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Greeting

I would like to express my sincere gratitude for shareholders' continued support and patronage. We extend our sympathies to all those who have been infected by COVID-19 and their families, and also would like to express our deepest gratitude to healthcare workers and others who are devoting daily efforts to help bring an end to the pandemic.

Enclosed please find the Notice of the 107th Ordinary General Shareholders' Meeting.

Nippon Suisan Kaisha, Ltd., started business as a fishery with one trawl boat in 1911. For more than 110 years, the Company has developed not only the fishery business, but also a wide range of businesses such as the food business and the fine chemicals business. Especially nowadays, the Company delivers a wide variety of foods which can meet diverse demands, such as tasty, healthy, environmentally friendly, and sustainable future, cooperating with its global group companies. As rapid changes are projected to take place in the natural and social environment, we believe it is necessary to respond to various needs that have not been discovered so far.

In light of these circumstances, we redefined anew our mission and formulated a long-term vision "Aiming to become a leading company that delivers friendly foods both for people and the earth" (Good Foods 2030). As we start the Mid-term business plan "Good Foods Recipe 1" (from FY2022 to FY2024) as "the first recipe" toward the year 2030, we decided to rebrand our brand symbol and brand slogan, and to change the trade name to integrate the brand and trade name images. The changes are subject to approval at this General Shareholders' Meeting.

Aiming to be a company "determined to harness the power of our pioneering spirit and industry expertise to create a healthier, more sustainable future through innovative food solutions," we will take a new step forward as Nissui.

We would like to ask for continued support from all shareholders.

Shingo Hamada
Representative Board Member,
President & CEO

Our thoughts behind the rebranding

Nissui has always taken on challenges with the hope of delivering the blessings of the earth to the people in better ways.

In 2022, the Nissui Group will take a new step forward, keeping in mind our respect and gratitude toward the sea.

- We will send a more proactive and unequivocal message on “the direction to be taken” as envisioned by Nissui.
- We will indicate even more clearly that Nissui is an entity that continues to pursue the possibilities of “food.”
- In addition to our global orientation and innovative stance which we have nurtured over our history of more than 110 years, we intend to express our continuing commitment toward the future with “the new Nissui brand.”

Brand story

Food is at the root of all joy.

Whether you are alone or with others, food brings warmth to your heart and gives you the power to live tomorrow and beyond.

Given this power of food, it doubtlessly has potential that has yet to be tapped.

We at Nissui are committed to exploring how food can bring us health in addition to good taste.

As part of that, we will look for the ways in which food, through the seas and land, connects and nurtures all life, including human life.

Because we have brought so many joyful things into being, we are confident that we can make the world in which we live one filled with joy.

A new voyage for Nissui will begin, a voyage toward a new future in food that connects people to the planet and its resources.

Brand symbol and tagline

This is the brand symbol and tagline that represent the new Nissui brand. The frame is shaped by combining two forms of waves approaching from left and right, symbolizing two-way communication between Nissui and consumers.

Moreover, the waves are symbolic of the ocean and also signify Nissui's origin, i.e., its passion for marine resources.

The brand symbol represents the fusion of familiarity evoked by the curved lines and the strength of our commitment expressed by the straight lines, while the tilted logotype represents our sense of challenge and inquisitiveness.



まだ見ぬ、食の力を。

To Shareholders with Voting Rights:

Shingo Hamada
Representative Board Member and
President
Nippon Suisan Kaisha, Ltd.
1-3-1, Nishi-Shimbashi, Minato-ku,
Tokyo, Japan

**NOTICE OF
THE 107th ORDINARY GENERAL SHAREHOLDERS' MEETING**

We are pleased to inform you that the 107th Ordinary General Shareholders' Meeting (this "Meeting") of Nippon Suisan Kaisha, Ltd. (the "Company," together with its subsidiaries, the "Group") will be held as described below.

Although the Meeting will be held upon taking appropriate infection prevention measures, to ensure the safety of our shareholders and prevent the spread of COVID-19, we request that shareholders refrain from attending the Meeting in person, and exercise their voting rights in advance in writing or via the Internet.

In addition, visualized documents of the matters to be reported with graphs and charts will be posted on the Company's website by around Tuesday, June 14, 2022. As stated below, we will invite questions from shareholders in advance and post our response to matters of high interest to our shareholders on our website.

Please review the attached Reference Documents for the General Shareholders' Meeting and exercise your voting rights in writing or via the Internet, in accordance with the guidance on page 8 of the Japanese version of this Notice.

- 1. Date and Time:** Tuesday, June 28, 2022 at 10:00 a.m. Japan time
- 2. Place:** Royal Hall, 3rd floor, Royal Park Hotel
2-1-1 Nihonbashi-Kakigara-cho, Chuo-ku, Tokyo, Japan
As stated above, to ensure the safety of our shareholders and prevent the spread of COVID-19, please exercise your voting rights in advance in writing or via the Internet, and refrain from attending the Meeting in person.
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 107th Fiscal Year (April 1, 2021 - March 31, 2022) and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the Company's 107th Fiscal Year (April 1, 2021 - March 31, 2022)
- Proposals to be resolved:**
- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Nine (9) Board Members

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- **The arrangements above are subject to change depending on the status of the infection and announcements from the government, etc. up to the day of the Meeting. Please also check for any updates on the Company's website (https://www.nissui.co.jp/ir/share_information/meeting.html).**
- Based on provisions in laws, regulations, and Article 18 of the Company's Articles of Incorporation, of the documents to be attached to this Notice, the Company posts the Consolidated Statements of Changes in Net Assets and Notes to the Consolidated Financial Statements of the Consolidated Financial Statements, as well as Non-consolidated Changes in Net Assets and Notes to the Non-consolidated Financial Statements of the Non-consolidated Financial Statements, on its website (https://www.nissui.co.jp/ir/share_information/meeting.html). Therefore, these documents are not contained in the attachment to this Notice. The attachment to this Notice and the aforementioned documents posted on the website comprise the documents audited by Audit & Supervisory Board Members and the Independent Auditor in preparing their respective audit reports.
- Any revisions to the Business Report, Consolidated and Non-consolidated Financial Statements and Reference Documents for the General Shareholders' Meeting will be posted on the Company's website (https://www.nissui.co.jp/ir/share_information/meeting.html).

Reference Documents for the General Shareholders' Meeting

Expected Areas of Expertise of Board Members and Audit & Supervisory Board Members (Management structure subject to approval)

Name			Positions and responsibilities subject to approval	Number of years in office	Attendance at the Board of Directors meetings	Attendance at the Audit & Supervisory Board meetings
Shingo Hamada	Reappointed		Representative Board Member and President, Chief Executive Officer, Member of Nomination and Compensation Committee	5	100% (20/20)	
Seiji Takahashi	Reappointed		Representative Board Member, Senior Managing Executive Officer, Member of Nomination and Compensation Committee	7	100% (20/20)	
Shinya Yamamoto	Reappointed		Board Member, Managing Executive Officer, Chief Financial Officer	7	100% (20/20)	
Koji Umeda	Reappointed		Board Member, Managing Executive Officer	2	100% (20/20)	
Shinya Yamashita	Reappointed		Board Member, Managing Executive Officer	1	100% (16/16)	
Masahide Asai	Newly appointed		Board Member, Executive Officer	0		
Mikito Nagai	Reappointed	Outside Independent	Outside Board Member, Chairperson of Nomination and Compensation Committee	2	95% (19/20)	
Yuko Yasuda	Reappointed	Outside Independent	Outside Board Member, Member of Nomination and Compensation Committee	2	95% (19/20)	
Tokio Matsuo	Reappointed	Outside Independent	Outside Board Member, Member of Nomination and Compensation Committee	1	100% (16/16)	
Hiroyuki Hamano			Standing Audit & Supervisory Board Member	3	100% (20/20)	100% (17/17)
Shino Hirose		Outside Independent	Outside Audit & Supervisory Board Member	6	100% (20/20)	94% (16/17)
Masahiro Yamamoto		Outside Independent	Outside Audit & Supervisory Board Member	1	94% (15/16)	100% (12/12)
Tadashi Kanki		Outside Independent	Outside Audit & Supervisory Board Member	1	94% (15/16)	100% (12/12)

The "Independence Criteria of Outside Executive Officers" stipulated by the Company is posted on the Company's website.

(https://www.nissui.co.jp/ir/management_policy/governance.html)

Name	Corporate management	Finance and accounting	Marketing and sales	Production and technology	R&D	International perspective	Corporate governance	Risk management	Legal affairs and compliance	sustainability
Shingo Hamada	○			○	○	○	○			
Seiji Takahashi	○		○			○	○	○	○	
Shinya Yamamoto		○				○	○	○		○
Koji Umeda			○	○	○					
Shinya Yamashita					○	○				
Masahide Asai	○		○			○				
Mikito Nagai	○		○				○	○	○	
Yuko Yasuda						○	○	○	○	○
Tokio Matsuo	○			○			○	○	○	○
Hiroyuki Hamano		○				○	○	○	○	
Shino Hirose						○	○	○	○	○
Masahiro Yamamoto		○					○	○	○	
Tadashi Kanki							○	○	○	

Proposals and References

Roles and Structure of the Board of Directors

< Principal roles >

The role of the Board of Directors is to show the overall direction of the Company such as its mission, vision and mid- to long-term management strategies, etc., and to carry out important decision-making on business operations and provide appropriate supervision, to facilitate sustainable growth and mid- to long-term increase in corporate value while addressing social issues.

< Structure >

In order to fulfill the abovementioned roles, the Board of Directors must be composed of members with knowledge and experience of the Company’s principal businesses, as well as flexibility and creativity to promote integration between businesses, in addition to expertise and experience in such areas as “corporate management,” “finance and accounting” and “corporate governance.” At least one-third of the Board Members are Independent Outside Board Members as it is important to incorporate diverse perspectives, including gender diversity, in its structure.

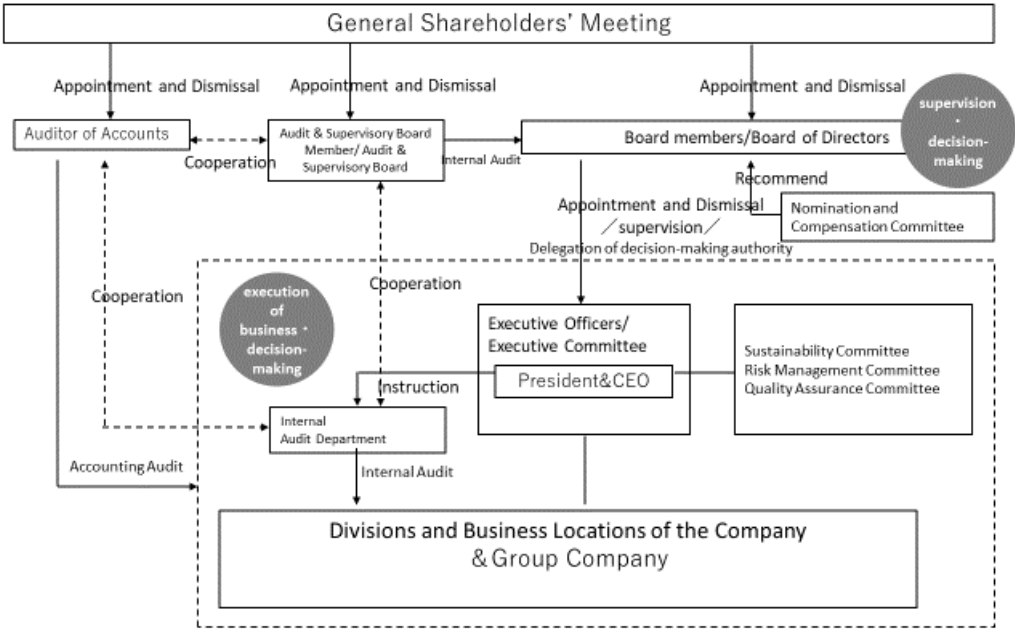
Nomination and Compensation Committee

The Nomination and Compensation Committee is optional committee that serves as advisory bodies to the Board of Directors. The Committee consists of three Independent Outside Board Members and two Representative Board Members, and is chaired by an Outside Board Member.

The Nomination Committee deliberates on issues such as the selection and dismissal of candidates for officers including the President and succession planning to make recommendations to the Board of Directors.

The Compensation Committee annually examines the system and levels, etc. of compensation in comparison with industry peers of similar scale. In calculating the amount of individual compensation, the Committee determines the basic amount of compensation based on corporate performance and business performance targets including sustainability, and evaluates individual performance to make recommendations to the Board of Directors. The final amounts to be paid to each Board Members, etc. is determined by the Compensation Committee delegated by the Board of Directors.

Diagram: System of Corporate Governance



Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for proposal

(1) Proposed amendments to Article 1 of the Articles of Incorporation

Since its founding in 1911, for more than 110 years, the Company has developed not only the fishery business, but also a wide range of businesses such as the food business and the fine chemicals business. Especially nowadays, the Company delivers a wide variety of foods which can meet diverse demands, such as tasty, healthy, environmentally friendly, and sustainable future, cooperating with its global group company.

As rapid changes are expected to take place in the natural and social environment, in order to respond to various needs that have not been discovered so far, the Company redefined its mission and formulated a long-term vision “Aiming to become a leading company that delivers friendly foods both for people and the earth” (Good Foods 2030).

As we start this year the Mid-term business plan “Good Foods Recipe 1” (from FY2022 to FY2024) as a first step toward achieving the vision, it is proposed that our brand symbol and brand slogan be rebranded. To integrate the brand and trade name images, it is also proposed that the trade name be changed from “Nippon Suisan Kaisha, Ltd.” to “Kabushiki Kaisha Nissui” (English name: Nissui Corporation) by amending Article 1 (Trade name) of the current Articles of Incorporation.

Supplementary provisions shall be established regarding the effective date of the trade name change in order to effectuate the change on the date of resolution of the Board of Directors meeting to be held by December 31, 2022.

(2) Proposed amendments to Article 13 of the Articles of Incorporation

As the “Act Partially Amending the Act on Strengthening Industrial Competitiveness, etc.” (Act No. 70 of 2021) was enforced on June 16, 2021, listed companies are now able to hold “Shareholders Meeting without a Designated Location” (a so called virtual-only general meeting) by providing in their articles of incorporation to that effect, provided that certain requirements are satisfied with consideration for securing interests of shareholders.

In this proposal, amendments are proposed to be made to the Articles of Incorporation to broaden options in the format of the general shareholders’ meeting, so that a general shareholders’ meeting can be held without a designated location in the event of a pandemic or a natural disaster and other large-scale disasters, or when it is deemed as appropriate by the Board of Directors for the interests of shareholders. The amendments to the provision in this Article is conditional upon the confirmation of both the Minister of Economy, Trade and Industry and the Minister of Justice (the “Confirmation”) to the effect that the Company’s case satisfies the requirements for strengthening industrial competitiveness, with consideration for securing interests of shareholders as provided for by the Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order. The amendments shall take effect on the date on which the Confirmation is obtained.

(3) Proposed amendments to Article 18 of the Articles of Incorporation

The revised provisions stipulated in the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in preparation for the implementation of the system for electronic provision of materials for general shareholders’ meetings, the Company proposes necessary amendments to the Articles of Incorporation, including the establishment of provisions regarding the system for electronic provision and the deletion of provisions regarding the Internet disclosure and deemed provision of reference documents for general shareholders’ meetings.

