supervisory Board members, without delay, should they become aware of either a serious violation of laws or internal regulations in the execution of their duties, or any facts that could, or do, have the potential to cause the Company substantial harm.
 - 2) Directors and employees shall report immediately, to Audit & Supervisory Board members, decisions that may seriously impact business or the organization, and the results of internal audits.
 - 3) Directors, Audit & Supervisory Board members, and employees of subsidiaries with knowledge of facts that could have a serious impact on the Group's internal controls, or persons who have received reports from such persons, shall report such to Audit & Supervisory Board members without delay.
 - 4) The Company and its businesses shall protect people reporting to Audit & Supervisory Board members, to ensure that the reports do not lead to adverse treatment.
8. Ensuring compliance of Audit & Supervisory Board members
- 1) To enable Audit & Supervisory Board members to adequately perform their functions, the Representative Director, President shall arrange for the Audit & Supervisory Board to receive regular reports on, for example, the status of business, quite apart from briefings on similar topics going to the Board of Directors.

- 2) The Board of Directors shall ensure that Audit & Supervisory Board members attend important meetings regarding the Company's business to ensure it is appropriately conducted.
- 3) Once requested by the Audit & Supervisory Board members, and unless a request is unreasonable, the Company shall provide prompt advance payment, or reimbursement, for expenses incurred by the Audit & Supervisory Board members in the execution of their duties.

2. Fundamental Approach to and Preparedness for Eliminating Antisocial Forces

◆ Fundamental approach to eliminating antisocial forces

The Group has set forth in its Code of Conduct that the Group, keenly aware of its corporate social responsibility, shall prohibit any submission to, or collusion with, antisocial forces that threaten the order and safety of civil society, and shall resolutely respond thereto.

◆ Preparedness for eliminating antisocial forces

The above Code of Conduct and a collection of examples of how to respond to antisocial forces, including refusing to provide any favors to them, are posted on the Group's corporate ethics database. In addition, a manual on how to deal with daily risks has been created, and education/training is conducted to enable employees to take appropriate action in accordance with the manual in the event of an incident.

Also, Human Resources Strategy & General Affairs is working to mitigate the risks of antisocial forces by such means as collecting and managing information on unwarranted demands.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of anti-takeover measures	Not adopted
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Supplementary explanation

◆ Basic Policy on the Control over the Stock Company

1. Basic Policy

In the event that the Company receives an acquisition proposal from anyone coming forward to propose the acquisition of the Company's shares, etc., we believe that the decision of whether or not to sell the Company's shares in response to such a proposal should ultimately be left to our shareholders. We also believe that, in order for shareholders to make an appropriate decision, it is important that shareholders are provided with sufficient information on the acquisition proposal as well as the opportunity to look into matters such as the possibility of alternative proposals.

Having declared the Group's Mission to "Focus on Lifestyles, and Provide True Satisfaction" in the Nichirei Management Principles, our Vision is to "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." If the acquisition proposal places importance exclusively on short-term economic efficiency and is incongruent with such Management Principles, Vision or the medium- to long-term management policy of the Group, we believe shareholders need to make a decision after obtaining sufficient information in order to prevent the impairment of the Company's corporate value, and in turn, the common interests of its shareholders.

2. Specific Efforts to Implement the Basic Policy

(1) Special efforts to implement the basic policy

For a period of three years from April 2019, the Group has been working on Medium-term Business Plan "WeWill 2021." While accurately gauging the changes in the operating environment, we aim to realize sustainable profit growth and the creation of new value that supports good eating habits and health, underpinned by capital expenditures to drive growth and strengthen the business foundation especially in the processed foods and logistics businesses.

On the financial front, capital from operating cash flow and asset liquidation will be used for investments to maintain and enhance corporate value, and for shareholder returns through dividends and stock buy-backs. The basic policy for shareholder returns is to maintain a stable dividend based on the consolidated dividend on equity (DOE) ratio, and to conduct flexible share buy-backs in consideration of capital efficiency and the market environment.

