Corporate Governance Report

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Nissui Corporation
Shingo Hamada
Representative Director and President
Contact: Hirokazu Ishii, Investor Relations Section, Corporate Strategic Planning & IR Department
Phone: +81-3-6206-7037
Securities Code: 1332
https://www.nissui.co.jp/english/index.html

The corporate governance of Nissui Corporation ("Nissui" or the "Company") is described below.

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

1. Basic Views

With a view to improving the profitability and the capital efficiency of Nissui and its Group companies, as well as to promoting initiatives toward corporate social responsibility to encourage sustainable growth and the medium- to long-term enhancement of corporate value, the Board of Directors will demonstrate the major direction in corporate strategies and other matters and will place greater emphasis on supervising functions while retaining important decision-making functions.

The decision-making functions have been empowered to the Executive Officers (and Executive Committee) headed by the President, to speed up the decision-making process and to further separate supervising and execution.

Furthermore, in addition to the above management supervising by the Board of Directors, Nissui has adopted the governance structure of a company with an audit & supervisory board, based on its belief in the effectiveness of an audit system over management comprising four Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members who are independent of management.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company complies with all principles of the Corporate Governance Code (including the principles of the Code for companies listed on the Prime Market).

[Disclosure Based on the Principles of the Corporate Governance Code]

(Principle 1.4)

(i) Policies on the reduction of cross-shareholdings

The Company understands that collaboration with various companies is necessary to expand its business and achieve sustainable growth. Based on this understanding, if a cross-shareholding relationship with a company, in particular, is expected to lead to retaining and strengthening business ties over the medium- to long-term, considering the business relationship and costs, the Company continues the cross-shareholding in principle. However, when holding the cross-holding shares becomes less significant, the Company sells them.

(ii) Review of individual cross-shareholdings

Each year, the Board of Directors reviews appropriateness of all cross-shareholdings on an individual stock basis in light of underlying economic rationality, the purpose of holding, and other factors from a medium- to long-term perspective. More specifically, the Company decides it given the indices such as "achievement of targets for each individual stock and transactions for the past three years" and "percentage achievement of target ROIC." From the end of FY2015 to the end of FY2023, the Company reduced its cross-shareholdings from 129 issues to 80 issues (in FY2023, the Company sold shares, including partial sales, of six listed companies [including two cross-holding shares], and three non-listed companies for a total of nine issues) and reduced the percentage of cross-shareholdings to

net assets from over 30% to around 12%. In FY2024, the Company also intends to sell the shares of a number of issues. For the progress made to date, please refer to the Annual Securities Report.

(iii) Criteria for exercising voting rights of cross-holding shares
The Board of Directors comprehensively considers whether the proposal conforms to the Company's cross-shareholding policy and whether it will lead to enhancing the corporate value of the invested company, before determining whether to approve or reject the proposal and then exercising the voting rights.

(Principle 1.7)
Any competition and conflict of interest transactions with a Director and a company substantially controlled by a Director shall be subject to examination and resolution by the Board of Directors. The Director with a conflict of interest shall not participate in the resolution of such agenda. The Director involved in the transaction shall report to the Board of Directors on important matters related to the transaction without delay.

(Supplementary Principle 2.4.1)
The Company Group, as outlined in the long-term vision "Good Foods 2030," believes that one of the most important factors in the enhancement of corporate value is "human capitals." By providing diverse human capitals of different genders, nationality, educational backgrounds, experiences, etc., opportunities to fully demonstrate their capabilities through business activities, we will generate innovation and revitalize the organization while creating value, and aim for the development of human capitals that mutually work and inspire each other to proactively address global and local social issues. The Group also considers diversity in terms of knowledge and experience as a crucial asset and aims to secure diverse human capitals regardless of such attributes as gender, nationality, educational background, experiences, etc., as described above, while ensuring diversity among its core talent to promote initiatives toward DE&I.

In promoting DE&I, the Company has set the ratio of female managers as a major KPI and aims to raise it to 20% by 2030. In addition to promoting initiatives to expand the population of female employees, the Company has expanded the fields of work to which women are assigned, engaged in initiatives to control unconscious bias among managers, and carried out selective training and dispatched female employees to outside seminars as part of career-building support. Furthermore, we joined the 30% Club Japan in January 2021, set numerical targets for the number of women to be hired and promoted, and have been improving internal systems to nurture a culture where women can play even greater roles.

Furthermore, the Company proactively hires mid-careers (experienced professionals) and promotes them based on fair and equitable criteria similar to that of new graduates. As a result, the number of employees onboarded annually is roughly on the same level for experienced professionals as it is for new graduates. As of March 2024, experienced professionals accounted for over 32% of all full-time employees and approximately 25% even among managerial-position employees, signaling a departure for the Company from its traditional homogenous culture.

The full-time employees of the Company and its Group companies in Japan and overseas now number approximately 10,000, of whom roughly half belong to overseas Group companies. It is imperative that "food" is rooted in its location, and accordingly, management of the overseas Group companies is left to the local employees, and numerous people of various nationalities from management down to the employees are working around the world with the mission as their guiding force. Meanwhile, as of March 2024, foreign nationals accounted for 0.3% of the employees in managerial positions of the Company. Going forward, the Company will make even greater efforts in promoting foreign nationals to managerial positions. The progress made to date in our human capitals strategies are as follows.

Strategy	Initiative	FY2022	FY2023	FY2024 Targets
Securing diverse human capitals	Number of hires	New graduates: 44 Experienced professionals: 18	New graduates: 39 Experienced professionals: 25	New graduates: 43 Experienced professionals: 20

				(*1)
	Ratio of experienced professionals hired	29%	39%	32% (*1)
	Number of employees under the global personnel registry system	77	86	90
Creating a pleasant working environment	Ratio of male employees taking childcare leave	78.9%	110%	100%
	Ratio of employees taking paid leave (*2)	77.4%	79.3%	80.0%
Employee engagement	Improvement in the employee engagement score compared to FY2021	1%	11.6%	10%
DE&I	Employment rate for people with disabilities	2.39%	2.78%	Statutory employment rate + 1%
	Ratio of female new graduates hired	34.1%	33.3%	50%
	Ratio of female managers	6.8%	6.6%	10%

(*1) The number of hires represents the planned number of hires at present. Accordingly, the number will vary depending on the situation, especially for experienced professionals.

(*2) Formerly, the numbers included special paid leave which could be taken for certain reasons. However, in keeping with the original purpose of measuring the utilization rate of annual paid leave, which can be taken regardless of the reason, the numbers include only annual paid leave and the figures for previous years have been adjusted accordingly.

(Principle 2.6)
The Company has put in place the DB Pension Committee to ensure appropriate management of the defined benefit pension plan, comprising the Chief Financial Officer (CFO), experts in human capitals, finance, and other areas, as well as the labor union. The Committee also consults external professionals.

The DB Pension Committee determines an asset manager given its compliance status with the stewardship code, in addition to the investment performance versus benchmark. For the current asset manager, DB Pension Committee has monitored its compliance with stewardship codes at seven companies since 2018, and it also plans to interview several companies in FY2024.

The compliance status is reported to the Board of Directors once a year.

(Principle 3.1)
(1) In formulating the Mid-Term Business Plan for the period from April 2022, the Company redefined its mission (purpose of being) and clarified its long-term vision as “Good Foods 2030.”

Mission:

With the wellbeing of the ocean and people as our compass, we are driven to offer the world better food choices.

We are determined to harness the power of our pioneering spirit and industry expertise to create a healthier, more sustainable future through *innovative food solutions.*

Long-term vision "Good Foods 2030":
A leading company that delivers friendly foods for people and the earth.

To achieve the Good Foods 2030 long-term vision, the Company accelerates sustainability management that creates value for a sustainable society, in consideration of multi-stakeholders. In parallel, the Company reinforces business portfolio management based on ROIC to concentrate its management resources on growth fields with the aim of enhancing corporate value.

Furthermore, guided by the Mid-Term Business Plan "Good Foods Recipe1" started in 2022, the Company is working on the following six basic strategies, as the first recipe to move up toward higher level and achieve the long-term vision in 2030: (i) evolving towards sustainability management, (ii) accelerating global expansion, (iii) opening new businesses & business boundary areas, (iv) innovating productivity, (v) financial strategy, and (vi) strengthening governance.