(4) Proposed amendments to Article 25 of the Articles of Incorporation

In order to allow the Company to ensure a system for agile managerial decision-making even when it is physically difficult to hold a Board of Directors meeting due to a pandemic, etc., amendments are to be made to deem that a resolution has been adopted by the Board of Directors when requirements stipulated in Article 370 of the Companies Act are satisfied (if all Board Members agree to a proposal with respect to a matter which is the purpose of the resolution at a Board of Directors meeting in writing or in an electronic or magnetic record and where Audit & Supervisory Board Members state no objections).

(5) Article 27 of the current Articles of Incorporation

From the perspective of clarifying management responsibility and strengthening corporate governance, the advisor and counselor system shall be abolished.

(6) Proposed amendments to Article 27 and Article 35 of the Articles of Incorporation

With the revisions in the Companies Act in 2014, non-executive Board Members and Audit & Supervisory Board Members who are not Outside Audit & Supervisory Board Members are able to enter into liability limitation agreements. Accordingly, to allow the Company to enter into liability limitation agreements with them, necessary amendments shall be made. The Company has obtained the consent of each Audit & Supervisory Board Member regarding the amendments to Article 27 of the Articles of Incorporation.

(7) Proposed amendments to Article 30, Paragraph 2 of the Articles of Incorporation

It is stipulated that an Audit & Supervisory Board Member’s term of office elected to fill a vacancy of an Audit & Supervisory Board Member who retired prior to the expiry of his or her term of office shall be up to the expiry of the original term of office of the retired Audit & Supervisory Board Member.

2. Details of amendments

Details of amendments are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter I General Provisions (Trade name) Article 1 The trade name of the Company shall be <u>Nippon Suisan Kabushiki Kaisha (Nippon Suisan Kaisha, Ltd. in English).</u></p> <p>Article 2 to Article 5 (Omitted)</p> <p>Chapter II Shares Article 6 to Article 12 (Omitted)</p> <p>Chapter III Shareholders' Meeting (Convocation) Article 13 1) An ordinary general shareholders' meeting of the Company shall be held within three (3) months from the following day of each fiscal year end and an extraordinary shareholders' meeting shall be held <u>when necessary.</u> 2) A general shareholders' meeting shall be convened in any ward in Tokyo.</p> <p>(Newly established)</p> <p>Article 14 to Article 17 (Omitted)</p> <p><u>(Internet disclosure and deemed provision of reference documents for general shareholders' meetings)</u> Article 18 <u>In the convocation of general shareholders' meetings, the Company may deem that it has provided to shareholders information concerning matters that must be displayed in the reference documents for general shareholders' meetings, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements via Internet disclosure in conformity with definitions provided in the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>Chapter I General Provisions (Trade name) Article 1 The trade name of the Company shall be <u>Kabushiki Kaisha Nissui (Nissui Corporation in English).</u></p> <p>Article 2 to Article 5 (Unchanged)</p> <p>Chapter II Shares Article 6 to Article 12 (Unchanged)</p> <p>Chapter III Shareholders' Meeting (Convocation) Article 13 1) An ordinary general shareholders' meeting of the Company shall be held within three (3) months from the following day of each fiscal year end and an extraordinary shareholders' meeting shall be held <u>when it is necessary.</u> 2) A general shareholders' meeting <u>of the Company shall be convened in any ward in Tokyo; provided, however, this does not apply in cases under the following paragraph.</u> 3) <u>A general shareholders' meeting of the Company may be held as a shareholders' meeting without a designated location.</u></p> <p>Article 14 to Article 17 (Unchanged)</p> <p>(Deleted)</p> <p>(Measures for electronic provision, etc.) Article 18 1) <u>In the convocation of general shareholders' meetings, the Company shall provide electronically information that is the content of reference documents for the general shareholders' meetings, etc.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter IV Board Members and the Board of Directors Article 19 to Article 24 (Omitted)</p> <p style="text-align: center;">(Newly established)</p> <p>Article <u>25</u> (Omitted)</p> <p>(Liability limitation agreements with <u>Outside Board Members</u>) Article <u>26</u> The Company may enter into an agreement with <u>Outside Board Members</u> that limits their liabilities for damages due to the negligence of their duties to the limit stipulated in laws and regulations pursuant to Article 427, Paragraph 1 of the Companies Act.</p> <p>(<u>Advisor and counselor</u>) Article <u>27</u> <u>The Company may have a few advisors and counselors by resolution of the Board of Directors.</u></p> <p>Chapter V Audit & Supervisory Board Members and the Audit & Supervisory Board</p> <p>Article 28 to Article 29 (Omitted)</p> <p>(Term of office) Article 30 Audit & Supervisory Board Members' terms of office shall be up to the close of the ordinary general shareholders' meeting held for the last business year within four (4) years after their election.</p> <p style="text-align: center;">(Newly established)</p>	<p><u>2) Of the matters to which electronic provision measures apply, the Company may choose not to record all or part of matters stipulated in the Ordinance of the Ministry of Justice in the physical documents provided to shareholders who made requests for provision of physical documents by the record date for voting rights.</u></p> <p style="text-align: center;">Chapter IV Board Members and the Board of Directors Article 19 to Article 24 (Unchanged)</p> <p>(<u>Omission of resolution of Board of Directors meetings</u>) <u>Article 25 The Company shall deem a proposal as having been resolved by the Board of Directors, should such proposal satisfy the provisions under Article 370 of the Companies Act.</u></p> <p>Article <u>26</u> (Unchanged)</p> <p>(Liability limitation agreements with <u>Board Members</u>) Article <u>27</u> The Company may enter into an agreement with <u>Board Members (excluding those serving as executive Board Members, etc.)</u> that limits their liabilities for damages due to the negligence of their duties to the limit stipulated in laws and regulations pursuant to Article 427, Paragraph 1 of the Companies Act.</p> <p style="text-align: center;">(Deleted)</p> <p>Chapter V Audit & Supervisory Board Members and the Audit & Supervisory Board</p> <p>Article 28 to Article 29 (Unchanged)</p> <p>(Term of office) Article 30</p> <p><u>1) Audit & Supervisory Board Members' terms of office shall be up to the close of the ordinary general shareholders' meeting held for the last business year within four (4) years after their election.</u></p> <p><u>2) An Audit & Supervisory Board Member's term of office elected to fill a vacancy of an Audit & Supervisory Board Member who retired prior to the expiry of his or her term of office shall be up to the expiry of the original term of office of the retired Audit & Supervisory Board Member.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 31 to Article 34 (Omitted)</p> <p>(Liability limitation agreements with <u>Outside Audit & Supervisory Board Members</u>)</p> <p>Article 35 The Company may enter into an agreement with <u>Outside Audit & Supervisory Board Members</u> that limits their liabilities for damages due to the negligence of their duties to the limit stipulated in laws and regulations pursuant to Article 427, Paragraph 1 of the Companies Act.</p> <p style="text-align: center;">Chapter VI Accounting</p> <p>Article 36 to Article 39 (Omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 31 to Article 34 (Unchanged)</p> <p>(Liability limitation agreements with <u>Audit & Supervisory Board Members</u>)</p> <p>Article 35 The Company may enter into an agreement with <u>Audit & Supervisory Board Members</u> that limits their liabilities for damages due to the negligence of their duties to the limit stipulated in laws and regulations pursuant to Article 427, Paragraph 1 of the Companies Act.</p> <p style="text-align: center;">Chapter VI Accounting</p> <p>Article 36 to Article 39 (Unchanged)</p> <p><u>Supplementary provisions</u></p> <p><u>Article 1 (Timing of trade name change)</u> <u>The amendments to Article 1 (Trade name) of the Articles of Incorporation shall take effect on the date of resolution of the Board of Directors meeting to be held by December 31, 2022, after the 107th Ordinary General Shareholders' Meeting on June 28, 2022.</u> <u>Article 1 of the Supplementary provisions shall be deleted after the lapse of the said effective date.</u></p> <p><u>Article 2 (Transitional measures for the location of general shareholders' meetings)</u> <u>The amendments to Article 13 (Convocation) of the Articles of Incorporation shall take effect on the date on which the Company obtains the confirmation of both the Minister of Economy, Trade and Industry and the Minister of Justice, as set forth by the Act Partially Amending the Act on Strengthening Industrial Competitiveness, etc. Article 2 of the Supplementary provisions shall be deleted after the lapse of the said effective date.</u></p> <p><u>Article 3 (Transitional measures for the measures for electronic provision, etc.)</u></p> <p><u>1. The deletion of Article 18 (Internet disclosure and deemed provision of reference documents for general shareholders' meetings) of the Articles of Incorporation and the establishment of Article 18 (Measures for electronic provision, etc.) shall take effect of September 1, 2022, which is the date of enforcement of the revised provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019; the "Enforcement Date").</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p data-bbox="815 219 1396 443"><u>2. Notwithstanding the provisions of the previous paragraph, Article 18 (Internet disclosure and deemed provision of reference documents for general shareholders' meetings) of the current Articles of Incorporation shall remain valid for a general shareholders' meeting held on a day that is within six months of the Enforcement Date.</u></p> <p data-bbox="815 477 1396 667"><u>3. Article 3 of these supplementary provisions shall be deleted after the lapse of six months from the Enforcement Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 2: Election of Nine (9) Board Members