(2) Efforts to prevent an inappropriate person/entity from gaining control in light of the basic policy

The Group is engaged in the businesses of processed foods, marine products, meat and poultry products, logistics, real estate and others. For the expansion of its physical business activities, the Group conducts businesses worldwide through its subsidiaries and business establishments. Management of the Group is based on extensive knowledge of and a wealth of experience in these multiple businesses and relationships with customers, employees and clients/suppliers around the world; shareholders need to gain a sufficient understanding of these matters when deciding whether or not to accept the acquisition proposal made by the proposer.

The Company strives to provide information to shareholders by proactively engaging in investor relations (IR) activities on a day-to-day basis. In order for shareholders to properly decide whether or not to accept the acquisition proposal by the proposer, provision of appropriate and sufficient information by both the Company and the proposer (description of the Group's management policy and business plan contemplated by the proposer, the impact of the acquisition proposal on shareholders of the Company and the management of the Group, the impact on many stakeholders of the Group, approach to social responsibility and other

information from the proposer) will be indispensable, in addition to securing the time needed for shareholders to examine the proposal to decide whether or not to accept it. Depending on the circumstances, the Company may look into the possibility of an alternative proposal and put it forward to shareholders, allowing shareholders to choose a better proposal from the viewpoint of the Company's corporate value, and in turn, the common interests of shareholders.

The Company will take appropriate measures to the extent permitted by the Financial Instruments and Exchange Law, the Companies Act and other relevant laws and regulations—including requiring the proposer to provide necessary and sufficient information for shareholders to properly decide whether or not to accept the acquisition proposal, disclosing the opinions, etc. of the Board of Directors of the Company, and endeavoring to secure the time and information needed by shareholders to examine the proposal—and continue to make efforts to ensure and improve its corporate value and the common interests of shareholders.

2. Other Matters Concerning Corporate Governance Structure, etc.

◆ Overview of timely disclosure system

1. Basic policy for timely disclosure of Company information

As its basic policy, the Company aims to build longstanding relationships of trust with its various stakeholders, and in accordance with the Group Disclosure Policy, communicates information deemed necessary to them with respect to both statutory and voluntary disclosure, in a prompt, accurate and impartial manner.

2. Internal system for timely disclosure

- Information collection process

With the aim of collecting information subject to timely disclosure in a comprehensive and swift manner, timely disclosure standards have been established as part of the Company's "Group Proposal and Request Circular for Approval Standards" measures to be taken upon the occurrence of an important event have been described under the "Group Disclosure Policy" and efforts are being made to instill them thoroughly among employees.

Each department of the Corporate Social Responsibility Headquarters of the Company collects information in collaboration with subsidiaries on a daily basis, and a system is in place to make a report to the information handling manager and the department in charge of disclosure if a significant event arises.

- Analysis and determination process

The information handling manager and the department in charge of disclosure check and analyze the content of the collected information, and whenever necessary, make a report to the Representative Director, President after checking with the consulting lawyer and the accounting auditor. If timely disclosure is deemed necessary, the materials subject to timely disclosure are put forth for discussion at the meeting of the Board of Directors after ensuring their legitimacy and accuracy.