(2) With a view to improving the profitability and the capital efficiency of the Company and its Group companies, as well as to promoting initiatives toward corporate social responsibility to encourage sustainable growth and the medium- to long-term enhancement of corporate value, the Board of Directors will show the major direction in the corporate strategies and other matters and will place greater emphasis on supervising functions while retaining important decision-making functions.

The decision-making functions have been empowered to the Executive Officers (and Executive Committee) headed by the President, to speed up the decision-making process and to further separate supervision of management and execution.

Furthermore, in addition to the above management supervision by the Board of Directors, the Company has adopted the governance structure of a company with an audit & supervisory board, based on its belief in the effectiveness of an audit system over management, comprising four Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members who are independent of management.

(3) The Company has established the executive compensation system based on the following basic policy: The compensation system shall (i) be a system that supports the achievement of the Company's mission and vision, (ii) be designed to eliminate short-term bias and motivate the medium- to long-term improvement of corporate value, (iii) be effective in maintaining and securing outstanding talents, (iv) be designed in a transparent, fair and reasonable manner from the standpoint of accountability to the stakeholders including the shareholders and employees, and shall ensure appropriate determination processes, (v) be aligned to the roles and responsibilities entailed by each rank, and to performance.

In accordance with the above policy, the compensation of Directors and Executive Officers consists of three elements: (i) basic compensation defined by title as fixed compensation, (ii) annual performance-linked compensation (annual incentive), and (iii) stock-based compensation (medium- to long-term incentive) linked to the achievement of the Mid-Term Business Plan. The ratio among (i) basic compensation, (ii) performance-linked compensation, and (iii) stock-based compensation per year is roughly targeted at 65:30:5 when business performance targets are achieved 100%. However, from FY2023, the above ratio was changed to raise the awareness of Directors for improving medium- to long-term performance and improving corporate value. Specifically, when the performance targets, including consolidated ordinary profit, a KPI of the Mid-term Business Plan, are achieved 100%, the ratio among (i) basic compensation, (ii) performance-linked compensation, and (iii) stock-based compensation per year has been set to be 55: 25: 20, raising the proportion of the variable compensation component (performance-linked compensation and stock-based compensation) to about half of the total compensation. Compensation is paid (i) monthly for basic compensation, (ii) twice a year for performance-linked compensation, and (iii) stock-based compensation is in principle linked with the covered period of the Mid-Term Business Plan.

The policy for determining compensation for Directors and Executive Officers and its procedures are as follows: The policy for determining compensation, etc. of individual Directors and Executive Officers 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 by the voluntary Compensation Committee which is chaired by an independent Outside Director and consists of four Outside Directors and one Representative Director, with the aim of ensuring compensation commensurate with the company's stage. The amount of each compensation paid to individual Directors and Executive Officers shall be determined by the Compensation Committee, an independent body delegated by the Board of Directors, from the viewpoint of the objectivity and transparency of the operation of said system.

(4) For the nomination of Director candidates and selection of the senior management, the Company has in place the voluntary Nomination and Compensation Committee (comprising Representative Directors and Outside Directors) as an advisory body to the Board of Directors which deliberates on issues such as the selection and dismissal of candidates for officers including the CEO and succession planning to make recommendations to the Board of Directors. Based on these recommendations, the Board of Directors selects and nominates personnel who are well versed in the Company's business and have expertise as well as capable of balancing appropriate decision-making for the overall corporate management. Candidates for Outside Directors are selected and determined from persons who can use their wide range of experience and deep insight gained, for instance, at listed companies in managing the Company. Candidates for Audit & Supervisory Board Members are selected from persons who have expertise required for auditing such as insight into finance, accounting, and the law, as well as abundant knowledge from a wide range of fields and determined by the Board of Directors. The candidates for Audit & Supervisory Board Members are selected with the prior consent of the Audit & Supervisory Board.

(5) The Company specifies in the Notice of the General Shareholders' Meeting the skills of all candidates for Directors and Audit & Supervisory Board Members, and the reason for their selection and dismissal.

(Supplementary Principle 3.1.3)

・ Sustainability initiatives
The Company has set out in its long-term vision "Good Foods 2030" its vision for 2030 of aiming to be a leading company that delivers friendly foods for people and the earth. To this end, the Company accelerates sustainability management that creates value for a sustainable society, in consideration of multi-stakeholders.

The Company's sustainability initiatives are disclosed on its website (https://nissui.disclosure.site/en).

・ Initiatives to invest in human capital
The Company upholds "to create a healthier, more sustainable future through *innovative food solutions*" as its mission and has set out the long-term vision for 2030 of "a leading company that delivers friendly foods for people and the earth." The long-term vision aims to create social, human capital, and environmental values and connect them to financial value, identifies human capital value as the crucial key, and believes that "human capitals capable of creating food innovation and value through new challenges" will be instrumental in achieving this vision.

In specific terms, the Company requires human capitals capable of

・solving social issues based on the mission and ensuring sustained growth for the business;

・taking the initiative to execute business and having a varied set of values allowing them to leverage their strengths in the area of their expertise;

・back casting, executing business independently and autonomously, and being equipped with receptivity toward different values; and

・building good relationships with the counterparty in any business environment around the world, no matter how complex or uncertain, and demonstrating their strengths under any circumstance or environment.

Accordingly, last year, the Company commenced discussions on human capitals strategies for each business at the Board of Directors and the Executive Committee to secure and develop human capitals that align with its growth strategies. Furthermore, starting from FY2024, it intends to launch a Personnel

Development Committee which is chaired by the President to systematically deliberate succession, up to and including that of the CEO by coordinating with the Nomination Committee.

Although we are aware that linking management strategies with human capitals strategies indicates making competitive investments of human capitals into growth businesses, last year's discussions failed to reach the point of making deep-dive discussions into the skills and capabilities required of each business domain in the medium- to long-term but only consisted of sharing current inadequacies and the discussion of possible measures. We have been once again discussing management strategies and the business portfolio based on material issues as part of the process of formulating the next Mid-Term Business Plan, and in FY2024, together with these discussions, we hope to shift to a well-rounded human capitals strategies.

The key points of our current human capitals strategies are as follows.

(i) Securing and developing diverse human capitals

The Company considers diversity in terms of knowledge and experience as a crucial asset and aims to secure diverse human capitals regardless of their attributes.

(ii) Succession

We will speed up our discussions, given that systematic discussions on succession of the executives not only of the Company but also of Group companies have been insufficient. From a long-term perspective, we will ascertain the qualities required for management and formulate specific measures to secure and develop human capitals, as well as build a system of monitoring.

(iii) Global human capitals

Human capitals capable of building good relationships with the counterparty in any business environment around the world, no matter how complex or uncertain, and demonstrating their strengths under any circumstance or environment will be recognized as global human capitals, and efforts will be made to secure and develop them regardless of their nationality.

(iv) Human capitals with a high level of expertise

Securing human capitals with a high level of expertise such as those in the fields of R&D, sustainability, governance, and DX has become an increasingly important factor for management. Through the flexible application of the system that benefits human capitals with a high level of expertise, which was introduced in FY2024, we will accelerate our efforts to secure and develop human capitals with a high level of expertise.

(v) Onsite management human capitals

To ensure the continuity of growing businesses, securing and developing human capitals to practice onsite management and human capitals to appropriately utilize and hand down technology and skills at each Group company are essential, and to this end, we will take the lead and discuss with each company on hiring and educating such personnel including those at Group companies.

The major training programs are as follows. Each of the above strategies, namely, (i) Securing and developing diverse human capitals, (ii) Succession, (iii) Global human capitals, (iv) Human capitals with a high level of expertise, and (v) Onsite management human capitals, has specific training content and targeted personnel.

