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Greeting

I would like to express my sincere gratitude for shareholders' continued support and patronage.
Enclosed please find the Notice of the 108th Ordinary General Shareholders' Meeting.

In 2022, Nippon Suisan Kaisha, Ltd. clarified our "vision for 2030" as a goal of "Aiming to become a leading company that delivers friendly foods both for people and the earth" (long-term vision) after redefining our mission based on the "Founding Principles & 5 Genes" and our "Declaration on Action of Sustainability."

In FY2022, the first year of the Mid-term Business Plan "Good Foods Recipe 1" (from FY2022 to FY2024) which is serving as our first step on the road toward achieving the long-term vision, we showed improvement in sectors such as our Feed and Aquaculture Department and set new records for historical performance with a 10% increase in net sales and a 22% increase in profit. Furthermore, we were able to increase the year-end dividend and the interim dividend each by 2 yen per share, resulting in a total year-on-year increase in the annual dividend of 4 yen per share.

Moving forward, we will continue to strive to improve our corporate value by promoting "sustainability management" that creates value for a sustainable society with consideration for our multi-stakeholders and while strengthening "business portfolio management" that concentrates management resources in growth fields.

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

Shingo Hamada
Representative Board Member,
President & CEO

On December, 2022, “Nippon Suisan Kaisha Ltd.” became “Nissui Corporation”.

The new trade name defines that we are exploring the innovative food solutions beyond the Marine Products (Suisan) business to provide the better food choices.

We have been and will continue to create innovative foods by harnessing the power of our pioneering spirit and industry expertise.

Securities code: 1332

June 9, 2023

(Start date of measures for electronic provision: May 31, 2023)

To Shareholders with Voting Rights:

Shingo Hamada
Representative Board Member and
President
Nissui Corporation
1-3-1, Nishi-Shimbashi, Minato-ku,
Tokyo, Japan

**NOTICE OF
THE 108th ORDINARY GENERAL SHAREHOLDERS' MEETING**

We are pleased to inform you that the 108th Ordinary General Shareholders' Meeting (this "Meeting") of Nissui Corporation (the "Company," together with its subsidiaries, the "Group") will be held as described below.

In convening the General Meeting of Shareholders, the Company has taken measures for electronic provision, and the matters to which electronic provision measures apply are posted on each website on the Internet below.

■ The Company's Website https://www.nissui.co.jp/english/ir/share_information/meeting.html

■ Tokyo Stock Exchange (TSE) Website

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the TSE website above, enter the Company name or Security code to search, and select "Basic information" and then "Documents for public inspection/PR information" to view the available information.

If not attending the Meeting in person, shareholders can exercise their voting rights in writing or via the Internet, etc. Please review the following reference documents and exercise your voting rights in accordance with the guidance on page 6 of the Japanese version of this Notice.

In addition, visualized documents of the matters to be reported with graphs and charts will be posted on the Company's website by around Wednesday, June 14, 2023. 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.

1. Date and Time: Wednesday, June 28, 2023 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

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 108th Fiscal Year (April 1, 2022 - March 31, 2023) 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 108th Fiscal Year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

- Proposal 1:** Election of Nine (9) Board Members
Proposal 2: Election of One (1) Audit & Supervisory Board Member

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- Based on provisions in laws, regulations, and the Company's Articles of Incorporation, 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 the websites of Company and the TSE. Therefore, these documents are not contained in the physical documents provided to shareholders who made requests for provision of physical documents. Accordingly, the physical documents provided to shareholders who made requests for provision of physical documents are a part of the documents audited by Audit & Supervisory Board Members and the Independent Auditor in preparing their respective audit reports.
 - Any revisions to the matters to which electronic provision measures apply will be posted on the websites of the Company and the TSE listed above.

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	6	100% (22/22)	
Seiji Takahashi	Reappointed		Representative Board Member, Senior Managing Executive Officer, Member of Nomination and Compensation Committee	8	100% (22/22)	
Shinya Yamamoto	Reappointed		Board Member, Managing Executive Officer, Chief Financial Officer	8	95% (21/22)	
Koji Umeda	Reappointed		Board Member, Managing Executive Officer	3	100% (22/22)	
Shinya Yamashita	Reappointed		Board Member, Managing Executive Officer	2	100% (22/22)	
Masahide Asai	Reappointed		Board Member, Executive Officer	1	94% (15/16)	
Mikito Nagai	Reappointed	Outside Independent	Outside Board Member, Chairperson of Nomination and Compensation Committee	3	95% (21/22)	
Tokio Matsuo	Reappointed	Outside Independent	Outside Board Member, Member of Nomination and Compensation Committee	2	100% (22/22)	
Atsumi Eguchi	Newly appointed	Outside Independent	Outside Board Member, Member of Nomination and Compensation Committee	0		
Hiroyuki Hamano	Reappointed		Standing Audit & Supervisory Board Member	4	100% (22/22)	100% (14/14)
Shino Hirose		Outside Independent	Outside Audit & Supervisory Board Member	7	100% (22/22)	100% (14/14)
Masahiro Yamamoto		Outside Independent	Outside Audit & Supervisory Board Member	2	100% (22/22)	100% (14/14)
Tadashi Kanki		Outside Independent	Outside Audit & Supervisory Board Member	2	100% (22/22)	100% (14/14)

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

(https://www.nissui.co.jp/vision_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	○		○				○	○	○	
Tokio Matsuo	○			○			○	○	○	○
Atsumi Eguchi					○			○	○	○
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.

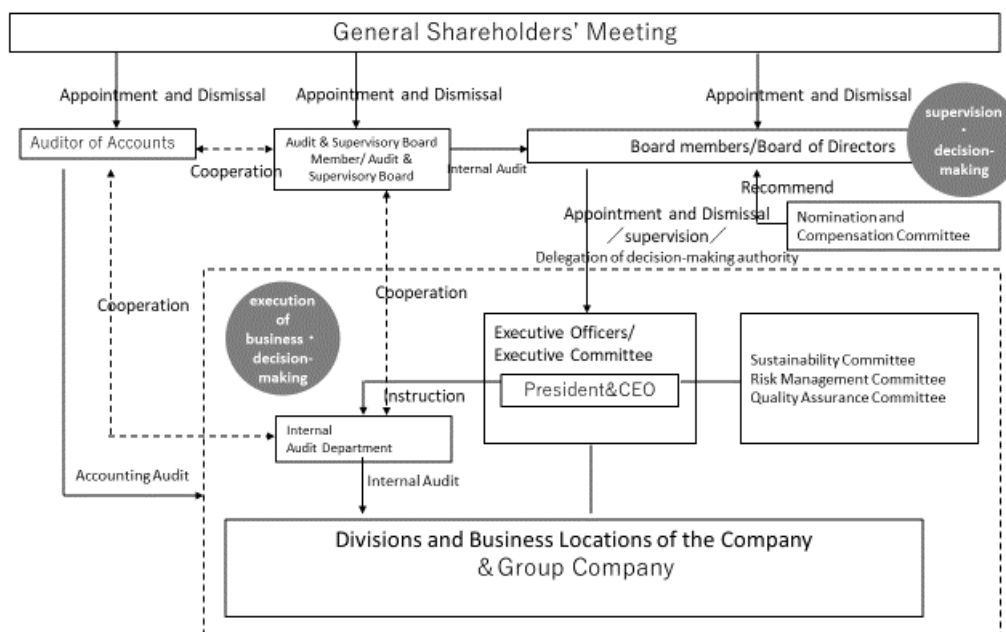
Nomination and Compensation Committee

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



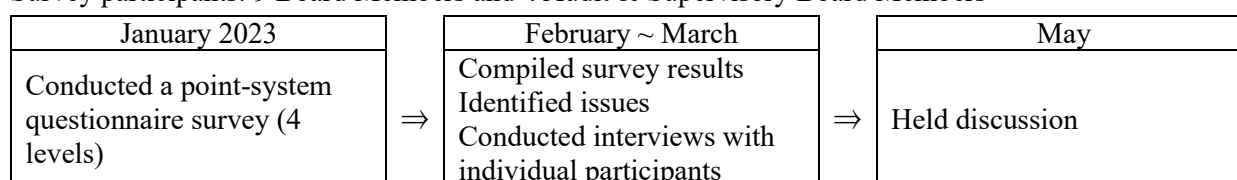
Evaluation of the Board of Directors' effectiveness

Based on Supplementary Principle 4.11.3 of the Corporate Governance Code, the Company has conducted evaluations of the Board of Directors' effectiveness every year since FY2016. The process involves conducting a questionnaire survey for all executives, identifying the issues from the results of the survey, and holding discussions which are participated in by all executives to address such issues in order to improve the functionality of the Board of the Directors. The Company has been working on improvements over the past six years in such areas as the timing of setting topics to be discussed at the Board of Directors meetings and time allocation for each topic, sharing of materials and content of discussions at the Executive Committee meetings, and enhancing the completeness and substantiation of matters to be reported, etc. Therefore, the Company judged that discussions at the Board of Directors meetings have become more active and its effectiveness has been improved year by year.

Summary of the evaluation conducted in FY2022

Although an internal executive had facilitated discussions up to the previous fiscal year, an outside executive has been made responsible for the role from the fiscal year under review. The secretariat and the outside executive met several times beforehand and shared the results of executive interviews, and decided on the topics to be discussed.

