Corporate Governance Report

Last Update: July 3, 2024

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The corporate governance of Prima Meat Packers, Ltd. (the "Company") is described below.

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

1. Basic Views] Updated

Based on the mission of "contributing to food culture and society through great taste and excitement," Prima Meat Packers, Ltd. and its subsidiaries (the "Group") is working to enhance its corporate governance in accordance with the following basic policies for the purpose of achieving a highly transparent and honest management and an appropriate and flexible implementation of decision-making in response to changes.

(1) The Group shall respect the rights of shareholders, work to improve the environment in which shareholders can properly exercise their rights, and ensure the substantial equality of shareholders.

(2) The Group shall establish and disclose its management philosophy, management vision, basic sustainability policy, food safety policy, environmental policy, human rights policy, procurement policy, business plan: basic policy, and others, which are the basic principles of management shared with all officers and employees of the Group to serve as the basis for all activities.

(3) The Group shall recognize the importance of its mission and social responsibility in providing products, strive to collaborate appropriately with stakeholders such as customers, business partners, employees, and local communities, and foster a corporate culture and atmosphere of sound business operations based on a high level of discipline. In addition, in order to build a foundation of constructive dialogue with stakeholders, the Group shall strive to ensure an appropriate disclosure of corporate information, including non-financial information, and the transparency of corporate management.

(4) In order to realize effective and efficient management of the Group and to fulfill the responsibility for business execution, the Group shall strive to ensure the effectiveness of the supervisory function held by the Board of Directors in relation to business execution.

(5) Respecting the principles of the Japanese version of the Stewardship Code, the Group shall positively engage in dialogue with institutional investors and other shareholders.

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

The Company implements all of the principles stipulated in the Corporate Governance Code.

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

[Principle 1.4 Cross-Shareholdings]

The Company shall not hold any shares that are deemed not to contribute to the maintenance and development of a good business relationship with the issuing company and, in turn, to the development of the Company's business. Every year, the Company will review the significance of holding cross-shareholdings at the Board of Directors.

As a result of the review conducted by the Board of Directors in January 2024, among the shares held, the Company sold off the cross-shareholdings of three unlisted stocks and one listed stock. The Company also sold a portion of the cross-shareholding of one stock through a subscription to a tender offer. While other arrangements were somewhat problematic in terms of transaction profitability, the significance of holding them was recognized to a certain extent. It was judged that the Company was not in a position to decide to sell these off immediately, and it was decided to continue these arrangements.

Exercise voting rights by making a comprehensive judgment from the perspective of, for example, the issuing company's establishment of an appropriate governance system and appropriate decision-making that leads to the enhancement of corporate value over a medium- to long-term. In addition, the Group will engage in dialogue with issuing companies as necessary. When the Group decides that it cannot agree with the company's proposal, it may consider the necessity of selling off shares.

[Principle 1.7 Related Party Transactions]

The Company shall require the approval of the Board of Directors for any transactions involving conflicts of interest between the Group and its Directors, Corporate Auditors and Executive Officers. The Company has a system to report to the Executive Advisory Committee and the Board of Directors any significant transactions that would result in a transaction amount exceeding a certain level when conducting transactions with controlling shareholders, etc.

The Company has established a system to manage transactions between related parties by reporting annually to the Executive Advisory Committee and the Board of Directors on the amount of transactions with controlling shareholders, etc.

When conducting transactions including the procurement of raw materials with controlling shareholders, etc., transactions are finalized upon taking into consideration the prevailing market prices by taking measures such as obtaining quotations from other companies.

[Supplementary Principle 2.4.1 Ensuring Diversity, Including Active Participation of Women]

<Approach to ensuring diversity>

The Group's code of conduct states "We realize the comfort and affluence of our employees and ensure a safe and comfortable working environment. We also respect the personality and individuality of our employees." In light of this, the Medium-term Business Plan outlines a goal of "acquiring talent and providing training to transform workplace culture." In order to achieve sustainable growth, the Company considers it important to hire diverse employees in terms of gender, age, nationality, disability, lifestyle, values, and other factors, promote hiring and appointment on the basis of personal character, and create flexible environments and systems that ensure a comfortable workplace for all.

<Targets to ensure diversity and current situation>

Regarding women, in the action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, the Company has outlined a plan to raise the percentage of women in middle management posts to 4% or higher by the end of March 2025. The percentage was 2.8% in fiscal 2021, 3.4% in fiscal 2022, and 4.7% in fiscal 2023.

As for foreign nationals, there are just a few staff-level employees, and none are appointed as middle management. The Company will set a target for foreign national employees when the proportion of net sales from overseas surpasses 10%. It should be noted that numerous foreign national middle managers have been appointed in overseas subsidiaries.