The terms of office of all eight (8) Board Members will expire at the close of this Meeting. Accordingly, the Company proposes the election of nine (9) Board Members, increasing the number of Board Members by one (1) to strengthen the management system toward achieving the targets of the Mid-term business plan. The candidates for Board Members are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Shingo Hamada (January 7, 1959)	<p>April 1983 Joined the Company</p> <p>March 2005 General Manager of Production Promotion Office</p> <p>April 2008 General Manager of Hachioji General Plant</p> <p>December 2011 President, Shandong Sanfod Nissui Co., Ltd.</p> <p> Concurrently served as General Manager of China Business Office, the Company</p> <p>March 2014 General Manager of Food Products Production Promotion Office</p> <p>June 2014 Executive Officer</p> <p>June 2017 Board Member, Executive Officer</p> <p> Food Products Business Operating Officer</p> <p>June 2018 Board Member, Managing Executive Officer</p> <p>June 2019 Representative Board Member, Senior Managing Executive Officer</p> <p>March 2020 Chief Operating Officer</p> <p>June 2021 Representative Board Member, President and Chief Executive Officer (to present)</p> <p>(Currently Representative Board Member and President, Chief Executive Officer of the Company)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Outside Board Member, Chuo Gyorui Co., Ltd. 	32,800
<p>[Reason for nomination as candidate for Board Member]</p> <p>He has promoted the food products business on the front lines of food production, management, and development for many years at the Company and its domestic and overseas Group companies, while engaging in sales as Deputy Food Products Business Operating Officer. He was appointed as Board Member in 2017, and has advanced business integration in fields where the three core businesses of the Company overlap. He has led the formulation of the long-term vision and the Mid-term business plan, and has been responsible for overall management as Chief Operating Officer from 2020 and as Representative Board Member and President from 2021. The Company has renominated him as a candidate for Board Member as he has abundant knowledge, experience, and insight as well as a sense of balance that enables him to supervise overall management and make decisions appropriately.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Seiji Takahashi (December 14, 1957)	<p>April 1982 Joined the Company</p> <p>November 2004 General Manager of Live and Fresh Fish Feed Department</p> <p>March 2007 General Manager of Feed and Aquaculture Department</p> <p>June 2009 Executive Officer</p> <p>March 2011 Business Supervisor in South America President, NIPPON SUISAN AMERICA LATINA S.A.</p> <p>June 2015 Board Member, Executive Officer, Business Supervisor in North America, the Company President, NIPPON SUISAN (U.S.A.), INC.</p> <p>June 2018 Fisheries Business Operating Officer, the Company</p> <p>June 2019 Board Member, Managing Executive Officer</p> <p>June 2021 Representative Board Member, Senior Managing Executive Officer (to present)</p> <p>(Currently Representative Board Member, Senior Managing Executive Officer and Fisheries Business Operating Officer of the Company)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Outside Audit & Supervisory Board Member, CHUBU SUISAN Co., Ltd. 	19,900
<p>[Reason for nomination as candidate for Board Member]</p> <p>After engaging in the fresh fish, feed, and aquaculture businesses of the Company and its overseas Group companies, he took charge of the Company's South America operations as Executive Officer from 2011, and of its North America operations as Board Member, Executive Officer from 2015. He has been working to expand the overseas business and stabilize the aquaculture business to achieve profitability. As Representative Board Member, Senior Managing Executive Officer from 2021, he has been pursuing high added value and promoting a transition to a business structure that is resilient to environmental changes. The Company has renominated him as a candidate for Board Member as he has the flexibility and creativity required for advancing business integration in fields where the three core businesses of the Company overlap.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Shinya Yamamoto (June 6, 1961)	<p>April 1985 Joined the Company</p> <p>April 2013 General Manager of Finance and Accounting Department</p> <p>June 2014 Executive Officer</p> <p>June 2015 Board Member, Executive Officer</p> <p>May 2017 Representative Board Member and President, Nissui G Net Co., Ltd.</p> <p>June 2017 Board Member, Managing Executive Officer, the Company Chief Financial Officer, the Company (to present)</p> <p>(Currently Board Member, Managing Executive Officer, Chief Financial Officer, In charge of Corporate Administration Group of the Company)</p>	56,400
<p>[Reason for nomination as candidate for Board Member]</p> <p>After engaging mainly in the accounting, finance, and human resources operations of the Company and its overseas Group companies, he has been in charge of finance, general affairs, legal affairs, risk management, and CSR as Board Member, Executive Officer from 2015. Since 2017, as Board Member, Managing Executive Officer, he has been serving as Chief Financial Officer in charge of Corporate Administration Group, and has been leading the enhancement of governance including that of Group companies, while strengthening the corporate financial standing. The Company has renominated him as a candidate for Board Member as he has a sense of balance that enables him to make decisions appropriately based on his abundant experience and achievements and from a professional aspect.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Koji Umeda (February 19, 1961)	April 1983 Joined the Company March 2007 General Manager of Hiroshima Branch March 2009 General Manager of Shelf-stable Foods Department April 2013 General Manager of Fukuoka Branch March 2015 General Manager of Metropolitan Consumer Products Sales Department, National Account Sales Division June 2016 Executive Officer, General Manager of National Account Sales Division March 2020 Food Products Business Operating Officer June 2020 Board Member, Executive Officer June 2021 Board Member, Managing Executive Officer (to present) (Currently Board Member, Managing Executive Officer, Food Products Business Operating Officer, In charge of Marketing Planning Department, Strategic Sales Department (joint) of the Company)	14,200
<p>[Reason for nomination as candidate for Board Member]</p> <p>He has engaged in the sales of food products for many years at the Company and has fostered business sense as General Manager of Shelf-stable Foods Department. After honing his management skills at regional branches, he spearheaded sales activities in highly competitive markets as Executive Officer, General Manager of National Account Sales Division from 2016. He has been in charge of the overall business including marketing and production as Food Products Business Operating Officer since 2020 and as Board Member, Managing Executive Officer since 2021, while engaging in a structural reform of the chilled foods business and stabilizing revenue from the food products business. The Company has renominated him as a candidate for Board Member as he has abundant experience and knowledge regarding the food products business.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Shinya Yamashita (June 30, 1959)	<p>April 1983 Joined the Company</p> <p>March 2007 General Manager of Central Research Laboratory</p> <p>March 2011 General Manager of Central Research Laboratory and General Manager of Tokyo Innovation Center</p> <p>June 2016 Executive Officer, General Manager of Central Research Laboratory</p> <p>June 2021 Board Member, Executive Officer, Fine Chemicals Business Operating Officer (to present)</p> <p>(Currently Board Member, Executive Officer, Fine Chemicals Business Operating Officer, In charge of R&D Group of the Company)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Board Member, NISSUI PHARMACEUTICAL CO., LTD. • Board Member and Chairman, TN Fine Chemicals Co. Ltd. 	10,600
<p>[Reason for nomination as candidate for Board Member]</p> <p>He has engaged in research and development for food products, fisheries, and the fine chemicals businesses for many years at the Company. He has held positions including Executive Officer and General Manager of Central Research Laboratory from 2016 and has been in charge of the R&D Group since 2020. Assuming the role in supervising the entire business as Board Member, Executive Officer and Fine Chemicals Business Operating Officer from 2021, he has been strengthening the overseas development of pharmaceutical raw materials and expanding sales of functional foods. The Company has renominated him as a candidate for Board Member as he has abundant experience and knowledge regarding R&D and the fine chemicals business.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	<p>Masahide Asai (March 14, 1962)</p> <p>[Newly appointed]</p>	<p>April 1984 Joined the Company</p> <p>March 2009 General Manager of Fisheries Business Department 2</p> <p>May 2012 Representative Director and President, Yokohama Trading Corp., Ltd.</p> <p>March 2014 General Manager of Fisheries Business Department 3, the Company</p> <p>June 2018 Executive Officer, Business Supervisor in North America Board Member and President, NIPPON SUISAN (U.S.A.), INC.</p> <p>June 2019 Business Supervisor in South America, the Company Board Member and President, NIPPON SUISAN AMERICA LATINA S.A. (N.A.L.)</p> <p>March 2022 International Business Operating Officer, General Manager of Business Supervisor in South America, the Company (to present)</p> <p>(Currently Executive Officer, International Business Operating Officer, General Manager of Business Supervisor in South America, In charge of International Business Development Department, Strategic Sales Department (joint) of the Company)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Board Member and President NIPPON SUISAN AMERICA LATINA S.A. (N.A.L.) 	4,700
<p>[Reason for nomination as candidate for Board Member]</p> <p>He has engaged in the fisheries business for many years at the Company and its domestic and overseas Group companies. He was appointed as Executive Officer, Business Supervisor in North America in 2018, and as Business Supervisor in South America in 2019. He has been supervising the overall business as International Business Operating Officer since March 2022, a position tasked with supervising the newly established international business division. The Company has nominated him as a candidate for Board Member in the expectation that he will further grow and expand the international business toward achieving the long-term vision in 2030, and to supervise overall management as Board Member based on his excellent analytical ability and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	<p>Mikito Nagai (October 28, 1955)</p> <p>[Outside] [Independent]</p>	<p>April 1978 Joined the Industrial Bank of Japan, Limited</p> <p>April 2003 General Manager of Head Office Sales Department No.2, Mizuho Corporate Bank, Ltd.</p> <p>April 2004 General Manager of Head Office Sales Department No.2 and General Manager of Head Office Sales Department No.9</p> <p>June 2004 General Manager of Sales Department No.9</p> <p>April 2005 Executive Officer, General Manager of Sales Department No.9</p> <p>April 2007 Managing Director, Officer supervising Corporate Banking Unit</p> <p>April 2009 Managing Executive Officer, Officer supervising Corporate Banking Unit</p> <p>April 2011 Director and Vice President, Officer supervising Internal Control</p> <p>April 2012 Director and Vice President</p> <p>April 2013 Senior General Manager (until April 30, 2013)</p> <p>May 2013 Vice President and Executive Officer, Nippon Steel Kowa Real Estate Co., Ltd.</p> <p>June 2013 Vice President and Director Nippon Steel Kowa Real Estate Co., Ltd.</p> <p>June 2014 President and CEO Nippon Steel Kowa Real Estate Co., Ltd.</p> <p>April 2019 Director and Senior Advisor, NIPPON STEEL KOWA REAL ESTATE CO., LTD. (company name changed)</p> <p>June 2019 Senior Advisor, NIPPON STEEL KOWA REAL ESTATE CO., LTD. Outside Director (Audit & Supervisory Committee Member), OKASAN SECURITIES GROUP INC. (to present)</p> <p>June 2020 Outside Board Member of the Company</p> <p>June 2021 Outside Director, Tohoku Electric Power Co., Inc. (to present) Outside Director, OHBA CO., LTD. (to present)</p> <p>(Currently Outside Board Member of the Company)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Outside Director (Audit & Supervisory Committee Member), OKASAN SECURITIES GROUP INC. • Outside Director, Tohoku Electric Power Co., Inc. • Outside Director, OHBA CO., LTD. 	0
<p>[Reason for nomination as candidate for Outside Board Member and expected roles]</p> <p>In addition to his years of experience at financial institutions, he has broad insight gained as a President and CEO of an operating company. The Company has renominated him as a candidate for Outside Board Member in the expectation that he will appropriately supervise overall management by applying past experience and case studies in identifying issues and by providing frank opinions from a medium- to long-term perspective. In addition, he is expected to demonstrate leadership as Chairperson of the Nomination Committee and Compensation Committee.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	<p>Yuko Yasuda (September 16, 1961)</p> <p>[Outside] [Independent]</p>	<p>April 1985 Joined IBM Japan, Ltd.</p> <p>September 1991 Joined Booz Allen Hamilton Inc.</p> <p>September 1993 Joined Russell Reynolds Associates Japan Inc.</p> <p>June 1996 Managing Director, Russell Reynolds Associates Japan Inc.</p> <p>April 2003 Representative in Japan, Russell Reynolds Associates Japan Inc. Member of Executive Committee, Russell Reynolds Associates Inc.</p> <p>April 2010 Member of The Board of Trustees, KEIZAI DOYUKAI (Japan Association of Corporate Executives)</p> <p>June 2015 Outside Director, SCSK Corporation</p> <p>June 2016 Outside Director and Audit and Supervisory Committee Member, SCSK Corporation</p> <p>March 2017 Outside Director, Showa Shell Sekiyu K.K.</p> <p>June 2018 Outside Director (Audit and Supervisory Committee Member), Murata Manufacturing Co., Ltd.</p> <p>April 2019 Outside Director, Idemitsu Kosan Co., Ltd.</p> <p>June 2020 Outside Board Member of the Company Outside Director, Murata Manufacturing Co., Ltd. (to present)</p> <p>July 2020 Joined Board Advisors Japan, Inc. as Senior Partner (to present)</p> <p>(Currently Outside Board Member of the Company)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Outside Director, Murata Manufacturing Co., Ltd. 	0
<p>[Reason for nomination as candidate for Outside Board Member and expected roles]</p> <p>In addition to years of experience serving as a Managing Director of a consulting firm as a personnel and management consultant, she has broad insight gained as an outside director of other companies. The Company has renominated her as a candidate for Outside Board Member in the expectation that she will appropriately supervise overall management by providing frank opinions from a perspective of the effectiveness and diversity of the Board of Directors.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Tokio Matsuo (April 26, 1957) [Outside] [Independent]	<p>April 1980 Joined Asahi Glass Co., Ltd. (currently AGC Inc.)</p> <p>January 2006 General Manager of Engineering Center</p> <p>January 2010 Executive Officer, General Manager of CSR Office; Standing Director, The Asahi Glass Foundation Scholarship</p> <p>June 2016 Representative Director President and Executive Officer, NIPPON CARBIDE INDUSTRIES CO., INC.</p> <p>June 2020 Counselor, NIPPON CARBIDE INDUSTRIES CO., INC.</p> <p>June 2021 Outside Board Member of the Company Outside Director, Toyo Gosei Co., Ltd. (to present)</p> <p>(Currently Outside Board Member of the Company)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Outside Director, Toyo Gosei Co., Ltd. 	0
<p>[Reason for nomination as candidate for Outside Board Member and expected roles]</p> <p>In addition to many years of experience at a glass manufacturer, he has broad expertise accumulated as a Representative Director of a chemical manufacturer. The Company has nominated him as a candidate for Outside Board Member in the expectation that he will appropriately supervise overall management by providing frank opinions on sustainability initiatives from a medium- to long-term perspective.</p>			

- Notes:
1. Mikito Nagai, Yuko Yasuda and Tokio Matsuo are incumbent Outside Board Members of the Company. Mikito Nagai and Yuko Yasuda will have served as Outside Board Members for two (2) years and Tokio Matsuo for one (1) year at the close of this Meeting.
 2. The Company stipulates in its Articles of Incorporation that it can conclude agreements with Outside Board Members to limit their liability for damages to the Company provided in Article 427, Paragraph 1 of the Companies Act to the limit stipulated in laws and regulations. Mikito Nagai, Yuko Yasuda and Tokio Matsuo are incumbent Outside Board Members of the Company, and the Company has entered into the aforementioned agreement with all of them. If their election is approved, the Company will extend the aforementioned agreement with all of them.
 3. The Company has concluded a Directors and Officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, covering legal damages and litigation expenses to be borne by the insureds due to execution of their duties (however, this excludes certain cases that fall under the exemptions stipulated in the insurance contract). If the candidates are reelected or elected, they will be insured under the insurance contract. The Company will renew the contract with the same contents at the next renewal.
 4. To determine the independence of its Outside Board Members and Outside Audit & Supervisory Board Members (“Outside Executives”), the Company has stipulated its own Independence Criteria of Outside Executive Officers in addition to the standard provided by the Tokyo Stock Exchange. Mikito Nagai, Yuko Yasuda and Tokio Matsuo satisfy these standards and have been reported to the Tokyo Stock Exchange as Independent Board Members. If they are reelected and take office as Board Members, they will continue to serve as Independent Board Members.

(Attached Documents)

BUSINESS REPORT (from April 1, 2021 to March 31, 2022)

1. Current status of the corporate group

(1) Business activities and results

During the consolidated fiscal year under review, thanks to the various economic policies by the government, the Japanese economy gradually recovered in corporate earnings improvement, mainly in the manufacturing industry and personal consumption. However, the restriction and pre-emergency measures of COVID-19 were declared repeatedly. However, with currency exchange fluctuation, confusion in logistics, high cost of raw materials and labor, the situation is more unclear than ever due to the outbreak of the new corona variant and the Russian invasion of Ukraine.

In terms of the global economy, subject to consolidated accounting from January to December, the number of infected persons with COVID-19 rose in the United States and Europe. However, consumer spending and capital investment increased since the emergency declaration was gradually lifted in the background of vaccination spread.

The Company and the Group showed improvement in its aquaculture business in Japan and overseas. Sales of marine products improved following the recovery of economic activities while the Alaskan pollock processing business struggled. The deals for household and food service in the food products business stayed firm in Europe and the USA. Still, they had a difficult time in Japan because of the weaker yen and increasing raw material prices.

Under these circumstances, the consolidated financial results through the consolidated fiscal year under review were as follows: net sales were 693,682 million yen, up 78,637 million yen year-on-year; operating profit was 27,076 million yen, up 9,077 million yen year-on-year; ordinary profit was 32,372 million yen, up 9,702 million yen year-on-year. Profit attributable to owners of the parent was 17,275 million yen, up 2,883 million yen year-on-year, as the Company posted an impairment loss of 5,516 million yen (Note).

As for dividends, the year-end dividend per share was decided to be 8.00 yen. As a result, the annual dividend per share will be 14.00 yen (9.5 yen for the 1st Half), including the interim dividend 6.00 yen.

The Company applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29) from the beginning of the current fiscal year. Accordingly, the figures for the previous year had retroactively adopted the above accounting standard.

(Note): In the 3rd Quarter, there were indications of impairment on non-current assets of Unisea, Inc., one of the consolidated companies of the Company, in the United States, and the Company posted 5.002 million yen as an impairment loss.

The following is the overview of business during the fiscal year.

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	ROE
FY2021	693,682	27,026	32,372	17,275	9.6%
FY2020	615,044	17,998	22,670	14,391	8.9%
Difference	78,637	9,077	9,702	2,883	0.7%
Percentage difference (%)	112.8%	150.4%	142.8%	120.0%	108%

Marine Products Business

The Marine Products segment is engaged in the fishery, aquaculture, and seafood processing and trading businesses.

<Overview of the consolidated fiscal year under review>

The Company recorded 287,768 million yen (up 37,988 million yen year-on-year) in the sales and operating profit of 12,721 million yen (up 6,831 million yen year-on-year) in the Marine Products Business.

Fishery Business: Revenue increased, but income decreased year on year.

Revenue increased in South America and Japan as the catch was strong, but income decreased due to rising fuel prices.

Aquaculture Business: Both revenue and income increased year on year.

[Japan]

The sales price of buri yellowtail and Coho salmon were steady. Both revenue and income increased as the cost reduction in tuna farming, which struggled last year, affected the result.

[South America]

Both sales and profit increased thanks to the increased sales volume and sales price of salmon/trout.

Seafood Processing and Trading Business: Both sales and profits increased year on year.

[Japan]

Sales and profits increased as the fish price rose since the sales price of main species such as salmon/trout improved.

[North America]

Sales and profits increased as the sales were firm following the recovery of economic activities. However, the production volume of fillet and pollock roe declined due to the epidemic of COVID-19 at pollock processing factories in Alaska, USA. In addition, there was an increase in cost for countermeasures for coronavirus than expected.

[Europe]

Both sales and profits increased as economic activities improved.

Food Products Business

The Food Products segment is engaged in the food processing and chilled foods businesses.

<Overview of the consolidated fiscal year under review>

The Company recorded 328,602 million yen (up 27,419 million yen year-on-year) in sales and operating profit of 15,400 million yen (up 1,384 million yen year-on-year).

Processed Foods Business: Both sales and profits increased year on year.

[Japan]

Sales increased, but profits decreased due to weak yen and rising material costs such as surimi while sales were steady.

[North America and Europe]

Sales and profits grew as sales for food service expanded as the demand for dining out improved, whereas deals for household use stayed healthy.

Chilled Foods Business: Both revenue and income increased year-on-year

Income increased as the sales of chilled lunch boxes (Note1) and rice balls for convenience stores improved. Also, there was a cost reduction in labor costs.

(Note 1) Products that can reduce food loss can be sold for a more extended period and kept fresh than lunch boxes for ordinary temperature by distributing and selling in a refrigerated state (around five centigrade).

Fine Chemicals Business

The Fine Chemicals segment manufactures and sells pharmaceutical raw materials, functional raw materials (Note2), functional foods (Note 3), diagnostic medicines, and test drugs.

<Overview of the consolidated fiscal year under review>

The Company recorded 34,074 million yen (up 8,019 million yen year-on-year) in sales and an operating profit of 4,052 million yen (up 1,664 million yen year-on-year) in the Fine Chemicals Business.

Pharmaceutical Raw Materials, Functional Raw Materials, and Functional Foods: Both sales and profits increased year on year.

Sales and profits increased thanks to the strong mail-order sales of functional foods and the export of pharmaceutical raw materials to the U.S.A.

Clinical Diagnostic and Test Drug: Both sales and profits increased year on year.

Sales and profits increased as PCR testing agents for the COVID-19 and culture media for overseas sold well.

(Note 2) EPA, DHA, and others mainly used as ingredients in health supplements and infant formula

(Note 3) Supplements such as "Sesame soy milk" functional food and "i-mark S," food for specified health uses (FOSHU), mainly for online business

General Distribution Business

The General Distribution segment is engaged in the cold storage, transportation, and customs clearing businesses.

<Overview of the consolidated fiscal year under review>

The Company recorded 15,778 million yen (down 896 million yen year-on-year) in sales and an operating profit of 2,041 million yen (down 159 million yen year-on-year) in the General Distribution Business.

Revenue decreased due to the partial business transfer, and income fell because of increasing electric charges.