Survey participants: 9 Board Members and 4 Audit & Supervisory Board Members



Items on questionnaire	<ul style="list-style-type: none"> (1) Constitution of the Board of Directors (scale, number of members, diversity, ratio of internal and outside, etc.) (2) Operation of the Board of Directors and support structure (yearly schedule, contents and volume of materials, and leadership of the Chairperson, etc.) (3) Topics to be discussed at the Board of Directors meetings (adequacy of number of proposals, contents of proposals, and appropriateness of criteria for submitting proposals to the Board of Directors, etc.) (4) External communication (appropriateness of quality and content of information disclosure to stakeholders) (5) Training for internal and Outside Board Members
Summary of survey results and identified issues	The executives generally rated the current performance of the Board of Directors high in that active exchanges and open expression of opinions were conducted at the Board of Directors meetings. On the other hand, human resources strategies and succession, in addition to other matters for which sufficient improvement has not been achieved (decision-making process and supervisory function from a company-wide perspective, delegation of authority to Executive Committee, and volume and contents of materials for Board of Directors meetings), were raised as issues to be addressed during the fiscal year under review.
Interview questions	<p>The secretariat identified the following interview questions based on this fiscal year's issues identified from the survey results, and conducted interviews with each of the executives.</p> <ul style="list-style-type: none"> (1) Measures to fully exercise functions of the Board of Directors and review of the composition of the Board of Directors (2) Measures for human resources strategies and succession (including method of human resources development)

	<p>(3) Topics to be discussed for future growth strategies to achieve the long-term vision</p> <p>(4) Concrete measures pertaining to sustainability initiatives, revision of IR strategies</p>
Results of the discussion	<p>The discussion to address the issues was held in late May. The details of evaluation of the Board of Directors' effectiveness including the results of the discussion will be posted on the Company's website on or after June 21. Annual Securities Reports published after the Ordinary General Meeting of Shareholders and Corporate Governance Report will also provide this information.</p>

Proposal 1: Election of Nine (9) Board Members

The terms of office of all nine (9) Board Members will expire at the close of this Meeting. Accordingly, the Company proposes the election of nine (9) Board Members. 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. 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 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 promotion 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</p> <p>June 2015 President, NIPPON SUISAN AMERICA LATINA S.A. (currently NISSUI AMERICA LATINA S.A.) Board Member, Executive Officer, Business Supervisor in North America, the Company</p> <p>June 2018 President, NIPPON SUISAN (U.S.A.), INC. (currently NISSUI USA, INC.)</p> <p>June 2019 Fisheries Business Operating Officer, the Company</p> <p>June 2021 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)	April 1985 Joined the Company April 2013 General Manager of Finance and Accounting Department June 2014 Executive Officer June 2015 Board Member, Executive Officer May 2017 Representative Board Member and President, Nissui G Net Co., Ltd. June 2017 Board Member, Managing Executive Officer and Chief Financial Officer, the Company (to present) (Currently Board Member, Managing Executive Officer, Chief Financial Officer, In charge of Corporate Administration Group of the Company)	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 (Sustainability) 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</p> <p>June 2022 Board Member, Managing Executive Officer (to present)</p> <p>(Currently Board Member, Managing 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 and Chairman, TN Fine Chemicals Co. Ltd. 	30,600
<p>[Reason for nomination as candidate for Board Member]</p> <p>He has engaged in research and development for many years at the Company, 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	Masahide Asai (March 14, 1962)	<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. (currently NISSUI USA, 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.) (currently NISSUI AMERICA LATINA S.A.) (to present)</p> <p>March 2022 International Business Operating Officer, General Manager of Business Supervisor in South America, the Company</p> <p>June 2022 Board Member, Executive Officer (to present)</p> <p>(Currently Board Member, 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, NISSUI AMERICA LATINA S.A. 	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, and is promoting the growth and expansion of the international business toward achieving the long-term vision. The Company has renominated him as a candidate for Board Member as he has abundant experience and knowledge regarding international business.</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</p> <p>June 2014 President and CEO</p> <p>April 2019 Director and Senior Advisor, NIPPON STEEL KOWA REAL ESTATE CO., LTD. (company name changed)</p> <p>June 2019 Senior Advisor</p> <p> Outside Director (Audit & Supervisory Committee Member), OKASAN SECURITIES GROUP INC. (to present)</p> <p>June 2020 Outside Board Member, the Company</p> <p>June 2021 Outside Director, Tohoku Electric Power Co., Inc. (to present)</p> <p> 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	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</p> <p>June 2021 Outside Board Member, 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>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Atsumi Eguchi (October 2, 1957) [Newly appointed] [Outside] [Independent]	<p>April 1980 Joined Suntory Spirits Ltd.</p> <p>April 2010 Head of Public Relations, Suntory Holdings Limited</p> <p>April 2013 Senior General Manager of Business Development Department, Suntory Global Innovation Center Ltd.</p> <p>April 2016 Assistant to Executive Officer in charge of R&D, in charge of Public Relations, Suntory Holdings Limited</p> <p>November 2017 Director, Manager of Corporate Communication, Ezaki Glico Co., Ltd.</p> <p>March 2018 Executive Officer, Manager of Corporate Communication (to present)</p>	0
<p>[Reason for nomination as candidate for Outside Board Member and expected roles]</p> <p>She has engaged in research & development and public relations/communications divisions at beverage and food manufacturing companies and has broad knowledge and abundant experience. The Company has nominated her as a candidate for Outside Board Member in the expectation that she will appropriately supervise overall management from a perspective of corporate communication and diversity at the Board of Directors meetings, etc. of the Company.</p>			

- Notes: 1. Mikito Nagai and Tokio Matsuo are incumbent Outside Board Members of the Company. Mikito Nagai will have served as Outside Board Members for three (3) years and Tokio Matsuo for two (2) years at the close of this Meeting.
2. The Company stipulates in its Articles of Incorporation that it can conclude agreements with Board Members (excluding those serving as executive Board Members, etc.) 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 and Tokio Matsuo are incumbent Outside Board Members of the Company, and the Company has entered into the aforementioned agreement with them. If their election is approved, the Company will extend the aforementioned agreement with them. If the election of Atsumi Eguchi is approved, the Company will also enter into the aforementioned agreement with her.
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 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. Atsumi Eguchi also satisfies these standards provided by the Tokyo Stock

Exchange and stipulated by the Company. If her election is approved, the Company will newly report her to the Tokyo Stock Exchange as an Independent Board Member.

Proposal 2: Election of One (1) Audit & Supervisory Board Member

The terms of office of Audit & Supervisory Board Member, Hiroyuki Hamano will expire at the close of this Meeting. Accordingly, the Company proposes the election of one (1) Audit & Supervisory Board Member. The candidate for Audit & Supervisory Board Members is as follows.

The Company has obtained the prior consent of the Audit & Supervisory Board in submitting this proposal.

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	Hiroyuki Hamano (April 6, 1959)	<p>April 1982 Joined the Company</p> <p>April 2013 General Manager of Secretarial Section</p> <p>June 2015 General Manager of Finance and Accounting Department</p> <p>March 2017 General Manager of Corporate Strategic Planning & IR Department</p> <p>June 2017 Executive Officer</p> <p>June 2019 Standing Audit & Supervisory Board Member (to present)</p> <p>(Currently Standing Audit & Supervisory Board Member of the Company)</p>	6,100
<p>[Reason for nomination as candidate for Outside Audit & Supervisory Board Member]</p> <p>In addition to his work experience at overseas Group companies, Sales Group Branches, and plants at the Company, he had been serving as General Manager of Finance and Accounting Department, General Manager of Corporate Strategic Planning & IR Department and Executive Officer. Since he was appointed as Audit & Supervisory Board Member of the Company, he has stated his opinions from an independent and objective standpoint. The Company has nominated him believing he is appropriate as a candidate for Audit & Supervisory Board Member of the Company who is responsible for ensuring the appropriateness of operations.</p>			

- Notes:
1. Hiroyuki Hamano is an incumbent Standing Audit & Supervisory Board Member of the Company and will have served as Standing Audit & Supervisory Board Member for four (4) years at the close of this Meeting.
 2. The Company stipulates in its Articles of Incorporation that it can conclude agreements with Audit & Supervisory 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. Hiroyuki Hamano is an incumbent Standing Audit & Supervisory Board Member of the Company and the Company has entered into the aforementioned agreement with him. If his election is approved, the Company will extend the aforementioned agreement with him.
 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 candidate is reelected, he will be insured under the insurance contract. The Company will renew the contract with the same contents at the next renewal.

(Attached Documents)

BUSINESS REPORT (from April 1, 2022 to March 31, 2023)

1. Current status of the corporate group

(1) Business activities and results

During the consolidated fiscal year, the Japanese economy improved mainly in the food service industry even though the Omicron variant spread repeatedly at the same time. People started to go out by the lifted emergency declaration and domestic travel discount program supported by the Japanese Government. Meanwhile, increased inflation pressure and sharp exchange rate fluctuation, such as rising resource prices caused by the conflict between Russia and Ukraine, weighed on business activities.