Concerning mid-career hires, the Company is recruiting proactively. A target for 12 mid-career hires was set for fiscal 2023, and eight were hired. A target for 12 mid-career hires has been set for the current fiscal year.

<Policies for human resource development and internal environment development to ensure diversity, and the status of their implementation>

In order to achieve sustainable growth, the Company considers “creating a workplace that promotes job satisfaction” to be important, and believes it is necessary to “respect and promote diverse workstyles,” “hire and develop outstanding human resources,” and “conduct occupational health and safety in consideration of physical and mental health.” In order to enhance the employee engagement, the Company has established an employee-satisfaction revolution project team and is developing its internal environment.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]
The Company manages corporate pension funds with the Prima Meat Packers Corporate Pension Fund. Because the management of corporate pension funds impacts not only stable asset formation for employees, but also the financial standing of the Company, personnel with the necessary experience and disposition to manage assets are assigned to the corporate pension fund, a “Basic Policy on Pension Asset Management” has been outlined, and an Asset Management Committee comprising members such as people in charge of human resources and accounting departments and representatives of the labor union to monitor the selection and management of investment products.
The asset management contracting organization adopted by the corporate pension fund accepts the Japanese version of Stewardship Code, and the Company monitors whether appropriate measures are being taken concerning the exercise of voting rights, etc., by this organization.
The personnel assigned to the corporate pension fund, particularly the director of operations, participate in training such as those run by the Pension Fund Association and those run by the asset management contracting organization in order to acquire necessary operational knowledge.
Furthermore, representatives of the labor union and employees are selected as directors and delegates of the corporate pension fund, and a system has been established to appropriately manage conflicts of interest between corporate pension beneficiaries and the Company.

[Principle 3.1 Full Disclosure]
Understanding the objectives of the Corporate Governance Code, the Company proactively discloses information on the following items in accordance with laws and ordinances, and the basic policy of the Company in order to be a company that is trusted by stakeholders.
(1) Based on the management philosophy of “be candid and sincere,” “create quality products that sustain Prima Group,” and “provide value to customers through continuous innovation,” the Company aims to be a “company that customers always love and support” through its management policy of strengthening marketing, development and product-commercialization capabilities to increase the scale and quality of sales and profits while at the same time promoting management that emphasizes sustainability principles. Furthermore, the Company formulates a three-year rolling plan for its Medium-term Business Plan every year, based on which it takes actions to implement management that is conscious of cost of capital and stock price. Specifically, the Company has set a management target of maintaining a return on equity (ROE) of at least 10% and uses return on invested capital (ROIC) as one of the metrics for important investment decisions. The Company’s dividend policy places the distribution of profit to shareholders among the most important management issues and bases itself on the principle of providing continued and stable dividends, with the target for payout ratio set at 40% or higher (raised in fiscal 2024). Information is disclosed on the webpages below and by other means.

Material for Financial Results for the Year Ended March 31, 2024 (page 13–)
https://www.primaham.co.jp/en/ir/library/attaches/pdf/Financial_Results_for_the_Year_Ended_March_31%2C2024%20.pdf
Prima Meat Packers Group Integrated Report
https://www.primaham.co.jp/en/ir/library/attaches/pdf/prima_integratedreport2023_all_en.pdf
(2) The Company works to strengthen corporate governance in order to practice highly transparent and honest management and to appropriately and flexibly implement decision-making in response to changes.
A Corporate Governance Basic Policy has been formulated and disclosed for various stakeholders such as shareholders, business partners and customers.
Corporate Governance Basic Policy
https://www.primaham.co.jp/en/ir/library/attaches/pdf/CorporateGovernanceBasicPolicy.pdf
(3) Regarding the policy and procedure for deciding the remuneration for Directors, the total annual amount shall be resolved at the Annual General Meeting of Shareholders, and the specific amount of individual remuneration shall be deliberated by the Executive Advisory Committee, which comprises the President

and Representative Director and Independent Outside Directors, and shall be decided based on certain standards resolved by the Board of Directors, thereby ensuring transparency.

(4) Regarding the appointment and dismissal of senior management and the nomination policy for candidates for Directors and Corporate Auditors, comprehensive consideration is given to necessary knowledge and experience, appropriate risk management and supervision of business execution, the balance and ability to cover each function and business department of the Company, and other factors. In terms of procedures, candidates are proposed by the President, and are determined by the Board of Directors after deliberation by the Executive Advisory Committee.

(5) Reasons for the appointment, dismissal, and nomination of candidates for Directors and Corporate Auditors are stated in the Notice of the Annual General Meeting of Shareholders.