Strategy	Name of the training program	Major objective	Targeted personnel	Number of seminar participants (Total)	Average number of seminar hours (Hours)
Securing and developing diverse human capitals	DE&I	Fostering an organizational culture for diverse human capitals to	Employees in managerial positions / general employees	100	11.6

		play important roles			
Succession	Succession of Management Human capitals	Developing management human capitals to lead the organization	Employees in managerial positions / general employees	21	69.8
Global human capitals	Global Human capitals	Developing human capitals capable of playing important roles globally	Employees in managerial positions / general employees	101	4.5
Human capitals with a high level of expertise	DX Human capitals	Acquiring expertise in promoting DX	Employees in managerial positions / general employees	1,096	22.6
Onsite management human capitals	Position-specific	Acquiring expertise required for each position	General employees	184	10.3
	Career	Promoting autonomy in the career formation of each employee	Employees in managerial positions / general employees	83	7.0
	Role-awareness and Other Business Skills	Acquiring skills required by each level and the awareness of the roles expected of each position	Employees in managerial positions / general employees	348	49.7

- Initiatives to invest in intellectual property
  To ensure business sustainability, a designated unit set up in the Corporate Communication Section of Corporate Communication Department manages the Company's overall brands, a unit at the Marketing Planning Section of the Marketing Planning Department manages the Company's designs and trademarks, and a unit at the Central Research Laboratory manages patents and know-how to focus on securing the intellectual properties of the Company and enhancing their value. The Company pursues the development of new farming and processing technologies to further procure sustainable marine resources as well as pharmaceutical products and health products (including research) which contribute to people's healthy life. The Company has actively acquired the rights to many different intellectual properties arising from technology development, in order to ensure superiority and continuity in business.
- Disclosure based on TCFD framework

In 2021, the Company endorsed the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium.
The "TCFD Compliance Project," a cross-sectional project in which the CFO serves as the project owner, identifies risks and opportunities pertaining to climate change, assesses its business and financial impact through scenario analyses, and studies countermeasures. The findings of the studies are reported to the Board of Directors following deliberation at the Sustainability Committee, and the Board of Directors' opinions and advice are reflected.
We analyzed the value chain as a whole of the Fisheries Business, the Food Products Business, and the Fine Chemicals Business, which together account for over 95% of consolidated net sales.
The Company discloses detailed information based on the four disclosure elements suggested by the TCFD Recommendations—namely, governance, strategy, risk management, and metrics and targets—on the Company's website.
(https://nissui.disclosure.site/en/themes/223)

(Supplementary Principle 4.1.1)
While the Board of Directors shows the overall direction, such as its management philosophy, vision and medium- to long-term business plans, and makes important decisions, the decision-making functions have been empowered to the Executive Officers (and Executive Committee) headed by the President to speed up the decision-making process and to maintain an appropriate balance between supervision of management and execution. The internal rules clearly define the scope of delegating decision-making authority, including the Group companies, by type of decisions and amount value. Detailed reporting to the Board of Directors is required to enable the Board to fully exercise its supervisory function when delegation is made to the Executive Officers (and Executive Committee).

(Principle 4.9)
The Company has designated Outside Directors and Outside Audit & Supervisory Board Members satisfying the Company's own criteria, in addition to the independence criteria provided by the Tokyo Stock Exchange, as Independent Directors/Audit & Supervisory Board Members. For the details of the Company's criteria, please refer to "Independence Criteria of Outside Executive Officers" described in II 1. "Independent Directors/Audit & Supervisory Board Members" hereunder.

(Supplementary Principle 4.10.1)
The Company has in place the voluntary Nomination and Compensation Committee (comprising four Outside Directors and one Representative Director) as an advisory body to the Board of Directors. An Outside Board Member serving as Chairperson is authorized to determine the agenda and convene a committee meeting, and the majority of Committee members consist of Outside Directors to ensure further independence and objectivity in discussing important issues such as nomination and compensation. More specifically, the Nomination Committee deliberates on issues such as the selection and dismissal of candidates for officers including the CEO, succession planning, and compensation system for Directors, etc., and details (basic policy, compensation structure, calculation method, decision-making process, selection of evaluation items and criteria, etc.) and makes recommendations to the Board of Directors. The Compensation Committee, delegated by the Board of Directors, decides on the amount of the compensation of individual members to ensure transparency and neutrality concerning compensation. As such, the Company seeks timely and appropriate involvement and advice of the Nomination and Compensation Committee when considering, in particular, important matters such as nomination and compensation.

(Supplementary Principle 4.11.1)
The Company engages in the three core businesses of Fisheries, Food Products and Fine Chemicals, and to have effective and active discussions at the Board of Directors to drive its growth, it is important to secure an appropriate balance of personnel with in-depth knowledge, experience and insight into each business as well as flexibility and creativity to further integrate adjacent business areas of the existing businesses, experience as corporate managers at other companies, and expertise in finance, accounting, and others. To clarify such eligibility, the skills matrix of the Directors and Audit & Supervisory Board Members which outlines their qualifications and experience is included in the Notice of the 106th General Shareholders' Meeting (held on June 25, 2021). For instance, the Company has appointed two Independent Outside Directors who have experience as corporate managers at other companies. The Company considers the

appropriate number of members including the Audit & Supervisory Board Members to be between 10 and 15.

Please refer to 3-1(4) for the policy and procedures for selecting Directors.

(Supplementary Principle 4.11.2)
The Directors and Audit & Supervisory Board Members hold concurrent positions outside the Company to the extent reasonable to enable them to appropriately conduct their duties at the Company. Significant concurrent positions outside the Company for the Directors and Audit & Supervisory Board Members are disclosed in the business report every year.

(Supplementary Principle 4.11.3)
The Company has evaluated the effectiveness of the Board of Directors each year since FY2016. Until FY2020, we identified issues using a point-system questionnaire addressing all executives and conducted discussions facilitated by an Internal Director through which we deliberated measures toward resolving those issues and future initiatives. In FY2021, after having all executives fill out descriptive questionnaires to discover awareness of problems and issues that cannot be fathomed by scores alone, we conducted individual interviews exclusively with outside executives and learned how they perceived the problems and other matters, to be utilized in subsequent discussions by all executives. In FY2022, in addition to the point-system questionnaires, we conducted individual interviews with all executives and we took a different approach to the discussions by having an Outside Director serve as a discussion facilitator. In FY2023, we once again conducted the point-system questionnaire (with the same questions as the questionnaire in FY2022) and confirmed the issues that have been recognized since the inception of the evaluation of the effectiveness of the Board of Directors, while interviewing one new Director individually and exchanging opinions, after which a discussion was held with all executives facilitated by an Outside Director on the issues identified by the secretariat based on the questionnaire results.
A summary of the evaluation of the effectiveness of the Board of Directors for FY2023 may be found on the following website.
https://www.nissui.co.jp/english/vision_policy/governance.html#gov07

(Supplementary Principle 4.14.2)
The Company provides training for executives on business essentials such as laws and finance, and as needed, they can participate in specific seminars and make site visits including the Company's subsidiaries. For instance, around 10 briefing sessions were held by the executive in charge on each business, CSR, risk management, governance, and other topics for newly appointed Outside Directors and Outside Audit & Supervisory Board Members, in addition to several site visits to plants, aquaculture farms, the Tokyo Innovation Center, and the Oita Marine Biological Technology Center. Furthermore, the Company provides opportunities to constantly enhance insights of executives by holding workshops on law revisions, corporate management, and other timely topics. Since FY2020, workshops for all executives have been held by external instructors. In FY2023, workshops on "The Possibility of Improved Productivity through the Utilization of Generative AI and the Roadmap to the Penetration of DX Management" and "Improvement of Brand Value through the Penetration of the Mission" were held.

(Principle 5.1)
In order to contribute to its sustainable growth and enhancing corporate value over the medium- to long-term, the Company seeks constructive dialogue (meetings) with shareholders as follows:
(1) The Company collaborates with CFO and Executive Officers in charge, Corporate Strategic Planning & IR Department, Finance & Accounting Department, and Legal Department, and exchanges views based on their professional perspectives on a daily basis, to have constructive dialogue with shareholders.
(2) The Company holds, one-on-one meetings, briefing sessions on financial results and Mid-Term Business Plan, among others, and discloses information of such sessions by video distribution, posting their financial results presentation materials and Integrated Report (including English version) on its website.
(3) The Company shares information with the senior management such as feedback from shareholders and analysts at the Board of Directors and Executive Committee, among others.