Regarding the global economy during the period subject to consolidated accounting from January to December, personal consumption was steady after outing restrictions lifted although the Omicron variant rapidly spread in Europe and the U.S. in January. There has been anxiety about the supply instability of some resources, increasing energy and labor costs, influence by inflation, and interest rate hikes caused by the conflict between Russia and Ukraine since the end of February, as same as in Japan.

As for the Company and its corporate group, the sales have been steady in the marine products business in Japan and overseas since the previous fiscal year. Also, the domestic aquaculture business continued to be financially improved, and profit was significantly enhanced by the cost reduction in the processing business in North America. Meanwhile, an increased cost of raw materials and the yen depreciation affected the food business, though sales were steady in Japan and overseas. In the fine chemicals business, the Company struggled due to the sale of all shares of its consolidated listed subsidiary, Nissui Pharmaceutical Co., Ltd., and the suspension of exports of pharmaceutical raw materials to the United States.

Under these circumstances, the consolidated financial results through the consolidated fiscal year were as follows: net sales were 768,181 million yen, up 74,499 million yen year-on-year; operating profit was 24,488 million yen, down 2,588 million yen year-on-year; ordinary profit was 27,776 million yen, down 4,595 million yen year-on-year. The profit attributable to the owners of the parent company was 21,233 million yen, up 3,958 million yen year-on-year. This is because we posted an extraordinary income of sales of shares of Nissui Pharmaceutical Co., Ltd., by 2,402 million yen, gain on sales of shares of cross-shareholdings by 1,938 million yen, as well as an extraordinary loss of 1,810 million yen on an impairment loss of non-current assets of Empresa de Desarrollo Pesquesro de Chile S.A. (EMDEPES).

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

(Unit: million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	ROE
FY2022	768,181	24,488	27,776	21,233	10.4%
FY2021	693,682	27,076	32,372	17,275	9.6%
Difference	74,499	(2,588)	(4,595)	3,958	0.8%
Percentage difference (%)	110.7%	90.4%	85.8%	122.9%	-

(1) 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>

We recorded 328,335 million yen (up 40,566 million yen year-on-year) in the sales and operating profit of 18,579 million yen (up 5,857 million yen year-on-year) in the Marine Products Business.

Fishery Business: Both sales and profit increased year on year.

[Japan]

- Both sales and profit increased as skipjack, sardines, etc., caught well, and the sales price was steady though fuel prices rose.

[South America]

- Profit decreased due to the increasing fuel cost and poor catch of hoki and southern blue whiting.

Aquaculture Business: Both sales and profit increased year-on-year.

[Japan]

• We steadily supplied complete aquaculture yellowtails by taking advantage of our strength, while there was a small supply in the whole market due to a poor catch of juveniles last year. Both sales and profit increased as the sales volume of coho salmon increased thanks to the expanding farming site. We also strived to improve profitability by strengthening the handling of large fattening tuna in collaboration with the fishery company of our groups, reviewing the redundant operations, and promoting joint purchase of feed among aquaculture companies.

[South America]

• Both sales and profit increased as improving the survival rate of coho salmon and increasing sales price covered the decreased production volume due to the changed farm location and increased feed cost, etc.

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

[Japan]

• Sales and profits increased as the sales prices of all fish species, not only salmon, were generally firm despite the delay in the price increase of processed marine products for restaurants and employees' cafeterias.

[North America]

• Although there was some impact due to a decrease in the catch quota of pollock, sales increased as sales price rose. Profit increased as the decline in countermeasures for COVID-19 and amortization expenses due to the impairment of fixed assets in the previous year offset the rising labor costs.

[Europe]

• Although the worsening economic environment in the second half of the fiscal year began to affect fishery market conditions, sales, and profit increased as the sales for restaurants and cruise ships were firm through the year.

(2) 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>

We recorded 382,048 million yen (up 53,446 million yen year-on-year) in sales and operating profit of 11,426 million yen (down 3,973 million yen year-on-year).

Processed Foods Business: Sales increased but profit decreased year-on-year.

[Japan]

•In order to respond to the growing health awareness, we worked to expand sales of "fast-twitch skeletal muscle protein" products that contain high-quality protein. Sales for restaurants and delicatessen for mass retailers were strong as people went out following the lifting restriction on going out. On the other hand, profit deteriorated because of increased raw material prices, energy costs, and the time lag of raising prices caused by the depreciating yen, despite increased sales due to price rises for food for household use and food service.

[North America and Europe]

•Sales for household use remained in sales volume after the price increase. Increased raw material and labor costs decreased profit despite the price increase in food service. Also, there were difficulties in introducing products for Quick-Service restaurants in food service.

[Europe]

•Sales were steady following the expanding sales area such as Spain and others, in addition to improving sales in the U.K. However, profits fell as we couldn't keep up with the sharp rise in energy costs such as electricity and gas bills.

Chilled Foods Business: Sales increased, but profit decreased year-on-year.

•The vendor business performed well as the sales of rice balls for convenience stores increased since the Japanese Government lifted the outing restrictions and people went out. Profits declined due to increased amortization and production troubles at the beginning of starting Q-DISH business (Note 1).

(3) Fine Chemicals Business

The Fine Chemicals segment is engaged in manufacturing and selling pharmaceutical raw materials, functional raw materials (Note2), functional foods (Note 3).

<Overview of the consolidated fiscal year under review>

We recorded 25,116 million yen (down 8,958 million yen year-on-year) in sales and operating profit of 1,725 million yen (down 2,326 million yen year-on-year) in the Fine Chemicals Business.

•Sales and profits decreased as we sold all shares of our consolidated subsidiary, Nissui Pharmaceutical Co., Ltd., in September. Also, the export of pharmaceutical raw materials to the U.S. has been suspended, as well as a decrease in sales of EPA, DHA materials for health food and online sales as nesting demand declined.

(4) 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>

We recorded 15,488 million yen (down 289 million yen year-on-year) in sales and operating profit of 1,594 million yen (down 446 million yen year-on-year) in the General Distribution Business.

•The customs clearance business was healthy, thanks to increased imports and exports. However, loading and unloading fee decreased due to low cargo movements in Japan. Profit decreased as it is taking time to penetrate price rise, although we have been increasing storage fees to respond to cost increases in electricity and labor cost.

(Note 1) Microwavable pre-heated products with various Japanese, Western, and Chinese selections

(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.

Net Sales and Operating Profit by Business

(Unit: million yen)

Category	107th fiscal year (FY2021)		108th fiscal year (FY2022)		Changes from the previous year	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Marine Products Business	287,768	12,721	328,335	18,579	14.1 %	46.0 %
Food Products Business	328,602	15,400	382,048	11,426	16.3	(25.8)
Fine Chemicals Business	34,074	4,052	25,116	1,725	(26.3)	(57.4)
General Distribution Business	15,778	2,041	15,488	1,594	(1.8)	(21.9)
Total	666,223	34,215	750,988	33,326	12.7	(2.6)
Other	27,458	1,005	17,192	759	(37.4)	(24.4)
Total	693,682	35,220	768,181	34,086	10.7	(3.2)
Consolidated Adjustment	—	(8,144)	—	(9,598)	—	—
Total	693,682	27,076	768,181	24,488	10.7	(9.6)

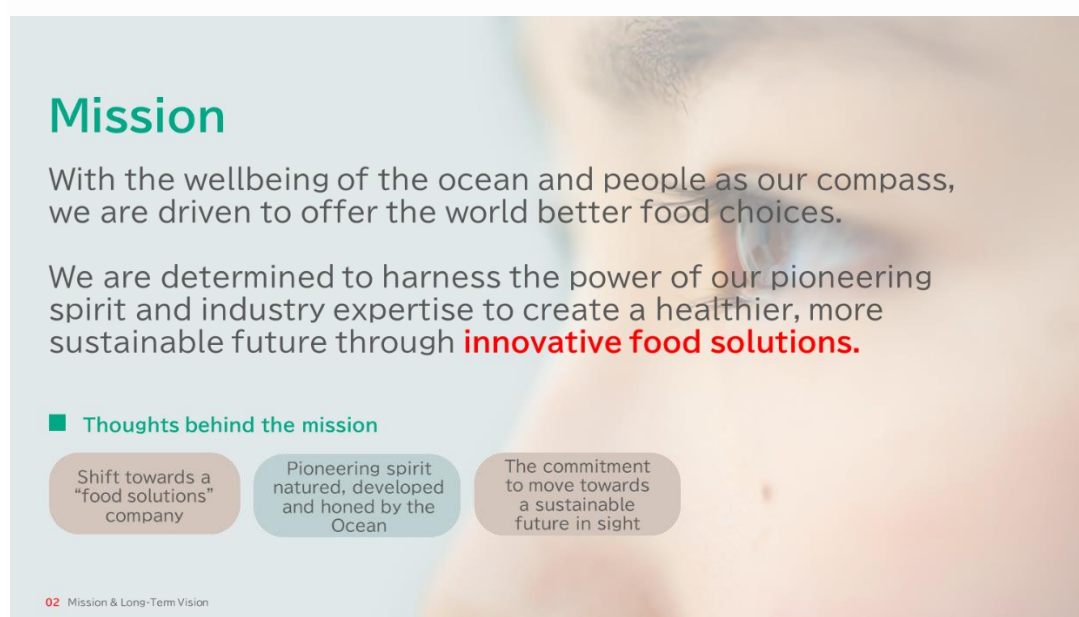
Note: 1. "Net sales" means net sales to third party.