[Supplementary Principle 3.1.3 Initiatives on Sustainability, etc.]

Under the mission of "contributing to food culture and society through great taste and excitement," the Group identifies material issues (materiality) based on the basic policy of contributing to the realization of a sustainable society through the sustainable growth of the Group, and the Sustainability Committee has established goals and action plans to solve each materiality and has started specific actions. Please see the Company's website and Integrated Report for these initiatives. The status of investments into human capital and intellectual property are also disclosed in the Integrated Report.

https://www.primaham.co.jp/en/sustainability/

https://www.primaham.co.jp/en/ir/library/integratedreport.html

Also in terms of responses to climate change, etc., we have expressed our support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and have made disclosures regarding climate change related risks and opportunities for the Company in line with those recommendations. Please see the Company website below for the content of these disclosures. Moving forward, we will continue to improve the quality and quantity of Company disclosures.

https://www.primaham.co.jp/sustainability/tcfd.html

[Supplementary Principle 4.1.1 Roles and Responsibilities of the Board (1)]

The Company defines the matters to be resolved by the Board of Directors itself as follows in the Board of Directors Rules.

(1) Matters concerning basic management policy

(2) Matters concerning the Annual General Meeting of Shareholders

(3) In addition to the preceding items, matters that should be resolved by the Board of Directors in accordance with laws and ordinances, the Articles of Incorporation, or the resolution of the Annual General Meeting of Shareholders, as well as other matters deemed necessary by the Board of Directors

Matters outside of those listed above are delegated to Senior Management and the heads of business operation organizations based on the Rules for Division of Operations and Responsibilities and the Rules for Authority and Responsibility.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

The Company has formulated criteria for the independence of Outside Directors and discloses them on its website.

[Supplementary Principle 4.10.1 Appropriate Involvement and Advice from Independent Outside Directors by Establishing Independent Nomination and Remuneration Committees]

The Company is a company with a Board of Corporate Auditors. Of the total of five Directors, three are Independent Outside Directors, with said Independent Outside Directors forming a majority of the Board of Directors. In order to strengthen independence, objectivity, and accountability, the Company has established an Executive Advisory Committee, which comprises the President and Representative Director and Independent Outside Directors, and which deliberates the nomination and remuneration of Directors, etc., important matters concerning corporate governance, and matters pertaining to conflicts of interest with controlling shareholders.

[Supplementary Principle 4.11.1 Preconditions for Securing the Effectiveness of the Board of Directors and Board of Corporate Auditors]

The nomination policy for the Board of Directors is to nominate "persons with extensive knowledge and experience in business operations and management, who fully understand the social responsibility and mission and who can execute business operations and management fairly and adequately based on a high level of self-discipline," and a diverse range of human resources are selected as candidates. Furthermore, the skills, etc., in line with factors such as the Company's management environment and business characteristics are stated in the Corporate Governance Basic Policy. The skill matrices of the current Directors are stated in the Integrated Report. In addition to the skill matrices, the reasons why the Company chose those skills for inclusion on the matrices are also stated in the Notice of the Annual General Meeting of Shareholders.

[Supplementary Principle 4.11.2 Preconditions for Securing the Effectiveness of the Board of Directors and Board of Corporate Auditors]
In order to ensure that Directors and Corporate Auditors are able to allocate the necessary time and effort to fulfill their roles and responsibilities, concurrent duties are kept within reasonable limits. The status of concurrent duties is stated in documents such as the Notice of the Annual General Meeting of Shareholders, the Business Report, and the Corporate Governance Report.

[Supplementary Principle 4.11.3 Preconditions for Securing the Effectiveness of the Board of Directors and Board of Corporate Auditor]
A questionnaire was conducted among all Directors and Corporate Auditors to evaluate the effectiveness of the Board of Directors. As a result, it was judged that the effectiveness of the Board of Directors has been ensured on the whole.
For more details, please see the Summary of the Analysis Results of the Fiscal 2023 Evaluation of the Effectiveness of the Company's Board of Directors and Future Actions published on June 3, 2024.