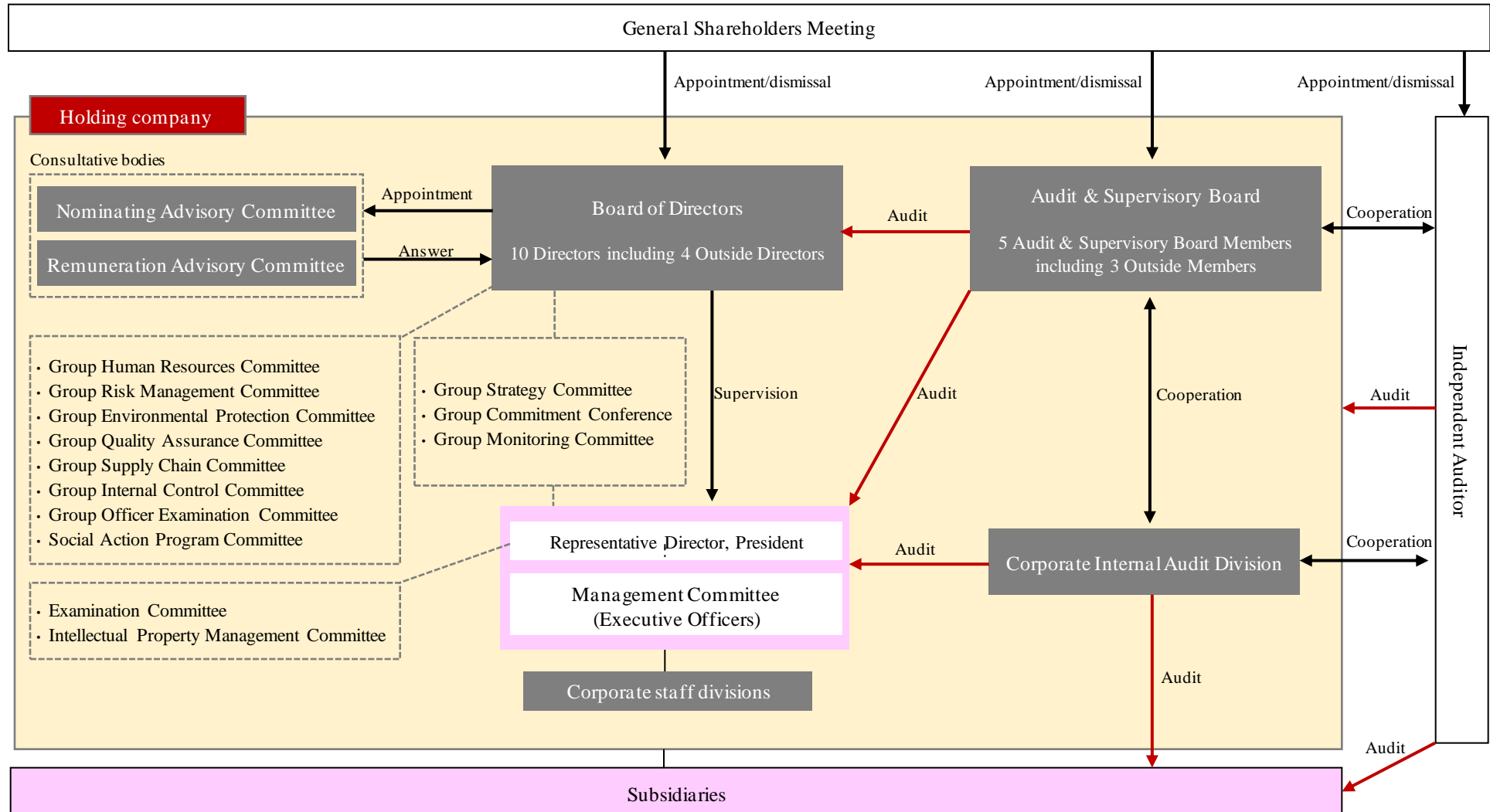
- Process for publication

The Board of Directors decides the specifics, etc. of timely disclosure, and the department in charge of disclosure carries out the procedures for publication.