(4) The Company thoroughly manages information to prevent leakage of unpublished material information (insider information) upon engaging in dialogue (meetings) with shareholders based on the Regulations on Management of Internal Information and Insider Trading.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]
Beginning in FY2022, the Group introduced business portfolio management with a focus on ROIC, and in FY2023, to better reflect the characteristics of each business in our analysis and evaluation, we switched to the method in which we divided our cost of capital by business and area, calculated the ROIC spread, and evaluated businesses through a four-quadrant analysis based on the two axes of sales growth rate and ROIC spread. We base our valuations on the cost differences between businesses and discuss mid- to long-term business portfolio goals and management resource allocation at the Board of Directors meetings. Business unit leaders use the results of these discussions to plan investment priorities within their businesses, category expansion or contraction, and capital efficiency measures. They practice a synchronized management style, in which they execute these plans in coordination with the Board of Directors.
The Group will utilize the major growth drivers of strengthening the aquaculture business, accelerating overseas growth, and expanding the overseas sales of EPA pharmaceutical raw materials to bolster its earnings potential, raise the international net sales ratio to 50%, and aim for the long-term vision targets of 1 trillion yen in net sales and 50.0 billion yen in operating profit.
Additionally, as part of efforts to strengthen business portfolio management, from FY2023, to raise awareness among Directors of improving business performance and increasing corporate value over the medium- to long-term, the ratio of performance-linked variable compensation (performance-linked compensation and stock-based compensation) has been raised to approximately half of the total. Regarding cross-shareholdings, we proceed with the sale of cross-shareholdings each year while assessing the appropriateness of holding each stock, and we sold six stocks in FY 2023, reducing our cross-shareholdings to around 12% of net assets. We will use the cash generated to invest in growth areas.
Furthermore, to promote a greater understanding of the Company's businesses and growth investments, we have been upgrading the dialogue with shareholders and investors through individual interviews and timely disclosures in addition to financial results briefings and briefings on growth businesses.
For details, please see our IR website.
＜ニッスイグループ統合報告書 2023＞
https://www.nissui.co.jp/ir/download/integrated_report/2023_integrated_report_a3all.pdf
＜NISSUI INTEGRATED REPORT 2023＞
https://www.nissui.co.jp/english/ir/ir_library/pdf/2023_integrated_report_en_a3all.pdf

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%

[Status of Major Shareholders]

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	64,959,900	20,85
Custody Bank of Japan, Ltd. (Trust Account)	33,379,700	10.71
Mochida Pharmaceutical Co., Ltd.	8,000,000	2.57
Mizuho Bank, Ltd.	7,987,700	2.56
STATE STREET BANK AND TRUST COMPANY 505223	4,477,021	1.44
STATE STREET BANK WEST CLIENT-TREATY 505234	4,142,100	1.33
JP MORGAN CHASE BANK 385781	3,979,495	1.28
JPMorgan Securities Japan Co., Ltd.	3,927,277	1.26
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	3,679,400	1.18
JUNIPER	3,624,500	1.16

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
Name of Parent Company, if applicable	None

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Market and Market Segment	Tokyo Stock Exchange Prime
Fiscal Year-End	March
Business Sector	Fishery, Agriculture & Forestry
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Net Sales (Consolidated) of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Organization Governance System	Company with an Audit & Supervisory Board

[Directors]

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	10
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Director	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Tokio Matsuo	From another company											
Atsumi Eguchi	From another company											
Daisaku Abe	From another company					△						
Keiko Tanaka	From another company											

* Categories for "Relationship with the Company"
* "○" when the director presently falls or has recently fallen under the category
"△" when the director fell under the category in the past
* "●" when a close relative of the director presently falls or has recently fallen under the category, and
"▲" when a close relative of the director fell under the category in the past

a. Person who executes business for the Company or its subsidiaries
b. Person who executes business for or non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
e. Major client of the Company who executes business for said client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to compensation as a director/Audit and Supervisory Board Member
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Tokio Matsuo	○	—	In addition to his experience with CSR and compliance at a glass manufacturer, Mr. Tokio Matsuo has broad expertise accumulated as a Representative Director of a chemical manufacturer listed on the First Section of the Tokyo Stock Exchange. The Company appointed him as an Outside Director in the expectation that he will provide effective guidance toward addressing social issues and deepening CSR activities of the Company. He satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed him to have no potential conflicts of interest with general shareholders and designated him as an independent officer.
Atsumi Eguchi	○	—	Ms. Atsumi Eguchi 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 appointed her as an Outside Director 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. She satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed her to have no potential conflicts of interest with general shareholders and designated her as an independent officer.
Daisaku Abe	○	Mr. Daisaku Abe served as Deputy President & Executive Officer of our main bank, Mizuho Bank, Ltd. until April 2019, and a	Mr. Daisaku Abe has engaged in a wide range of operations such as IT, systems, and corporate planning at financial institutions over a long period of time and has broad

		person engaged in business execution, etc. of its parent company, Mizuho Financial Group, Inc., and its group companies (Mizuho Trust & Banking Co., Ltd., Mizuho Securities Co., Ltd. and Mizuho Corporate Bank, Ltd.). (He retired from these positions by April 2020.) He served as Director and Chairman, Director, and Standing Advisor of Mizuho Leasing Company, Limited, our business partner (from June 2019 to June 2024), but he was not a person engaged in business execution in these positions.	expertise in sustainability, including having served as chairman of the Human Rights Enlightenment Promotion Committee. In addition to his experience supervising overall corporate management as a corporate manager of a financial institution, he has also served as an outside director of a listed company. The Company appointed him as an Outside Director with the expectation that he would supervise the management of the Company from medium- to long-term, and comprehensive perspectives by leveraging his various experiences. He satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed him to have no potential conflicts of interest with general shareholders and designated him as an independent officer.
Keiko Tanaka	○	—	Ms. Keiko Tanaka has engaged in public relations and marketing departments at automotive manufacturing companies, and as a result gaining broad knowledge. In addition, she has global experiences such as having served as the Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay. Since she also has experience as an Outside Director at a listed company and as an Outside Expert of the Sustainability Committee, the Company appointed her as an Outside Director in the expectation that she would provide advice from a global perspective on sustainability and diversity, which are current challenges that the Company needs to address, and supervise overall management based on various experience. She satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed her to have no potential conflicts of interest with general

			shareholders and designated her as an independent officer.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Compensation Committee	Established

Status of Voluntarily Established Committee(s), Attributes of Members Consulting the Committee and the Committee Chairperson

	Voluntarily Established Committee Equivalent to Nomination Committee	Voluntarily Established Committee Equivalent to Compensation Committee
Committee's Name	Nomination and Compensation Committee	Nomination and Compensation Committee
All Members	5	5
Full-time Members	0	0
Internal Directors	1	1
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

The Company established the Nomination and Compensation Committee as a voluntary committee that serves as an advisory body to the Board of Directors on June 27, 2018, in order to deliberate on the nomination and compensation of Directors and Executive Officers, enhance the supervisory function of the Board of Directors, and strengthen the corporate governance system. The Nomination and Compensation Committee is chaired by an Outside Director and consists of Representative Directors and Outside Directors.

The activities of the Nomination and Compensation Committee in FY2020 were as follows:

1. Nomination Committee
   The Committee met eight times in FY2023 and deliberated mainly on the skill matrix of the Board of Directors, succession, the nomination and compensation systems of the Group companies, the composition of the Board of Directors (number of members, required skills in the future, and other matters), and the structure of the Board of Directors after the General Shareholders' Meeting of FY2024.
2. Compensation Committee
   The Committee met seven times in FY2023 and deliberated primarily on the revision of the executive compensation system, evaluation for each individual for performance-linked compensation and stock-based compensation for FY2022, the amount paid to each individual of performance-linked compensation in June and December 2023, and additional purchases of trust compensation (BBT).

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	4

Cooperation among Audit & Supervisory Board Members, Auditor of Accounts and Internal Auditing Division

In addition to regularly receiving reports on audit planning and audit results from Auditor of Accounts, Audit & Supervisory Board Members cooperate with Auditor of Accounts by attending some of accounting audits.

Audit & Supervisory Board Members exchange necessary information and opinions with the internal auditing division.