[Supplementary Principle 4.14.2 Director and Auditor Training]
Outside Directors and Outside Corporate Auditors receive explanations about matters such as business, operations, and issues from each department and work to deepen their understanding of the Group. Directors and Executive Officers use opportunities such as training run by external organizations to demonstrate higher leadership skills and develop a strategic perspective.
Corporate Auditors proactively participate in various seminars and opinion exchange gatherings with other industries to improve their auditing skills related to business and accounting.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]
The Company has formulated a "Policy on Systems and Initiatives to Promote Constructive Dialogue with Shareholders" in order to contribute to the sustainable growth of the Company and improve corporate value over the medium- to long-term. The basic policy outlines the following four items.
(1) The Company will proactively promote constructive dialogue with shareholders, primarily through the President and senior management, for sustainable growth and improvement of corporate value.
(2) Respecting the principles of the Japanese version of the Stewardship Code, the Company will positively respond to requests from institutional investors and other shareholders for dialogue (interviews).
(3) Opinions obtained through dialogue are shared with the President and senior management at the Executive Council and the Board of Directors, and actions to address them will be discussed as necessary.
(4) The Officer in charge of dialogue promotion will be the Officer in charge of the General Affairs/Public Relations Departments.

[Actions to Implement Management that is Conscious of Cost of Capital and Stock Price] [Disclosed in English]
Information is disclosed on the webpages below and by other means.
Material for Financial Results for the Year Ended March 31, 2024 (page 13–)
https://www.primaham.co.jp/en/ir/library/attaches/pdf/Financial_Results_for_the_Year_Ended_March_31%2C2024%20.pdf
Prima Meat Packers Group Integrated Report
https://www.primaham.co.jp/en/ir/library/attaches/pdf/prima_integratedreport2023_all_en.pdf

2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%

[Status of Major Shareholders] Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
ITOCHU Corporation	22,950,200	45.59
The Master Trust Bank of Japan Ltd. (trust account)	3,717,700	7.39
ITOCHU-SHOKUHIN Co., Ltd.	2,262,800	4.50
Custody Bank of Japan, Ltd. (trust account)	1,378,600	2.74
Takegishi Gakuen Educational Corporation	910,000	1.81
Sanshoku Co., Ltd.	700,180	1.39
STATE STREET BANK AND TRUST COMPANY 505223	520,025	1.03
Nippon Life Insurance Company	446,436	0.89
JP MORGAN CHASE BANK 385781	419,617	0.83
JPMorgan Securities Japan Co., Ltd.	407,433	0.81

Controlling Shareholder (except for Parent Company)	-
Parent Company	ITOCHU Corporation (listed on: Tokyo Stock Exchange) (code: 8001)

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Foods
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End 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 10 to less than 50

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

(1) Positioning of Prima Meat Packers, Ltd. in the ITOCHU Group
The Company belongs to the Food Company of ITOCHU Corporation. The main and principal business of the Company is to sell meat and produce and sell processed livestock products, and it assumes an important role in producing and supplying final products in ITOCHU Group's livestock value chain. The Company utilizes ITOCHU Group's extensive domestic and international network to ensure a stable supply of high-quality imported raw materials for its core products and to jointly develop pork brands with overseas partners

in the ITOCHU Group. As business partners, the Company and ITOCHU Corporation have a mutually beneficial relationship to enhance corporate value.
(2) The governance of ITOCHU Corporation over its listed subsidiaries
To enhance the corporate value of the Group as a whole, ITOCHU Corporation, as the parent and major shareholder, consistently gives due consideration to the legal compliance framework and the status thereof of such listed subsidiaries, while providing advice and support, as necessary, in certain matters relating to compliance and the building of internal control systems, as appropriate.
In addition, to contribute to the expansion of profits and the stabilization of management at each listed subsidiary, following discussions with each entity, ITOCHU Corporation promotes personnel exchanges, mainly by dispatching people with expertise in financial accounting, legal affairs, and other matters and management personnel for overseas expansion and overseas bases, as well as by taking in personnel from listed subsidiaries and affiliates into its sales and management departments. Nevertheless, ITOCHU Corporation respects the autonomy of these listed subsidiaries and prohibits any acts that contradict the principle of shareholder equality (It has not executed any agreements on governance with its listed subsidiaries). In particular, with the recognition that there is a potential conflict of interest between ITOCHU Corporation and the general shareholders of these listed subsidiaries and in order to secure the independent decision-making of these listed subsidiaries, ITOCHU Corporation requests these listed subsidiaries to set up an effective governance structure under which functions of their independent Outside Directors are well assured.
(3) Governance structure of the Company
ITOCHU Corporation possesses 50.14% of the Company's voting rights, including indirect holdings. Furthermore, the Company has elected Directors from ITOCHU Corporation and Corporate Auditors from the senior management of ITOCHU Corporation. Therefore, given the potential risk of conflicts of interest between ITOCHU Corporation and the general shareholders of the Company, the Company has elected Independent Outside Directors to comprise a majority (three out of five) of the Directors. Additionally, an Executive Advisory Committee, comprising exclusively the President and Representative Director and Independent Outside Directors, has been established to deliberate the election and dismissal of executives and executive compensation, as well as matters relating to succession planning, corporate governance, conflicts of interest with the controlling shareholder, etc., and advises the Board of Directors, thereby, strengthening transparency and accountability.
(4) Approach to individual transactions
When conducting transactions including the procurement of raw materials with ITOCHU Corporation and its group companies, the transactions are finalized upon taking into consideration the prevailing market prices through measures such as obtaining quotations from other companies. Additionally, the feasibility of important transactions is determined by the Board of Directors upon consulting and being advised from the Executive Advisory Committee.
With regard to transactions with controlling shareholders, etc., the Company has established a system to manage transactions between related parties by reporting annually to the Board of Directors upon consulting the Executive Advisory Committee on the annual amount of transactions with controlling shareholders, etc.