Net Sales and Operating Profit by Business

(In millions of yen)

Category	106th fiscal year (FY2020)		107th fiscal year (FY2021)		Changes from the previous year	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Marine Products	249,779	5,889	287,768	12,721	15.2 %	116.0 %
Food Products	301,182	14,016	328,602	15,400	9.1	9.9
Fine Chemicals	26,055	2,388	34,074	4,052	30.8	69.7
General Distribution	16,674	2,201	15,778	2,041	(5.4)	(7.3)
Total	593,692	24,495	666,223	34,215	12.2	39.7
Other	21,351	748	27,458	1,005	28.6	34.3
Total	615,044	25,244	693,682	35,220	12.8	39.5
Consolidated Adjustment	—	(7,245)	—	(8,144)	—	—
Total	615,044	17,998	693,682	27,076	12.8	50.4

Note: 1. "Net sales" means net sales to third party.

2. "Consolidated Adjustment" means operating expenses that cannot be allocated to each segment.

(2) Issues to be addressed

The Company considers these issues, especially as important ones, such as "actions to the climate change and marine environment," "sustainable usages of natural resources," "contribution to a healthy life," and "realization of business environment where diverse greatest human capitals can play their active roles." For more than 110 years, the Company has developed its strengths of accessibility of natural resources, R&D, production technology, quality assurance, and global and local links. By taking advantage of these strengths, the Company will deliver innovative foods which can enrich our lives and help solve social issues.

<Mission and Long-term vision>

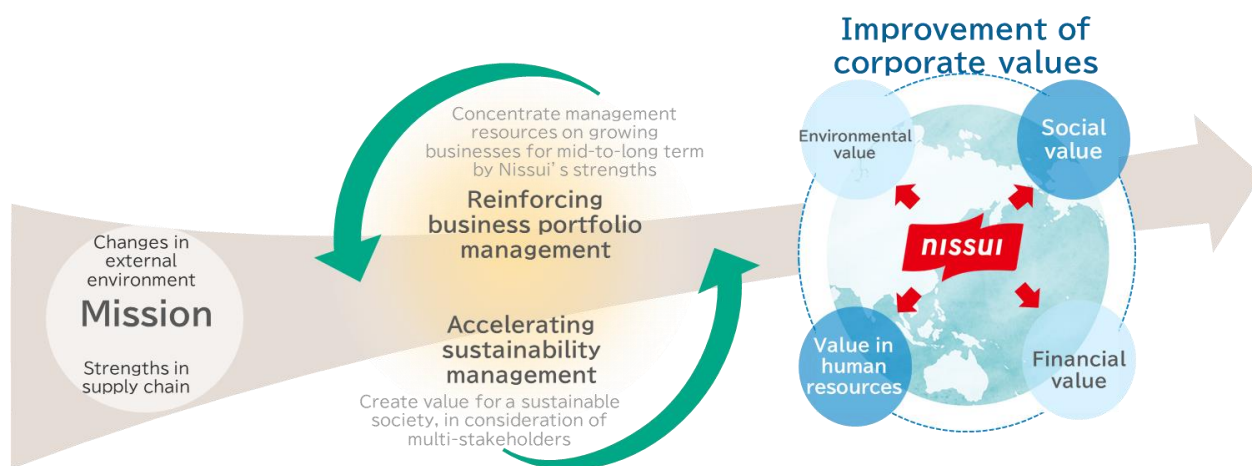
The Company clarifies its long-term vision, “Good Foods 2030”, re-defining our company’s mission.

(Mission)

*With the wellbeing of the ocean and people as our compass, we are driven to offer the world better food choices. we are determined to harness the power of our pioneering spirit and industry expertise to create a healthier, more sustainable future through **innovative food solutions**.*

(Long-term vision “Good Foods 2030”)

Aiming to become a leading company that delivers friendly foods both for people and the earth, “Good Foods 2030”

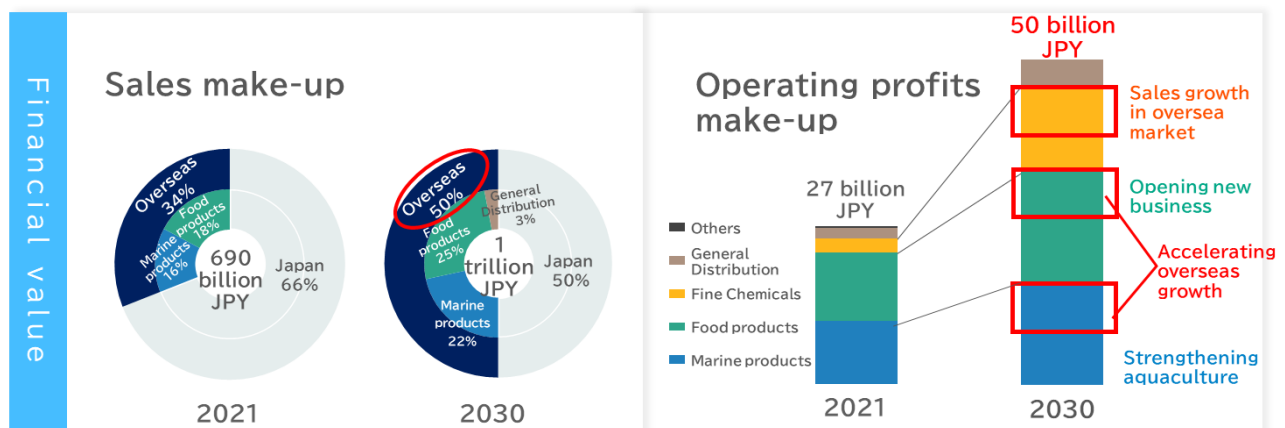


The Company will strive to increase its corporate values by becoming a company with sales of 1,000 billion yen and 50 billion operating income in 2030. The Company will expand global businesses, enhance its aquaculture business, and strengthen the omega 3 fine chemicals business under the strategic management of its business portfolio and sustainability.

< Essential KPI of “Good Foods 2030” >

Values	Themes	Goals	KPI for 2030	Compared (Unit)
Environmental value	Actions toward climate change and ocean environment	Zero CO2 emission	CO2 emission (Scope1.2) Reduce by 30% Achieve carbon-neutral in 2050	FY2018 (Absolute quantity)
		Zero plastic emission	Usage of plastic *Reduced by 30%	FY2015 (per unit)
	Sustainable procurement	Sustainability of marine products	Procurements of sustainable marine resources 100%	-
Responsible procurement		Assessments of primary suppliers 100%	-	
Social value	Solve health problem	Expand products for health category	Sales of healthy products category: Expanded by 300%	FY2021
		Employee engagement	Employee engagement score *improved by 20%	FY2021
Value in human resources	Play important roles by diverse human resources	Promotion of active female participation	Ratio of female manager *20%	-
		Financial Value	Capital strength to compete in the world	Growth and profitability
Capital efficiency	ROIC ≥7.0%			-
Overseas expansion	Ratio of global sales: 50%			-

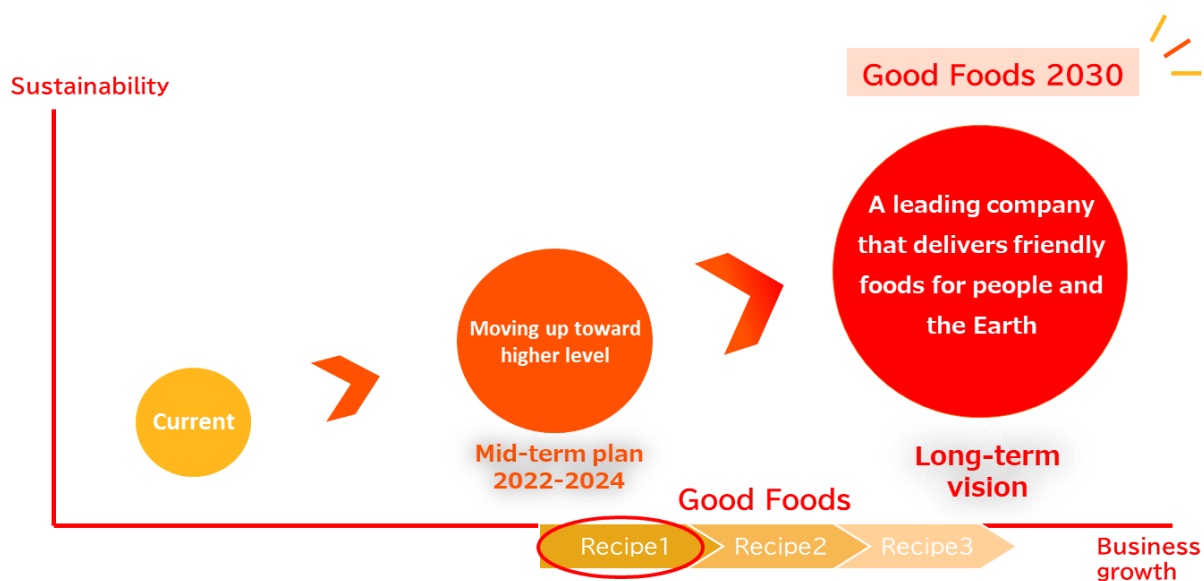
*The numbers is not as Nissui Group Total



< Mid-term business plan “Good Foods Recipe1” >

1. The outline of the Mid-term business plan “Good Foods Recipe1”

The Company starts the business plan “Good Foods Recipe1” for the three years ending fiscal 2024. The plan is “the first recipe” to achieve its long-term vision in 2030.



2. Financial KPIs of Mid-term business plan “Good Foods Recipe1”

ROIC $\geq 5.5\%$
Improving profitability on each business

ROE $\geq 10.0\%$
Appropriate capital policy

Mid-Term KPI	Forecast FY2021	Plan FY2024
Net Sales	693.6 billion JPY	790.0 billion JPY
Operating Profit	27.0 billion JPY	32.0 billion JPY
Ordinary Profit	32.3 billion JPY	35.0 billion JPY
Profit attributable to owners of parent	17.2 billion JPY	22.5 billion JPY

3. The six strategies of the Mid-term business plan “Good Foods Recipe1”

- i. Sustainability strategy

The Company will tackle the issues such as health promotion, CO2 and plastics reductions, sustainable usage of marine resources, responsible procurements, and various human capitals.
- ii. Global expansion strategy

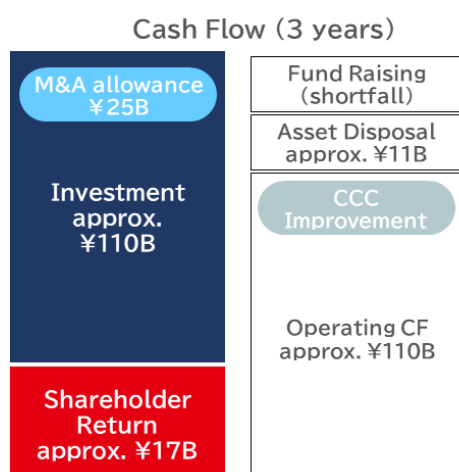
The Company will expand marine and food businesses in Europe and the US, establish businesses in Asia, and increase omega 3 sales to the pharmaceutical industry. The Company aims to achieve global sales from 34% in 2021 to 38% in 2024.
- iii. New business development strategy

By strengthening marketing and R&D, the Company will strive to meet customers’ demands, promoting healthy food solutions, user-friendly product solutions, plant-based products, and marine food delivery solutions.
- iv. Innovations in productivity strategy

The Company will improve the quality and speed of its value creation activities by using AI/IoT technology and digital transformation, especially in aquaculture and food production.
- v. Financial strategy

In addition to its profitability, the Company will do its best to improve ROIC on each business.

The Company intensively invests its assets into high ROIC businesses and builds its appropriate business portfolio. Continuously investing for its future growth, the Company tries to allocate cash to dividends. It aims to achieve a 30% of the payout ratio. The total investment will be 120 billion JPY (110 billion JPY based on the payment amount).



Investment

Plan 110 billion JPY worth of investments, including an M&A allowance of 25 billion JPY
Attempt to maximize investment returns through inclined allocation in high-priority growing fields

Returns to shareholders

Aiming at a 30%+ payout ratio

Sales CF

Improve CCC, and strengthen cash generation (gradual CCC improvement over 3 years)

Selling assets

Sell assets such as cross-shareholding stocks

vi. Governance strategy

The Company aims to strengthen its corporate group governance. The Company tries to build an appropriate board members structure, considering diversity and necessary skills. Re-constructing the Nomination and Compensation Committee of its group companies, the Company will improve the effectiveness of board members' meetings. The Company also sets before-after monitoring on investments for its stable group governance.

<The Nissui Group's Sustainability>

Since its establishment, the Nissui Group has been involved in a business that utilizes a wide variety of natural resources. The sustainable business activities embody our mission as a business. We plan to work on the key issues in cooperation with our stakeholders and resolve social issues through our business activities.

Key Issues (Materiality)

The Nissui Group conducted an analysis of the importance of various social issues from the perspectives of the Group's stakeholders and its business operations and identified materiality in three key issues.

Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement

- Biodiversity Preservation
- Marine Plastics
- Sustainability of Marine Resources

- Human Rights
- Sustainable Procurement
- Environmental Management
- Reducing Environmental Impact

< KPI for 2030 >

- CO2 emission (Scope1・2) Reduced by 30% Compared to FY2018 (absolute quantity)
- Usage of plastic※ Reduced by 30% Compared to FY2015 (per unit)
- Procurements of sustainable marine resources 100%
- Assessments of primary suppliers 100%

※The number is not as the Group Total

Contribute to a healthy lifestyle with food safety and security

- Research and Development to Enrich Lives
- Approach to and Systems to Ensure Safety and Security
- Initiatives to Ensure Safety and Security
- Food Loss and Waste

< KPI for 2030 >

- Sales of healthy products category: Expanded by 300% Compared to FY2021

Aim to be a company where diverse human capital play an important role to address the social agenda

- Work Style Reform
- Diversity & Inclusion
- Training and Development
- Labor Safety
- Human Rights
- Employee Health

< KPI for 2030 >

- Employee engagement score※ Improved by 20% Compared to FY2021
- Ratio of female manager※ 20%

※The number is not as the Group Total

Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement

The Nissui Group is grateful for the bounty of the oceans and will continue to develop technologies that promote the sustainable utilization of resources in fishing, aquaculture, and related industries, to protect the environment and resources for the next generation. Also, we are working with our suppliers to implement sustainable procurement that maintains respect for human rights.

Sustainable Use of Natural Marine Resources

~Second Survey of Procured Marine Resources Sustainability~

The Company conducted its second survey on resources based on the results of wild-caught fish procured in 2019 by the Company and its Group. The Company will formulate policies and take concrete action with respect to resources with issues, with the aim of confirming the sustainability of marine resources procured by the Nissui Group by 2030.

Reduction of Greenhouse gas emission

On top of existing efforts to reduce emissions at each business location, the Company will pursue the reduction of greenhouse gas emissions from a Group-wide perspective, including further promoting energy-saving and utilizing renewable energy. The Company has set the reduction of CO2 emissions by 30% (compared to the fiscal 2018 level) by 2030 as a Key Performance Indicator (KPI) of our long-term vision. The Company will implement various measures to reduce emissions and replace freezer facilities with units free of designated CFCs.

Initiatives toward the TCFD (Task Force on Climate-related Financial Disclosures) Recommendations

In November 2021, the Company declared its support for the TCFD recommendations. In line with the disclosure framework proposed by the TCFD, the Company will assess



the risks and opportunities related to climate change and disclose information in terms of governance, strategy, risk management, and metrics and targets. The Company will not only reduce CO2 emissions but also take concrete measures to deal with risks and opportunities arising from climate change, such as ensuring the sustainability of marine resources, and reflect them in management.