The internal auditing division reports the business audit results of Nissui and all its Group companies to the Audit & Supervisory Board Members, and in terms of internal control, discusses the evaluation procedure, scope, schedule, etc. with the external auditor of accounts when formulating the evaluation plan for the fiscal year and finalizes the evaluation policy. Furthermore, we ensure cooperation between the external auditor of accounts and the internal auditing division by closely exchanging information with the external auditor of accounts and taking appropriate corrections when any deficiencies or problems in control are found.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Outside Audit & Supervisory Board Members	3

Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		A	b	c	d	e	f	g	h	i	j	k	l	m
Masahiro Yamamoto	Certified Public Accountant													
Tadashi Kanki	From another company							△						
Makiko Terahara	Lawyer													

* Categories for "Relationship with the Company"
* "○" when the Audit & Supervisory Board Member presently falls or has recently fallen under the category
"△" when the Audit & Supervisory Board Member fell under the category in the past
* "●" when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category
"▲" when a close relative of the Audit & Supervisory Board Member fell under the category in the past

a. Person who executes business of the Company or its subsidiaries
b. Non-executive director or an accounting advisor of the Company or its subsidiaries
c. Person who executes business for or a non-executive director of the Company's parent company
d. Audit & supervisory board member of a parent company of the Company
e. Person who executes business for a fellow subsidiary
f. Person/entity for which the Company is a major client or a person who executes business for said person/entity
g. Major client of the Company or a person who executes business for said client
h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to compensation as a director/Audit and Supervisory Board Member
i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
k. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to self only)
l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
m. Others

Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent	Supplementary Explanation of the Relationship	Reasons of Appointment

	Audit & Supervisory Board Member		
Masahiro Yamamoto	○	Certified Public Accountant	Mr. 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. He also serves as an Auditor of a public interest incorporated association, and has broad personal connections and insight in the business world. The Company appointed him as an Outside Audit & Supervisory Board Member in the expectation that he would provide effective guidance drawing on his experience and insight. He satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed him to have no potential conflicts of interest with general shareholders and designated him as an independent officer.
Tadashi Kanki	○	Mr. Tadashi Kanki served as Managing Executive Officer of our main bank, Mizuho Bank, Ltd., and a person engaged in business execution of its parent company, Mizuho Financial Group, Inc., and its group companies (Mizuho Trust & Banking Co., Ltd., Mizuho Securities Co., Ltd. and Mizuho Corporate Bank, Ltd.) until April 2014. (He retired from these positions by April 2014.) Then after serving as Senior Executive Managing Director and as Senior Managing Executive Officer of Mizuho Financial Group, Inc. until March 2016, he served as Executive Vice President, and Advisor of Mizuho Research Institute Ltd. (until June 2017).	The Company appointed Mr. Tadashi Kanki as an Outside Audit & Supervisory Board Member in the expectation that he would provide effective guidance drawing on his broad experience in sales and corporate planning at financial institutions, in addition to his four years of experience as a Standing Audit & Supervisory Board Member at a company listed on the First Section of the Tokyo Stock Exchange. He satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed him to have no potential conflicts of interest with general shareholders and designated him as an independent officer.
Makiko Terahara	○	Lawyer	Ms. Makiko Terahara is well versed in corporate legal affairs as an attorney at law and serves as an Outside Director of other listed companies. She has

			professional expertise in determining the appropriateness of overall corporate activities. In addition, she serves as an Outside Audit & Supervisory Board Member of a listed company engaged in the department store business and possesses insights into the retailing business. The Company appointed her as an Outside Audit & Supervisory Board Member in the anticipation that her advice based on her experience and insights would be effective for the Company to promote sustainability and attain diversity. She satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed her to have no potential conflicts of interest with general shareholders and designated her as an independent officer.

[Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members]

Number of Independent Directors and Independent Audit & Supervisory Board Members	7

Other Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members

The Company has designated Outside Directors/Audit &Supervisory Board Members who meet the following requirements, in addition to the independence criteria set forth by the Tokyo Stock Exchange, as Independent Directors/Audit &Supervisory Board Members.

[Independence Criteria of Outside Executive Officers]
The Board of Directors of the Company shall recognize an Outside Director (note 1) and an Outside Audit & Supervisory Board Member (note 2) (hereinafter collectively "Outside Executive Officers") to be independent if he or she does not meet any of the standards listed below.
Notes: 1) "Outside Director" denotes an Outside Director, pursuant to Article 2, item xv of the Companies Act.
2) "Outside Audit & Supervisory Board Member" denotes an Outside Company Auditor, pursuant to Article 2, item xvi of the Companies Act.

1. A person for whom the Company or the Company's consolidated subsidiaries (hereinafter the "Nissui Group") is a major client (note 1) or a person who executes business (note 2) thereof
   Notes: 1) "A person for whom the Nissui Group is a major client denotes a person who has received payment equivalent to 2% or more of the consolidated net sales of that person from the Nissui Group in the past three fiscal years.
   2) "A person who executes business" denotes an executive managing director, executive director, executive officer or manager or other employee (hereinafter the same shall apply).

2. A person who is a major client of the Nissui Group (note) or a person who executes business thereof
   Note: "A person who is a major client of the Nissui Group" denotes a person who has made payment equivalent to 2% or more of the consolidated net sales of the Company to the Nissui Group in the past three fiscal years.

3. A consultant, an accounting professional or a legal professional compensated by the Nissui Group with large amounts of money or other financial benefits other than as executive compensation (note) (If these benefits are received by an incorporated entity, union or association, then a person who belongs to such organization)
   Note: "Compensated by the Nissui Group with large amounts of money or other financial benefits other than as executive compensation" denotes being compensated with money or other financial benefits (other than as executive compensations) by the Nissui Group in amounts on average for the past three fiscal years, in excess of ¥10 million per year, in the case of individuals; and the higher of 2% of net sales/total income of the organization and ¥10 million, in the case of organizations to which the professional belongs.

4. A person who executes business of a company, in cases where the Executive Director or Standing Audit & Supervisory Board Member of the Nissui Group serves as an outside officer of the said company

5. A person who belongs or who has belonged in the past to an organization receiving large amounts of donations (note) from the Nissui Group
   Note: "Large amounts of donations" denotes donations in excess of ¥10 million per year on average for the past three fiscal years.

6. A spouse or close relative within the second degree of kinship of the following persons (Limited to persons in important positions)
   (1) Persons who fall under items 1 through 5
   (2) A person who executes business of the Nissui Group

[Incentives]

Implementation Status of Measures related to Incentives Granted to Directors	Performance-linked Compensation

Supplementary Explanation for Applicable Items

The Company introduced a performance-linked stock-based compensation plan called the Board Benefit Trust (BBT) (hereinafter, the "Plan") for the Company's Directors (excluding Outside Directors and non-residents in Japan) and Executive Officers who do not concurrently act as Directors (excluding non-residents in Japan, and hereinafter called as "Executive Officers;" Directors and Executive Officers are collectively called as "Directors, etc."), as resolved at the 103rd Ordinary General Shareholders' Meeting held on June 27, 2018. The Plan aims to encourage the contribution of Directors, etc. toward the enhancement of the corporate performance and value over the medium- to long-term, through clarifying the correlation between the compensation of Directors, etc. and corporate performance and share value; and sharing not only the benefits of share price increase but also the risks of share price decline between the Directors, etc. and shareholders.

Persons Eligible for Stock Options	

Supplementary Explanation for Applicable Items

—

[Director Compensation]

Status of Disclosure of Individual Directors' Compensation	No Individual Disclosure

Supplementary Explanation for Applicable Items

Amounts of executive compensation for the previous fiscal year

- Directors (excluding Outside Directors): 359 million yen for six people
  The compensation consists of (i) basic compensation (216 million yen), (ii) performance-linked compensation (83 million yen), and (iii) stock-based compensation (58 million yen). (ii) includes the amount expected to be paid in June 2024.
- Outside Directors: 36 million yen for four people (The compensation for Outside Directors comprises only the basic compensation.)
- Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members): 26 million yen for one person
- Outside Audit & Supervisory Board Members: 38 million yen for three people

Policy on Determining Compensation Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

A basic policy for the determination of executive compensation has been established, as per the following, in accordance with the Corporate Governance Code.
[Compensation for Directors]
(Basic Policy)
(i) The compensation system shall support the achievement of the Company's mission and vision.
(ii) The compensation system shall be designed to eliminate short-term bias and motivate the medium- to long-term improvement of corporate value.
(iii) The compensation system shall be effective in maintaining and securing outstanding talents.
(iv) 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.
(v) The compensation system shall be aligned to the roles and responsibilities entailed by each rank and to performance.

(Executive compensation system)

The executive compensation system of the Company consists of three elements: basic compensation defined by title as fixed compensation; annual performance-linked compensation (annual incentive); stock-based compensation (medium-term incentive) linked to the achievement of the mid-term management plan. The ratio among basic compensation, performance-linked compensation, and stock-based compensation per year is roughly targeted at 65:30:5 when business performance targets are achieved 100%. However, from FY2023, the above ratio was changed to raise the awareness of Directors for improving medium- to long-term performance and improving corporate value. Specifically, when the performance targets, including consolidated ordinary profit, a KPI of the Mid-term Business Plan, are achieved 100%, the ratio among basic compensation, performance-linked compensation, and stock-based compensation per year has been set to be 55: 25: 20, raising the proportion of the variable compensation component (performance-linked compensation and stock-based compensation) to about half of the total compensation.