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

See above.

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

1. Organizational Composition and Operation

Organization Form	Company with Board of Auditors

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 years
Chairperson of the Board	President
Number of Directors	5
Appointment of Outside Directors	Appointed
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Takeshi Yamashita	Attorney											
Yuzo Ide	From another company											
Yoshino Tsujita	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;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/corporate auditors
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/corporate auditors are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Takeshi Yamashita	○	—	Mr. Takeshi Yamashita is an experienced university professor and has sophisticated expert knowledge as an attorney, and is well-versed in corporate law. Based on these experience and insight, he is qualified to serve as an Outside Director to be responsible for further enhancement of corporate value.
Yuzo Ide	○	—	Mr. Yuzo Ide has been in charge of corporate management at a major global manufacturer and has abundant experience and deep insight related to overseas business development and management strategy. He is qualified to serve as an Outside Director as he is expected to be able to provide guidance, supervision, support and appropriate advice in order to promote the Company's business strategy.
Yoshino Tsujita	○	—	Ms. Yoshino Tsujita has global and abundant experience in both domestic and international companies, deep knowledge related to management and diversity, and sophisticated expert knowledge of finance and accounting. She is, therefore, expected to provide supervision, support, and appropriate advice from an independent standpoint in order to promote the Company's management strategy and accordingly, is qualified to serve as an Outside Director.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Executive Advisory Committee	Executive Advisory Committee
Number of All Committee Members	4	4
Number of Full-time Members	0	0
Number of Inside Directors	1	1
Number of Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Inside Director	Inside Director

Supplementary Explanation

An Executive Advisory Committee comprising the President and Representative Director and Outside Directors equating to a committee for nominations and remuneration has been established. It deliberates on the nomination and remuneration of senior management, Directors, and Corporate Auditors, strengthening independence, objectivity, and accountability.

[Corporate Auditors] **Updated**

Establishment of Board of Corporate Auditors	Established
Maximum Number of Corporate Auditors Stipulated in Articles of Incorporation	4
Number of Corporate Auditors	4

Cooperation among Corporate Auditors, the External Financial Auditor and Internal Audit Departments

Corporate Auditors receive explanations on plans and results related to audits from the external financial auditor, attend their audits as necessary and conduct audits of financial statements and other documents. Corporate Auditors receive a report on results of the audits of various organizations and Group companies, including plants and sales offices carried out by eight members of the Audit Department. Opinions are exchanged about the matters raised in the audit.

Appointment of Outside Corporate Auditors	Appointed
Number of Outside Corporate Auditors	2
Number of Independent Corporate Auditors	2

Outside Corporate Auditor's Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Hideki Shimozawa	From another company							△						
Akemi Sunaga	CPA													

* 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;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Corporate auditors of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a corporate auditor

i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the corporate auditor himself/herself only)
k. Executive of a company, between which and the Company outside directors/corporate auditors are mutually appointed (the corporate auditor himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the corporate auditor himself/herself only)
m. Others

Outside Corporate Auditor's Relationship with the Company (2)

Name	Designation as Independent Corporate Auditor	Supplementary Explanation of the Relationship	Reasons of Appointment
Hideki Shimozawa	○	Mr. Hideki Shimozawa worked on business execution at Sumitomo Mitsui Trust Bank, Limited, one of the banks that had transactions with the Company, until June 2019. Over three years have passed since he left this position, and it was therefore judged that there is no possibility of a conflict of interest with general shareholders.	To utilize his many years of experience at a financial institution for the audits of the Company.
Akemi Sunaga	○	―	To utilize her specialist knowledge as a certified public accountant and tax accountant for the audits of the Company.