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

(2) Issues to be addressed

<Mission and Long-term vision>

Although the business environment surrounding the Company is changing in various ways, Nissui considers that we should address these important social issues, especially as important ones, "actions to climate change and the marine environment," "sustainable usages of natural resources," "contribution to a healthy life," and "realization of social environment where diverse human capitals can play their active role. To address these issues, Nissui redefined our company mission and clarified our long-term vision as a goal for 2030 of "Good Foods 2030", Aiming to become **a leading company that delivers friendly foods both for people and the earth.**



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.**

■ Thoughts behind the mission

- Shift towards a "food solutions" company
- Pioneering spirit natured, developed and honed by the Ocean
- The commitment to move towards a sustainable future in sight

02 Mission & Long-Term Vision

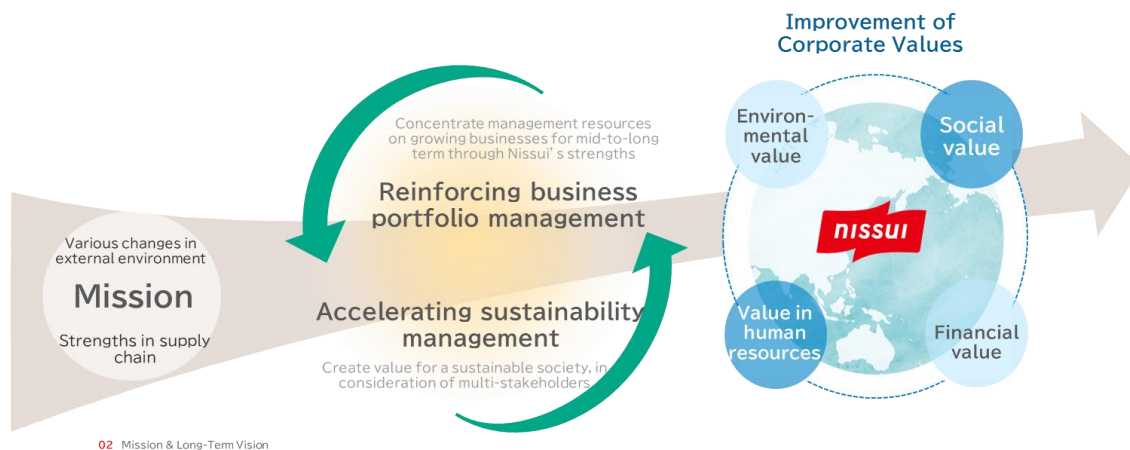
For more than 110 years, Nissui has developed its strengths of accessibility of natural resources, R&D, production technology, and quality assurance, leveraging **the strengths and features of the value chain*** consisting of Global Links and Local Links. By taking advantage of these strengths, Nissui will deliver "innovative food" that enriches our life and "innovative food" that solves social issues.

*Look at pages 27 to 34 of the NISSUI INTEGRATED REPORT 2022 for information on the strengths and features of the value chain

https://www.nissui.co.jp/english/ir/ir_library/pdf/2022_integrated_report_en_a3all.pdf

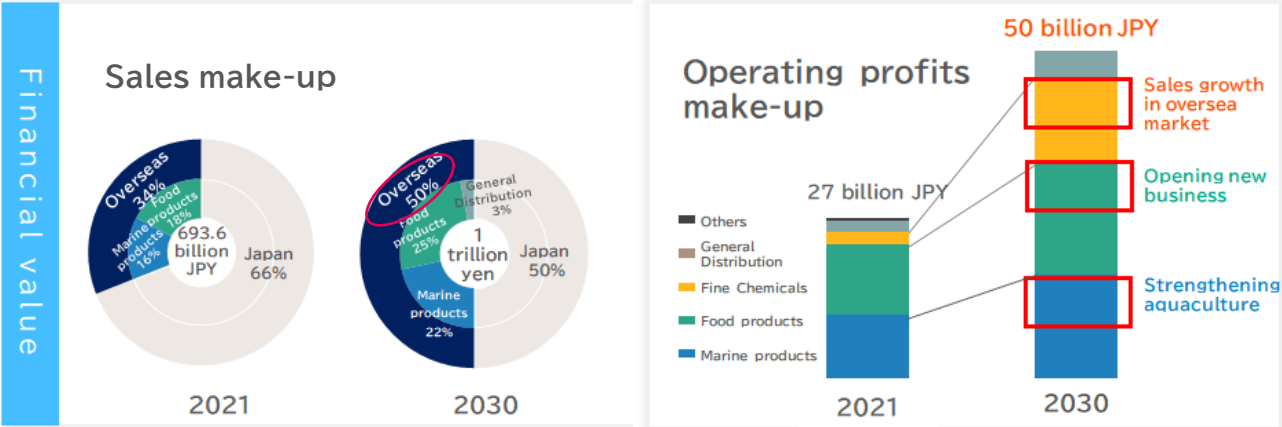
<Long-term vision as a goal for 2030>

A leading company that delivers friendly foods both for people and the earth.



To achieve our long-term vision, "Good Foods 2030," Nissui will strive for "sustainability management" that creates value for a sustainable society while giving consideration to multiple stakeholders and strengthen "business portfolio management" that concentrates management resources on growth fields by utilizing ROIC and strive to increase corporate value.

Nissui aims to be a company that can achieve a ratio of sales of overseas markets of 50%, sales of 1 trillion yen, and operating profit of 50 billion yen by expanding overseas markets and making growth and differentiation in the aquaculture and Fine Chemicals business.



Values	Themes	Goals	KPI for 2030	Compared (Unit)
Environmental value	Actions toward climate change and ocean environment	Zero CO2 emission	CO2 emission (Scope1-2) Reduced 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
Value in human resources	Play important roles by diverse human resources	Employee engagement	Employee engagement score※ Improved by 20%	FY2021
		Promotion of active female participation	Ratio of female manager※ 20%	-
Financial value	Capital strength to compete in the world	Growth and profitability	Sales: 1,000 billion JPY Operating Incomes: 50 billion JPY	-
		Capital efficiency	ROIC ≥7.0%	-
		Overseas expansion	Ratio of global sales: 50%	-

※The numbers is not as Nissui Group Total

<Mid-Term Business Plan and six basic strategies>

To achieve our long-term vision in FY2030, Nissui has formulated our mid-term business plan, “Good Foods Recipe 1”, covering FY2022 – FY2024. The Company is working on its businesses based on the following six strategies.

ROIC $\geq 5.5\%$

Improving profitability on each business

ROE $\geq 10.0\%$

Appropriate capital policy

(Unit : 100 million yen)

KPI for Mid-Term Business Plan	Result of FY2022	Plan for FY2023	Mid-Term Plan for FY2024
Net Sales	7,681	8,000	7,900
Operating Profit	244	270	320
Ordinary Profit	277	290	350
Profit attributable to owners of parent	212	215	225
ROIC	5.2%	5.4%	5.5%
ROE	10.4%	9.7%	10.0%

<Investments and financial strategies for Mid-Term Business Plan>

The Company will attempt to balance growth and financial health, aiming at more than a 30% payout ratio in returns to shareholders.

Cash Flow (3 years)

M&A allowance ¥25B	Fund Raising (shortfall)
Investment approx. ¥110B	Asset Disposal approx. ¥11B
Shareholder Return approx. ¥17B	CCC Improvement
	Operating CF approx. ¥110B