Contribute to a healthy lifestyle with food safety and security

The Nissui Group has been developing technologies and innovations to utilize the bounty of the sea for over 100 years. We aim to utilize limited resources effectively and without waste to enable people to experience the delights of food and a rich, healthy life.

Muscle Augmentation effects of Alaska Pollock's Fast Muscle Protein

Muscle deterioration due to aging or inactive lifestyles is a health issue. There are 2 types of major muscles, fast muscles that control instantaneous power, and slow muscles that control endurance. Fast muscles decrease with age, and is thought to be one of the causes of bedridden. Research of the Company, which has been conducted since 2009, discovered that Alaska pollack's fast muscle protein has muscle augmentation effects. The Company will contribute to a healthy life by selling "Alaska pollock's fast muscle protein" product series.

Tasty and Easy to Drink DHA Featuring a Memory Support Function

DHA is an indispensable fatty acid abundant in the human brain and nerves. Deterioration of cognitive functions in aging Japan is a major issue. In this context, the Company sells "Goma Tonyu Jitate no Minna no Mikata DHA" (DHA-Contained Drink with Sesame Soymilk Flavor), a DHA product featuring a function to support memory. To contribute to prolonging healthy life expectancy from the food aspect, the Company offers health components derived from fish in an easy-to-take form as a part of people's daily eating utilizing our accumulated technologies of fish smell reduction and food processing. It is a drink for which the Company particularly pursued taste and easiness of drinking.



Aim to be a company where diverse human capital play an important role to address the social agenda

At the Nissui Group, we believe that actively hiring people from diverse backgrounds stimulates the organization and encourages business development. In our business activities, we actively encourage our employees to be engaged with social issues both locally and globally. Through such efforts, we aim to be a company where diverse human capital play an important role.

Nissui Selected as a Semi-Nadeshiko Brand for the First Time

In March 2022, the Company was selected for the first time as a "Semi-Nadeshiko Brand," which is second only to the "Nadeshiko Brand" in the Nadeshiko Brand initiative, in which listed companies that are outstanding in terms of encouraging women's success in the workplace are selected. Going forward, the Company will promote activities through the intake of diverse human capital regardless of not only gender but also age, nationality, employment history, etc. and the continuation of human capital development and work-style reform which create a corporate culture that leverages such human capital, while encouraging women's success in the workplace.



Selected under 2022 Health & Productivity Stock Selection

It is the fourth consecutive year being acknowledged after being chosen as the first company in the agriculture, forestry, and fisheries industries to be selected for that in 2019. In fiscal 2021, the Company promoted employee health promotion through fish and EPA which are the pillars of our business. And the smoking rate decreased due to continued smoking cessation measures. It was highly evaluated for the expansion of flexible work style systems.



Improvement of Employee Engagement

In 2021, the Company conducted an "Employee Engagement Survey." "Employee engagement," which refers to the strength of an employee's emotional attachment to and feeling toward the company, serves as an indicator for measuring the "trust and contribution" between the company and its employees and checking whether individual growth and organizational growth are attained simultaneously. The Company will treat such an engagement score as one of the KPIs for its long-term vision and implement measures to improve it going forward.

(3) Capital Investments

Capital investment for the consolidated fiscal year ended March 31, 2022 amounted to 19,352 million yen in total.

(4) Financing

There was no significant financing for the consolidated fiscal year ended March 31, 2022.

In order to ensure business activities go smoothly, the Company has selected the optimal financing method from the wide range of methods available, including direct financing, with the aim of procuring stable funds while controlling costs.

In regard to indirect financing, the Company reduced interest rate fluctuation risks and secured stable funds through swift actions such as increasing the ratio of long-term fixed funds in accordance with economic conditions and other factors by balancing long-term fixed funds and variable short-term fixed funds using swaps and other means based on an approximately 1:1 ratio.

Foreign exchange risk has been mitigated by generally procuring with yen, US dollars, or euros depending on the size of the business in each country. Furthermore, commitment lines were set with several financial institutions to prepare for liquidity risks from financing difficulties caused by sudden changes in the economic environment.

In terms of the efficiency of funds, in Japan a cash management system (CMS) is used, and outside Japan lending of funds, etc. between overseas Group companies is centrally managed by the Head Office, taking into consideration the tax systems of each country and other factors. In North America, the controlling company has implemented CMS and manages funds for North America in the same way as Japan.

(5) Trends in Assets and Income

(In millions of yen, unless otherwise specified)

Category	104th fiscal year (FY2018)	105th fiscal year (FY2019)	106th fiscal year (FY2020)	107th fiscal year (FY2021)
Net sales	712,111	690,016	615,044	693,682
Operating profit	21,685	22,834	17,998	27,076
Ordinary profit	25,358	25,807	22,670	32,372
Profit attributable to owners of parent	15,379	14,768	14,391	17,275
Earnings per share (yen)	49.41	47.47	46.25	55.51
Total assets	477,913	491,533	475,468	505,731
Net assets	166,158	172,300	187,779	208,598

Note: 1. Earnings per share was calculated based on the average number of shares outstanding during the fiscal year.

Treasury shares have been deduced from the above number of shares outstanding.

2. The Company implemented a Board Benefit Trust (BBT) from the 104th fiscal year and the Company's shares held by the BBT are included in treasury shares, which are deducted in the calculation of the average number of shares outstanding during the fiscal year.

3. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the 107th fiscal year. Figures for the 106th fiscal year have retroactively adopted the above accounting standards.

(6) Major Business Locations and Principal Subsidiaries (as of March 31, 2022)

1) The Company

Head Office: 1-3-1 Nishi-Shimbashi, Minato-ku, Tokyo, Japan

Sales Offices: Head office and five other locations

Plants: Hachioji General Plant and six other locations

R&D: Tokyo Innovation Center and two other locations

2) Subsidiaries

(In millions of yen, unless otherwise specified)

Company	Head office	Capital	Percentage of voting rights of the Company	Main businesses
NISSUI PHARMACEUTICAL CO., LTD.	Taito-ku, Tokyo	4,449	56.0 (1.9)%	Diagnostic drugs and test drugs production and sales
Kurose Suisan Co., Ltd.	Kushima-shi, Miyazaki	498	100.0	Fish aquaculture / Marine products processing and sales
Seinan Suisan Co., Ltd.	Oshima-gun, Kagoshima	150	100.0	Fish aquaculture / Marine products processing and sales
Kaneko Sangyo Co. Ltd.	Nagasaki-shi, Nagasaki	90	100.0	Fish aquaculture / Marine and food products production and sales / Cold storage management
Yumigahama Suisan Co., Ltd.	Sakaiminato-shi, Tottori	125	100.0	Fish aquaculture / Marine and food products production and sales
Kyowasuisan Co., Ltd.	Sakaiminato-shi, Tottori	95	95.0	Fishery
Farm Choice Co., Ltd.	Imari-shi, Saga	50	100.0	Formula feed production and sales / farmed fish sales
Hachikan Co., Ltd.	Hachinohe-shi, Aomori	100	50.0	Food production and sales
Nippon Cookery Co., Ltd.	Shinagawa-ku, Tokyo	1,450	100.0	Food production and sales
Nissui Logistics Corporation	Minato-ku, Tokyo	2,000	100.0	Cold storage management / Freight transportation
Nissui Engineering Co., Ltd.	Minato-ku, Tokyo	100	100.0	Construction design / Consulting for production technology
Nippon Suisan America Latina S.A.	Chile	169,513 (1,000 USD)	100.0	Holding company / Marine products purchasing and sales
Salmones Antartica S.A	Chile	86,071 (1,000 USD)	100.0 (100.0)	Fish aquaculture / Marine products processing and sales
EMDEPES*	Chile	165,561 (1,000 USD)	100.0 (100.0)	Fishery
Nordic Seafood A/S	Denmark	1,650 (1,000 DKK)	100.0 (100.0)	Marine products purchasing and sales
UniSea, Inc.	USA	3,505 (1,000 USD)	100.0	Marine products processing, purchasing, and sales
Nippon Suisan (U.S.A.), Inc.	USA	23,281 (1,000 USD)	100.0	Holding company / Marine products purchasing, export, and sales
F.W. Bryce, Inc.	USA	(14,854 (1,000 USD))	100.0 (100.0)	Marine products purchasing, import, and sales
King & Prince Seafood Corp.	USA	0.01 (USD)	100.0 (100.0)	Frozen food production and sales
Gorton's Inc.	USA	10 (USD)	100.0 (100.0)	Frozen food production and sales
Cite Marine S.A.S.	France	1,775 (1,000 EUR)	100.0 (100.0)	Food production and sales
Three Oceans Fish Co., Ltd.	UK	40 (1,000 GBP)	75.0 (75.0)	Frozen food production and sales
Thai Delmar Co., Ltd.	Thailand	7,200 (1,000 THB)	90.0	Frozen food production and sales

Note: 1. Main consolidated subsidiaries are shown.

2. For subsidiaries that do not have an amount that applies to share capital, legal capital surplus (or corresponding equivalent) is shown in parentheses in the capital column as the amount equivalent to capital.

3. The number in parentheses of percentage of voting rights indicates the ratio of indirectly held shares.

*An abbreviation for Empresa de Desarrollo Pesquero de Chile S.A.

(7) Principal Businesses (as of March 31, 2022)

Business	Main businesses activities
Marine Products	Fishery, aquaculture, and processing/sales
Food Products	Processing and chilled processing
Fine Chemicals	Production and sales of pharmaceutical raw materials, functional raw materials, functional foods, diagnostic medicines, and test drugs
General Distribution	Cold storage, transportation, and customs clearance
Other	Shipbuilding and repair, vessel operation, engineering, etc.

(8) Employees (as of March 31, 2022)

1) Number of employees in the Corporate Group

Business	Number of employees	
Marine Products Business	3,655	[2,262]
Food Products Business	3,932	[5,308]
Fine Chemicals Business	464	[129]
General Distribution Business	637	[99]
Other	718	[118]
Company-wide	256	[41]
Total	9,662	[7,957]

Note: Number of employees refers to the number of regular employees. The average annual number of temporary employees is indicated in brackets.

2) Employees in the Company

Number of employees	(Difference from previous year)	Average age	Average years of service
1,275	(Increased by 28)	42.67 years old	16.93 years

Note: In addition to the above, there are also 1,275 temporary employees (average number in the fiscal year).

(9) Principal Lenders (as of March 31, 2022)

Lender	Amount of borrowings
Mizuho Bank, Ltd.	20,388 million yen
MUFG Bank, Ltd.	16,300
Overseas Fishery Cooperation Foundation of Japan	13,928
The Norinchukin Bank	12,400
Development Bank of Japan Inc.	10,430
Sumitomo Mitsui Trust Bank, Ltd.	9,700
Mizuho Trust & Banking Co., Ltd.	6,300

(10) Other Important Matters Regarding the Current Status of the Corporate Group

There is nothing to report.

2. Status of the Company (as of March 31, 2022)

(1) Status of Shares

- 1) Total Number of Shares Authorized 1,000,000,000 shares
 2) Total Number of Shares Issued 312,430,277 shares
 3) Number of shareholders 93,503 (decrease of 1,037 from the previous fiscal year-end)
 4) Breakdown by Type of Shareholder

Category	Status of Shares						Total
	Japanese financial institutions	Japanese securities firms	Other Japanese companies	Foreign investors		Japanese individuals and others	
				Non-individual	Individual		
Number of shareholders	51	65	409	270	163	92,545	93,503
Percentage held	40.3	2.1	9.8	25.4	0.0	22.4	100.0

5) Principal Shareholders (top 10)

Shareholder name	Number of shares (in thousands of shares)	Stockholding ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	67,617	21.7%
Custody Bank of Japan, Ltd. (Trust Account)	25,791	8.3
Mizuho Bank, Ltd.	10,650	3.4
Mochida Pharmaceutical Co., Ltd.	8,000	2.6
BNYM AS AGT/CLTS NON TREATY JASDEC	5,364	1.7
Chuo Gyorui Co., Ltd.	4,140	1.3
STATE STREET BANK WEST CLIENT – TREATY 505234	4,058	1.3
Juniper	3,964	1.3
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS-UNITED KINGDOM	3,512	1.1
JP MORGAN CHASE BANK 385781	3,454	1.1

Note: Stockholding ratio was calculated excluding treasury shares (837,591 shares). Treasury shares do not include the 223,600 shares of the Company's stock held by the Board Benefit Trust (BBT).

(2) Company Officers

1) Board Members and Audit & Supervisory Board Members

Name	Positions and responsibilities	Significant concurrent positions
Shingo Hamada	Representative Board Member and President, (Chief Executive Officer)	Outside Board Member, Chuo Gyorui Co., Ltd.
Seiji Takahashi	Representative Board Member, Senior Managing Executive Officer (Fisheries Business Operating Officer)	Outside Audit & Supervisory Board Member, CHUBU SUISAN Co., Ltd.
Shinya Yamamoto	Board Member, Managing Executive Officer (Chief Financial Officer, In charge of Corporate Administration Group)	
Koji Umeda	Board Member, Managing Executive Officer (Food Products Business Operating Officer, In charge of Marketing Planning Department, Strategic Sales Department (joint))	
* Shinya Yamashita	Board Member, Executive Officer (Fine Chemicals Business Operating Officer, In charge of R&D Group)	Board Member, NISSUI PHARMACEUTICAL CO., LTD. Board Member and Chairman, TN Fine Chemicals Co. Ltd.
Mikito Nagai	Board Member	Outside Director (Audit & Supervisory Committee Member), OKASAN SECURITIES GROUP INC. Outside Director, Tohoku Electric Power Co., Inc. Outside Director, OHBA CO., LTD.
Yuko Yasuda	Board Member	Outside Director, Murata Manufacturing Co., Ltd.
* Tokio Matsuo	Board Member	Outside Director, Toyo Gosei Co., Ltd.
Hiroyuki Hamano	Standing Audit & Supervisory Board Member	
Shino Hirose	Audit & Supervisory Board Member	Partner, Abe, Ikubo & Katayama External Auditor, JOYFUL HONDA CO., LTD. Outside Director, INNOTECH CORPORATION
* Masahiro Yamamoto	Audit & Supervisory Board Member	External Director (Audit & Supervisory Committee Member), DIGITAL HOLDINGS, Inc.
* Tadashi Kanki	Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member, NAGANO KEIKI CO., LTD.