[Independent Directors/Corporate Auditors]

Number of Independent Directors/Corporate Auditors	5

Matters relating to Independent Directors/Corporate Auditors

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[Incentives]

Incentive Policies for Directors	Introduction of Performance-based Remuneration

Supplementary Explanation

At the 71st Annual General Meeting of Shareholders held on June 28, 2018, the introduction of a performance-based share-based remuneration plan for Directors, etc., was approved. More details on matters such as remuneration and calculation methods are stated under [Director Remuneration] below.

Recipients of Stock Options	

Supplementary Explanation
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[Director Remuneration] Updated

Disclosure of Individual Directors' Remuneration	No Individual Disclosure

Supplementary Explanation
The amount of remuneration paid to Directors in the previous fiscal year (fiscal 2023): (Seven Directors, ¥155 million)

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods
Remuneration for Directors, etc., comprises a fixed base salary and performance-linked pay. The fixed base salary for Directors is limited to ¥400 million annually (of which Outside Directors are limited to ¥50 million), and is decided at the Board of Directors upon the deliberation of the Executive Advisory Committee. A performance-linked share-based remuneration plan, which is linked to medium- to long-term performance and improvement in corporate value, is used for performance-linked pay in order to motivate Directors to contribute to the growth of corporate value. Under the performance-linked share-based remuneration plan, points are given in accordance with the percentage of budget achievement in consolidated operating profit, and remuneration, etc., and remuneration, etc. equivalent to the cumulative points is given as shares.

[Supporting System for Outside Directors and/or Corporate Auditors] Updated

The Corporate Strategy Department, Corporate Strategy Division is the department that timely and accurately provides the necessary information to and is in charge of Outside Directors and Outside Corporate Auditors. Materials for Board of Directors meetings are distributed well in advance of meeting dates, and information to motivate discussion is also provided as necessary. Additionally, explanation briefings ahead of the Board of Directors meetings are provided for proposals deemed to require advance explanations. Board of Directors meetings are generally held at a frequency of once per month, and Directors and Corporate Auditors are informed of the annual schedule and planned discussion items prior to the beginning of the fiscal year. When appointing Directors and Corporate Auditors, including Outside Directors and Outside Corporate Auditors, the Company provides opportunities to fully understand the roles and responsibilities (including legal responsibilities) expected of Directors and Corporate Auditors and to acquire the necessary knowledge regarding the Company's business, finances, organization, etc. Opportunities to continuously update these are also provided as necessary after taking office.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

The Board of Directors consists of six Directors (including three Outside Directors), and efforts are made to improve the corporate governance level by strengthening the supervisory function of the Board of Directors through a higher ratio of Outside Directors. In fiscal 2023, the Board of Directors met 15 times and made decisions on matters stipulated by laws and ordinances, and significant management matters while properly supervising the status of business execution.
The Company has adopted an executive officer system to streamline business execution, and Executive Officers engage in their duties based on decisions by the Board of Directors and orders from the Representative Director.
The Executive Council and management committees have been established for appropriate and swift decision-making by the Board of Directors and the President and CEO. Significant management issues are fully discussed by the Executive Council or management committees in advance, which is reflected in the above-mentioned decisions.
The Audit Department (eight members) is in charge of internal audits, which are conducted on the Group companies and each organization, including plants, branch offices, and sales offices, in close cooperation with the Corporate Auditors and the external financial auditor. There are four Corporate Auditors, including two Standing Corporate Auditors (Outside Corporate Auditors) and two part-time Corporate Auditors, who attend Board of Directors meetings, the Executive Council, and other important meetings, listen to business reports from Directors and others, view important approval documents and other documents, audit the operations and financial condition of headquarters and the main business offices, and if necessary, request business reports from subsidiaries and supervise the execution of duties by Directors and others, in accordance with audit policies established by the Board of Corporate Auditors. In addition, they receive an explanation of the audit plan and results from the external financial auditor, attend audits as necessary, and audit financial statements and other documents. A contract has been signed with Ernst & Young ShinNihon LLC to perform Companies Act audits and Financial Instruments and Exchange Act audits. Two CPAs (designated limited liability partners) manage the audits, while 9 CPAs and 26 others assist in the audits.
When determining candidates for Directors, the Company nominates personnel who are suitable for supervision of business management considering the knowledge, experience, and abilities of each individual, and after deliberation by the Executive Advisory Committee, which consists of the President and Representative Director and three Independent Outside Directors, the Board of Directors resolves it. Decisions on total annual remuneration amounts are also resolved at the Annual General Meeting of Shareholders, and individual remuneration amounts are deliberated by the Executive Advisory Committee, then decided according to certain criteria resolved by the Board of Directors, in order to ensure transparency.