(Determination policy and procedures for compensation)
The policy for determining compensation, etc. of individual executives 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 by the voluntary Compensation Committee which is chaired by an independent Outside Director and consists of four Outside Directors and one Representative Director, with the aim of ensuring compensation commensurate with the company's stage. The amount of each compensation paid to individual executives shall be determined by the Compensation Committee, an independent body delegated by the Board of Directors, from the viewpoint of the objectivity and transparency of the operation of said system.

(Compensation for Audit & Supervisory Board Members)
Compensation for Audit & Supervisory Board Members is fixed, and determined by the deliberation among Audit & Supervisory Board Members within the limit of compensation for Audit & Supervisory Board Members determined by the General Shareholders' Meetings.

[Supporting System for Outside Directors and/or Outside Audit & Supervisory Board Members]
Staff members of the internal auditing division, Secretarial Section, and other divisions provide assistance to Outside Directors and Outside Audit & Supervisory Board Members in response to requests from them.

[Status of Persons who have Retired as Representative Director and President, etc]

Information on Persons Holding Advisory Positions *(Sodanyaku, Komon, etc)* after retiring as Representative Director and President

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without compensation, etc.)	Date when former role as president ended	Term
-	-	-	-	-	-

Number of Persons Holding Advisory Positions *(Sodanyaku, Komon, etc)* After Retiring Representative Director and President, etc	-

Other Related Matters

The Company abolished the advisor and counselor positions on June 28, 2022.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)

The Board of Directors Meeting is held at least once a month in principle to determine material matters and supervise management. In order to enhance the transparency of management and strengthen the function of management supervision, Directors act with a term of office of one year. Currently, the Board of Directors consists of ten Directors and includes four Outside Directors (of which two members are women), who are independent of the management team.

Regarding business execution, the Company has adopted the executive officer system (introduced on June 25, 2009) for flexible and efficient business management. The Executive Committee consisting of Executive Officers appointed by the Board of Directors is held at least once a month in principle, and makes quick and appropriate decisions and information sharing on major business execution matters, based on sufficient deliberation from a multifaceted perspective, in order to promote the sustainable growth and the enhancement of the corporate value of the Company and the Company Group. The Executive Committee consists of 16 men including six Directors concurrently acting as Executive Officers.

Regarding the audit system, the Company has appointed persons with the expertise necessary for audit including insight into finance and accounting as well as a wealth of knowledge in a wide range of fields. The Audit & Supervisory Board consists of four Audit & Supervisory Board Members including three Outside Audit & Supervisory Board Members (of which one member is a woman) independent of the management team. Each Audit & Supervisory Board Member attends the Board of Directors Meetings to audit execution of duties of Directors, and also attends other important meetings including the Executive Committees as necessary.

Based on annual planning, the internal auditing division under the direct control of President implements evaluation on internal control in order to ensure the reliability of internal audit and financial reporting of the Company Group, and reports results to Directors, Audit & Supervisory Board Members, and the managers of organizations under audit.

Regarding accounting audits, the Company has concluded an agreement with Ernst & Young ShinNihon LLC to conduct accounting audits based on the Companies Act and the Financial Instruments and Exchange Act. The audits were executed by certified public accountants, Tomohiro Miyagawa, Shigehiro Koshihara, and Masatoshi Komiya, with the assistance of ten certified public accountants and other 21 staff members.

As an advisory body to the Board of Directors, the Company has established the voluntary Nomination and Compensation Committee (established on June 27, 2018), consisting of four Outside Directors and one Representative Director and chaired by an Outside Director. The Nomination Committee deliberates on the selection and dismissal of candidates for Officers including President and succession planning, and the Compensation Committee deliberates on the determination policy of compensation, details of the compensation system, and compensation standard, among other matters, in order to recommend to the Board of Directors. The Board of Directors determines executive appointments and compensation based on the recommendation.

3. Reasons for Adoption of Current Corporate Governance System

As a company with an audit & supervisory board, the Company has established the Audit & Supervisory Board, appointing persons with knowledge to determine the appropriateness of overall corporate activities and persons with financial and accounting knowledge as Audit & Supervisory Board Members, and also appointing three Outside Audit & Supervisory Board Members independent of the management team. The Company believes that the audit system involving four Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members is effective as the function of management supervision, and has adopted the form of a company with an audit & supervisory board.

[Matters regarding Outside Directors (roles and function of Outside Directors)]
Outside Directors consist of persons with experience as representative directors and persons with experience as outside directors, etc. at other publicly listed companies. The Company has appointed Outside Directors to utilize their wealth of experience and a high level of knowledge accumulated through their experience in the Company’s business. From a standpoint independent of the Company’s management team, Outside Directors supervise the execution of duties by Directors and provide counsel to ensure appropriate decision making.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder's Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Posting of Notice of the General Shareholder's Meeting	We posted the Notice of the 109th Ordinary General Shareholders' Meeting on the Company's website and Tokyo Stock Exchange website on May 31, 2024 in advance of mailing the printed notice on June 7, 2025.
Scheduling of the General Shareholder's Meeting on a Non-Peak Day	The 109th Ordinary General Shareholders' Meeting was held on June 26, 2024.
Electronic Exercise of Voting Rights	The electronic exercise of voting rights has been made available since the Ordinary General Shareholders' Meeting held on June 28, 2006 via the designated system by Sumitomo Mitsui Trust Bank, the Company's shareholder registry administrator.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	We have been participating in the Electronic Voting Platform for Institutional Investors provided by ICJ, Inc. since the Ordinary General Shareholders' Meeting held on June 27, 2007.
Provision of Notice (or Summary of Notice) of the General Shareholder's Meeting in English	We disclose the English language version of Notices of General Shareholders' Meetings on our website and that of the Tokyo Stock Exchange.
Other	• We provide enhanced content in the Notice of the General Shareholders' Meeting, including the status of governance such as the executive compensation system and the evaluation of the effectiveness of the Board of Directors, a summary and the operation status of the internal control system, and details and the progress of the Mid-term Business Plan. • We indicate, in advance, supplementary explanations regarding the Notice of the General Shareholders' Meeting, accept questions, and disclose our replies on our website. • We effectively use infographics for business presentations at General Shareholder's Meetings.

2. Status of IR-related Activities

	Supplementary Explanations	Explanation by Representative Director or a Representative Executive Officer
Formulation and Publication of Disclosure Policy	The Disclosure Policy is posted on the Company's website. https://www.nissui.co.jp/english/ir/disclosure_policy/index.html	
Regular Investor Briefings held for Analysts and Institutional Investors	We hold results briefing sessions in May and November and teleconferences in August and February for securities analysts and institutional investors.	Yes
Online Disclosure of IR Information	The following documents and materials are posted on our website: • Consolidated financial results (available in English), • Supplemental documents for results briefing session (available in English), • Timely disclosure materials, • Annual Securities Report and Quarterly Securities Report,	

	• Notice of the General Shareholders' Meeting, • NISSUI REPORT, • Integrated Reports, and • Financial results briefing session video. <IR website> https://www.nissui.co.jp/english/ir/ir_library/index.html	
Establishment of Department and/or Placement of a Manager in Charge of IR	Investor Relations Section, Corporate Strategic Planning & IR Department	
Other	We hold briefing sessions on business strategies and other matters for institutional investors and securities analysts several times a year to deepen their understanding of the Group.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company and the Nissui Group endeavor to solve social issues through business activities in keeping with the five genes (Mission, Innovation, Hands-on approach, Global, Customer-Orientation) inherited since our foundation and the Declaration on Action of Sustainability toward its stakeholders (customers, employees, business partners, shareholders and investors, the environment, and society), in cooperation and collaboration with the stakeholders. We also have the Code of Ethics, the Quality Assurance Code, and the Environmental Code, which stipulate appropriate collaboration with stakeholders and respect for their interests, sound business ethics, and rules of conduct that employees should follow. The Declaration on Action of Sustainability, the Code of Ethics, the Quality Assurance Code, and the Environmental Code are posted on the Company website. (https://www.nissui.co.jp/english/corporate/ethics/index.html)
Implementation of Environmental Preservation Activities and CSR Activities, etc.	In view of the importance of collaboration with diverse stakeholders related to our operations, we have announced the Declaration on Action of Sustainability for the customers, employees, business partners, shareholders and investors, environment, and society, founded the Sustainability Committee, and in 2016, determined the three Material Areas. Due to the manifestation of various issues including ESG-related matters such as climate change and human rights and the need to respond to geopolitical risks and technological innovation, in FY2023, we conducted a revision in response to the changes in the external environment and came up with the following ten Material Areas. • Driving the mainstreaming of marine biodiversity • Contributing to a decarbonized and circular economy • Structuring a sustainable supply chain • Resolving health issues • Developing human capital and empowering diverse personnel • Securing a stable workforce and improving productivity • Embracing our mission and establishing our brand • Innovating through digital transformation • Accelerating global operations • Generating innovations related to food