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

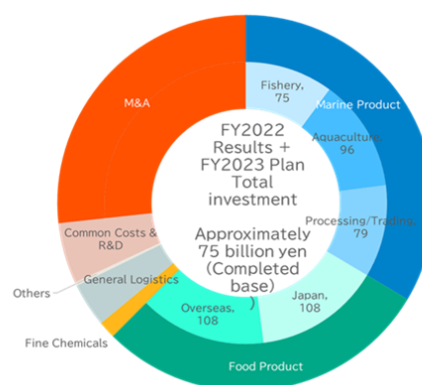
The Six Basic Strategies	Initiatives in FY2022 and FY2023
1. Evolving Towards Sustainability Management	<p>As actions to the risks and opportunities arising from climate change, Nissui declared its support for recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) in November 2021 and joined the TCFD Consortium.</p> <p>The Company also identifies the risks and the opportunities related to climate change, assesses the impact on businesses as well as financial effects through scenario analysis, and discloses information in accordance with the four disclosure items recommended in the TCFD recommendations: Governance, Strategy, Risk Management, and Metrics and Targets.</p> <p>In addition, as for the sustainable use of marine resources, Nissui strives to grasp the actual situation by surveying the resource status of handled marine products and working with industry groups and experts to resolve the issues.</p> <p>See “Nissui’s Sustainability” for the initiatives of Zero CO2 emissions, zero plastic emissions, Responsible procurement, and Diverse human capital playing an important role.</p>
2. Acceleration of Global Expansion	<p>Nissui has set a goal to increase the ratio of overseas sales to about 38% by FY2024. In the food products business, the Company has filled the shortage of production capacity through acquisitions in Europe and expanded the sales area to Spain and Italy. In North America, the Company has increased its product categories to health promotion products in addition to our mainstay fried fish and fried shrimp. Regarding expansions of the EPA pharmaceutical business, although the export to the US has been suspended, Nissui is preparing the application required for shipment to Europe.</p>
3. Opening New Business & Business Boundary Areas	<p>As an innovative “food that meets the diverse needs of our customers, Nissui is expanding our range of health category products, including “fast-twitch skeletal muscle protein” and reducing salt products as a key, utilizing our functional research results of marine materials.</p> <p>In this March, Nissui Corporation and Mitsubishi Corporation agreed to merge their convenience vendor businesses, Nippon Cookery, Co., Ltd., a subsidiary of Nissui, and Gourmet Delica Co., Ltd., a subsidiary of Mitsubishi Corporation, and to newly establish NC・GD Holdings as the parent company of both companies lately. Mitsubishi Corporation, Lawson, Inc., and Nissui will share know-how, optimize the production system, and enhance product development. Nissui would develop and manufacture products to meet needs, such as individual, simple, and healthy, by new categories (frozen lunch box, Q-DISH) utilizing our characteristics of the chilled business and frozen food products business.</p> <p>In addition, the Company is taking on new categories such as PAWSOME DELI, a frozen pet food with high freshness, high quality, and safety, and WABIO, a “Japanese x fermented” vegetable yogurt made from domestic soybeans and rice.</p>
4. Innovating Productivity	<p>Nissui is working on the efficiency and data conversion on fish farming by expanding the AI fish counters system and introducing electronic fish disease charts. In the future, the Company will analyze environmental and rearing data to develop an optimal rearing conditional model and raise fish efficiently.</p> <p>In addition, as a means of technology transfer at food factories, the Company is working on visualizing and analyzing data of the experience and intuition of veteran employees using eye-tracking technology.</p>
5. Financial Strategy	<p>To improve ROIC in each business, Nissui has promoted monthly cash conversion cycle (CCC) management. However, the inventory level rose because it was difficult to forecast appropriate inventory</p>

	<p>levels in the repeated extensions and cancellations of restrictions to COVID-19. The Company will strengthen inventory management, increase inventory turnover, and reduce working capital.</p> <p>Nissui will continue to sell shares of cross-shareholdings in FY2023 and invest in growth areas with generated cash.</p>
6. Governance strategy	<p>The Board of Directors sets an overall direction for corporate strategy and other matters and places more emphasis on supervisory functions while maintaining essential decision-making functions.</p> <p>In addition, Nissui decided to increase the compensation of directors to the ratio of performance-related compensation (performance-related and stock-based compensation) to about half of the total compensation from FY2023.</p> <p>The Company believes this will increase awareness to improve business performance and corporate value over the mid-to-long term. See 2. the status of the Company, (2) the status of board members ② compensations for board members and auditors.</p>

<Progress status of capital investment plan>

Nissui has actively invested in strengthening access to resources and growth areas such as overseas business.

(Unit : 100 million yen)	FY2022 Results	FY2023 Plan	FY2022 Results + FY2023 Plan
The total amount of investments (Completed base)	260	490	750
(Breakdown of investments : including share acquisition)			
Marine Products Business	102	148	250
Aquaculture business in South America (Reinforcement of production line, maintenance and renewal of facilities, etc.)	26	42	68
Aquaculture business in Japan (Investment in maintenance and renewal, etc.)	8	19	27
Fisheries (Investment to increase the capacity of seine fishing vessels)	38	36	74
Food Products Business	116	100	216
Europe and North America (Automating production line, etc.)	54	54	108
Frozen Food functions in Japan (Expanding production line of rice balls and spring rolls, etc.)	28	22	50
Chilled business in Japan (Introducing production capacity such as refrigerators)	22	18	40
Other than the above (Research and development of plant-based protein, etc.)	42	42	84
M&A (assuming M&A, mainly overseas)	-	200	200



<The Nissui Group's Sustainability>

The Nissui Group aims to create four types of value, namely social value, value in human capital, environmental value, and financial value, and position sustainability management as a core pillar of our efforts to achieve the vision. We will promote sustainability management that creates value in pursuit of a sustainable society and translate it into the enhancement of business competitiveness.

Viewing sustainability issues from the dual angles of risk and opportunity, we will strengthen our non-financial capital by engaging in the creation of social value, value in human capital, and environmental value, and connect them to the creation of financial value.

Social Value

- Solve Health Problem
- Respect for Human Rights
- Sustainable Procurement
- Initiatives to Ensure Safety and Security

<KPI for 2030>

- Sales of Health Category Products: Expanded by 300% Compared to FY2021
- Ratio of conducting assessments of Tier-1 suppliers: Group Companies 100%

Value in Human Capital

- Diverse Human Capital Playing an Important Role
- Diversity & Inclusion
- Training and Development
- Work Style Reform
- Employee Health

<KPI for 2030>

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

*Scope: Nissui Corporation

Environmental Value

- Actions toward Climate Change
- Reducing Environmental Impact
- Sustainability of Marine Resources
- Preservation of Biodiversity
- Preservation of Marine Environment

<KPI for 2030>

- CO₂ emissions(Scope 1・2): Reduced by 30% Compared to FY2018 (absolute quantity)
- Usage of plastics*: Reduced by 30% Compared to FY2015 (per unit)

- Procurement of sustainable marine resources 100%

*Scope: Nissui Corporation

Social Value

Expand Sales of Health Category Products

Leveraging its strengths in access to marine resources and R&D that have been cultivated since its inception, Nissui continues to develop “Health Category Products” such as EPA/DHA, fast-twitch muscle protein, and low-sodium products. “Health Category Products” are those that support a healthy lifestyle for customers through innovative food solutions verified by either the national government, academic societies, or Nissui, and that correspond to the target items set forth in “Healthy Japan 21” by the Ministry of Health, Labour and Welfare or the “Recommendations for Extending Healthy Life Expectancy Based on Cross-Disease Evidence” by the Japan Health Research Promotion Bureau. We are committed to advancing research and product development of healthy ingredients that harness the bounty of the ocean and contribute to addressing global health challenges.



Promotion of Sustainable Procurement

The Nissui Group procures agricultural, livestock, and marine products from around the world, and we are aware that all of our business activities are only possible on the principle of respect for human rights. We believe that achieving sustainable procurement is also important from a perspective of risk management, and in 2016 we established the Nissui Group Basic Procurement Policy and the Supplier Guideline. We will make every effort to reduce human rights risks throughout supply chains by cooperating with our suppliers to promote initiatives and conducting human rights due diligence continually.



Value in Human Capital

Improving Employee Engagement

Nissui believes that the most important factor in increasing corporate value is “human capital.” We conduct employee engagement survey to measure our status in the practice of “diverse human capital playing an important role,” one of the themes of our vision toward 2030. Based on the survey results, we will implement necessary measures to raise employees’ motivation for proactive contribution to the Company and to improve the organizational culture and workplace atmosphere.



Note: “Diverse human capital playing an important role” refers to a work environment where people with various values perform their duties proactively and independently, demonstrating strong potential in their respective fields of expertise.

Selected under 2023 Health & Productivity Stock Selection

Nissui was selected as a “health and productivity management brand” for the fifth consecutive year in recognition of its promotion of health through the functionalities of marine products that are the mainstay of the company's business, such as EPA and fast-twitch muscle protein, and its expansion of flexible work systems, including paid leave in hourly increments. In FY2022, we introduced a policy of prohibiting smoking during working hours 365 days of the year, conducted health improvement seminars, and measured the EPA/AA ratio (see note) of all employees.



Note: The EPA/AA ratio indicates the balance of EPA and AA (arachidonic acid) in the body. The ratio is calculated for each department and published in a ranking table.