3. Reasons for Adoption of Current Corporate Governance System Updated

The Board of Directors consists of Executive Directors who are familiar with industry trends and business details and have professional expertise, and Outside Directors who have specialist skill sets concerning global affairs, finance and accounting, sustainability and human capital, and sales and marketing. The Board of Directors has established a proper supervisory system, as well as a business execution system based on swift and appropriate decision-making and clear specification of authority and responsibilities. Efforts are underway to enhance the audit function by thorough management monitoring mainly by Outside Corporate Auditors. Through these practices, the Board of Directors strives to improve the effectiveness of the Board of Directors as a whole in order to achieve the specific management policies and management strategies targeted by the Company.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Notification of General Shareholder Meeting	Early notification and early disclosure are provided. Starting with the 75th Annual General Meeting of Shareholders, we have excluded the days when most of our meetings are held.
Electronic Exercise of Voting Rights	Starting with the 72th Annual General Meeting of Shareholders, voting rights can be exercised by accessing the Internet. Starting with the 75th Annual General Meeting of Shareholders, voting rights can be exercised via the Electronic Voting System Platform for institutional investors.
Providing Convocation Notice in English	An English Notice of the Annual General Meeting of Shareholders is posted on the Company's website.
Other	The Business Report is visualized at the venue of the Annual General Meeting of Shareholders. The Notice of the Annual General Meeting of Shareholders is posted early on the Company's website.

2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The disclosure policy is posted on the Company's website.	
Regular Investor Briefings for Analysts and Institutional Investors	Regular (twice a year) financial results briefings (attended by the President) are held.	Yes
Posting of IR Materials on Website	The Business Plan, Annual Securities Reports, Financial Results, Financial Highlights, Integrated Reports, materials for financial results briefings, and other materials are posted on the Investor Relations section of the Company's website.	
Establishment of Department and/or Manager in Charge of IR	General Affairs/Public Relations Department	

3. Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	Stipulated in the Company's management philosophy, code of conduct, environmental policy, compliance program, etc.
Implementation of Environmental Activities, CSR Activities etc.	1. Environmental Activities The Company publishes an Integrated Report, conducts forestation activities, and reduces CO_2 emissions and waste at its places of business 2. CSR Activities The Company supports initiatives such as the United Nations World Food Programme (WFP)
Other	The Company holds individual IR meetings for analysists and institutional investors.

IV. Matters Related to the Internal Control System

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

The Company adopted a resolution at the meeting of the Board of Directors held on May 8, 2006, regarding a basic policy for establishing a system to ensure that the Directors execute their duties in accordance with laws, ordinances, and the Articles of Incorporation, as well as a system to ensure the propriety of other operations.

This basic policy is continuously reviewed and revised by resolution (final decision: April 27, 2015), and currently it is as follows:

1. Systems to ensure that Directors execute their duties in accordance with laws, ordinances and the Articles of Incorporation

   From the perspective of further strengthening corporate governance, the Board of Directors strives to maintain and improve an effective internal control system and to enhance the compliance system so that business operations overall are carried out in a proper and sound manner.

2. Systems for storage and management of information related to the execution of duties by Directors

   Information related to the execution of duties by Directors is stored and managed in written or electronic format in accordance with the Document Management Rules and is available for viewing by Directors and Corporate Auditors.

3. Rules and other systems for management of the risk of loss

   The Risk Management Rules have been established as a basis for the risk management system. Specific individuals are placed in charge of each risk, and efforts are made to enhance the risk management system in accordance with said rules.

4. Systems for ensuring efficient execution of duties by Directors

   Meetings of the Board of Directors are held periodically, and extraordinarily as necessary. In principle, basic management policies and other material issues are appropriately decided by the Board of Directors in accordance with the Board of Directors Rules and the Board of Directors Operating Regulations after deliberation beforehand by the Executive Council, an advisory body to the President.

   Details on who is responsible for the execution of business, their scope of responsibility, and execution procedures based on decisions of the Board of Directors, are set forth in the Rules for Division of Duties and Responsibilities, the Rules for Authority and Responsibility, and the Rules for Management of Group Companies, etc.

5. Systems for ensuring that the execution of duties by employees complies with laws, ordinances, and the Articles of Incorporation

   The Company has established the Prima Meat Packers Compliance Program to clarify compliance norms and enhance the Group's compliance system. For certain significant decisions, persons authorized under the Rules for Authority and Responsibility verify the legality in advance, and the Audit Department conducts internal audits to ensure that business operations are carried out appropriately.

6. Systems for ensuring appropriate operations of the corporate group consisting of the Company and its subsidiaries

   In order to establish an integrated management system at the Company and its subsidiaries, the Company has established the Rules for Management of Group Companies, and subsidiaries are managed using a system of obtaining approval from and reporting to the Company. In addition, each subsidiary establishes and implements its own risk management rules, Board of Directors rules, rules for authority and responsibility, and compliance programs in order to share information and ensure appropriate execution of business in the Group.