	Subcommittees have been established for each of the Material Areas to solve the respective issues. We have formulated the Nissui Group Basic Procurement Policy, which stipulates the guidelines for legal compliance, awareness of environmental preservation, and respect for human rights when procuring products and raw materials. In line with this policy and in cooperation with our business partners, we explain to our suppliers, utilize check sheets to check the actual situation, and provide feedback on the results. With respect to the social issue of ocean plastic pollution, we have established the Basic Policy Regarding the Problem of Plastics and the Container/Packaging Selection Guidelines, based on which we are striving to reduce the amount of plastic used as much as possible. Furthermore, we place our original mark "Mirai-no Umie" (meaning "For the future ocean"), which represents our consideration for the environment, on our product packaging as an index that customers, our significant stakeholders, can refer to when selecting products. Additionally, we are proactively promoting activities by volunteering employees to clean up the areas surrounding the business locations several times a year (Cleanup Campaign), *satoyama* conservation activities, and contributions to food banks. For more details about our activities, refer to the Sustainability Report. (https://nissui.disclosure.site/en/themes/121) The Company's environmental and sustainability activities including the Sustainability Report are disclosed in English. (https://nissui.disclosure.site/en)
Other	The Group believes that diverse human capitals, regardless of gender, nationality, age, or whether they have a disability, mutually respecting each other and demonstrating their capabilities to the fullest are indispensable for generating innovation and revitalizing the organization. Accordingly, it strives to promote diversity, equity, and inclusion (DE&I). The Company has the Diversity Subcommittee, headed by an Executive Officer, in place under the Sustainability Committee, which discusses the promotion of diversity. As for the empowerment of women, we are aiming to raise the ratio of female managers to 20% by 2030, and to this end, we are working to raise awareness of managers, provide career-building support to female manager candidates, and carry out selective training. Thanks to these efforts, in March 2022, the Company was selected for the first time as a Semi-Nadeshiko Brand 2022 by a joint program of the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, which is designed to recognize listed companies making outstanding efforts to encourage women's success in the workplace. The Semi-Nadeshiko Brand designation is second only to the Nadeshiko-Brand one. Additionally, in terms of hiring people with disabilities, the Company not only complies with the statutory employment rate of persons with disabilities but also are committed to enabling each individual to leverage their unique characteristics and strengths through collaborative efforts between departmental personnel and staff of the Human capitals Department, providing multifaceted support, including reasonable accommodations, to create a work environment where everyone can work confidently and thrive. As a result, our employment rate of people with disabilities, as of April 2024, was 2.90%, exceeding the statutory employment rate. At the Company, employees with disabilities already work at approximately 30 work sites including the administrative divisions, plants, and in sales.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and the Status of Development

1. System to ensure that Directors and employees perform their duties in compliance with laws, regulations, and the Articles of Incorporation
   (1) Directors and Executive Officers strive to raise the employees' awareness of the various codes including the Declaration on Action of Sustainability, Code of Ethics, Quality Assurance Code, and Environmental Code, which have been set forth in line with the Company's business philosophy, while taking the lead in acting in compliance with them.
   (2) The Ethics Subcommittee, in which external attorneys participate, plans and implements initiatives to ensure compliance with laws, regulations, the Articles of Incorporation, internal rules, etc. ("laws, etc.") in business activities by means such as enhancement of education and training. It also makes final decisions on compliance-related business issues. The officer in charge reports the activities to the Board of Directors.
   (3) The Company establishes a whistle-blowing system where the Group's officers and employees can directly report to the Ethics Subcommittee about possible acts in violation of laws, etc. in the Group. The helplines are set inside and outside the Company and what is received via the helpline is concurrently reported to Audit & Supervisory Board Members to ensure the early detection and correction of possible acts in violation of laws, etc. The Company never discloses what a whistleblower says and never treats him/her unfavorably.
   (4) To ensure the reliability of financial reporting, the Company establishes a dedicated internal organization to know the state of company-wide internal control. In addition, the Company documents key business processes and builds a system to make evaluations and improvements on a consolidated basis.

2. System to store and manage information related to the execution of duties by Directors
   (1) The Company appropriately stores and manages the minutes of General Shareholder's Meeting, the Board of Directors meetings, and Executive Committee meetings, other documentation of other meetings chaired by Directors or Executive Officers, as well as approval form *(ringi-sho)* and execution reports *(jisshi-hokoku)* (the "Documents, etc.") in accordance with laws, regulations, and internal rules.
   (2) The Directors and Audit & Supervisory Board Members shall always be able to view the Documents, etc.

3. Regulations regarding the management of the risk of loss, and other systems
   (1) The Risk Management Committee, which is under the direct control of the Representative Director and President, builds the Group's whole risk management system and strives to maintain and improve it in accordance with the risk management regulations. The officer in charge regularly reports the committee's activities to the Board of Directors.
   (2) For high-priority risks of the Group, the risk management organization plan measures to improve the effectiveness of risk management and monitors their progress, while the managers in charge of business departments perform appropriate risk management for their business operations.

4. System to ensure that Directors execute their duties efficiently
   (1) Meetings of the Board of Directors are held at least once a month in principle. At the meetings, they decide the organizational structure and work taken charge of by the Representative Director(s) as well as other Directors and Executive Officers who execute business. The Board of Directors also makes decisions on important matters and supervises the business execution of Directors and Executive Officers. The Executive Committee consisting of Executive Officers are held at least once a month in principle and make decisions on major business execution.
   (2) The Representative Director and President supervises the Group's business execution, and each Director/Executive Officer bears the responsibility for the business execution of the department he/she takes charge of.
   (3) The Board of Directors determines medium- to long-term business strategies and budget for each fiscal year. Each Director/Executive Officer determines specific measures that the departments they are in charge of should implement and the efficient business execution structure. In addition, they make sure that progress toward achieving goals is monitored and regularly report the status to the Board of Directors.

5. System to ensure the appropriate business operations of the corporate group consisting of the Company and its subsidiaries

   In addition to the measures to ensure that business is executed in compliance with laws, regulations, and the Articles of Incorporation, the Group builds the following systems:

   (1) System for reporting to the Company on matters concerning the execution of duties by Directors, etc. of its subsidiaries
      (i) The Company regularly holds group management meetings attended by representatives from each Group company to share information within the Group, and ensure the instructions on important matters on business execution and discuss them.
      (ii) The Company requires the Group companies to regularly report on their business performance, financial status, and other important information.

   (2) Regulations regarding the management of the risk of loss of its subsidiaries, and other systems
   Through the Risk Management Committee, the Company discusses the challenges and countermeasures for the group-wide risk management promotion, and disseminates them to Group companies.

   (3) System to ensure that Directors, etc. of its subsidiaries execute their duties efficiently
   The Company requires the Group companies to comply with the subsidiary governance rules formulated by the Company while respecting each company's independence.

   (4) System to ensure that Directors, etc. and employees of its subsidiaries perform their duties in compliance with laws, regulations, and the Articles of Incorporation
      (i) The Company appoints an Executive Officer as a responsible officer for each Group company to ensure the Group's governance through measures such as having such officers attend each company's Board of Directors meetings.
      (ii) Each Group company promotes its compliance activities in accordance with internal rules formulated by itself including the Code of Ethics by appointing an officer in charge of compliance and establishing a dedicated organization. The Company's Ethics Subcommittee supports those activities.