- Notes: 1. Officers with a * were elected and appointed at the 106th Ordinary General Shareholders' Meeting held on June 25, 2021.
2. Board Members Mikito Nagai, Yuko Yasuda, and Tokio Matsuo are Outside Board Members.
3. Audit & Supervisory Board Members Shino Hirose, Masahiro Yamamoto, and Tadashi Kanki are Outside Audit & Supervisory Board Members.
4. Audit & Supervisory Board Member Hiroyuki Hamano has experience serving as Director and Executive Vice President of NIPPON SUISAN (U.S.A.), INC. and Executive Officer in charge of the Corporate Strategic Planning & IR Department and the Finance and Accounting Department of the Company, and possesses extensive expertise in determining the appropriateness of overall corporate activities.
5. In addition to his many years of experience at a financial institution, Board Member Mikito Nagai possesses broad insight gained as a President and CEO of an operating company and Outside Director of a listed company.
6. In addition to her experience serving many years as Managing Director of a consulting firm as a personnel and management consultant, Board Member Yuko Yasuda possesses broad insight gained as an Outside Director of other listed companies.
7. Board Member Tokio Matsuo has, in addition to CSR and compliance experience at a glass manufacturer, broad expertise accumulated as a Representative Director of a listed chemical manufacturer.
8. Audit & Supervisory Board Member Shino Hirose is well-versed in corporate law as an attorney, and serves as an External Auditor of a listed company. She has professional expertise in determining the appropriateness of overall corporate activities.
9. Audit & Supervisory Board Member Masahiro Yamamoto has abundant experience as an accounting expert, having served as a representative partner of a major audit firm as a certified public accountant and currently serving as a Director (Audit and Supervisory Committee member) of a business company.
10. Audit & Supervisory Board Member Tadashi Kanki has four years of experience as a Standing Audit & Supervisory Board Member at a listed company, and thus has considerable expertise in audit.
11. Assumption and retirement of significant positions concurrently held
Board Member Mikito Nagai assumed the office of Outside Director of Tohoku Electric Power Co., Inc. on June 25, 2021. He also assumed the office of Outside Director of OHBA CO., LTD. on August 26, 2021.
Board Member Yuko Yasuda retired as Outside Director of Idemitsu Kosan Co., Ltd. on June 23, 2021.
Board Member Tokio Matsuo assumed the office of Outside Director of Toyo Gosei Co., Ltd. on June 24, 2021.
Audit & Supervisory Board Member Shino Hirose assumed the office of Outside Director of INNOTECH CORPORATION on June 24, 2021.
Audit & Supervisory Board Member Tadashi Kanki assumed the office of Outside Audit & Supervisory Board Member of NAGANO KEIKI CO., LTD. on June 29, 2021.
12. The Company has designated all Outside Board Members and Outside Audit & Supervisory Board Members as "independent

directors/auditors” in accordance with the rules of the Tokyo Stock Exchange, and reported to the Exchange accordingly.

2) Compensation of Board Members and Audit & Supervisory Board Members

a. Policies on compensation, etc. of individual Board Members and Audit & Supervisory Board Members

1) Basic Policy

- (1) The compensation system shall support the achievement of the Company’s mission and vision.
- (2) The compensation system shall be designed to eliminate short-term bias and motivate the medium- to long-term improvement of corporate value.
- (3) The compensation system shall be effective in maintaining and securing outstanding talent.
- (4) The compensation system shall be designed in a transparent, fair and reasonable manner from the standpoint of accountability to stakeholders including the shareholders and employees, and shall ensure appropriate determination processes.
- (5) The compensation system shall be aligned to the roles and responsibilities entailed by each rank and to performance.

2) Method for the determination of compensation of Board Members and Audit & Supervisory Board Members

The policy for determining compensation, etc. of individual Board Members is determined by the voluntary Compensation Committee which is chaired by an independent Outside Board Member and consists of three Outside Board Members and two Representative Board Members (Chairperson: Mikito Nagai), with the aim of ensuring compensation commensurate with the company's stage. Specifically, it is determined by the Board of Directors upon deliberation of (i) the basic policy for compensation; (ii) the compensation system; (iii) the compensation levels; and (iv) compensation item composition ratio; among other things, based on comparative verification against benchmark groups. The amount of each compensation paid to individual Board Members shall be determined by the Compensation Committee delegated by the Board of Directors from the viewpoint of the objectivity and transparency of the operation of said system.

3) Compensation system and individuals eligible for payment, etc.

Compensation of Board Members (excluding Outside Board Members) consists of three components, namely, “basic compensation,” “performance-linked compensation” and “stock-based compensation.” Outside Board Members and Audit & Supervisory Board Members receive only basic compensation.

The ratio between basic compensation, performance-linked compensation and stock-based compensation of Board Members is roughly targeted at 65:30:5 when business performance targets are achieved 100%. The compensation ratio is demonstrated as a case where stock-based compensation is translated into compensation per year.

The retirement benefit system for Board Members and Audit & Supervisory Board Members was abolished on the day of the 92nd Ordinary General Shareholders’ Meeting held on June 27, 2007.

<The compensation system for FY2022>

Type of compensation	Basic compensation	Variable compensation	
		Performance-linked compensation	Stock-based compensation
Ratio (approximately) * When business performance targets are achieved 100%	65%	30%	5%
Contents	Fixed compensation in accordance with rank	Compensation in which the total amount of payment is established based on the total amount of dividends or consolidated ordinary profit for the fiscal year, and allocated and paid in accordance with job rank by adding individual evaluations.	Compensation in which the total amount of payment is established in accordance with the achievement rate of the Mid-term Business Plan, and paid in the form of the Company’s stock in accordance with job rank and individual evaluations.
Eligible for payment	Internal Board Members / Outside Board Members	Internal Board Members only	Internal Board Members only
Payment timing	Monthly	Twice a year	Lump-sum payment at a certain time after the end of the final fiscal year of the Mid-term Business Plan period
Payment method	Cash	Cash	Stock and cash
Method for determining the amount of payment	/	1% of consolidated ordinary profit or 10% of total amount of dividends, whichever is smaller, is the basic amount of payment.	Corporate achievement rate of financial and non-financial targets is determined for the Mid-term Business Plan period
		The basic amount of payment is allocated in accordance with job rank and individual payment is determined by achievement rates of business performance targets within the range between 80% and 120%.	Pre-determined basic point in accordance with job rank is multiplied by the corporate achievement rate, which will be adjusted by individual achievement rates of financial and non-financial targets within the range between 80% and 120%.

4) Compensation, etc. of Board Members

[Basic compensation]

Basic compensation consists of three components, namely, representative consideration, supervisory consideration, and executive consideration, and executive consideration is set according to the job rank.

[Performance-linked compensation]

Performance-linked compensation	=	10% of total amount of dividends or 1% of consolidated ordinary profit, whichever is smaller	×	Distribution rate by job rank	×	Evaluation for each individual (80 – 120%) <Evaluation item> Business performance targets including sustainability
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Performance-linked compensation is paid to Executive Officers based on the idea that the compensation is distribution of added value generated from business for a single fiscal year.

This compensation uses “consolidated ordinary profit,” which is a performance evaluation indicator, and “total amount of dividends” conscious of shareholders’ perspectives as indicators, and 1% of “consolidated ordinary profit” or 10% of “total amount of dividends,” whichever is smaller, is paid according to the job rank as the basic amount of the compensation. Evaluation for each individual was introduced in FY2021 with an aim to clarify the degree of contribution of each officer to the business performance for a single fiscal year. Business performance targets including sustainability were selected as items used in the evaluation for each individual, which is assessed within the range between 80% and 120%. The basic amount of performance-linked compensation paid, the distribution rate by job rank, and evaluation for each individual shall be determined by the Board of Directors after deliberation by the Compensation Committee. The amount of each compensation paid to individual officers shall be determined by the Compensation Committee delegated by the Board of Directors.

[Stock-based compensation]

Stock-based compensation	=	Basic point by job rank for the period of the Mid-term Business Plan	×	Corporate evaluation		×	Evaluation for each individual (80 – 120%) <Evaluation item> KPIs under the Mid-term Business Plan, achievement rate of sustainability, etc.
				Financial targets (Net sales, ordinary profit, and ROIC)	70%		

The Company has adopted a Board Benefit Trust framework under the performance-linked stock-based compensation plan implemented in FY2018 in which stock-based compensation is provided to Executive Officers as non-monetary compensation in order to clarify a link between compensation of Executive Officers and business performance/stock value, and to raise awareness of improving business performance and increasing corporate value over the medium to long term.

Indicators selected to evaluate business performance for the previous mid-term business plan, “MVIP + (Plus) 2020,” (the applicable period: FY2018 to FY2020) were “ROA” and “consolidated ordinary profit,” and the corporate achievement rates thereof were defined within the range between 0% and 150%. The number of shares issued to individuals was calculated by reflecting the evaluation for each individual to the foregoing. The achievement rates and evaluation for each individual were determined by the Board of Directors after deliberation by the Compensation Committee. The payment was made on July 21, 2021, as shown in Note 6 on page 46.

Stock-based compensation was deferred in FY2021 as the Company was unable to formulate a new mid-term business plan given the unforeseeable operating environment due to the effect of COVID-19.

In the new Mid-term Business Plan started in April 2022, indicators to evaluate corporate business performance have been selected from both financial and non-financial (sustainability) aspects, and the ratio between them is targeted at 70:30. Financial targets include net sales, ordinary profit, and ROIC, while non-financial (sustainability) targets include sustainability of marine products and CO₂ emissions at the Group’s business sites. The achievement rates thereof are defined within the range between 50% and 150%. The pre-determined basic point in accordance with job rank is multiplied by the achievement rates. The number of shares to be issued to individuals is calculated by reflecting the evaluation for each

individual to the foregoing. As items used for evaluation of each individual, we selected KPIs and sustainability items under the Mid-term Business Plan. The achievement rates thereof are defined within the range between 80% and 120%. The corporate achievement rates and the evaluation for each individual shall be determined by the Board of Directors after deliberation by the Compensation Committee. The amount of each compensation paid to individual officers shall be determined by the Compensation Committee delegated by the Board of Directors.

5) Compensation, etc. of Audit & Supervisory Board Members

With respect to compensation, etc. of Audit & Supervisory Board Members, the amount of basic compensation (fixed compensation) shall be determined through consultation between Audit & Supervisory Board Members, and shall be within the range of the total amount of compensation, etc. approved by the General Shareholders' Meeting in advance.

b. Matters Regarding Resolutions of the General Shareholders' Meeting on Compensation, etc. of Board Members and Audit & Supervisory Board Members

Category of Officers	Type of compensation	Compensation limit	Date of General Shareholders' Meeting Resolution	Number of Officers at the time of resolution (eligible for payment)
Director	(1) Basic compensation	Within 1 billion yen per year (including 0.1 billion yen or less for Outside Board Members)	June 25, 2009	7 (two of which are Outside Board Members)
	(2) Performance-linked compensation (not applicable to Outside Board Members)			5
	(3) Stock-based compensation (Non-monetary compensation; not applicable to Outside Board Members)	Within 135 million yen per year	June 25, 2021	5
Audit & Supervisory Board Members	Basic compensation only	Within 0.2 billion yen per year	June 27, 2007	4 (three of which are Outside Audit & Supervisory Board Members)

c. Procedures for determining compensation, etc. of Board Members for the fiscal year under review

The policy regarding the determination of the details of compensation, etc. of Board Members for the fiscal year under review has been determined by the Board of Directors after deliberation by the Compensation Committee, taking into consideration the business performance of the fiscal year under review and the progress of the Mid-term Business Plan. The amount paid to each individual has been determined by the Compensation Committee, which is chaired by an independent Outside Board Member and delegated by the Board of Directors, from the viewpoint of the objectivity and transparency of the operation of said system.

The names, positions, and responsibilities of the Compensation Committee Members and the activities of the Compensation Committee for the fiscal year under review are as follows.

[Names, positions, and responsibilities of Compensation Committee Members]

	Name	Positions and responsibilities
Chairperson	Mikito Nagai	Outside Board Member
Committee Member	Yuko Yasuda	Outside Board Member
Committee Member	Tokio Matsuo	Outside Board Member
Committee Member	Shingo Hamada	Representative Board Member and President
Committee Member	Seiji Takahashi	Representative Board Member, Senior Managing Executive Officer

[Activities of the Compensation Committee in the Fiscal Year Under Review]

	Meeting date	Deliberation overview
1st	April 21, 2021	<ul style="list-style-type: none"> • Judgment rank of KPIs for stock-based compensation
2nd	May 18, 2021	<ul style="list-style-type: none"> • Level of executive compensation for FY2021 (comparison within the industry, etc.) • Basic amount of payment and the distribution rate of performance-linked compensation for FY2020 • Evaluation for each individual for stock-based compensation • Judgment rank of KPIs for stock-based compensation (final confirmation)
3rd	May 20, 2021	<ul style="list-style-type: none"> • Basic compensation table by job rank of Board Members and Executive Officers in FY2021 • Amount of performance-linked compensation paid to each individual in June 2021 • Amount of stock-based compensation paid to each individual
4th	June 22, 2021	<ul style="list-style-type: none"> • Working arrangements for and treatment of Board advisers
5th	June 25, 2021	<ul style="list-style-type: none"> • Amount of performance-linked compensation paid to each individual in December 2021
6th	November 25, 2021	<ul style="list-style-type: none"> • Evaluation items for stock-based compensation in the next Mid-term Business Plan and calculation methods thereof
7th	December 28, 2021	<ul style="list-style-type: none"> • Evaluation items for stock-based compensation in the next Mid-term Business Plan and calculation methods thereof (continued from the previous meeting)
8th	January 31, 2022	<ul style="list-style-type: none"> • Evaluation items for stock-based compensation in the next Mid-term Business Plan and calculation methods thereof (continued from the previous meeting)

In regard to performance-linked compensation for the fiscal year under review, “consolidated ordinary profit,” which is an indicator for calculating performance-linked compensation, is indicated in 1. (5) Trends in Assets and Income, and annual dividends per share, which is the basis for calculating the “total amount of dividends,” indicated in 2.(6) Policy Regarding the Determination of Dividends from Surplus, etc. The basic amount of performance-linked compensation paid, the distribution rate by job rank, and evaluation for each individual were determined by the Board of Directors on May 18, 2022 after deliberation by the Compensation Committee on May 12, 2022, and the amount paid to each individual was determined on May 23, 2022 by the Compensation Committee, which was delegated by the Board of Directors.

The policy regarding the determination of the details of compensation, etc. for each individual Board Member, was decided by the Board of Directors after deliberation by the Compensation Committee, which is chaired by an independent Outside Board Member. The amount paid to each individual for the fiscal year under review was determined by said Committee, under delegation by the Board of Directors, based on said policy; therefore, the Board of Directors has determined that it is in line with said policy and appropriate.

d. Total amount of compensation, etc. for Board Members and Audit & Supervisory Board Members regarding the fiscal year under review

Category of Officers	Total amount of compensation, etc. (in millions of yen)	Total amount by type of compensation, etc. (in millions of yen)			Number of Officers paid
		Basic compensation	Performance-linked compensation	Stock-based compensation	
Board Members (excluding Outside Board Members)	332	196	126 (Note 1)	9 (Note 2)	7 (Stock-based compensation: 7) (Notes 3, 6)
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	26	26	—	—	1
Outside Board Members	36	36	—	—	4 (Note 4)
Outside Audit & Supervisory Board Members	38	38	—	—	5 (Note 5)

Notes: 1. The performance-linked compensation of Board Members includes an amount estimated to be paid in June 2022.

2. The stock-based compensation of Board Members represents the difference between the actual payment made in July 2021 and the estimated amount recorded at the end of March 2021 (The stock-based compensation plan was deferred in FY2021).

3. The number of Board Members to whom stock-based compensation is paid includes 3 Board Members who retired from office on June 26, 2019 and June 25, 2021.

4. The compensation of Outside Board Members includes that of one (1) Board Member who retired from office on June 25, 2021.

5. The compensation of Outside Audit & Supervisory Board Members includes that of two (2) Audit & Supervisory Board Members who retired from office on June 25, 2021.

6. Status of shares issued for the Company's officers as compensation for their execution of duties during the fiscal year under review: The Company issued 39,100 shares of its common stock to seven (7) Board Members, excluding Outside Board Members, on July 21, 2021.