7. Matters related to employees who assist duties by Corporate Auditors, matters related to independence of the said employees from Directors, and matters related to ensuring the effectiveness of instructions to the said employees

   Employees dedicated to assisting Corporate Auditors in the duties of the Board of Corporate Auditors are appointed if necessary. Personnel reshuffling, personnel evaluations, and disciplinary action of assistants to Corporate Auditors require the consent of the Board of Corporate Auditors, and assistants who receive orders required for audit operations from Corporate Auditors will not receive related orders from Directors.

8. Systems for reporting from Directors and employees to Corporate Auditors and for other reporting to Corporate Auditors, and systems for ensuring that disadvantageous treatment is not received by reason of the reporting

   Directors and employees of the Company should swiftly report to Corporate Auditors on any execution of duties that may materially violate laws, ordinances, or the Articles of Incorporation, misconduct, or matters that may significantly damage the Company. They should also swiftly report to Corporate Auditors any decisions or internal audit results that may have a material effect on the business or organization. Those

who receive the above-mentioned reports from Directors and employees of subsidiaries should swiftly report these to Corporate Auditors. Individuals should not be treated disadvantageously by reason of reporting to Corporate Auditors as described above.

9. Other systems for ensuring effective audits by Corporate Auditors, and policies for handling the costs and payables incurred in the execution of duties by Corporate Auditors.

Directors have meetings with Corporate Auditors to exchange opinions regarding corporate management separately from regular operational reports in order to achieve mutual understanding. They also ensure that Corporate Auditors attend business execution meetings which are important for ensuring appropriate operations (e.g., Executive Council, Compliance Committee, Quality and Safety Committee). The Company promptly pays in advance or reimburses Corporate Auditors upon request for costs (including CPA and attorney consultation fees) that are incurred in the execution of their duties.

[Summary of the operational status of systems for ensuring appropriate operations]

Under the basic policy to establish systems for ensuring that the execution of duties by Directors resolved by the Board of Directors complies with laws, ordinances, and the Articles of Incorporation and other systems for ensuring appropriate operations, the Company develops and implements an internal control system for itself and its subsidiaries. An appropriate internal control system is in place and functioning, with the status of corrections and improvements of problems found through the implementation of the internal control system and, if necessary, the status of initiatives to prevent recurrence being reported to the Board of Directors.

2. Basic Views on Eliminating Anti-Social Forces

The Company responds to anti-social forces in a firm manner and upholds and respects social order. If necessary, the Company takes legal steps to resolutely block relationships with anti-social forces, such as crime syndicates and dark journalism. This is set forth in the Company's code of conduct and made known to all of the Company's Directors, Corporate Auditors, Executive Officers, and employees.

The Company has also established a department in charge of responding to anti-social forces. We have established relationships with and regularly exchange information closely with professional organizations such as the local police department so that we can contact and consult them without hesitation if any improper demands are made. In addition, we are a member of the Special Violence Prevention Measures Association (Tokubouren) and are working to gather information and learn about the appropriate response to improper demands by anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation
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2. Other Matters Concerning the Corporate Governance System

[Summary of the Timely Disclosure System]
The Company fully recognizes that the timely and appropriate disclosure of corporate information is the basis for sound financial markets, and we strive to provide investors with corporate information in a timely and appropriate manner through measures such as efforts to improve our internal systems to appropriately enable the swift, accurate, and fair disclosure of corporate information always from the investor's viewpoint.

1. Internal system for timely disclosure of information related to decisions
   Directors make proposals regarding facts related to decisions to the Board of Directors, and after the Board of Directors makes a decision, information on facts related to decisions is disclosed to the Tokyo Stock Exchange by the person responsible for public relations (Head of the General Affairs/Public Relations Department).

2. Internal system for timely disclosure of information related to incidents
   Division and department heads (e.g., Executive Officers) report information on facts related to incidents to the executive management and the department in charge of public relations (General Affairs/Public Relations Department) collects reported information. The person responsible for public relations (Head of the General Affairs/Public Relations Department) reports information on facts related to incidents to the Tokyo Stock Exchange.

3. Internal system for timely disclosure of information related to financial results
   Directors make proposals regarding financial results to the Board of Directors, and after the Board of Directors makes a decision, the person responsible for public relations (Head of the General Affairs/Public Relations Department) reports information on the details of the financial results to the Tokyo Stock Exchange.

Corporate Governance Structure