Environmental Value

Participation in SeaBOS

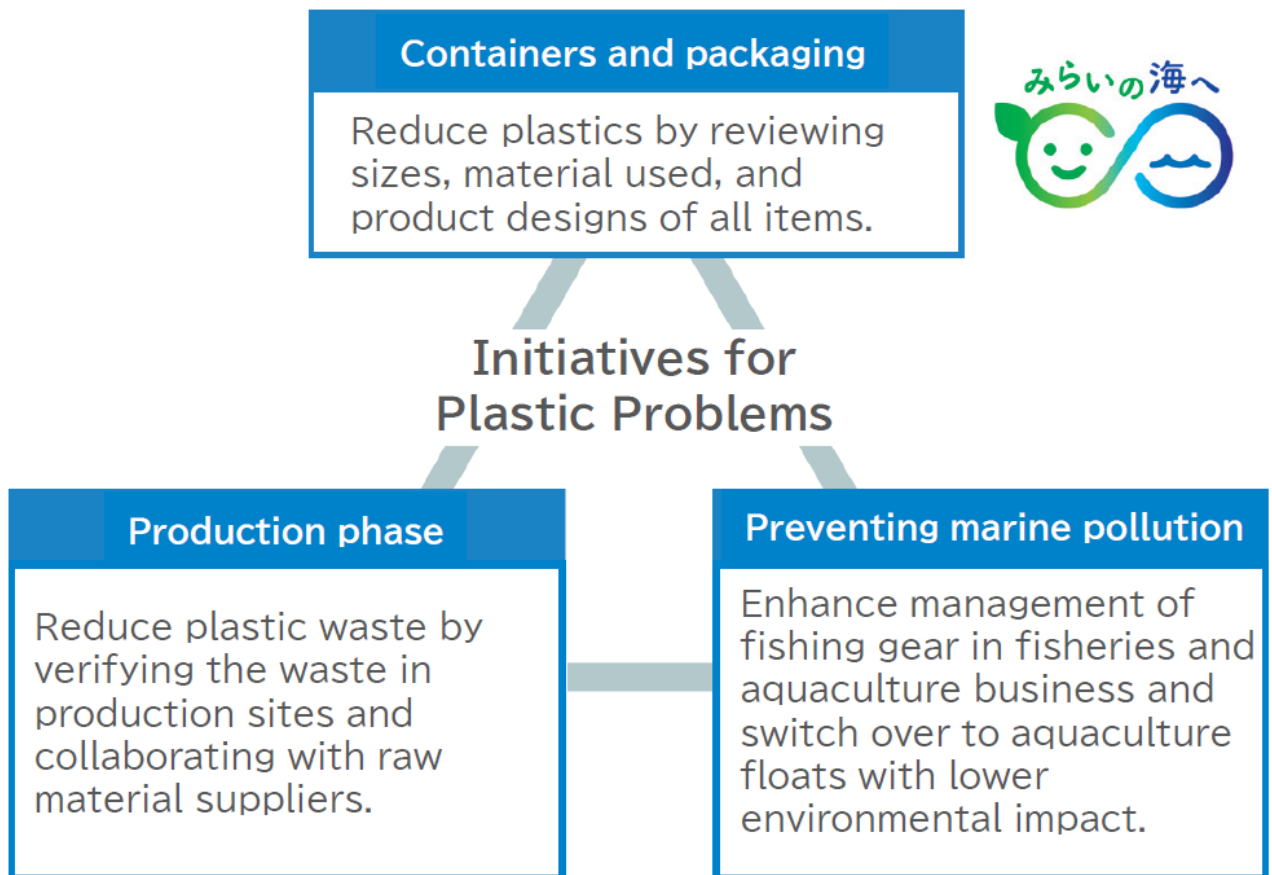
Nissui has been involved in SeaBOS (Seafood Business for Ocean Stewardship), an initiative for promoting the preservation of the marine environment and marine resources and sustainable use of resources, since December 2016.

Through the collaboration between leading companies in the fisheries industry and scientists from around the world, the SeaBOS initiative operates five task forces, each focused on a key challenge facing the seafood industry, including climate change, biodiversity, and reducing antibiotic use in aquaculture. Nissui is committed to addressing such various challenges through its participation in these task forces and contributing to a sustainable fisheries industry.



Reduction of Plastics

Since the raw material of plastic is petroleum, it is greatly related to global warming, and marine plastic litter and microplastics have attracted significant attention as a problem that affects not only the marine environment but also the ecosystem. Our initiatives are based on three perspectives: reducing the use of plastic in containers and packaging, reducing plastic waste at the production phase, and preventing marine pollution.



(3) Capital Investments

Capital investment for the consolidated fiscal year ended March 31, 2023 amounted to 24,585 million yen in total.

(4) Financing

There was no significant financing for the consolidated fiscal year ended March 31, 2023.

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

(Unit: million yen)

Category	105th fiscal year (FY2019)	106th fiscal year (FY2020)	107th fiscal year (FY2021)	108th fiscal year (FY2022)
Net sales	690,016	615,044	693,682	768,181
Operating profit	22,834	17,998	27,076	24,488
Ordinary profit	25,807	22,670	32,372	27,776
Profit attributable to owners of parent	14,768	14,391	17,275	21,233
Earnings per share (yen)	47.47	46.25	55.51	68.22
Total assets	491,533	475,468	505,731	549,013
Net assets	172,300	187,779	208,598	220,635

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) 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, 2023)

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

(Unit: million yen)

Company	Head office	Capital	Percentage of voting rights of the Company	Main businesses
Kurose Suisan Co., Ltd.	Kushima-shi, Miyazaki	498	100.0	Aquaculture / Marine products processing and sales
Seinan Suisan Co., Ltd.	Oshima-gun, Kagoshima	150	100.0	Aquaculture / Marine products processing and sales
Kaneko Sangyo Co. Ltd.	Nagasaki-shi, Nagasaki	90	100.0	Aquaculture / Marine products processing and sales
Yumigahama Suisan Kaisha, Ltd.	Sakaiminato-shi, Tottori	125	100.0	Aquaculture / Marine products processing and sales
Kyowa Fishery Co., Ltd.	Sakaiminato-shi, Tottori	95	95.0	Fishery
Farm Choice Co., Ltd.	Imari-shi, Saga	50	100.0	Formula feed production and sales / Aquaculture
Hachikan Co., Ltd.	Hachinohe-shi, Aomori	100	50.0	Food production and sales
Hokkaido Nissui Co., Ltd.	Sapporo-shi, Hokkaido	490	100.0	Cold storage management / Marine products processing and sales / Food 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
Nissui America Latina S.A.	Chile	169,513 (1,000 USD)	100.0	Holding company
Salmones Antartica S.A	Chile	86,071 (1,000 USD)	100.0 (100.0)	Aquaculture / Marine products processing and sales
EMDEPES*	Chile	165,561 (1,000 USD)	100.0 (100.0)	Fishery / Marine products processing and sales
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 and sales
Nissui USA, Inc.	USA	23,281 (1,000 USD)	100.0	Holding company
FW Bryce, Inc.	USA	(14,854 (1,000 USD))	100.0 (100.0)	Marine products purchasing and sales
King & Prince Seafood Corp.	USA	0.01 (USD)	100.0 (100.0)	Food production and sales
Gorton's Inc.	USA	10 (USD)	100.0 (100.0)	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 Company Ltd.	UK	40 (1,000 GBP)	75.0 (75.0)	Food production and sales
Thai Delmar Co., Ltd.	Thailand	72,000 (1,000 THB)	90.0	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, 2023)

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

(8) Employees (as of March 31, 2023)

1) Number of employees in the Corporate Group

Business	Number of employees	
Marine Products Business	3,493	[2,771]
Food Products Business	4,121	[5,220]
Fine Chemicals Business	260	[47]
General Distribution Business	667	[97]
Other	695	[101]
Company-wide	279	[46]
Total	9,515	[8,281]

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
1,485	(Increased by 210)	43.01 years old	16.29 years

Note: In addition to the above, there are also 1,122 temporary employees (average number in the fiscal year).

(9) Principal Lenders (as of March 31, 2023)

Lender	Amount of borrowings
Mizuho Bank, Ltd.	20,149 million yen
MUFG Bank, Ltd.	16,400
The Norinchukin Bank	12,600
Overseas Fishery Cooperation Foundation of Japan	12,578
Sumitomo Mitsui Trust Bank, Ltd.	9,700
Development Bank of Japan Inc.	8,730
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, 2023)

(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 113,041 (increase of 19,538 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	57	61	498	261	209	111,955	113,041
Percentage held	39.2	2.2	9.8	22.7	0.0	26.1	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)	62,810	20.2%
Custody Bank of Japan, Ltd. (Trust Account)	28,982	9.3
Mizuho Bank, Ltd.	10,650	3.4
Mochida Pharmaceutical Co., Ltd.	8,000	2.6
BNYM AS AGT/CLTS NON TREATY JASDEC	4,405	1.4
STATE STREET BANK WEST CLIENT – TREATY 505234	4,224	1.4
Chuo Gyorui Co., Ltd.	4,140	1.3
Juniper	3,961	1.3
STATE STREET BANK AND TRUST COMPANY 505223	3,909	1.3
JP MORGAN CHASE BANK 385781	3,851	1.2

Note: Stockholding ratio was calculated excluding treasury shares (841,377 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, Managing Executive Officer (Fine Chemicals Business Operating Officer, In charge of R&D Group)	Board Member and Chairman, TN Fine Chemicals Co. Ltd.
* Masahide Asai	Board Member (International Business Operating Officer, Business Supervisor in South America, In charge of International Business Development Department, Strategic Sales Department (joint))	Board Member and President, NIPPON SUISAN AMERICA LATINA S.A. (N.A.L.) (currently NISSUI AMERICA LATINA S.A.)
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. Board Members with a * were elected and appointed at the 107th Ordinary General Shareholders' Meeting held on June 28, 2022.
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. (currently NISSUI USA, 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 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 Shinya Yamashita retired as Outside Board Member of NISSUI PHARMACEUTICAL CO., LTD. on September 29, 2022.
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

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 to be paid 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 (fixed compensation).

Until FY2022, the ratio between each compensation of Board Members is roughly targeted at 65:30:5 when business performance targets are achieved 100%. From FY2023, in order to raise awareness among Board Members of improving business performance and increasing corporate value over the medium to long term, the design of the system shall be changed to set the ratio to 55:25:20 when business performance targets such as consolidated ordinary profit, etc. and other KPIs of the Mid-term Business Plan are achieved 100%. Accordingly, the ratio of performance-linked variable compensation (performance-linked compensation and stock-based compensation) is to be raised to approximately half of the total.