3) Matters regarding Outside Officers

a. Significant concurrent positions in other companies and relationship between the Company and these companies

Name	Position	Significant concurrent positions
Mikito Nagai	Outside Board Member	Outside Director (Audit & Supervisory Committee Member), OKASAN SECURITIES GROUP INC. Outside Director, Tohoku Electric Power Co., Inc. Outside Director, OHBA CO., LTD.
Yuko Yasuda	Outside Board Member	Outside Director, Murata Manufacturing Co., Ltd.
Tokio Matsuo	Outside Board Member	Outside Director, Toyo Gosei Co., Ltd.
Shino Hirose	Outside Audit & Supervisory Board Member	Partner, Abe, Ikubo & Katayama External Auditor, JOYFUL HONDA CO., LTD. Outside Director, INNOTECH CORPORATION
Masahiro Yamamoto	Outside Audit & Supervisory Board Member	External Director (Audit & Supervisory Committee Member), DIGITAL HOLDINGS, Inc.
Tadashi Kanki	Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member, NAGANO KEIKI CO., LTD.

Note: There are no significant capital or trading relationships between the above companies where concurrent positions are held and the Company.

b. Key activities in the fiscal year under review

Category	Name	Number of Board of Directors meetings attended	Number of Nomination and Compensation Committee meetings attended	Number of Audit & Supervisory Board meetings attended	Key activities
Outside Board Members	Mikito Nagai	19/20 meetings	(Nomination) 5/5 meetings (Compensation) 8/8 meetings	—	In addition to his experience at financial institutions, he has abundant experience as a corporate manager, such as having served as representative director of an operating company. Leveraging this experience, he provides suggestions and advice on the optimization of the business portfolio from a higher perspective of a corporate manager and on financial strategies from a medium- to long-term perspective. He makes management decisions and provides oversight appropriately at the Board of Directors meetings from a broad perspective. In addition, as Chairperson of Nomination Committee and Compensation Committee, he leads fair and transparent operation of the Committee meetings regarding the election of Board Members and Audit & Supervisory Board Members and matters concerning compensation, etc.
	Yuko Yasuda	19/20 meetings	(Nomination) 5/5 meetings (Compensation) 7/8 meetings	—	Based on her insight in the area of corporate governance and extensive experience as outside director of listed companies, she provides advice and suggestions from an investor's perspective, with corporate communication and IR taken into account. She makes management decisions and provides oversight appropriately at the Board of Directors meetings from a multi-faceted perspective including the effectiveness and diversity of the Board of Directors. In addition, she provides expert and specific comments on the election of Board Members and Audit & Supervisory Board Members and the compensation system at Nomination Committee and Compensation Committee meetings.
	Tokio Matsuo (Note 1)	16/16 meetings	(Nomination) 4/4 meetings (Compensation) 4/4 meetings	—	Leveraging his extensive experience as a corporate manager, such as having served as representative director of an operating company, he provides advice and suggestions regarding efforts to resolve social issues and the Company's sustainability activities. He makes management decisions and provides oversight appropriately at the Board of Directors meetings from a broad perspective. In addition, he provides advice on the election of Board Members and Audit & Supervisory Board Members and the compensation system at Nomination Committee and Compensation Committee meetings, based on his management experience.

Category	Name	Number of Board of Directors meetings attended	Number of Nomination and Compensation Committee meetings attended	Number of Audit & Supervisory Board meetings attended	Key activities
Outside Audit & Supervisory Board Members	Shino Hirose	20/20 meetings	—	16/17 meetings	She is well versed in corporate legal affairs and compliance issues as an attorney at law, and provides comments as necessary from an independent and objective standpoint and from the perspective of diversity to ensure adequacy and appropriateness of decision-making by the Board of Directors and the Audit & Supervisory Board based on her expertise and experience in legal issues.
	Masahiro Yamamoto (Note 2)	15/16 meetings	—	12/12 meetings	He has professional knowledge regarding finance and accounting as a certified public accountant. Leveraging his abundant experience and expertise as an accounting expert, he provides comments as necessary from an independent and objective standpoint.
	Tadashi Kanki (Note 2)	15/16 meetings	—	12/12 meetings	In addition to the experience as a Standing Audit & Supervisory Board Member at a listed company, he has broad knowledge and experience in sales and corporate planning at financial institutions. Leveraging this experience, he provides comments to encourage effective and appropriate supervision of overall management from an independent and objective standpoint.

(Note 1) Outside Board Member Tokio Matsuo and (Note 2) Outside Audit & Supervisory Board Members Masahiro Yamamoto and Tadashi Kanki assumed their respective offices on June 25, 2021.

c. Overview of liability limitation agreement

The Company and each Outside Board Member and Outside Audit & Supervisory Board Member have entered into an agreement that limits liability for damages to the extent designated by laws and regulations in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act.

4) Overview of Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance policy provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with the insured being the Board Members, Audit & Supervisory Board Members, Executive Officers, Accounting Auditor, and other key employees of the Company and its subsidiaries. (However, this excludes the Company's subsidiaries that have entered into directors and officers liability insurance policies independently.)

This insurance policy covers losses such as damages and litigation costs incurred in a third-party, shareholder, or corporate litigation to be borne by the insured in regard to the performance of their duties (however, this excludes cases that correspond to exemptions specified in the insurance policy, such as those stemming from a criminal act or act carried out with the awareness that it violates the law).

The premium of said insurance policy shall be paid in its entirety by the Company.

(3) Accounting Auditor

1) Audit firm Ernst & Young ShinNihon LLC

2) Amount of compensation, etc.

	Compensation based on auditing services	Compensation based on non-auditing services
Amount of compensation by the Company for the year	80 million yen	9 million yen
Amount of compensation by subsidiaries for the year	50 million yen	- million yen
Total amount of monetary compensation and other property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	131 million yen	9 million yen

Notes: 1. Because the amount of the auditing compensation for audits based on the Companies Act and audits based the Financial Instruments and Exchange Act is not clearly differentiated in the auditing agreement between the Company and the Accounting Auditor, and cannot be effectively differentiated, the amount in “Compensation based on auditing services” above is the total amount for both.
2. “Non-auditing services” refers to services other than those under Article 2, Paragraph 1 of the Certified Public Accountants Act. The Company pays compensation for TCFD support services to the Accounting Auditor.
3. The Company’s main overseas subsidiaries are audited by accounting auditors (with certification corresponding to the relevant certification of the country) other than the Company’s Accounting Auditor.
4. In addition to the above, the Company’s overseas subsidiaries pay a total of 251 million yen as auditing compensation and compensation for tax and other related services to Ernst & Young, which belongs to the same network as the Company’s Accounting Auditor.

3) Continuous period of auditing

70 years

4) Certified public accountants who have performed services and continuous years of auditing

Tomohiro Miyagawa (2 years)

Shigehiro Koshihara (5 years)

Masatoshi Komiya (3 years)

5) Reason for Audit & Supervisory Board agreeing to compensation, etc. for Accounting Auditor

The Company’s Audit & Supervisory Board confirmed trends in the auditing period by audit item and auditing compensation, and the audit plan and results of the past fiscal year, and reviewed the appropriateness of matters such as the auditing period and estimate of the amount of compensation for the fiscal year ended March 31, 2022. As a result, the Audit & Supervisory Board has provided consent under Article 399, Paragraph 1 of the Companies Act in regard to the compensation, etc. for the Accounting Auditor.

6) Policy on determining dismissal or non-reappointment of the Accounting Auditor

In the event the Audit & Supervisory Board determines that the Accounting Auditor falls under the items specified in each item of Article 340, Paragraph 1 of the Companies Act by unanimous agreement of all Audit & Supervisory Board Members, it shall dismiss the Accounting Auditor.

Furthermore, in the event the Audit & Supervisory Board determines that it is difficult for the Accounting Auditor to perform its duties properly due to the quality of audits, independence, or other factor, determines that it is appropriate to change the Accounting Auditor in order to enhance the quality of audits, or determines that it is necessary for any other reason, the Audit & Supervisory Board shall determine the details of a proposal regarding the dismissal or non-reappointment of the Accounting Auditor.

(4) System to Ensure the Appropriateness of Operations

An overview of the matters approved by the Board of Directors as the basic policy concerning the system to ensure the appropriateness of the Company's operations (i.e. internal control system) is as follows:

1) System to ensure that the execution of duties by Board Members and employees conforms to laws and regulations as well as Articles of Incorporation (Compliance System)

The persons who are involved in management take the lead in adhering to the Declaration on Action of Sustainability as well as the Code of Ethics, Quality Assurance Code and Environment Code, which have been set forth in line with the Company's business philosophy, and instill them in employees.

The Ethics Subcommittee, an organization which includes external attorneys, plans and manages programs to ensure compliance for the entire Group and makes final decisions on various business issues on compliance, and manages and maintains a whistleblowing system whereby the Audit & Supervisory Board Members are also simultaneously reported to. An officer in charge reports the detailed activities of the Subcommittee to the Board of Directors.

In terms of internal controls to ensure the credibility of financial reports, the Company shall establish an internal dedicated organization to ascertain the status of company-wide internal controls, and build a system on a consolidated basis for engaging in efforts to keep written records of, assess, and improve key business processes and other activities.

2) System for storage and administration of information relating to the execution of duties by Board Members (Information Management System)

Minutes of the General Shareholders' Meeting, minutes of the meetings of the Board of Directors, minutes of the meetings of the Executive Committee, and minutes of meetings of various committees chaired by Board Members and Executive Officers, and approval forms (*ringi-sho*), execution reports, etc., shall be properly stored and managed in accordance with laws and regulations as well as internal rules.

3) Rules and other systems for management of risk of loss (Risk Management System)

The respective heads of business divisions shall execute risk management properly in relation to their operations. The Risk Management Committee, an organization under the direct control of the Representative Board Member and President, shall strive to build, maintain, and improve the risk management system of the Group based on the risk management rules.

For high-priority risks, such as those relating to compliance, environment, and quality, the Company shall establish organizations in charge of each one to implement measures to improve the effectiveness of risk management for the Group.

4) System to ensure the efficient execution of duties by Board Members (System for Efficient Execution of Duties)

In principle, a meeting of the Board of Directors shall be convened at least once per month. The Board of Directors shall make decisions on important matters, approve medium- to long-term management strategies and budgets for each fiscal year, and oversee the status of Board Members' and Executive Officers' execution of operations. Furthermore, a meeting of the Executive Committee, which is comprised of Executive Officers, shall be convened at least once per month in principle to make decisions on the execution of important operations.

For the execution of operations, the Representative Board Member and President shall govern the Group, and each Board Member and Executive Officer shall assume executive responsibility over the divisions he/she has control over and/or is in charge of.

5) System to ensure the appropriateness of operations in the corporate group consisting of the Company and its subsidiaries (Group Company Management System)

While respecting the autonomy of management of Group companies, the Company requires Group companies to comply with the rules on the governance of subsidiaries it has formulated. In addition, the Company designates executive officers as managers in charge of each Group company, and governs the Group by such means as the dispatch of officers to the Board of Directors of each Group company. Furthermore, a Group Management Conference attended by the heads of Group companies shall be held periodically to give thorough instructions on and discuss important matters concerning the execution of operations.

The internal audit division, an organization under the direct control of the Representative Board Member and President, shall conduct an internal audit on the Group based on an annual plan, and periodically report the summary of the results to the Board of Directors.

6) System to expel antisocial forces

The Group's basic policy is to refuse any unreasonable claims or other requests from antisocial forces or organizations that pose a threat to civic order and safety. The Group has thoroughly informed its employees of its policy to have no relationship with antisocial forces by clearly articulating it in its Code of Ethics and its Ethical Behavior Standards. The Group has also established a system to appropriately deal with this issue whereby information from related governmental agencies are collected on an ongoing basis, responsible divisions are immediately reported to and consulted in the event of incidents, and close liaison is maintained with related governmental agencies and legal experts.

7) System to ensure that the Audit & Supervisory Board Members' audits are conducted effectively

Audit & Supervisory Board Members shall verify the deliberations, resolutions, and reports of the Board of Directors, and build a system for interviewing and confirming with Board Members and Executive Officers about the status of execution of operations when necessary.

The internal audit division shall report the Group's operational audit results to the Audit & Supervisory Board Members. Employees of the internal audit division, the Secretarial Section, and other departments shall assist the duties of Audit & Supervisory Board Members upon said Members' request and not be subject to instructions or orders from Board Members, etc.

If the officers and employees of a Group company discover any fact which may cause considerable damage to the Group, they shall immediately report to the Audit & Supervisory Board Members themselves or through the division specified by instruction, or report to the Company's whistleblowing system whereby the Audit & Supervisory Board Members are also simultaneously reported to. The Company prohibits disadvantageous treatment of officers and employees of Group companies who make such reports.

If the Audit & Supervisory Board Members request the payment of any expenses incurred with respect to the execution of their duties, the Secretarial Office shall immediately process the expenses in accordance with the regulations regarding officers.

An overview of operational status of the Company's "System to Ensure the Appropriateness of Operations" is as follows:

1) Compliance System

The Ethics Subcommittee, an organization which includes external attorneys, holds regular meetings and operates the whistleblowing system (which has both internal and external points of contact). The Subcommittee takes measures for the early detection, correction, and prevention of compliance problems through distributing compliance questionnaires to employees and business partners and other activities, and reports the details of these activities to the Board of Directors. In addition, the Subcommittee continuously carries out compliance training and information sharing of the Code of Ethics to raise awareness on compliance.

In terms of internal controls to ensure the credibility of financial reports, an internal dedicated organization assesses the effectiveness of the Group's internal controls in accordance with the Internal Controls Assessment Policy, and reports the results to the Board of Directors.

2) Information Management System

Documents related to the execution of duties by Board Members, such as minutes of Board of Directors meetings, are properly stored and managed in accordance with laws, regulations, and internal rules.

3) Risk Management System

The Company has established Risk Management Rules, and the Risk Management Committee plays the lead role in identifying risks to the Group, assessing the Company and Group companies' responses to risk, and working to mitigate and prevent risks.

4) System for Efficient Execution of Duties

Twenty meetings of Board of Directors were held this fiscal year in accordance with the Board of Directors rules. In addition, 26 Executive Committee meetings were held this fiscal year in accordance with the Executive Committee rules.

The Board of Directors makes decisions on important matters and receives regular reports on the status of execution of duties and oversees their appropriateness after formulating medium- to long-term management strategies.

5) Group Company Management System

The Company's Board of Directors and Executive Committee adopts resolutions on important matters of Group companies in accordance with the rules on the governance of subsidiaries formulated by the Company and receives reports on matters requiring reporting.

Executive officers are designated as managers in charge of each Group company, and the Company's officers or employees are dispatched as directors or auditors to Group companies to ensure the appropriateness of Group companies' operations. The Group Management Conference for Group companies within and outside Japan was held four times this fiscal year, where important matters concerning the execution of operations were reported and discussed, and opinions exchanged with the management teams of individual Group companies when needed.

The Company's internal audit division conducts internal audits of the Company and Group companies based on an annual plan, reports the results to the Company's Representative Board Member, Board Members, Audit & Supervisory Board Members, and others, and regularly reports summaries of the results to the Board of Directors.

6) System to Ensure the Effectiveness of Audits of Audit & Supervisory Board Members

This fiscal year the Audit & Supervisory Board held 17 meetings. Each Audit & Supervisory Board Member conducts audits with the following methods to ensure the effectiveness of audits regarding the execution of duties by Board Members, including confirming the status of establishment and operation of internal controls of the Company and Group companies.

- a. Attending important meetings such as Board of Directors and Executive Committee meetings
- b. Regularly exchanging opinions with the Representative Board Member and Board Members (including Outside Board Members)
- c. Cooperating with the Accounting Auditor, internal audit division, etc.
- d. Carrying out on-site audits at offices of the Company and Group companies

Furthermore, the Company has assigned "Staff of Audit & Supervisory Board Members" members to assist the duties of Audit & Supervisory Board Members from a standpoint independent from Board Members and Executive Committee Members.