   (5) Other systems to ensure appropriate business operations of the corporate group
   The internal auditing division, which is under the direct control of the Representative Director and President, conducts internal audits on the Group based on annual plans and reports the results to Directors, Executive Officers, Audit & Supervisory Board Members, and the heads of the audited organizations. It also regularly reports the summary to the Board of Directors.

6. Matters regarding employees in the case where the employees are appointed by Audit & Supervisory Board Members to assist them

   (1) If requested by Audit & Supervisory Board Members, employees from the internal auditing division, Secretarial Section, and other departments assist the duties of the Audit & Supervisory Board Members.

   (2) If Audit & Supervisory Board Members request to appoint employees to assist their duties, the Company assigns staff for Audit & Supervisory Board Members

7. Matters regarding the independence of employees in preceding paragraph from Directors and the ensuring of the effectiveness of the directions by Audit & Supervisory Board Members

   (1) When employees assist the duties of Audit & Supervisory Board Members as referred to in the preceding paragraph, they shall not be subject to directions and orders of Directors, Executive Officers, etc.

   (2) When assigning staff for Audit & Supervisory Board Members, the Company shall respect the opinions of the Audit & Supervisory Board Members for the personnel affairs and evaluation of the staff.

8. System for reporting to Audit & Supervisory Board Members

   (1) System for reporting from the Company's Directors and employees to Audit & Supervisory Board Members
      (i) Directors, Executive Officers, and employees promptly provide the Documents, etc. (in 2 (1)) to Audit & Supervisory Board Members and provide explanation promptly and appropriately when requested.

(ii) Directors, Executive Officers, and employees immediately report to Audit & Supervisory Board Members if finding a fact that may cause significant damage to the Group or an important fact that may affect the Group' management.
(iii) The internal auditing division reports the business audit results of the Group to Audit & Supervisory Board Members.
(iv) The Audit & Supervisory Board Members build a system, with which they inspect the matters discussed, resolved, and reported at the Board of Directors and if necessary, ask Directors/Executive Officers to provide the status of business execution and review it.

(2) System for reporting to the Company's Audit & Supervisory Board Members from subsidiaries' Directors, Audit & Supervisory Board Members, employees, or a person who receives information from them
(i) The officers and employees of the Group companies promptly and appropriately provide information on business execution to the Company's Audit & Supervisory Board Members when requested by them.
(ii) If officers and employees of the Group companies find a fact that may cause significant damage to the Group or an important fact that may affect the Group' management, they immediately report to the Audit & Supervisory Board Members through the Company's management department. Alternatively, they report it to the Company's whistle-blowing hotline, where information provided is also reported to the Audit & Supervisory Board Members.
(iii) When information is provided via the whistle-blowing hotline, the Company's Ethics Subcommittee provides the Audit & Supervisory Board Members with information on how the problem has been addressed as necessary.

9. System to ensure that whistleblowers are not treated unfavorably as a result of having provided information to Audit & Supervisory Board Members

In the case where the Group's officers and employees provide information to Audit & Supervisory Board Members, the Company prohibits treating them unfavorably as a result of having provided information, and ensures that officers and employees of the Group are fully aware of it.

10. Policy for the processing of expenses, etc. arising from the execution of duties by Audit & Supervisory Board Members

When Audit & Supervisory Board Members request the Company for payment of expenses, etc. incurred in executing duties, the Secretarial Section promptly processes the payment unless the expenses, etc. are considered unnecessary for their duties in accordance with regulations for officers.

11. Other systems to ensure that Audit & Supervisory Board Members execute their duties efficiently

(1) Audit & Supervisory Board Members conduct audits in accordance with implementation guidelines for internal control that the Audit & Supervisory Board formulated to ensure the effectiveness of audits, and make discussions with Directors and Executive Officers as necessary to improve the effectiveness of audits.
(2) Audit & Supervisory Board Members regularly receive reports on audit plans and results from the Auditor of Accounts and exchange information and opinions with it. In addition, they also exchange information and opinions with the internal auditing division.

2. Basic Views on Measures for Eliminating Antisocial Forces and Status of Development

The Group eliminates any relationship with any antisocial force or organizations that poses a threat to public order or safety and refuses any unreasonable claims ir other requests from them. We ensure this by stipulating it in our Code of Ethics and Ethical Behavior Standards. We collect information from related administrative agencies on a regular basis so that, if any problem arises, we can promptly report it to departments in charge and seek consultation. In addition, we have built a system where we closely collaborate with administrative agencies and legal professionals to address such issues appropriately.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items
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2. Other Matters Concerning to Corporate Governance System

[Outline of the timely disclosure system]

The Company's Code of Ethics defines a policy toward society as "we endeavor to widely and fairly disclose information and, at the same time, strictly control nonpublic information."

Among the information on decisions, events, and financial results of the Company and its subsidiaries, the Company discloses its information that is required to be disclosed by related laws and regulations in a timely and appropriate manner by resolution of the Board of Directors.

With regard to internal management and supervision, Audit & Supervisory Board Members audit the execution of Directors' duties, and the internal auditing division, which is under the direct control of the President, conducts internal audits of the Company and its' Group companies to ensure the appropriateness of their business operations.

Diagram: System of Corporate Governance

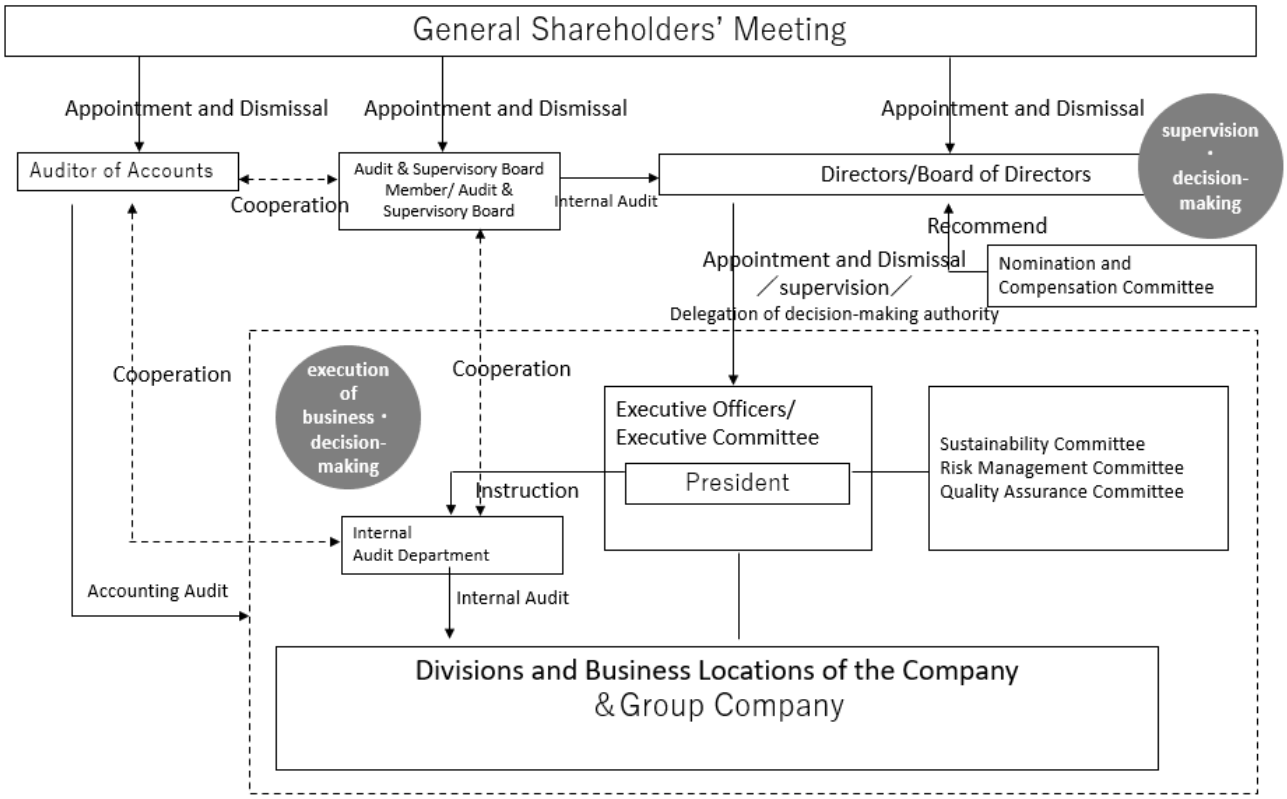

Diagram Outline of Timely Disclosure System