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 FY2023>

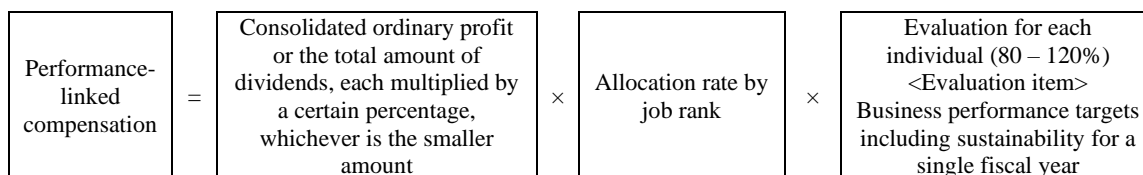
Type of compensation	Basic compensation	Variable compensation	
		Performance-linked compensation	Stock-based compensation
Contents	Fixed compensation in accordance with rank	Compensation in which the total amount of payment is established based on the total amount of dividends or consolidated ordinary 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		Consolidated ordinary profit or the total amount of dividends, each multiplied by a certain percentage, whichever is smaller, is the basic amount of payment.	Corporate performance achievement rate 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 performance 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]

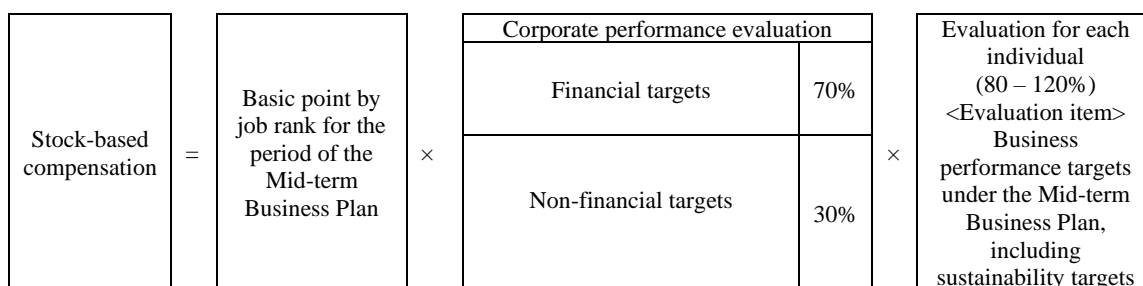


Performance-linked compensation is paid to Executive Officers based on the idea that the compensation is distribution of added value generated in a single fiscal year.

This compensation uses “consolidated ordinary profit,” which is a performance evaluation indicator, and “total amount of dividends” conscious of shareholders’ perspectives. Consolidated ordinary profit or the total amount of dividends, each multiplied by a certain percentage, whichever is the smaller amount, is used as the basic amount of the compensation, which is then allocated and paid in accordance with the job rank by adding individual evaluations. As the compensation composition ratio is set based on the timing when the Mid-term Business Plan is achieved, if consolidated ordinary profit or total amount of dividends, which is conscious of shareholders’ perspectives, is increased or decreased, the ratio of performance-linked compensation in total compensation is designed to be increased or decreased accordingly.

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. Certain business performance targets, including sustainability targets, have been selected as evaluation items, and achievement rates are evaluated against those items within the range between 80% and 120%. The basic amount of performance-linked compensation paid, the allocation rate by job rank, and evaluation for each individual shall be determined by the Board of Directors after deliberation by the Compensation Committee.

[Stock-based compensation]



[Evaluation items and evaluation weight for stock-based compensation]

The following evaluation items have been established for stock-based compensation, in conjunction with the commencement of the new Mid-term Business Plan “Good Foods Recipe1” in FY2022. Specifically, sustainability evaluation items, in addition to the current evaluation items such as achievement rate of consolidated ordinary profit, have been selected with the aim of optimizing the business portfolio, improving capital efficiency, and enhancing shareholder value.

After revision (FY2022 ~)		
	Items	Reasons for selection
Financial	Net sales	Improvement of growth potential
	Consolidated ordinary profit	Improvement of profitability
	ROIC	Improvement of capital efficiency
Sustainability	Achievement rate of the target for sustainability of marine resources	Sustainable procurement
	Reduction in CO ₂ emissions at the Group’s business sites	Contribution to actions toward climate change and ocean environment
	Improvement of employee engagement score	Allow diverse human capital to play important roles
	Sales of healthy products category	Solve health problems

As detailed above, financial and non-financial (sustainability) items have been selected for evaluation of corporate performance, and their weightings have been set to 70:30. Financial targets are evaluated per actual achievement rates, while non-financial (sustainability) targets are evaluated within the range between 50% and 150%. The number of shares to be issued to individuals is determined by multiplying the basic points pre-determined in accordance with job rank by corporate performance achievement rates, and then reflecting the individual evaluations. For individual evaluations, KPIs and sustainability items under the Mid-term Business Plan are used, and the achievement rates are defined within the range between 80% and 120%. The corporate performance achievement rates and the individual evaluations shall be determined by the Board of Directors after deliberation by the Compensation Committee.

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 (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. Activities of the Compensation Committee in the fiscal year under review

The Compensation Committee meeting was held seven (7) times in total in FY2022 (the fiscal year under review). 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] (5 members including 3 Outside Board Members)

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

[Activities of the Compensation Committee in the Fiscal Year Under Review (7 meetings held in total)]

Deliberation overview
• Revision of executive compensation system
• Evaluation for each individual for performance-linked compensation for FY2021
• Amount to be paid to each individual on basic compensation table by job rank of Board Members and Executive Officers for FY2022
• Amount to be paid to each individual of performance-linked compensation paid in June 2022 and December 2022

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 allocation rate by job rank, and evaluation for each individual were determined by the Board of Directors on May 22, 2023 after deliberation by the Compensation Committee on May 15, 2023, and the amount paid to each individual was determined by the Compensation Committee also held on May 22, 2023, 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)	338	211	110 (Note)	16	6 (Stock-based compensation: 6)
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	26	26	—	—	1
Outside Board Members	36	36	—	—	3
Outside Audit & Supervisory Board Members	38	38	—	—	3

Notes: The performance-linked compensation of Board Members includes an amount estimated to be paid in June 2023.

3) Structure of the Board of Directors and evaluation system, etc.

Structure of the Board of Directors, the selection and dismissal of candidates for Board Members, skill matrix, succession planning, etc. are deliberated by the Nomination Committee and then determined by the Board of Directors.

The Nomination Committee is chaired by an Independent Outside Board Member, and consists of three Outside Board Members and two Representative Board Members. The Committee meetings were held five (5) times in total in FY2022 (the fiscal year under review). Names, positions, responsibilities and activities of the Nomination Committee in the fiscal year under review are as follows.

[Names of Nomination Committee Members] (5 members including 3 Outside Board Members)

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

[Activities of the Nomination Committee (5 meetings held in total)]

Deliberation overview
• Skill matrix of the Board of the Directors
• Proposals of the FY2022 General Shareholders' Meeting
• Composition of the Board of Directors (number of Directors, required skills going forward, etc.)
• Revision of retirement system for Executives
• Structure of the Board of Directors after the FY2023 General Shareholders' Meeting

4) 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	Status of Key activities
Outside Board Members	Mikito Nagai	21/22 meetings	(Nomination) 5/5 meetings (Compensation) 6/7 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, including decisions on the effectiveness of the Board of Directors, and provides oversight and comments 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	21/22 meetings	(Nomination) 5/5 meetings (Compensation) 7/7 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 advice on the election of Board Members and Audit & Supervisory Board Members and revision of the compensation system with consideration of recent trends and other company's cases at Nomination Committee and Compensation Committee meetings.
	Tokio Matsuo	22/22 meetings	(Nomination) 5/5 meetings (Compensation) 7/7 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 for the improvement of 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	Status of Key activities
Outside Audit & Supervisory Board Members	Shino Hirose	22/22 meetings	—	14/14 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	22/22 meetings	—	14/14 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	22/22 meetings	—	14/14 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.

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.

5) 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	82 million yen	8 million yen
Amount of compensation by subsidiaries for the year	22 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	105 million yen	8 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 327 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

71 years

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

Tomohiro Miyagawa (3 years)

Shigehiro Koshihara (6 years)

Masatoshi Komiya (4 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, 2023. 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. In addition, the Information Security Working Group, which is the subordinate organization to the Risk Management Committee, established internal regulations, etc. related to overall information management, and conducts reviews as appropriately. Education on information security, including information management, has been conducted for all employees in order to strengthen the information management system. The Group companies in Japan have also engaged in the enhancement of information security and have been instructed to periodically conduct status checks in order to achieve the standards defined by the Company.

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

22 meetings of Board of Directors were held this fiscal year in accordance with the Board of Directors rules. In addition, 27 Executive Committee meetings were held this fiscal year in accordance with the Executive Committee rules.

The Board of Directors secures enough time for substantial deliberation aiming for sustainable growth and the medium- to long-term improvement of corporate value, and makes decisions on important matters and oversees appropriateness of the status of execution of duties, etc. Through the evaluation of the Board of Directors' effectiveness, etc., the Board of Directors is continuously working towards creating an environment that supports appropriate risk-taking.

The Executive Committee meeting, in collaboration with the Board of Directors, makes decisions on important operations such as the formulation of management strategies for the entire Group, formulation and promotion of plans for each division and business, improvement of business processes, etc. The respective heads of each division and business also strive to ensure the appropriateness of operations by reporting issues of operations and status of engagement, and exchanging opinions and providing suggestions as necessary, etc.