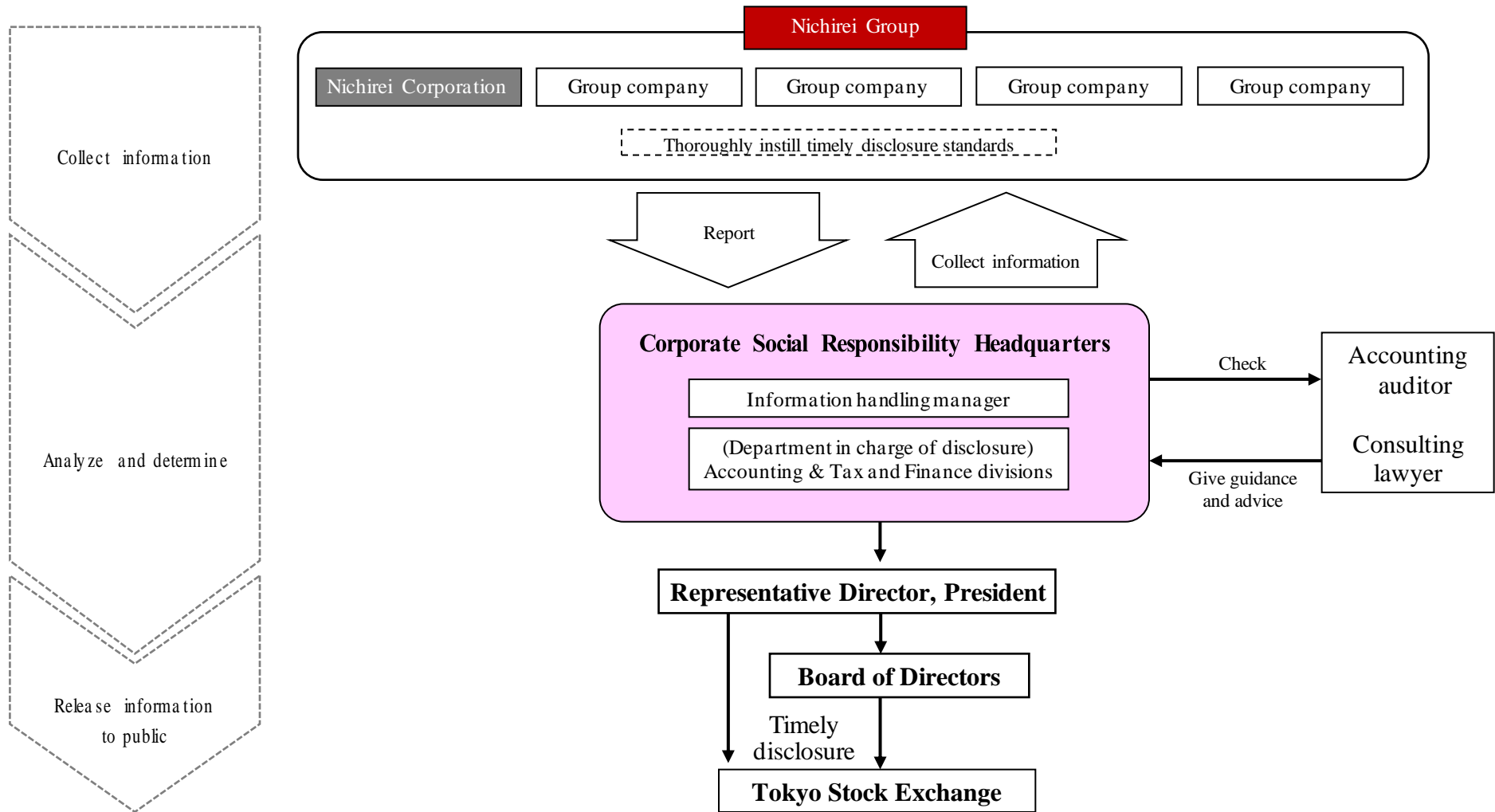
(Reference Materials)

(1) Diagram of Corporate Governance Structure

(As of June 22, 2021)



(2) Diagram of Timely Disclosure System



(3) Skill Matrix

	Position	Name	Corporate Management	ESG/Sustainability	Global	Innovation/Marketing	Financial Accounting/Finance	Legal Affairs/Compliance
Directors	Representative Director, Chairman	Kunio Otani	●		●		●	●
	Representative Director, President	Kenya Okushi	●	●	●	●		
	Director, Executive Officer	Junji Kawasaki		●		●		●
	Director, Executive Officer	Kazuhiko Umezawa	● (Temperature-controlled logistics)		●	●		
	Director, Executive Officer	Masahiko Takenaga	● (Processed foods)		●	●		
	Director, Executive Officer	Wataru Tanabe	● (Marine, meat and poultry products)		●	●		
	Outside Director	Shizuka Uzawa	●		●		●	●
	Outside Director	Mieko Wanibuchi	●	●		●		
	Outside Director	Kuniko Shoji		●		●		●
	Outside Director	Mana Nabeshima		●	●		●	
Audit & Supervisory Board Members	Audit & Supervisory Board Member	Kazuhiko Yasuda					●	●
	Audit & Supervisory Board Member	Tatsushi Kato		●				●
	Outside Audit & Supervisory Board Member	Yuhiko Saito		●				●
	Outside Audit & Supervisory Board Member	Kiyoshi Asahina			●			●
	Outside Audit & Supervisory Board Member	Muneaki Kiyota			●		●	

Note: The above chart does not present all the knowledge, experience and skills of directors and Audit & Supervisory Board members.