(5) Policy Regarding Control of the Company

1) Overview of basic policy regarding the existence of those who control decisions on the Company's financial and business policies

Because unrestricted trading by investors such as shareholders is allowed in regard to shares, etc. of the Company, which is a listed company, the Company's Board of Directors believes that the existence of those who control decisions on the Company's financial and business policies should be finally decided in accordance with the wishes of all shareholders, and the final decision on whether to sell the Company's shares, etc. in response to a specific party's attempt to conduct a large-scale acquisition of shares should be left to the judgment of the Company's shareholders.

However, there are cases of corporate acquisition made without the agreement of a company's Board of Directors that would harm the Group's corporate value or run counter to the common interests of its shareholders. Examples of such cases include: (i) cases which would clearly damage corporate value such as selling off key assets for business operations, (ii) cases in which adequate information about the acquisition proposal or the acquiring party have not been provided, (iii) cases in which insufficient time has been given for the Board of Directors of the company to be acquired to consider the acquisition proposal and provide alternative proposals to shareholders, (iv) cases that force shareholders to accept the acquisition, (v) cases which would destroy the relationship built with stakeholders, such as customers, business partners, and employees, which are essential for the sustainable growth of the Group's corporate value, (vi) cases which are insufficient or inappropriate considering the Group's intrinsic value, such as the Group's technological and R&D capabilities, supply chain for marine products based on a global network, and provision of safe and reliable products and services.

The Company considers those who attempt to make a large-scale acquisition of shares in this way to be unsuitable to control decisions on the Company's financial and business policies, and believes it needs to protect the corporate value of the Group and interests of its shareholders to prevent such unsuitable parties from controlling decisions on the Company's financial and business policies.

2) Overview of initiatives to contribute to the achievement of basic policies

The Company has already implemented the following measures as initiatives to protect and enhance the corporate value of the Group and common interests of its shareholders.

- a. Initiatives to enhance corporate value

In FY2021, which was the year leading up to the next Mid-term Business Plan, the Company has worked to enhance the corporate structure. See “1. Status of the Corporate Group (2) Issues to Be Addressed” for the new Mid-term Business Plan “Good Foods Recipe 1” (in the Japanese version).

b. Strengthening of corporate governance

Recognizing the need to strengthen corporate governance to achieve the continuous enhancement of the corporate value for the entire Group, the Company has definitized an executive function which quickly and efficiently decides and implements important strategies, and a supervisory function which oversees executive actions, and is working to achieve measures to increase transparency in management.

3) Initiatives to prevent unsuitable parties from controlling decisions on the Company’s management polices

In the event that a large-scale acquisition of the Company’s shares occurs, the Company shall request the acquirer to provide necessary and sufficient information, disclose appropriate information at the appropriate time, which includes disclosing the opinions of the Board of Directors of the Company, and take appropriate measures within the scope permissible under the Financial Instruments and Exchange Act, Companies Act, and other relevant laws and regulations, such as making an effort to ensure shareholders have the time and information to deliberate.

4) Decision of the Company’s Board of Directors on the above initiatives and reasons therefor

The initiatives stated in 2) and 3) above are initiatives to protect and enhance the common interests of the shareholders, and are in line with the basic policy in 1) above. These initiatives are not detrimental to the common interests of the shareholders and their purpose is not to maintain the positions of the officers of the Company.

(6) Policy Regarding the Determination of Dividends from Surplus, etc.

The basic policy for distributing profit of the Company and Group is to provide returns to shareholders in accordance with the consolidated business performance of the Company and Group in response to changes in the business environment, while also giving attention to strengthening corporate constitution from a long-term, comprehensive perspective and securing internal reserves to prepare for rolling out businesses in fields with growth potential in the future.

In the fiscal year under review, year-end dividends came to 8 yen per share. Combined with the interim dividends of 6 yen per share already paid on December 6, 2021, annual dividends come to 14 yen per share.

Consolidated Balance Sheet

(As of March 31, 2022)

(Unit: million yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	265,090	Current liabilities	177,828
Cash and deposits	13,813	Notes and accounts payable - trade	50,290
Notes and accounts receivable - trade	90,325	Short-term borrowings	83,197
Securities	28	Lease liabilities	807
Merchandise and finished goods	77,467	Income taxes payable	3,818
Work in process	26,242	Accrued expenses	25,232
Raw materials and supplies	40,373	Provision for bonuses	4,088
Other	17,191	Provision for bonuses for directors	299
Allowance for doubtful accounts	(351)	Provision for loss on litigation	287
Non-current assets	240,640	Other	9,807
Property, plant and equipment	145,379	Non-current liabilities	119,304
Buildings and structures	59,084	Long-term borrowings	94,939
Machinery, equipment and vehicles	35,142	Lease liabilities	3,139
Vessels	11,561	Deferred tax liabilities	5,260
Land	26,255	Provision for retirement benefits for directors	68
Leased assets	4,533	Retirement benefit liability	10,698
Construction in progress	6,040	Other	5,197
Other	2,762	Total liabilities	297,133
Intangible assets	11,285	(Net assets)	
Goodwill	657	Shareholders' equity	172,889
Software	1,952	Share capital	30,685
Other	8,675	Capital surplus	21,146
Investments and other assets	83,975	Retained earnings	121,472
Investment securities	35,044	Treasury shares	(415)
Shares of subsidiaries and associates	35,327	Accumulated other comprehensive income	16,909
Long-term loans receivable	1,025	Valuation difference on available-for-sale securities	12,040
Retirement benefit asset	405	Deferred gains or losses on hedge	1,408
Deferred tax assets	2,149	Foreign currency translation adjustment	6,691
Other	14,552	Remeasurements of defined benefit plans	(3,231)
Allowance for doubtful accounts	(4,530)	Non-controlling interests	18,799
		Total net assets	208,598
Total assets	505,731	Total liabilities and net assets	505,731

Consolidated Statement of Income

(April 1, 2021 to March 31, 2022)

(Unit: million yen)

Description	Amount	
Net sales		693,682
Cost of sales		582,602
Gross profit		111,079
Selling, general and administrative expenses		84,003
Operating profit		27,076
Non-operating income		
Interest income	170	
Dividend income	786	
Foreign exchange gains	247	
Gain on sale of investment securities	23	
Share of profit of entities accounted for using equity method	2,685	
Subsidy income	2,570	
Other	674	7,157
Non-operating expenses		
Interest expenses	1,166	
Loss on sales of investment securities	0	
Provision for loss on litigation	285	
Other	407	1,860
Ordinary profit		32,372
Extraordinary income		
Gain on sale of non-current assets	788	
Gain on sale of investment securities	346	
Insurance claim income	1,025	
Gain on change in equity	58	2,218
Extraordinary losses		
Loss on disposal of non-current assets	660	
Impairment losses	5,516	
Loss on valuation of investment securities	299	
Loss on valuation of investments in capital	0	
Loss on disaster	891	
Loss related to disaster	68	7,436
Profit before income taxes		27,154

Income taxes - current	8,199	
Income taxes - deferred	608	8,807
Profit		18,347
Profit attributable to non-controlling interests		1,072
Profit attributable to owners of parent		17,275

Non-consolidated Balance Sheet

(As of March 31, 2022)

(Unit: million yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	139,280	Current liabilities	137,415
Cash and deposits	64	Accounts payable - trade	21,799
Accounts receivable - trade	51,914	Short-term borrowings	47,588
Merchandise and finished goods	38,006	Current portion of long-term borrowings	16,425
Work in process	4,979	Lease liabilities	55
Raw materials and supplies	12,059	Accounts payable - other	1,587
Advance payments to suppliers	230	Income taxes payable	851
Prepaid expenses	677	Accrued business office tax	76
Short-term loans receivable	20,786	Accrued expenses	14,670
Accounts receivable-other	9,745	Advances received	42
Other	822	Deposits received	32,802
Allowance for doubtful accounts	(8)	Provision for bonuses	1,486
Non-current assets	193,341	Other	29
Property, plant and equipment	36,299	Non-current liabilities	90,311
Buildings	13,524	Long-term borrowings	82,433
Structures	2,827	Lease liabilities	62
Machinery and equipment	10,005	Provision for retirement benefits	3,650
Vessels	0	Deferred tax liabilities	2,946
Vehicles	13	Other	1,218
Tools, furniture and fixtures	667	Total liabilities	227,726
Land	8,996	(Net assets)	
Leased assets	118	Shareholders' equity	92,375
Construction in progress	144	Share capital	30,685
Intangible assets	2,065	Capital surplus	20,714
Software	1,343	Legal capital surplus	12,955
Other	721	Other capital surplus	7,758
Investments and other assets	154,977	Retained earnings	41,374
Investment securities	33,356	Other retained earnings	41,374
Shares of subsidiaries and associates	84,072	Reserve for advanced depreciation of non-current assets	655
Investments in capital of subsidiaries and associates	1,413	Retained earnings brought forward	40,718
Long-term loans receivable	14,584	Treasury shares	(399)
Distressed receivables	31,326	Valuation and translation adjustments	12,520
Other	2,012	Valuation difference on available-for-sale securities	11,618
Allowance for doubtful accounts	(11,789)	Deferred gains or losses on hedges	902
		Total net assets	104,895
Total assets	332,621	Total liabilities and net assets	332,621

Non-consolidated Statement of Income

(April 1, 2021 to March 31, 2022)

(Unit: million yen)

Description	Amount	
Net sales		296,583
Cost of sales		248,836
Gross profit		47,747
Selling, general and administrative expenses		42,731
Operating profit		5,015
Non-operating income		
Interest income	446	
Dividend income	8,917	
Foreign exchange gains	466	
Reversal of allowance for doubtful accounts for subsidiaries and associates	432	
Other	88	10,350
Non-operating expenses		
Interest expenses	835	
Other	143	978
Ordinary profit		14,387
Extraordinary income		
Gain on sale of non-current assets	0	
Gain on sale of investment securities	77	78
Extraordinary losses		
Loss on disposal of non-current assets	251	
Loss on valuation of investment securities	298	
Loss on valuation of stocks of subsidiaries and affiliates	5,124	
Loss on liquidation of subsidiaries and associates	0	
Loss on valuation of investments in capital	0	
Loss on extinguishment of tie-in shares	96	
Loss related to disaster	68	5,840
Profit before income taxes		8,626
Income taxes - current	1,723	
Income taxes - deferred	(263)	1,460
Profit		7,165

Translation Independent Auditor's Report

May 17, 2022

The Board of Directors
Nippon Suisan Kaisha, Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Tomohiro Miyagawa
Designated Engagement Partner
Certified Public Accountant

Shigehiro Koshihara
Designated Engagement Partner
Certified Public Accountant

Masatoshi Komiya
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Nippon Suisan Kaisha, Ltd. and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2022, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Translation Independent Auditor's Report

May 17, 2022

The Board of Directors
Nippon Suisan Kaisha, Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Tomohiro Miyagawa
Designated Engagement Partner
Certified Public Accountant

Shigehiro Koshihara
Designated Engagement Partner
Certified Public Accountant

Masatoshi Komiya
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to the financial statements of Nippon Suisan Kaisha, Ltd. applicable to the fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations applicable to the fiscal year ended March 31, 2022, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

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Audit & Supervisory Board Audit Report (duplicated copy)

Audit Report

The Audit & Supervisory Board prepared this audit report after deliberation based on the audit reports prepared by each Audit & Supervisory Board Member regarding the execution of duties by Board Members in the 107th fiscal year (from April 1, 2021 to March 31, 2022), as described below.

1. Method and Details of Audit by Audit & Supervisory Board Members and Audit & Supervisory Board

(1) The Audit & Supervisory Board established an audit policy and plan for the fiscal year under review, and received reports on the implementation status of audits and their results from each Audit & Supervisory Board Member. In addition, it received reports from Board Members and the Accounting Auditor on the status of execution of their duties, and requested explanation when needed.

(2) Each Audit & Supervisory Board Member communicated with Board Members, Executive Officers, the internal audit division, and other employees, worked to gather information and develop an auditing environment by utilizing means such as telephone lines and the internet in accordance with the audit policy and plan for the fiscal year under review and in line with the audit standards for Audit & Supervisory Board Members established by the Audit & Supervisory Board, and performed audits with the following methods:

- 1) attended Board of Directors and other important meetings, received reports from Board Members, employees, and others on the status of execution of their duties, and requested explanation when needed; and reviewed important approval forms and other documents, and examined the status of business operations and properties;
- 2) monitored and verified the development and operation of the “System to Ensure the Appropriateness of Operations (Internal Control System)” by Board Members as stated in the business report; and received reports on the status of evaluations and audits of internal controls regarding financial reports from Board Members and Ernst & Young ShinNihon LLC, and requested explanations when needed;
- 3) ascertained the business circumstances of subsidiaries at the Company’s Board of Directors meetings, communicated and exchanged information with subsidiaries’ Directors, Audit & Supervisory Board Members, etc., and received business reports from subsidiaries when needed;
- 4) reviewed details of the “Basic Policy Regarding Control of the Company” as stated in the business report, taking into account factors such as the status of deliberations by the Board of Directors and others; and
- 5) monitored and verified that the Accounting Auditor is maintaining an independent position and carrying out audits properly, received reports from the Accounting Auditor on the status of execution of their duties, and requested explanation when needed; and discussed key audit matters with the Accounting Auditor, received reports on the status of said auditing, and requested explanation when needed.

In addition, Audit & Supervisory Board Members received notification from the Accounting Auditor that said Auditor has established the “System to Ensure the Appropriate Performance of Duties” (matters stated in each item of Article 131 of Regulations on Corporate Accounting) in accordance with the “Quality Control Standards for Audit” (October 28, 2005 Business Accounting Council), etc., and requested explanation when needed.

Based on the above methods, Audit & Supervisory Board Members reviewed the business report and attached detailed statements thereof, financial statements (balance sheet, profit and loss statement, statement of changes in shareholders’ equity, and notes to financial statements) and attached detailed statements thereof, and consolidated financial statements (consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in shareholders’ equity, and notes to consolidated financial statements) for the fiscal year under review.

2. Results of Audits

(1) Audit results for the business report, etc.

- 1) The business report and attached detailed statements thereof were found to accurately present the status of the company in accordance with laws, regulations, and the Articles of Incorporation.
- 2) No misconduct related to the execution of duties by Board Members or serious matters that violated laws, regulations, or the Articles of Incorporation were found.
- 3) Details of resolutions by the Board of Directors concerning the Internal Control System were found to be appropriate. In addition, no matters warranting comment were found in regard to the contents of the business report on said Internal Control System or the execution of duties by Board Members, including internal controls regarding financial reports.
- 4) No matters warranting comment were found in regard to the basic policy regarding control of the company.

(2) Audit results for financial statements and attached detailed statements thereof

The methods and results of the audits by the Accounting Auditor, Ernst & Young ShinNihon LLC, were found to be appropriate.

(3) Audit results for consolidated financial statements

The methods and results of the audits by the Accounting Auditor, Ernst & Young ShinNihon LLC, were found to be appropriate.

May 17, 2022

Audit & Supervisory Board, Nippon Suisan Kaisha, Ltd.

Audit & Supervisory Board Member (standing)	Hiroyuki Hamano
Audit & Supervisory Board Member	Shino Hirose
Audit & Supervisory Board Member	Masahiro Yamamoto
Audit & Supervisory Board Member	Tadashi Kanki

Note: Audit & Supervisory Board Members Shino Hirose, Masahiro Yamamoto, and Tadashi Kanki are Outside Audit & Supervisory Board Members as set forth in Article 2, Item 16 of the Companies Act.