5) Group Company Management System

The Company requires all subsidiaries to comply with governance rules and has set up the governance system that "important matters" stipulated in the rules are to be submitted to the Board of Directors and Executive Committee of the Company for deliberation, and important "matters requiring reporting" are to be reported appropriately to them.

In addition, Executive Officers are designated as "managers in charge" of each Group company who manage each company in an overarching manner from a Group management perspective. Each "manager in charge" manages and oversees the Group company they are in charge of, while they also ensure the appropriateness of the Group company's operations through members of the Company dispatched as director or auditor to the Group company. In addition to basic governance training for dispatched directors and dispatched auditors, workshops to study actual audit cases, etc. which are tailored to dispatched auditors, observed by the Audit & Supervisory Board of the Company, have been conducted every year in order to improve the level of supervision for Group companies.

In addition to governance based on the rules above, the Group Management Conference, which targets top management of Group companies, is held (4 times this fiscal year) to report important matters concerning the execution of operations, to give thorough instructions on mission and vision, and to discuss specific themes such as sustainability, etc. In addition, setting up a system for meetings in which the management teams of the target Group companies and the management team of the Company can exchange views specific to each company's respective situations also allows timely and direct management decisions (held with 5 companies this fiscal year).

Additionally, social trends and important issues pertaining to corporate administration divisions are provided to the top management of the corporate administration divisions of Group companies through information sharing and theme-based discussions in order to seek qualitative improvement of corporate administration of the entire Group.

The internal audit division, an organization under the direct control of the President, conducts internal audits on the Company and Group companies based on an annual plan, and reports the results to the Representative Board Member, Audit & Supervisory Board Member and the Board of Directors. The internal audit division shares the audit results and issues with the divisions involved in subsidiary management, and has been striving to improve the level of governance through collaboration with such divisions to solve relevant issues.

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

This fiscal year the Audit & Supervisory Board held 14 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

The Company has been working towards achieving the Mid-term Business Plan “Good Foods Recipe 1 (FY2022 to FY2024)” by implementing six strategies. See “1. Current status of the corporate group (2) Issues to be addressed” for the initiatives toward 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 policies

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 10 yen per share. Combined with the interim dividends of 8 yen per share already paid on December 5, 2022, annual dividends come to 18 yen per share.

Consolidated Balance Sheet

(As of March 31, 2023)

(Unit: million yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	304,349	Current liabilities	198,771
Cash and deposits	10,376	Notes and accounts payable - trade	50,138
Notes and accounts receivable - trade	95,690	Short-term borrowings	100,621
Merchandise and finished goods	92,823	Lease liabilities	1,189
Work in process	31,670	Income taxes payable	3,151
Raw materials and supplies	51,389	Accrued expenses	25,846
Other	22,817	Provision for bonuses	3,485
Allowance for doubtful accounts	(419)	Provision for bonuses for directors	287
Non-current assets	244,664	Provision for loss on litigation	92
Property, plant and equipment	149,017	Other	13,957
Buildings and structures	60,671	Non-current liabilities	129,606
Machinery, equipment and vehicles	37,194	Long-term borrowings	104,913
Vessels	11,502	Lease liabilities	4,429
Land	24,253	Deferred tax liabilities	5,110
Leased assets	6,156	Provision for share awards for directors (and other officers)	31
Construction in progress	6,324	Retirement benefit liability	11,097
Other	2,915	Other	4,023
Intangible assets	14,082	Total liabilities	328,377
Goodwill	1,422	(Net assets)	
Software	3,077	Shareholders' equity	189,457
Other	9,582	Share capital	30,685
Investments and other assets	81,564	Capital surplus	21,567
Investment securities	29,916	Retained earnings	137,621
Shares of subsidiaries and associates	38,191	Treasury shares	(417)
Retirement benefit asset	483	Accumulated other comprehensive income	27,385
Deferred tax assets	2,625	Valuation difference on available-for-sale securities	11,046
Other	11,420	Deferred gains or losses on hedges	561
Allowance for doubtful accounts	(1,072)	Foreign currency translation adjustment	19,541
		Remeasurements of defined benefit plans	(3,763)
		Non-controlling interests	3,792
		Total net assets	220,635
Total assets	549,013	Total liabilities and net assets	549,013

Consolidated Statement of Income

(April 1, 2022 to March 31, 2023)

(Unit: million yen)

Description	Amount	
Net sales		768,181
Cost of sales		652,129
Gross profit		116,051
Selling, general and administrative expenses		91,563
Operating profit		24,488
Non-operating income		
Interest income	193	
Dividend income	813	
Foreign exchange gains	55	
Share of profit of entities accounted for using equity method	2,401	
Subsidy income	1,080	
Other	765	5,309
Non-operating expenses		
Interest expenses	1,637	
Other	383	2,021
Ordinary profit		27,776
Extraordinary income		
Gain on sale of non-current assets	86	
Gain on sale of investment securities	1,997	
Gain on sale of shares of subsidiaries and associates	3,464	
Insurance claim income	1,150	
Gain on change in equity	15	6,714
Extraordinary losses		
Loss on disposal of non-current assets	475	
Impairment losses	1,884	
Loss on sale of investment securities	327	
Loss on valuation of investment securities	259	
Loss on sale of shares of subsidiaries and associates	107	
Loss on liquidation of subsidiaries and associates	576	
Loss on valuation of investments in capital	54	
Loss on disaster	493	
Accident related loss	1,018	5,197
Profit before income taxes		29,293
Income taxes - current	7,887	
Income taxes - deferred	(624)	7,262
Profit		22,030
Profit attributable to non-controlling interests		797
Profit attributable to owners of parent		21,233

Non-consolidated Balance Sheet

(As of March 31, 2023)

(Unit: million yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	158,435	Current liabilities	126,088
Cash and deposits	54	Accounts payable - trade	22,826
Accounts receivable - trade	58,378	Short-term borrowings	51,649
Merchandise and finished goods	41,399	Current portion of long-term borrowings	15,214
Work in process	6,195	Accounts payable - other	983
Raw materials and supplies	15,228	Income taxes payable	549
Short-term loans receivable	23,542	Accrued expenses	15,844
Accounts receivable-other	12,517	Deposits received	17,241
Other	1,147	Provision for bonuses	1,281
Allowance for doubtful accounts	(28)	Other	497
Non-current assets	191,327	Non-current liabilities	95,840
Property, plant and equipment	36,102	Long-term borrowings	88,593
Buildings	13,043	Provision for retirement benefits	3,111
Structures	3,025	Provision for share awards for directors (and other officers)	31
Machinery and equipment	9,386	Deferred tax liabilities	2,269
Land	8,996	Other	1,833
Construction in progress	480	Total liabilities	221,928
Other	1,169	(Net assets)	
Intangible assets	2,689	Shareholders' equity	117,089
Software	2,083	Share capital	30,685
Other	605	Capital surplus	20,592
Investments and other assets	152,535	Legal capital surplus	12,955
Investment securities	29,546	Other capital surplus	7,636
Shares of subsidiaries and associates	85,930	Retained earnings	66,212
Investments in capital of subsidiaries and associates	1,413	Other retained earnings	66,212
Long-term loans receivable	14,125	Reserve for advanced depreciation of non-current assets	636
Distressed receivables	28,296	Retained earnings brought forward	65,576
Other	1,929	Treasury shares	(401)
Allowance for doubtful accounts	(8,706)	Valuation and translation adjustments	10,744
		Valuation difference on available-for-sale securities	10,614
		Deferred gains or losses on hedges	130
		Total net assets	127,834
Total assets	349,762	Total liabilities and net assets	349,762

Non-consolidated Statement of Income

(April 1, 2022 to March 31, 2023)

(Unit: million yen)

Description	Amount	
Net sales		325,697
Cost of sales		280,275
Gross profit		45,422
Selling, general and administrative expenses		45,531
Operating loss		109
Non-operating income		
Interest income	442	
Dividend income	8,348	
Foreign exchange gains	712	
Reversal of allowance for doubtful accounts for subsidiaries and associates	42	
Other	42	9,587
Non-operating expenses		
Interest expenses	761	
Other	163	925
Ordinary profit		8,552
Extraordinary income		
Gain on sale of non-current assets	12	
Gain on sale of investment securities	1,938	
Gain on sale of shares of subsidiaries and associates	21,173	23,124
Extraordinary losses		
Loss on disposal of non-current assets	128	
Loss on sale of investment securities	327	
Loss on valuation of investment securities	225	
Loss on valuation of shares of subsidiaries and associates	20	
Loss on valuation of investments in capital	54	756
Profit before income taxes		30,920
Income taxes - current	1,393	
Income taxes - deferred	(296)	1,096
Profit		29,823

Translation Independent Auditor's Report

May 18, 2023

The Board of Directors
Nissui Corporation

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 Nissui Corporation and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2022 to March 31, 2023.

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, 2023, 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 18, 2023

The Board of Directors
Nissui Corporation

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 Nissui Corporation applicable to the fiscal year from April 1, 2022 to March 31, 2023.

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, 2023, 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

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.

Audit & Supervisory Board Audit Report

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 108th fiscal year (from April 1, 2022 to March 31, 2023), 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 onsite inspection, 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 19, 2023

Audit & Supervisory Board, Nissui Corporation

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.